2014
REGISTRATION DOCUMENT

Technical perfection, automotive passion

faurecia

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Technical perfection, automotive passion

Registration document 2014

The French version of this Registration Document, including the annual financial report, was filed with the *Autorité des Marchés Financiers* (AMF) on April 22, 2015 pursuant to Article 212-13 of the General Regulation of the AMF. It may be used in connection with a financial transaction if accompanied by a memorandum approved by the AMF.

This document has been prepared by the issuer under the responsibility of its signatories.

The English language version of this Registration Document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein the original language version of the document in French takes precedence over this translation.

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Introduction to Faurecia

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Board of Directors, Executive Committee and Auditors

Board of Directors (as at December 31, 2014)

Chairman and Chief Executive Officer

Yann Delabrière

Directors

Éric Bourdais de Charbonnière
Jean-Baptiste Chasseloup de Chatillon
Jean-Pierre Clamadieu
Lee Gardner
Hans-Georg Härter
Linda Hasenfratz
Ross McInnes
Amparo Moraleda
Thierry Peugeot
Robert Peugeot
Bernadette Spinoy
Carlos Tavares

Statutory Auditors
Members of the Versailles Regional Association of Statutory Auditors

ERNST & YOUNG Audit
Represented by Denis Thibon
Tour First
TSA 14444
92037 Paris - La Défense Cedex
FRANCE

PricewaterhouseCoopers Audit
Represented by Éric Bertier
63, rue de Villiers
92208 Neuilly-sur-Seine
FRANCE

Executive Committee

Yann Delabrière
Chairman and Chief Executive Officer

Niklas Braun
Executive Vice-President, Faurecia Automotive Exteriors

Michel Favre
Executive Vice-President, Finance

Hervé Guyot
Executive Vice-President, Strategy

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating until February 2, 2015
Deputy Managing Director from February 2, 2015

Jacques Mauge
Executive Vice-President, Faurecia North America until March 2, 2015
Advisor to the Chairman and CEO from March 2, 2015

Kate Philipps
Executive Vice-President, Communication

Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems

Christophe Schmitt
Executive Vice-President, Faurecia Emissions Control Technologies

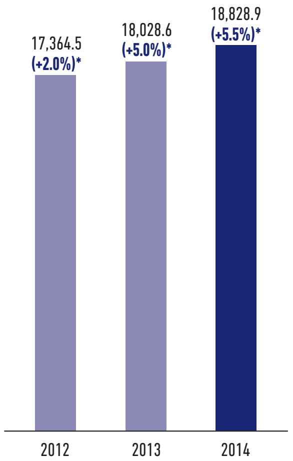
Jean-Pierre Sounillac
Executive Vice-President, Human Resources

Mark Stidham
Executive Vice-President, Faurecia North America from March 2, 2015

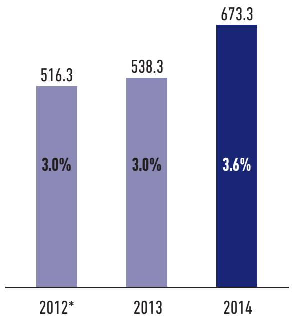
Hagen Wiesner
Executive Vice-President, Faurecia Automotive Seating from February 2, 2015

Corporate governance is dealt with in Chapter 8 of this Registration Document.

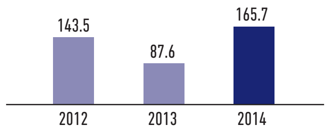
Key figures



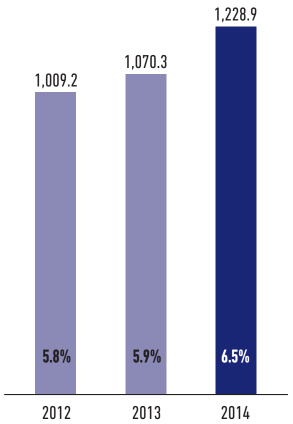
Sales *(in €m)*
** Variation on a like-for-like basis*



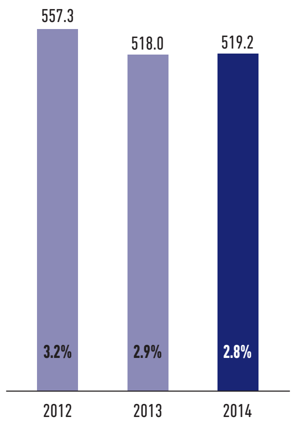
Operating income [1]
(in €m and as a % of sales)
** After IAS19 revised*



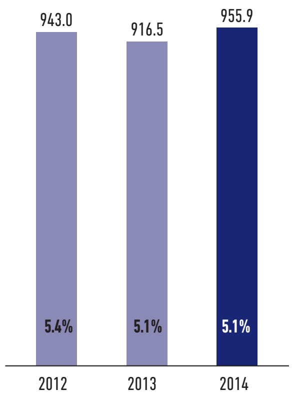
Net income/(loss) attributable to equity holders
(in €m)



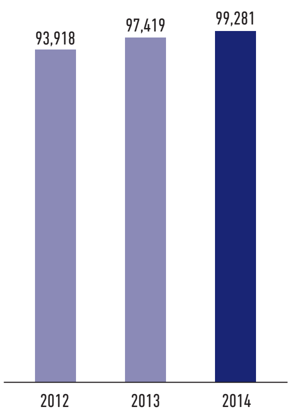
EBITDA [2]
(in €m and as a % of sales)



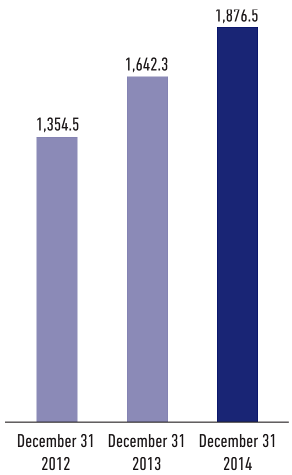
Capital expenditure
(in €m and as a % of sales)



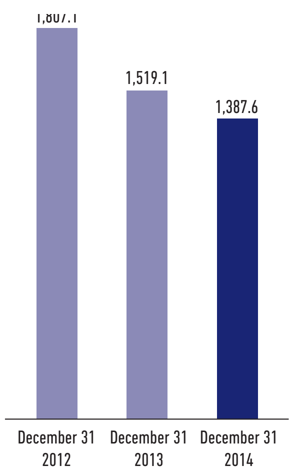
Gross R&D expenditure [3]
(in €m and as a % of sales)



Number of employees



Total equity
(in €m)



Net debt [4]
(in €m)

(1) Definition in Note 1.15 to the consolidated financial statements.

(2) Operating income plus depreciation, amortisation and provisions for impairment in value of property, plant and equipment and intangible assets (see Note 5.5 to the consolidated financial statements).

(3) Before capitalised development costs and amounts billed to customers (see Note 5.4 to the consolidated financial statements).

(4) Definition in Note 26.1 to the consolidated financial statements.

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Business review 2014

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In accordance with Article 28 of European Commission Regulation No. 809/2004, the following information is incorporated by reference in this Registration Document:

- **the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by Business Group, set out respectively on pages 133 to 204, 210 to 233, 205 and 206, 234 and 235, and 8 to 17 of the 2013 Registration Document filed with the AMF on April 24, 2014 under number D. 14-0403;**
- **the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by Business Group, set out respectively on pages 119 to 187, 194 to 217, 188 to 189, 218 to 219 and 8 to 17 of the 2012 Registration Document filed with the AMF on April 24, 2013 under number D. 13-0418.**

This section provides a description of Faurecia's activities and results in 2014. All information concerning market positions is based on estimates made by Faurecia on the basis of information contained in the annual reports of the various actors of the market, industry publications and other market research.

2.1. The Faurecia group

2.1.1. DESCRIPTION OF THE GROUP'S ACTIVITIES

The Faurecia group is a global leader in automotive equipment. It develops, manufactures and markets original equipment through four major Business Groups: Faurecia Automotive Seating (FAS), Faurecia Emissions Control Technologies (FECT), Faurecia Interior Systems (FIS), and Faurecia Automotive Exteriors (FAE).

The Group's portfolio comprises high-quality and high-technology products based on proprietary expertise. These products have won numerous awards and accolades from customers. Faurecia has very close relationships with virtually all major global automakers. It also works closely with its customers to develop the design and functionality of the product range on offer.

Faurecia is involved in all stages of the equipment development process, from defining product specifications to initial marketing. Faurecia designs and manufactures equipment that is generally specific to each new car model or platform, and generally concludes contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). The quality of Faurecia products is widely acknowledged among automakers. It is backed up by the Group's Faurecia Excellence System (FES), a rigorous set of project management procedures and methodologies, and by the expertise of the 6,000 Faurecia engineers and technicians who design products and develop technological solutions.

Faurecia boasts a broad geographic footprint, and is one of only a handful of players with the capacity to supply automakers' global programs. The Group estimates that at least a third of the vehicles in service in the world were originally equipped with at least one product manufactured by one of Faurecia's Business Groups.

As at December 31, 2014, Faurecia employed approximately 99,500 people in 34 countries, spread over 330 plants including 30 research and development centers.

Faurecia analyzes its revenue primarily on the basis of product sales (shipments of parts and components to automakers). The Group also derives sales from two other sources. First, the sales of Faurecia Emissions Control Technologies include sales of monoliths, which are components used in catalytic converters for exhaust systems. Monoliths are directly managed by automakers. The Group purchases them from suppliers designated by them and invoiced to automakers on a pass-through basis. They accordingly generate no industrial value added. Second, the Group generates revenue from sales of tooling, research and development, and prototypes.

2.1.2. EVOLUTION OF THE GROUP'S ACTIVITY

The increase in global automotive production between 2014 and 2013, estimated at 3.3% worldwide, shows growth in all regions of the world with the exception of South America. Thus, business grew in Europe (3.2%), remained buoyant in North America (5.0%) and continued to grow in Asia, where production increased by 4.1%. In contrast, production fell by 16.1% in South America (source IHS Automotive January 2015).

In this context, Faurecia's consolidated sales for 2014 totaled €18,828.9 million, compared to €18,028.6 million in 2013. Faurecia's consolidated sales grew 4.4% on a reported basis between 2014 and 2013. On a like-for-like basis, there was an increase of 5.5% over 2013, breaking down as increases of 4.0% in the first half of the year and 7.1% in the second.

Sales of products (parts and components delivered to manufacturers) were €14,089.3 million compared to €13,693.2 million in 2013. This represented an increase in product sales of 2.9% on a reported basis and an increase of 4.4% on a like-for-like basis, from an increase of 2.9% in the first half of the year followed by an increase of 6.0% in the second half of 2014, on a like-for-like basic.

Sales of tooling, R&D, prototypes and other services totaled €1,637.7 million versus €1,567.7 million during 2013. This represented a gain of 4.5% on a reported basis. On a like-for-like basis, sales were up 3.4%.

Catalytic converter monolith sales [1] reached €3,101.9 million during 2014 versus €2,767.7 million for 2013. They were up 12.1% on a reported basis and increased by 12.2% on a like-for-like basis, an increase of 12.3% in the first half of 2014 followed by growth of 12.1% in the second.

Total sales excluding monoliths were €15,727.0 million in 2014 compared to €15,260.9 million in 2013, showing an increase of 3.1% on a reported basis when compared to 2013. On a like-for-like basis, total sales excluding monoliths were up 4.3% compared to 2013, with an increase of 2.5% in the first half of the year and an increase of 6.2% in the second.

BREAKDOWN OF SALES BY OPERATING SEGMENT

(in € millions)	Product sales	Catalytic Converter Monolith sales	Development, Tooling, Prototypes and Other Services	Total sales
Automotive Seating	4,938.9		370.2	5,309.1
Emissions Control Technologies	3,433.0	3,101.9	212.5	6,747.4
Interior Systems	3,996.5		712.8	4,709.3
Automotive Exteriors	1,720.9		342.2	2,063.1
TOTAL	**14,089.3**	**3,101.9**	**1,637.7**	**18,828.9**

(in € millions)	H2 2014	H2 2013	Var.(%) published	Var. (%)*	2014	2013	Var.(%) published	Var. (%)*
Sales	**9,500.6**	**8,763.6**	**8.4%**	**7.1%**	**18,828.9**	**18,028.6**	**4.4%**	**5.5%**
Automotive Seating	2,678.5	2,500.3	7.1%	6.1%	5,309.1	5,218.9	1.7%	2.8%
Emissions Control Technologies	3,418.8	3,150.4	8.5%	6.4%	6,747.4	6,350.5	6.3%	6.9%
Interior Systems	2,341.3	2,198.7	6.5%	5.5%	4,709.3	4,560.0	3.3%	5.0%
Automotive Exteriors	1,062.0	914.2	16.2%	16.4%	2,063.1	1,899.3	8.6%	9.1%
Product sales	**6,999.8**	**6,555.5**	**6.8%**	**6.0%**	**14,089.3**	**13,693.2**	**2.9%**	**4.4%**
Automotive Seating	2,472.2	2,299.3	7.5%	6.5%	4,938.9	4,890.9	1.0%	2.1%
Emissions Control Technologies	1,717.9	1,651.0	4.0%	3.2%	3,433.0	3,351.7	2.4%	4.7%
Interior Systems	1,975.5	1,808.1	9.3%	8.2%	3,996.5	3,793.2	5.4%	7.1%
Automotive Exteriors	834.2	797.0	4.7%	4.9%	1,720.9	1,657.4	3.8%	4.3%

* *On a like-for-like-basis (perimeter and exchange rates).*

(in € millions)	2013 Reported	Currency	Scope & other	Organic*	2014
Product sales	13,693.2	(147.3)	(56.5)	599.9	14,089.3
Change %		-1.1%	-0.4%	4.4%	2.9%
Total Sales	18,028.6	(172.7)	(18.9)	991.9	18,828.9
Change %		-1.0%	-0.1%	5.5%	4.4%

* *On a like-for-like-basis (perimeter and exchange rates).*

Product sales by geographic region for 2014 were as follows:

- in Europe, product sales totaled €7,873.1 million (55.9% of total product sales), compared to €7,411.5 million in 2013. Product sales were up 6.2% on a reported basis when compared to 2013 and increased 6.8% on a like-for-like basis. In this same period, car manufacturers increased production in Europe by 3.2% (source IHS Automotive January 2015). After strong growth in the first half of 2014 (+6.7% on a like-for-like basis for automotive production of 6.2%, source: IHS Automotive January 2015) sales continued to grow by the same rate in

(1) Precious metals and ceramics used in emission control systems.

the second half of the year (+6.9% on a like-for-like basis, in the second half of 2014, where automotive production increased 0.1%, source: IHS Automotive January 2015);

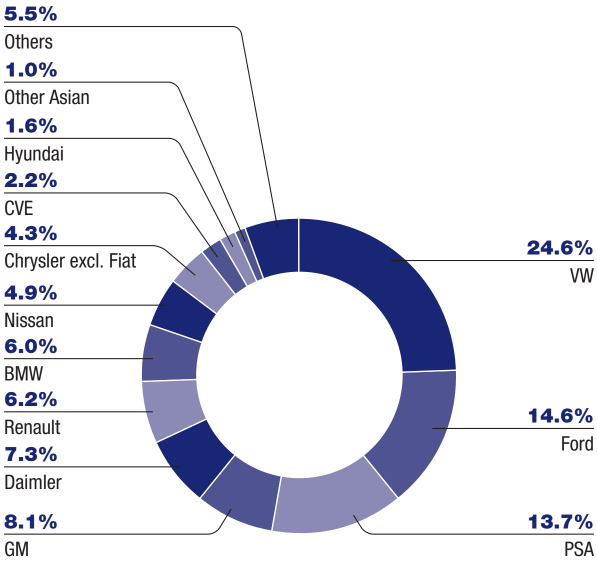
- in North America, product sales fell 5.7% on a reported basis, to €3,495.8 million (24.8% of total product sales), versus €3,707.5 million in 2013. On a like-for-like basis, product sales fell 4.6% compared to an increase in production of 5.0% (source IHS Automotive January 2015). The year showed a contrasted performance: after a significant 9.5% drop in sales in the first half of 2014 on a like-for-like basis (automotive production +4.1%, source: IHS Automotive January 2015), sales increased by 1.0% on a like-for-like basis in the second half of the year (automotive production +5.9%, source: IHS Automotive January 2015). Sales performance in the first half was driven by lower sales to Ford, Chrysler (delayed launch of one program) and the end of a program for BMW. Recovery with Ford and Chrysler and continued growth with Nissan and Cummins drove performance in the second half of the year;
- in South America, product sales totaled €550.4 million (3.9% of the total product sales), compared to €717.0 million in 2013. On a reported basis, they were down by 23.2%. On a like-for-like basis, the drop in product sales was 10.3%, with lower sales to all main customers with the exception of VW, whose sales grew 17.7% on a like-for-like basis. This is compared to a 16.1% fall in automotive production levels (source: IHS Automotive January 2015). In the first half of 2014, sales fell 7.9% on a like-for-like basis (automotive production -17.7%, source: IHS Automotive January 2015) and the reduction in activity continued in the second half of the year with sales falling 12.8% on a like-for-like basis (automotive production -15.1%, source: IHS Automotive January 2015);
- in Asia, product sales rose 19.0% on a reported basis to €2,029.4 million (14.4% of total product sales), compared to €1,705.8 million in 2013. On a like-for-like basis, product sales gained 19.7%, with an increase of 21.5% in China – where 2014 product sales reached €1,687.8 million – and of 1.6% in Korea with 2014 product sales at €200.5 million. This is compared to an increase in production of 4.1% and of 9.4% in China (source: IHS Automotive January 2015). In the first half of 2014, product sales in Asia increased 22.2% on a like-for-like basis (automotive production +6.1%, source: IHS Automotive January 2015). In the second half of the year, sales grew by 17.4% on a like-for-like basis (automotive production +2.1%, source: IHS Automotive January 2015);
- in other countries, product sales amounted to €140.5 million. Product sales were hence down 7.2% on a reported basis but up 4.2% on a like-for-like basis. Product sales in other countries are primarily from South Africa.

SALES BY REGION

			Var *(in %)*		
(in € millions)	**2014**	**2013**	**Reported**	**Like-for-like**	**LV production***
Total sales					
Europe	10,390.8	9,701.0	7.1%	7.4%	
North America	4,515.5	4,691.7	-3.8%	-3.1%	
South America	677.7	861.4	-21.3%	-8.8%	
Asia	3,007.7	2,521.9	19.3%	19.0%	
Other countries	237.2	252.6	-6.1%	5.4%	
TOTAL	**18,828.9**	**18,028.6**	**4.4%**	**5.5%**	
Product sales					
Europe	7,873.1	7,411.5	6.2%	6.8%	3.2%
North America	3,495.8	3,707.5	-5.7%	-4.6%	5.0%
South America	550.4	717.0	-23.2%	-10.3%	-16.1%
Asia	2,029.4	1,705.8	19.0%	19.7%	4.1%
Other countries	140.5	151.4	-7.2%	4.2%	NS
TOTAL	**14,089.3**	**13,693.2**	**2.9%**	**4.4%**	**3.3%**

* *Source: IHS estimates, January 2015.*

PRODUCT SALES BY CUSTOMER IN 2014 *(%)*



Product sales to the Volkswagen group totaled €3,464.4 million in 2014, up 2.5% when compared to 2013 on a reported basis and up 3.4% on a like-for-like basis. Product sales to Volkswagen group accounted for 24.6% of Faurecia's total product sales.

Product sales to the Ford group accounted for 14.6% of Faurecia's product sales, totaling €2,059.2 million. Compared to 2013, product sales increased on a reported basis by 1.2% and were up 4.5% on a like-for-like basis.

Product sales to the PSA Peugeot Citroën group totaled €1,934.4 million in 2014, up 1.2% on a reported basis and up 2.4% on a like-for-like basis. They accounted for 13.7% of Faurecia's total product sales.

Product sales to the Renault-Nissan group represented 11.1% of Faurecia's total product sales. Product sales were up 6.8% when compared to 2013 on a reported basis and grew 8.8% on a like-for-like basis, to total €1,555.9 million. Product sales to Renault were slightly up, 0.5% on a like-for-like basis whereas product sales to Nissan increased 21.3% on a like-for-like basis, with strong growth in Europe (+82.4%) and in Asia (+20.0%).

Product sales to General Motors in 2014 grew on a reported basis by 5.3% and grew by 6.4% on a like-for-like basis, reaching €1,145.8 million (8.1% of total product sales).

Product sales to the Daimler group totaled €1,029.3 million (7.3% of Faurecia group's total product sales). They were up 23.1% on a reported basis and grew by 23.2% on a like-for-like basis.

Product sales to the BMW group were €850.6 million (6.0% of total product sales). This was down 12.2% on a reported basis and down 12.8% on a like-for-like basis.

In 2014, product sales increased 4.9% with Hyundai/Kia (3.1% like-for-like), by 4.6% with Geely-Volvo (4.7% like-for-like) and by 2.1% with Toyota (9.1% like-for-like). They were down 10.2% with Fiat-Chrysler (9.9% like-for-like).

Faurecia's five main customers represented 72.0% of product sales: VW 24.6%, Ford 14.6%, PSA 13.7%, Renault-Nissan 11.0% and GM 8.1%.

2.2. Evolution of the Group's activities and sales

2.2.1. FAURECIA AUTOMOTIVE SEATING

Sales	Headcounts	Sites	Country	R&D and design and development centers
€5,309.1 million	34,800	77	24	16

Faurecia is the third-largest supplier of seat systems, and the leading supplier of frames and mechanisms worldwide. It designs and manufactures seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and tires. During the manufacturing process, Faurecia assembles the various components to create complete systems – front seats and rear seats – delivered on a just-in-time basis to its customers' plants. Faurecia is highly experienced in the development and design of automotive seating. The Group develops solutions with an emphasis on safety, comfort, perceived quality, versatility and use of natural/recycled materials.

The Automotive Seating business generated €5,309.1 million in sales in 2014, up 1.7% when compared to 2013 on a reported basis. Sales showed an increase compared to 2013 of 2.8% on a like-for-like basis.

Product sales totaled €4,938.9 million compared to €4,890.9 million in 2013, an increase of 1.0% on a reported basis and an increase of 2.1% on a like-for-like basis. The second half of the year saw a 7.5% increase on a reported basis and a 6.5% increase on a like-for-like basis.

In Europe, product sales were at €2,722.3 million, up 2.5% compared to 2013 on a reported basis (2.8% like-for-like). Second half sales showed strong growth of 5.2% on a like-for-like basis.

With product sales totaling €1,188.8 million, North America recorded a fall of 5.9% compared to 2013. The fall in sales on a like-for-like basis was 5.2%. Second half sales recovered strongly subsequent to the loss in the first half, showing a 9.6% increase on a reported basis and an increase of 5.9% on a like-for-like basis.

In South America, product sales fell 21.9% versus 2013 on a reported basis (9.0% like-for-like) to €193.6 million. In the second half of the year, sales were down 19.6% on a reported basis (-13.3% like-for-like).

In Asia, product sales totaled €834.1 million, up 17.7% on a reported basis (18.1% like-for-like) with +22.1% in the second half of the year (and +18.4% on a like-for-like basis).

The year 2014 was marked by the start of series production of a dozen projects, including nine for the production of seat systems with all or part of the components and three for seat structures.

North America represented half of the launches, starting with the delivery of the Chrysler 200, Dodge Avenger, Chevrolet Colorado, GMC Canyon, and 4x4 Nissan Frontier and Murano seat systems.

Europe started the production of seat systems for the Mercedes V-Class minivan and the Mercedes Vito commercial vehicle in Spain, the third generation Renault Trafic and the new Nissan Primastar in France and the BMW Series 2 Active Tourer in the Czech Republic. The production of seat structures was launched in Poland to equip several models of the Volkswagen group, based on the MVS G2 platform.

In Asia, Faurecia Automotive Seating started the production of seat systems for Peugeot 308 and 2008 in China. The production of front-seat structures for Renault-Nissan's new CMF1 global platform was extended to South Korea.

The construction of new sites worldwide not only supports business growth, but also boosts proximity to markets.

Thus, the new North American headquarters of Auburn Hills (Michigan, United States), inaugurated in July, brings together all the research, development and program management resources of Faurecia Automotive Seating under a single roof.

A dedicated plant was inaugurated in Wentzville (Missouri) in the United States for manufacturing seat systems for General Motors. In Simpsonville (Kentucky), Faurecia launched the construction of a plant for producing seat systems for Ford's F-250 and F-350 Super Duty utility vehicles. Production will start from 2016 onward.

A new site for product development was inaugurated in Mexico. This new site will design and develop seat covers and linings at a location that is closer to customers.

Furthermore, a new seat systems plant started the production of seat systems for Nissan in Puebla.

Faurecia Automotive Seating opened a research and development center in Quatro Barras, Brazil.

In South Korea, the dedicated seat structure manufacturing Yeoncheon plant is Faurecia Automotive Seating's first industrial facility in the country.

2014 was also an active year in terms of offering innovative solutions.

Foam linings which emit 20 times less volatile organic compounds were produced. This was a first for the market, carried out by the research and development team of Magny-Vernois, France.

Furthermore, during the Paris Motor Show in October 2014, Faurecia Automotive Seating unveiled two innovations:

- the 2 l/100 km Renault Eolab concept vehicle seat.

  This seat has been made 4 kg lighter compared to the existing vehicle seat in a similar segment, thanks to its optimized hybrid structure. By combining a backrest structure optimized with Sculpted Light Panel trim, the backrest gives an additional 3 cm of legroom for rear seat passengers;
- the kinematics of the second and third rows in the new Renault Espace: thanks to the electronic control of the seat kinematics, the user can, by pressing a single button, fold all the rear seats and thus free the trunk space.

The continuous efforts put into operating excellence were appreciated by customers.

Thus, three metal structure plants received awards from customers: the plant in Pune, India, received the Formel-Q Capability quality certification from Volkswagen. In China, General Motors awarded the Quality Systems Basics Best Practice award to the Anting site and the Chengdu plant received the supplier with the best quality award from FAW-Volkswagen.

The Wuhan seat systems plant also in China also was recognized as one of the top ten best suppliers by Dongfeng Peugeot Citroën Automotive, for the tenth consecutive year.

2.2.2. FAURECIA EMISSIONS CONTROL TECHNOLOGIES

Sales	Headcounts	Sites	Country	R&D and design and development centers
€6,747.4 million	21,500	77	25	7

Faurecia is the world leader in the emissions control market, developing and producing complete exhaust systems, including all components helping reduce emissions as well as components for exhaust system acoustics.

The Emissions Control Technologies business generated €6,747.4 million in sales in 2014, up 6.3% on a reported basis. On a like-for-like-basis (perimeter and exchange rates), sales excluding monoliths were up 2.9%.

Product sales (excluding sales of catalytic converter monoliths) reached €3,433.0 million in 2014, an increase of 2.4% on a reported basis and an increase of 4.7% like-for-like. In the second half of 2014, product sales increased 4.0% on a reported basis and by 3.2% on a like-for-like basis.

Geographically, product sales excluding monoliths showed an increase in Europe of 1.2% to €1,109.1 million (+3.0% like-for-like). Product sales excluding monoliths were up 0.9% in North America to €1,148.5 million (but up 1.9% like-for-like) and they were down 24.8% in South America to €162.4 million (-12.1% like-for-like). In Asia, product sales excluding monoliths increased 14.0% (14.7% like-for-like) to €919.6 million.

In the second half of 2014 product sales in Europe were slightly down (-0.8% on a reported basis) but showed an increase of 1.3% on a like-for-like basis. In North America product sales were up 4.0%, but only slightly up on a like-for-like basis (+0.7%). In South America product sales were down 20.0% and down 14.1% on a like-for-like basis. In Asia, product sales grew by 14.9% (11.7% on a like-for-like basis).

Faurecia Emissions Control Technologies maintained its pace of launches in 2014 with over a hundred mass production start-up programs.

In Asia, Faurecia Emissions Control Technologies confirmed its position with 35 launches, backed by the opening of new just-in-time plants and assembly sites such as Tanjung Malin in Malaysia, for the launch of the first VW program, and Changsha in China for SVW.

In Europe, Faurecia Emissions Control Technologies strengthened its presence in Russia with the ramp up of the Togliatti plant, which now delivers cold end components of Lada Priora, Ford Fiesta, Ecosport and Kuga, as well as Dacia Logan and Sandero. The launch of the JLR Freelander programs in the Beaulieu and Messei plants of France may also be highlighted. Faurecia Emissions Control Technologies backed automakers in their flagship vehicle launches, by equipping the new Ford Mustang, Dodge Charger and Challenger or even PSA's new Peugeot 308 with exhaust systems. The launch of assembly lines for the VW PQ26 platform gasoline and diesel engines (Polo/Fabia/A1/Fox/Ibiza/Rapid) in the plants in Orcoyen (Spain), Pisek (Czech Republic) and Port Elizabeth (South Africa) may also be noted.

As a global partner, Faurecia Emissions Control Technologies also equipped the global platforms of its customers in the launch of the Ford Edge and Kuga models in North America, Europe and China, and the Ford Everest model in Thailand, followed by Europe, Brazil, and China in 2015 (under the name Endeavour). Faurecia Emissions Control Technologies also supported the automaker Hyundai with the launch of exhaust systems for its 2.0 l and 2.2 l gasoline engines in Korea and North America and its 1.0 l, 1.2 l and 1.4 l gasoline engines in India and Turkey.

This global presence also ensured launches with new local customers, such as manifolds and emission treatment systems for Chinese automakers Chery, GACC and Changan as well as complete systems for automakers Geely, Great Wall and SAIC.

In 2014, Faurecia Emissions Control Technologies saw a growth in its light commercial vehicles market position, by providing pollution control systems meeting the FT4 standards to its customers John Deere, Navistar, Ventura and Vanguard in North America. Furthermore, in China, it supported more than ten launches for its customers FAW and Hino, and the ZhuQue and Dragon programs in its Beijing plant. Faurecia Emissions Control Technologies expanded its Port Elizabeth plant in South Africa to accommodate the products of CES (Cummins Emission Solutions) in South Africa and to launch the Ford Panther program.

In 2014, Faurecia Emissions Control Technologies confirmed its position as world market leader, with over 95 new programs won. These program gains show the capacity of Faurecia Emissions Control Technologies to support its international customers with their regional partners on new markets and also acquire new strategic programs.

Faurecia Emissions Control Technologies is present in all automotive markets worldwide, with an overall manufacturing presence covering 77 sites and 7 research and development centers.

Faurecia Emissions Control Technologies continues to play an active role in the compliance with environmental standards worldwide and, in this approach, has co-organized a symposium with the NGO Clean Air Asia. The topic of this symposium was pollution control standards and their implementation in China. As an industrial partner for over 20 years, Faurecia supports China by offering new technologies such as ASDS (Ammonia Storage Delivery System), an emission treatment system for diesel engines aiming at making vehicles cleaner.

In 2014, Faurecia Emissions Control Technologies consolidated its position as market leader in Selective Catalytic Reduction (SCR) systems for cutting the emissions of nitrous oxides (NOx) on diesel engines. Its SCR BlueBox® innovation, an SCR mixing system in the same space, was adopted by three major automakers under different architectures with the launch of production from 2016 onward. This technology will allow for the 2017 Euro 6.c European standards to be reviewed. Positioned upstream of a particulate filter, this system cuts up to 90% of the nitrous oxides emitted by the engine under optimal economic conditions.

Faurecia Emissions Control Technologies also innovated with the development and launch of the first particulate filter for gasoline engines for a leading automaker in 2014. With this technology, the 2017 Euro 6.c standard for vehicles equipped with direct fuel injection gasoline engines has been met in advance. The particles are regularly collected by the filter and are eliminated during filter regeneration, which takes place under far less binding conditions than for a diesel particulate filter. The gasoline particulate filter makes it possible to combine the reduced fuel consumption of direct injection engines with the removal of exhaust particles.

Exhaust energy recovery is an important aspect of Faurecia Emissions Control Technologies' product development, considering its potential in reducing CO_2 emissions and fuel consumption. In an internal combustion engine, about a third of the energy contained in the fuel is lost in the exhaust system in the form of heat. Faurecia Emissions Control Technologies continues to develop technologies that allow the recovery of a part of this available thermal energy. Its new EHRS Compact (Exhaust Heat Recovery System) system enables the recovery of an average of 40 to 60% of the energy lost via the exhaust. This energy is then used to get the internal combustion engine quickly back to its nominal operating temperature that provides optimal output. By heating the passenger cabin more quickly, the EHRS Compact lets the electric engine take over sooner, in the case of a hybrid vehicle. This reduces CO_2 emissions by 3 grams per kilometer and fuel consumption by 7%. The EHRS Compact will be fitted in a first mass-produced hybrid vehicle and will be available from the first half of 2016.

Acknowledged for its expertise in the acoustic treatment of exhaust systems, Faurecia Emissions Control Technologies held onto its position as market leader in valves for the cold end of exhaust systems.

Use of the self-piloted Adaptive Valve™ continued to grow on all Pick-ups and SUVs based on the new General Motors K2XX platform, which succeeds the GMT900 platform. It now equips the Chevrolet Silverado, Tahoe, Suburban and GMC Sierra, Yukon, Yukon XL and Cadillac Escalade. The Adaptive Valve™ can reduce muffler volume by half and thus significantly lightens (by about 20%) the exhaust system. Its capacity to facilitate the implementation of cylinder deactivation, by eliminating acoustic inconveniences caused, should open doors to other opportunities in the USA and other regions worldwide.

Backed by the portfolio of the most complete acoustic valves available in the market, Faurecia Emissions Control Technologies also equips the ultra-sporty AMG versions of Mercedes with electrically controlled acoustic valves, which reinforce the sound signature of the exhaust system at high engine speeds.

In addition, Faurecia Emissions Control Technologies' know-how in the assembly of mufflers and exhaust systems provides the new Mercedes S-Class (equipped with the V8 gasoline engines) with complete systems fitted with stamped mufflers with a double exhaust muffler outlet.

For increasing the technological content of the exhaust systems, Faurecia Emissions Control Technologies offers EDST – Exhaust Dynamic Sound Technologies. After-treatment technologies developed for diesel engines in response to new legislation, as well as the trend for downsizing gasoline engines, are having a negative impact on a vehicle's signature sounds. EDST makes it possible to customize a vehicle's sound, irrespective of engine type or size.

Finally, during the last Paris Motor Show in October 2014, Faurecia Emissions Control Technologies demonstrated its capacity to meet the challenges related to the reduction of CO_2 emissions, mainly through weight reduction. Faurecia Emissions Control Technologies thus offered compact architecture exhaust systems, which reduce the weight of the cold end components by several kilos, which give the automaker the option to use the free space at the rear of the vehicle for installing, for example, components used in hybrid engines.

2.2.3. FAURECIA INTERIOR SYSTEMS

Sales	Headcounts	Sites	Country	R&D and design and development centers
€4,709.3 million	32,900	85	23	27

Faurecia is a global leader in interior systems. The Group manufactures cockpit modules (instrument panels and central consoles), doors panels, modules and door systems, acoustic modules, as well as decorative parts (Faurecia Angell Demmel).

During 2014, the Interior Systems business generated sales of €4,709.3 million, showing an increase on a reported basis of 3.3% compared to 2013.Sales were up 5.0% on a like-for-like basis.

Product sales totaled €3,996.5 million versus €3,793.2 million for 2013, an increase of 5.4% on a reported basis and of 7.1% like-for-like. In the second half of 2014, product sales grew by 9.3% (+8.2% on a like-for-like basis).

In Europe, product sales totaled €2,442.6 million, up 14.6% versus 2013 on a reported basis (15.3% like-for-like). In the second half of 2014, product sales increased 14.2% on a like-for-like basis.

In North America, product sales were €1,066.2 million, down 10.9% on a reported basis when compared to 2013 and down 9.3% like-for-like, due to a number of new program launches with Ford and Chrysler. Second-half sales were down 5.4% on a like-for-like basis.

In South America, product sales totaled €165.6 million for 2014 and showed a sharp decrease of 29.0% when compared to 2013 on a reported basis (-17.8% like-for-like). Sales were down 16.5% on a like-for-like basis.

In Asia, Interior Systems generated product sales of €275.0 million, an increase of 44.9% on a reported basis and an increase of 46.7% like-for-like. Sales increased 36.1% in the second half on a like-for-like basis.

2014 was a particularly eventful year in terms of production launches. In Europe, the launch of the production of interiors of the Mercedes-Benz S-Class Coupé with instrument panel, cockpit and door panels as well as the instrument panel of the new Volkswagen Passat; the global launch of the trunk shelf for the Mercedes-Benz C-Class, the instrument panel, door panels, console and motorized glove box of the new Renault Espace, as well as the instrument panel and door panels of the Mercedes-Benz Vito and Viano are noteworthy. On the other hand, North America launched instrument panels, door panels and central consoles of the Ford F-150 and Ford Mustang, with the DecoStitch and Active Glove Box innovations. In Asia, Faurecia Interior Systems launched the DS6, for which Faurecia supplies instrument panels.

In 2014, Faurecia Interior Systems launched two new plants. In Europe, the Mioveni plant (Romania) started the production of leather cutting/sewing and PVC covers for Volvo (XC60/S60), Land Rover (Range Rover) and Ford (Focus). In Asia, the Chengdu plant, which delivers instrument panels to Volvo and Geely, started operations. Apart from these two new facilities, Faurecia Interior Systems expanded two of its plants in Brazil, in Porto Real (instrument panels for Peugeot 208 and door panels for Nissan Micra and Versa) and Dias D'Avila (instrument panels, door panels and central consoles for Ford Ka).

In 2014, Faurecia Interior Systems had 1,800 engineers in the R&D centers across the world, including 700 engineers in Asia. The engineering business covered 120 programs, including 80 in the development phase. A new R&D center was opened in Valencia (Spain), and a new TechForum was inaugurated on the Meru site (France). In China, the joint-ventures CSM Faurecia Automotive Parts Co. Ltd*, Changchun Faurecia Xuyang Interior Systems Co. Ltd** and Changchun Xuyang Faurecia Acoustics & Soft Trim Co. Ltd Xuyang and Changan* are now fully operational, with shared responsibilities in terms of engineering to support all levels of finishing up to the premium DS-type projects with the 100% leather version. The innovative capacity was also confirmed with, for example, the validation of purified air this year.

During the Paris Motor Show in October 2014, Faurecia Interior Systems presented weight reduction innovations based on the theme "Less is More". On display at the stand were the NAFILean innovation, a blend of polypropylene and hemp fibers, which reduces weight by approx. 25%, while offering an alternative solution for products sourced from petroleum, and lighter versions of crossmembers, up to a solution made entirely of composites. A prototype combining the Group's innovations presented these two innovations as well as an integrated window system reducing the weight of the door module.

In 2014, the program acquisition policy of Faurecia Interior Systems was marked by three aspects: ensuring vehicle renewals, being selective regarding the acquisition of new programs and confirming the long-term growth approach, particularly with strategic partners in new emerging regions with high growth potential.

In 2014, growth in the Decorative parts business not only enabled Faurecia Interior Systems to position itself as a complete supplier of synthetic materials, aluminum and wood, but also to develop its business among existing and new customers. Faurecia Interior Systems thus made its first few acquisitions for wooden solutions from several automakers in Europe, Asia and the USA. Other developments are expected, which will enable Faurecia Interior Systems to work with new customers and consolidate its Decorative parts business strategy.

Faurecia Interior Systems has been rewarded by its customers (Volvo and General Motors, for example) for its program management quality and the quality of the parts delivered (Poland, Thailand, Germany, Mexico, etc.). Vehicles that Faurecia Interior Systems contributed in developing were recognized by the press: Peugeot 308 elected Car of the Year 2014, and the Mercedes-Benz S Class selected several times for its remarkable interiors. The innovations were also awarded: Performance 2.0 prototype awarded at Automotive Brand Contest during the Paris Motor Show; hemp-fiber based NAFILean solution won a Trophy for Innovation awarded by the CLEPA European automobile association; the Society of Plastic Engineers gave out an Innovation Award as well as the Grand Award for the mass-produced Active Glove Box of the Ford Mustang launched in August 2014. Faurecia Interior Systems is also winner of an Interior Automotive Innovation Award and was elected as Supplier of the year during the Automotive Interiors Expo held in Stuttgart in June 2014.

2014 was also marked by the partnership signed in France with the Interval agricultural cooperative. A joint-venture with Automotive Performance Materials (APM***), was launched to deliver hemp-based compound granules (such as NAFILean) to automobile suppliers to develop and produce light-weight interior solutions that are more environmentally friendly.

Finally, Faurecia Interior Systems implemented a major step in its development in South America, following the joint-venture agreement signed with Magneti Marelli at the end of 2013****, with the construction of a new plant in Goiana, which will enable it to produce, from the first half of 2015, complete interior systems for the Jeep vehicles of FCA, the leading automaker in the Brazilian market.

** Companies consolidated using the equity method.*

*** Fully consolidated companies.*

**** APM will be consolidated using the equity method from 2015 onward.*

***** FMM Pernambuco Componentes Automotivos Ltda is consolidated using the equity method.*

2.2.4. FAURECIA AUTOMOTIVE EXTERIORS

Sales	Headcounts	Sites	Country	R&D and design and development centers
€2,063.1 million	8,100	32	9	9

Faurecia is one of the world's leading manufacturers of exterior plastic parts for automobiles.

The Group has a presence in three product lines:

- painted exterior body parts: bumpers, side skirts, fenders, spoilers, etc.;
- composite parts: external parts such as fenders, roofs and doors, as well as semi-structural parts such as trunks and tailgates and structural parts for cabins;
- front-end modules (technical/structural front-ends, fan units, etc.).

The Automotive Exteriors business generated sales of €2,063.1 million in 2014, an increase of 8.6% on a reported basis and an increase of 9.1% like-for-like compared to 2013.

Product sales totaled €1,720.9 million in 2014. On a reported basis, they were up by 3.8%. On a like-for-like basis, product sales rose 4.3% compared to 2013.

In the second half of 2014, product sales increased 4.7% on a reported basis and by 4.9% like-for-like, when compared to the same period of 2013.

After the successive integration of Plastal Germany and Plastal Spain in 2010, followed by Plastal France and Sora Composites in 2012, Faurecia Automotive Exteriors continued to develop by way of a new product offer and made new investments in new regions.

Faurecia Automotive Exteriors enjoyed stable market conditions in Western Europe, which optimized the employment of the manufacturing facilities both in Germany and Spain. Its major production facilities in Spain will enable it to fully benefit from volumes, when automakers carry out repositioning.

Faurecia Automotive Exteriors continued to reduce its exposure in Europe, by pursuing development at the international level, more particularly in South America and China. This international development is based on production standards, such as Newtech, which is a production standard for flexible and modular painting, enabling markedly different high quality products and services, combined with optimized economic performance, to be introduced to these growth areas.

The presence of Faurecia Automotive Exteriors in the South American market was strengthened by a joint-venture agreement signed between Faurecia and Magneti Marelli at the end of 2013*, which was achieved through the launch of a new plant in the north of Brazil, which will go into production in 2015.

In China, Faurecia Automotive Exteriors maintained its position in Changchun in the northeastern region, with the launch of a new Newtech line, which will go into production in the beginning of 2015.

In addition to renewing existing contracts, Faurecia Automotive Exteriors supports its strategic customers to expand on an international level, on a purely selective basis. Given the high level of investment required to create new plants, priority was given to strategic customers willing to lend commercial and financial support.

Faurecia took the strategic decision to become one of the major composites players with the creation of Faurecia Automotive Composites in 2012. This followed on its acquisition of Sora Composites, so as to offer innovative solutions resulting in significant weight reduction, as opposed to more conventional weight reduction solutions. In 2013, this initiative resulted in winning the first structural parts contract for mass-produced vehicles. In 2014, it was supported by the order intake of tailgates manufactured using composite hybrid technology from two generalist customers in Europe for mass-produced vehicles, which, at the international level, will enable Faurecia to become a key player in this new range of products.

In collaboration with Technological Research Institutes and different industry players, Faurecia continued to develop the potential of composite technologies. This approach is completed by working closely with automakers very early on, with Faurecia working on co-innovations, which would enhance its offer and may result in order intakes over the next few years, both in Europe and internationally.

* *FMM Pernambuco Componentes Automotivos Ltda is consolidated by the equity method.*

The year 2014 was a year with a very large number of contracts compared to the past. Furthermore, 29 new programs were also launched in 2014, with, in particular, the launch of the Mercedes-Benz S-Class Coupé, Smart Fortwo, Porsche Boxter & Cayman GTS, restyled Audi A1 and A6-A7, Ford Mondeo, restyled VW Golf 7 & Polo, Citroën C4-Cactus, Opel Adam X-Air in Europe and PSA Berlingo/Partner in Latin America.

Faurecia Automotive Exteriors has a total of 32 plants in 9 different countries, 26 of which are in Europe, 2 in the United States, 3 in South America and 1 in China. In addition, its Brussels site, which supplies parts for the Audi A1, started production in 2014 to complete the list of Faurecia's many local sites, set up to provide its customers with the best possible service. Research and development and innovation facilities are still organized on the same industrial park basis as in 2013 (four specialist Faurecia Automotive Exteriors centers, supplemented by skills centers shared with other Faurecia group businesses such as the ones in Pune, in India, and Shanghai, in China).

2.3. Recent events

On March 17, 2015, Faurecia offered a €500 million Senior Notes with a 3.125% coupon due in 2022. On April 9, 2015, Faurecia offered €200 million Additional Notes under the same terms and conditions

On April 17, 2015, Faurecia also redeemed in advance its €250 million 8.75% Notes due June 2019 in full.

Furthermore, on March 31, 2015, Faurecia announced that it signed on March 27, 2015 with Dongfeng Hongtai, a majority-owned subsidiary of Dongfeng Motor Corporation, a broad partnership agreement through the creation of a joint-venture. This joint venture will serve Dongfeng and its automotive partners for passenger and commercial vehicles and, when fully deployed, will cover all of Faurecia's businesses.

3

Results of operations and financing

CONTENTS

3.1 Results of operations

3.1.1. OPERATING INCOME

Operating income [1] for 2014 was €673.3 million or 3.6% of total sales, compared with €538.3 million for 2013 or 3.0% of total sales (see Section 9.1).

In the second half of 2014, operating income totaled €362.7 million (3.8% of total sales). In the second half of 2013, operating income was €282.1 million (3.2% of total sales).

The €80.6 million improvement in operating income in the second half of 2014 as compared to the same period of 2013 is best understood on a regional basis:

- in Europe, the increased sales and better cost control increased operating income by €54.4 million to 3.8% of total sales compared to 3.0% of total sales for the same period in 2013;
- higher sales in North America in the second half of 2014 helped to maintain operating income stable at 1.6% of total sales, compared with 1.6% in the same period of 2013;
- in South America, falling sales and a difficult economic environment meant second half 2014 operating income fell by €4.9 million when compared to the second half of 2013;
- in Asia, operating income continued to rise in tandem with higher sales and contributed an additional €27.1 million of operating income. Operating was at 9.3% of total sales for the second half of 2014, compared to 9.1% for the second half of 2013;
- the other countries, primarily South Africa, showed a €2.3 million increase in operating income.

The €135.0 million improvement in operating income over the full-year compared to 2013 was attributable to the same factors:

- in Europe, the increased sales allowed for an improvement in operating income of €110.7 million, bringing operating income to 3.6% of total sales;
- in North America, the fall in sales year-over-year lead to a fall in operating income of €20.6 million. Operating income stood at 1.7% of total sales, down slightly compared to 2.1% in 2013;
- with a 10.3% decline in sales on a like-for-like basis (scope and exchange rates) in a challenging economic and financial environment, South America recorded a drop in operating income of €21.5 million, which resulted in an operating loss of €49.4 million;
- in Asia, operating income continued to grow with the increase in activity which contributed to an additional €58.3 million. Operating income was €268.4 million or 8.9% of total sales compared to 2013 figures of €210.1 million or 8.3% of total sales;
- other countries, primarily South Africa, showed an increase of €8.0 million in operating income.

The trend for individual business segments was as follows (see Note 4.1 to the consolidated financial statements):

- operating income for Automotive Seating in 2014 was €234.1 million (4.4% of total sales) compared to €217.4 million for 2013 (4.2% of total sales);
- operating income for Emissions Control Technologies for 2014 was €256.6 million (3.8% of total sales) compared to €199.0 million for 2013 (3.1% of total sales);
- for 2014, Interior Systems gave an operating income of €128.9 million (2.7% of total sales) versus €84.0 million (1.8% of total sales) for 2013;

(1) Operating income is the Faurecia group's principal performance indicator. It corresponds to net income of fully consolidated companies before:

- *other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;*
- *income on loans, cash investments and marketable securities;*
- *finance costs;*
- *other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IAS 39, and gains and losses on sales of shares in subsidiaries;*
- *taxes.*

- operating income for Automotive Exteriors was €53.7 million (2.6% of total sales) versus €37.9 million for 2013 (2.0% of total sales).

Gross R&D expenditure was €955.9 million or 5.1% of total sales in 2014, versus €916.5 million or 5.1% of total sales in 2013 (see Note 5.4 to the consolidated financial statements). The portion of R&D expenditure capitalized under IFRS in 2014 totaled €317.0 million, compared to €258.4 million for 2013. In 2014, this represented 33.2% of total R&D expenditure, versus 28.2% in 2013. Sales which were previously billed as product sales in 2013 have now been integrated as sales of R&D in 2014, for an amount of €37.6 million, this amount hence reduces the net R&D cost.

Taken together, these items resulted in a net R&D cost for 2014 of €235.5 million, down from €254.0 million in 2013.

Selling and administrative expenses amounted to €648.3 million (3.4% of total sales), versus €600.2 million (3.3% of total sales) for 2013.

EBITDA – which represents operating income before depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditures – stood at €1,228.9 million (6.5% of total sales) in 2014, compared to €1,070.3 million (5.9% of total sales) in 2013.

SALES AND OPERATING INCOME BY REGION

	H2 2014			H2 2013			2014			2013		
(in € millions)	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%
Europe	5,115.3	193.0	3.8%	4,666.4	138.6	3.0%	10,390.8	371.5	3.6%	9,701.0	260.8	2.7%
North America	2,295.7	37.6	1.6%	2,230.3	35.9	1.6%	4,515.5	77.5	1.7%	4,691.7	98.1	2.1%
South America	346.4	(19.4)	-5.6%	410.8	(14.5)	-3.5%	677.7	(49.4)	-7.3%	861.4	(27.9)	-3.2%
Asia	1,620.2	150.0	9.3%	1,344.7	122.9	9.1%	3,007.7	268.4	8.9%	2,521.9	210.1	8.3%
Other countries	122.9	1.5	1.2%	111.4	(0.8)	-0.7%	237.2	5.3	2.2%	252.6	(2.7)	-1.1%
TOTAL	**9,500.6**	**362.7**	**3.8%**	**8,763.6**	**282.1**	**3.2%**	**18,828.9**	**673.3**	**3.6%**	**18,028.6**	**538.3**	**3.0%**

SALES AND OPERATING INCOME BY BUSINESS

	H2 2014			H2 2013			2014			2013		
(in € millions)	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%
Automotive Seating	2,678.5	127.2	4.7%	2,500.3	111.9	4.5%	5,309.1	234.1	4.4%	5,218.9	217.4	4.2%
Emissions Control Technologies	3,418.8	134.6	3.9%	3,150.4	122.6	3.9%	6,747.4	256.6	3.8%	6,350.5	199.0	3.1%
Interior Systems	2,341.3	65.5	2.8%	2,198.7	25.0	1.1%	4,709.3	128.9	2.7%	4,560.0	84.0	1.8%
Automotive Exteriors	1,062.0	35.4	3.3%	914.2	22.5	2.5%	2,063.1	53.7	2.6%	1,899.3	37.9	2.0%
TOTAL	**9,500.6**	**362.7**	**3.8%**	**8,763.6**	**282.1**	**3.2%**	**18,828.9**	**673.3**	**3.6%**	**18,028.6**	**538.3**	**3.0%**

3.1.2. NET INCOME (LOSS)

The "Other income and expenses" item totaled €86.5 million, down from €106.8 million in 2013 (see Note 6 to the consolidated financial statements). This item included €76.7 million in restructuring charges compared to €91.3 million in 2013. These mainly pertained to the restructuring of operations in Germany (€29.3 million), France (€17.7 million), Russia (€8.7 million), Spain (€3.5 million) North America (€11.8 million) and South America (€6.0 million) and to a net gain in the Other countries (€0.3 million). These charges stemmed from restructuring plans implemented with a view to bringing costs in line with new market realities. These costs include expenses related to the downsizing of 1,781 employees.

Financial income totaled €8.0 million compared to €9.0 million in 2013. Finance costs totaled €191.1 million versus €196.9 million in 2013. 2014 finance costs include €16.4 million for the redemption premium accrued following Faurecia's announcement of its intention to exercise the early redemption option for its 2019 bonds. The weighted average interest rate on financial liabilities fell from 6.1% in 2013 to 5.4% in 2014.

The "Other financial income and expenses" item totaled an expense of €60.5 million, up from €46.4 million in 2013 (see Note 7 to the consolidated financial statements). This item includes €9.1 million from present discounting pension liabilities, €12.1 million of fees for syndicated debt, €14.0 million linked to the amortization of borrowing costs (of which €8.6 million is related to the amortization of fees relating to the early reimbursement of syndicated credit at the end of 2014) and €15.3 million of translation differences on borrowings, mainly from the ruble.

The tax expense for the year was €115.1 million, versus €64.7 million in 2013, representing an average tax rate of 33.5% in 2014, compared with an average tax rate of 32.8% in 2013 (see Note 8 to the consolidated financial statements). The increase in tax expense was attributable to lower recognition of tax assets in 2014 compared to 2013 and to a higher value of taxable income.

The share of net income of associates totaled €0.8 million, versus €14.0 million in 2013 (see Note 13 to the consolidated financial statements). This decrease is mainly due to lower sales volumes posted by some equity investments.

Net of net income attributable to minority interests (totaling €63.2 million in 2014 and mainly consisting of net income accruing to investors in Chinese companies in which Faurecia is not the sole shareholder), net income for the year totaled €165.7 million, compared to €87.6 million in 2013.

Basic earnings per share on continuing operations (see Note 9 to the consolidated financial statements) totaled €1.34 (diluted earnings per share of €1.34), compared with €0.82 in 2013 (diluted earnings per share of €0.82).

3.2. Financial structure and net debt

Net cash flow (before net cash flows related to discontinued operations), representing the net financing surplus adjusted for acquisitions of investments and business net of cash acquired (-€33.3 million) and for changes in other investments and non-current assets (-€15.4 million), was €216.1 million, breaking down into €177 million in the first half and €39 million in the second half. This compares to a positive net cash flow of €143.6 million in 2013.

The €216.1 million of net cash inflow over the year was attributable to the following:

- EBITDA totaled €1,228.9 million in 2014 compared to €1,070.3 million in 2013;
- the change in net working capital, including the sale of unconsolidated trade accounts receivable, represented a net cash inflow of €263.2 million, compared with a net cash inflow of €364.4 million in 2013. This decrease consisted in part of a fall in inventories of €77.9 million, a net drop in trade receivables of €87.8 million (including an increase from the sale of unconsolidated trade accounts receivable of €356.8 million, as detailed in Note 18 to the consolidated financial statements, due to a higher volume of annual sales than in 2013), offset by an increase in trade payables of €120.2 million. Trade payables represented 19.2% of cost of sales in 2014 compared to 18.4% of cost of sales in 2013 and compared to 17.2% of cost of sales end 2012;
- restructuring represented cash outflows of €95.5 million compared to €122.6 million in 2013;
- net finance costs represented cash outflows of €180.2 million, versus €187.5 million in 2013;
- capital expenditures and increases in intangible assets represented cash outflows of €521.0 million versus €522.6 million in 2013. The percentage of capital expenditures on property, plant and equipment made outside Europe was 47.5%, whereas 44.1% of 2014 product sales were outside Europe.

Disclosures relative to major investments by business segment and region are provided in Note 4 to the consolidated financial statements for 2014 (4.1 "Key figures by operating segment"; 4.3 "Key figures by geographic region").

Disclosures relative to key ongoing investments and firm orders for property, plant and equipment and intangible assets are provided in Note 31 (31.1 "Commitments given") to the consolidated financial statements for 2014:

- capitalized development costs represented cash outflows of €321.6 million compared to €265.0 million in 2013. The percentage of total R&D expenditure capitalized reached 33.2% in 2014 versus 28.2% in 2013;
- income taxes represented cash outflows of €154.9 million compared to €134.3 million in 2013; and
- other cash flow items represented €3 million in outflows, versus €59 million in outflows in 2013.

(in € millions)	2014	2013
Net cash flow	216	144
Acquisitions of investments and business (net of cash acquired)	(33)	(12)
Proceeds from disposal of financial assets	0	0
Other changes	(15)	(27)
Surplus (used) from operating and financing activities	167	105

For the 2014 financial year, the other items contributing to change in net debt besides net restated cash flows were as follows:

- the acquisition of new companies and investments in unconsolidated companies represented €33.3 million in net cash outflows;
- dividends paid to minority shareholders represented €49.8 million in cash outflows versus €47.9 million in 2013;
- the other factors consist of a positive translation effect in the amount of €41.5 million compared to a negative €27.7 million in 2013.

Net debt thus stood at €1,387.6 million at year-end 2014, versus €1,519.1 million at year-end 2013.

The Group's shareholders' equity rose from €1,501.8 million at year-end 2013 to €1,716.6 million at year-end 2014, mainly driven by net income for the year.

The main components of long-term debt comprise a new €1,200 million syndicated credit facility due in December 2019 and undrawn as of December 31, 2014, €490 million in bonds maturing in December 2016, €250 million in convertible bonds maturing on January 1, 2018, and €250 million in bonds maturing in June 2019, for which Faurecia has announced its intention to exercise the early redemption option in 2015.

3.3. Outlook

In 2015 some macro-economic factors are favorable:

- the low oil price reduces energy costs and prices of the main raw materials. It should also improve consumer purchasing power;
- the prices for oil-derived plastics and steel have dropped significantly;
- the realignment of the euro's exchange rate against the US dollar and the Chinese renminbi is benefiting European economies.

For 2015, the main automotive markets in which Faurecia operates should continue to grow.

In Europe, inventory levels at car makers appear stable. Automotive production in Europe (including Russia) should grow around 1% in 2015. Excluding Russia, European production should grow by 2% to 4% in 2015.

In North America, the market is still trending upward as a result of both growth in the United States economy and the higher average age of passenger vehicles (more than 11 years old). Growth in automotive production should continue to grow and is estimated to be approximately 3% in 2015.

In South America, the increase in interest rates combined with economic uncertainty and the reduction in tax incentives in Brazil should confirm the low volumes of 2014 (approximately -15% vs. 2013). The Group does not predict any change in this situation in 2015.

Finally, production in China should grow at a high rate of around 7%.

Faurecia forecasts to out-perform the growth of each of its markets thanks to product enrichment, and by moving more towards middle to high end models and thanks to new growth opportunities, notably with Nissan and principally with Automotive Seating.

In this context, Faurecia expects a 5% increase in its total sales on a like-for-like basis (scope and exchange rates).

The growth in business volume, the standardization of processes, the development of new platform standards and technologies, and improvements in manufacturing operations will continue to deliver results.

In 2015, Faurecia forecasts to buy more than:

- €900 million of steel and equivalents;
- €800 million of plastics and equivalents;
- €450 million of transport costs.

Raw material and fuel price decreases represent a clear opportunity to enhance 2015 earnings.

Faurecia should reach an operating margin better than 4.0% in 2015.

Since end 2012, Faurecia has given priority to cash generation through an improvement of working capital and profitability, and a stabilization in investment and in capitalized development costs.

Faurecia generated net cash inflow of €216 million in 2014 and is aiming to achieve net cash inflow in excess of €100 million in 2015.

2015 will put Faurecia well on track to achieve its 2016 targets as mentioned during its investor day event held in Shanghai on November 11, 2014:

- total sales in excess of €21 billion;
- operating margin of 4.5 to 5.0%;
- net cash flow of around €300 million;
- ROCE [1] in excess of 20%.

The Group's strategy remains focused on strategic resource allocation, an acceleration of growth in Asia, a return to robust profitability in North America and the development of value-creating technology driven by fuel consumption reduction, emission control, usability and the extension of the product lines for vehicle platforms.

(1) ROCE: return on capital employed before tax and including goodwill.

3.4. Risk factors

The Group takes care to monitor and control risks that may affect the achievement of its objectives. The Board of Directors is accordingly kept informed by the Audit Committee of the main measures taken to watch and monitor risks, the Committee itself being kept informed by the Head of Internal Audit, who is required to provide information on Group-wide risks, the nature and individual monitoring of which are described below, at least once a year.

Generally speaking, all the risks identified within the Group are reviewed and discussed by specific bodies and are consolidated by the Group Executive Committee. The executive team of each Business Group is responsible for identifying and managing operational risks inherent to its business which are reviewed every month by its Operations Committee. Financial risks for all Group companies are centrally managed by the Group Finance department and reviewed by a special committee. They are also managed locally by the regional Finance departments as part of quarterly balance sheet reviews performed for each Group site.

Some operational risks identified as Group-wide are subject to additional review by the Operational Risk Committee.

These risks are associated with personal safety, quality, program management, liquidity risk, the availability of Just In Time information systems, the reliability of supplies, asset protection and fire risks, the exposure of manufacturing sites to certain types of natural disasters, the worldwide exposure of employees to health and safety risks, reliability of financial information, fraud, and the environment. For the purposes of procedure progress and improvement, the relevance of this list is regularly reviewed by the Operational Risk Committee and the inclusion of new Group-wide risks is submitted to the Audit Committee.

Participants in internal control procedures and their organization are described in greater detail in Section 8.4.3 of the Registration Document.

Faurecia has reviewed its risk and considers that it is not currently exposed to any material risks other than those described below.

3.4.1. OPERATIONAL RISKS

3.4.1.1. Risk of dependence on the automotive sector

IDENTIFICATION OF RISK

Specializing in the manufacture of original equipment for its automaker customers, the Faurecia group's business is directly related to the vehicle production levels of these customers in their markets. The cyclical nature that characterizes its customers' business can have a significant impact on the Group's sales and results. The level of sales and automobile output for each of Faurecia's customers depends on numerous parameters, notably the general level of consumption of goods and services in a given market; confidence levels of economic players in that market; buyers' availability to access credit for vehicle purchases; and in some cases governmental aid programs (such as the recent financial support provided to the automotive sector and incentives introduced for the purchase of vehicles).

As such, the Group's sales and net operating income are directly linked to the performance of the automotive industry in the major geographic areas where Faurecia and its customers do business (see Note 4.3 to the consolidated financial statements), especially in Europe (55.9% of total product sales in 2014) in North America (24.8% of total product sales in 2014) and in Asia (14.4% of total product sales in 2014).

Faurecia's risk is also tied to the commercial success of the models for which it produces components and modules. At the end of a model's life cycle, the risk is also linked to the uncertainty of whether its products will be taken up again for the replacement model. In addition, the orders placed with the Group are binding supply contracts for open orders without any guarantees in terms of volume, that is to say with no guarantee of minimum volume. They are generally based on the life of the vehicle model concerned.

RISK MANAGEMENT

As Faurecia's customers include the majority of the world's major automakers, it is totally dependent on developments in the global automotive industry. However, the Group's exposure to customer risk is naturally attenuated by its market share and its diversified international presence.

3.4.1.2. Customer risk

IDENTIFICATION OF RISK

Changes in the automotive sector could accelerate the concentration of automakers, ultimately resulting in the disappearance of certain brands or vehicle models for which the Group produces equipment. The occurrence of one or more of these events could have a significant impact on the Faurecia group's sales, results and future prospects.

RISK MANAGEMENT

Faurecia is seeking to optimize the quality and diversity of its customer portfolio.

In 2014, Faurecia's five largest automaker customers accounted for 72.0% of product sales (VW 24.6%; Ford 14.6%; PSA 13.7%; Renault-Nissan 11.0% and GM 8.1%).

3.4.1.3. Customer credit risk

IDENTIFICATION OF RISK

In view of the economic context in the automotive sector, Faurecia cannot rule out the possibility that one or more of its customers may not be able to honor certain contracts or suffer financial difficulties.

RISK MANAGEMENT

As of December 31, 2014, late payments represented €126.5 million or 0.7% of consolidated sales for the year.

Details of trade accounts receivable and other receivables are provided in Note 18 to the consolidated financial statements.

3.4.1.4. Supplier risk

IDENTIFICATION OF RISK

If one or more of the Group's main suppliers were to go bankrupt, or experience an unforeseen stock-out, quality problems, a strike or any other incident disrupting its supplies for which it were liable, this could impact Faurecia's production output or lead to additional costs that would affect the Group's sales, results and overall financial position.

RISK MANAGEMENT

The Group uses a large number of suppliers based in different countries for its raw materials and basic parts supplies.

In 2014, out of a total of approximately €8,753 million in purchases (production and non-production) from approximately 5,379 main suppliers, the ten biggest suppliers together accounted for 28% of the Business Groups' combined purchases and 17% of consolidated sales.

Purchases from the five biggest suppliers of each of the Business Groups together accounted for 19% of total purchases and 12% of total consolidated sales.

In this same year, purchases from the biggest supplier of each of the Business Groups together accounted for 7% of total purchases and 4% of total consolidated sales.

Faurecia closely monitors the quality and reliability of suppliers' production operations as well as their credit status and sustainability in order to ensure that the Group's supply chain is secure.

3.4.1.5. Risk related to order volumes

IDENTIFICATION OF RISK

As a components producer and components and systems assembler for the automotive industry, and given the high volumes that its customers order, Faurecia constantly has to adapt its business activity to its customers' demands in terms of their supply chain, production operations, services and R&D. Should the Group, or one of its suppliers or service providers, default at any stage of the manufacturing process, the Group could be held liable for failure to fulfill its contractual obligations or for technical problems.

The Group could also be required to make certain investments which may not be offset by customer order volumes.

RISK MANAGEMENT

To minimize this risk the Faurecia group's purchasing policy is based on a regularly reviewed panel of suppliers. Suppliers' operational and financial performance is monitored on an ongoing basis so that any restructuring and protection measures that may prove to be required in order to achieve security of supply (quantities and costs) can be successfully taken. Within this context, Faurecia's purchasing teams help suppliers to expand and to reduce their risks on both an industrial and a financial level, in particular, by providing operational support to improve their efficiency, quality, logistics, and cost control by means of specialist teams working with suppliers on their own premises. These teams also support suppliers in their international expansion. In addition, any new order placed with a supplier is the result of a Sourcing Committee decision following an investigation which includes an assessment of the risks associated with said supplier and supplier panel policy is, furthermore, monitored by a specialist product family purchasing organization.

Quality is also subject to specific management and related risks are assessed using specific indicators covered in monthly reports and improvement plans as described in Subsection 8.4.5.3 of this Registration Document.

The Group also uses a forward management method (five-year plan, yearly and half-yearly budget, monthly reviews) which enables it to fine-tune its means of production.

The variety of its customer and product mix and the diversification of its geographic locations is also a significant means of moderating this risk.

3.4.1.6. Risk related to the Company's external growth strategy

IDENTIFICATION OF RISK

As part of its external growth policy, Faurecia has made, and may make in the future, acquisitions of varying sizes, some of which have been and may be significant on a Group-wide scale.

These acquisitions entail risks, such as:

- the assumptions of the Business Plans on which valuations are made may prove incorrect, especially in respect of synergies and assessments of market demand;
- Faurecia may not succeed in integrating the acquired companies, their technologies, product ranges and employees;
- Faurecia may not be in a position to retain some key employees, customers or suppliers of the acquired companies;
- Faurecia may be forced or decide to terminate pre-existing contractual relationships with costly and/or unfavorable financial conditions; and
- Faurecia may increase its debt with a view to financing these acquisitions or refinancing the debt of the acquired companies.

As a result, the benefits expected from future acquisitions or those already made may not be confirmed within the expected time frames and/or levels and, consequently, may affect the Faurecia group's financial position.

The main acquisitions made by the Group over the last few years are described in Section 10.4 of this Registration Document.

RISK MANAGEMENT

The Board of Directors determines the Group's overall strategy. The Executive Committee oversees this strategy and allocates the resources required for its implementation.

The team responsible for Business Development, which reports to the Group's Executive Vice-Chairman responsible for strategy is very closely involved in the life of the entities resulting from growth operations (joint-ventures, acquisitions) and so takes part in decision-making bodies.

Faurecia also sets aside any provisions that may prove to be required under applicable accounting standards, in particular, for the depreciation of assets.

3.4.1.7. International nature of business activities

IDENTIFICATION OF RISK

Due to the international nature of its business activities, Faurecia is exposed to economic, political, fiscal, legal and other types of risks.

The Group's sales are mostly generated in Europe, North America and Asia. The geographic breakdown of sales is provided in Note 4.3 to the consolidated financial statements.

The Group's activities are exposed to certain risks, including:

- any potential changes to laws or regulations, or to the commercial, monetary or fiscal policies;
- customs regulations, foreign exchange controls, investment restrictions or requirements or any other constraint such as levies or other forms of taxation on settlements and other payment; and
- difficulties in enforcing agreements, collecting payments due and protecting property through foreign legal systems, in particular, where intellectual property protection is less stringent.

RISK MANAGEMENT

The Group relies on the expertise of its Legal, Tax and Finance departments which permanently monitor legislation and regulations in France and abroad via local intermediaries (employees, networks of lawyers, tax specialists, etc.).

3.4.1.8. Competitiveness

IDENTIFICATION OF RISK

The global automotive supply sector is highly competitive. Competition is based mainly on price, technology, quality, delivery and customer service as a whole. There are no guarantees that Faurecia products will be able to compete successfully with those of its competitors. Supply contracts are mostly awarded through competitive bids which take the form of Requests for Quotation (RFQ), and are often subject to renewed bidding when their terms expire.

Without prejudice to Faurecia's ranking, the three main competitors by business segment are as follows:

- **Faurecia Automotive Seating:**
  - Johnson Controls International (United States), a listed company in the US,
  - Lear Corp. (United States), a listed company in the US,
  - Magna International Inc. (Canada), a listed company in the United States and in Canada;
- **Faurecia Interior Systems:**
  - Johnson Controls International (United States), a listed company in the US,
  - IAC (International Automotive Components) (United States),
  - Magna International Inc. (Canada), a listed company in the United States and in Canada;
- **Faurecia Automotive Exteriors:**
  - Plastic Omnium (France), a listed company in France,
  - Magna International Inc. (Canada), a listed company in the US and Canada,
  - Peguform (Germany/India);
- **Faurecia Emissions Control Technologies:**
  - Tenneco (United States), a listed company in the US,
  - Eberspächer (Germany),
  - Boysen (Germany).

RISK MANAGEMENT

Innovation and product development represent major challenges for Faurecia and enable it to remain competitive. As a result, gross R&D expenditures totaled €955.9 million in 2014 (5.1% of net sales). €100 million of this was spent on innovation over the same period. Some 6,000 engineers and technicians based in 30 centers represent the Group's global R&D community. 505 patents were filed in 2014.

In addition, each Business Group monitors the competition on an ongoing basis so that it can respond in the best possible way to calls to tender from automakers and, in particular, to their specific demands for the supply of complex equipment.

3.4.2. FINANCIAL AND MARKET RISKS

Given its level of debt, the Group is exposed to significant risks related to liquidity and changes in interest rates. It is also exposed to currency risks as its production sites are located in a large number of countries outside of the euro zone. Faurecia's counterparty risk in relation to its derivatives is not significant as the majority of its derivatives are set up with leading banks with strong ratings that form part of its banking pool. The Group Finance and Treasury department authorizes any new banking relations and the opening of accounts.

Generally, interest rate and currency risks are managed centrally for the Group as a whole by the Group Finance department.

3.4.2.1. Interest rate risks

IDENTIFICATION OF RISK

Rate risk results from interest rate changes, particularly the impact of a rate hike on the variable portion of the debt which would be reflected by a rise in finance costs.

RISK MANAGEMENT

Faurecia manages the hedging of interest rate risks on a central basis. Said management is implemented through the Group Finance and Treasury department, which reports to Group General Management. Hedging decisions are made by a Finance Committee that meets on a monthly basis.

As a significant part of the borrowings (syndicated credit loan, short-term loans, commercial paper) are at variable rates, the aim of the Group's interest rate hedging policy is to reduce the impact on earnings of changes in short-term rates. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges protect some of the interest payable in the first half of 2015, against a rise in rates. The Group's interest rate position based on the nature of the instruments used and the sensitivity of interest expense to short-term rates are disclosed in Note 30.2 to the consolidated financial statements.

Before taking into account the impact of interest rate hedges, 52.0% of the Group's borrowings were at variable rates as of the end of December 2014, compared with 49.8% as of year-end 2013. The variable-rate debt primarily consists of short-term debt and any drawdowns on the €1,200 million syndicated bank credit facility signed in December 2014.

The main components of fixed-rate debt are:

- bonds maturing in December 2016, issued in November 2011 and February 2012, with a principal amount of €490 million;
- bonds maturing in June 2019, issued in May 2012, with a principal amount of €250 million; and
- bonds convertible into and/or exchangeable for new or existing shares, issued in September 2012, with a principal amount of €250 million, maturing on January 1, 2018.

3.4.2.2. Foreign exchange risks

IDENTIFICATION OF RISK

Faurecia is exposed to risks arising from fluctuations in the exchange rates of certain currencies, particularly due to the location of some of its production sites, as well as the fact that certain subsidiaries purchase raw materials and other supplies or sell their products in a currency other than their functional currency.

RISK MANAGEMENT

Note 30.1 to the consolidated financial statements gives the description of the underlying currency positions and the derivative instruments hedging them, as well as the sensitivity of the Group's net income and shareholders' equity to fluctuations against the euro of the various currencies to which it is exposed.

3.4.2.3. Liquidity Risks

IDENTIFICATION OF RISK

To finance its investments and its other cash requirements, Faurecia is obliged to access finance sourced from both financial institutions and on the financial markets.

RISK MANAGEMENT

During 2014, the Faurecia group refinanced its debt.

Faurecia renewed its syndicated bank credit facility granted in December 2011 and maturing in December 2016, which enabled the Group to benefit from more favorable conditions in terms of cost and covenants.

The new facility, signed on December 15, 2014, has a single maturity tranche of five years, for a total of €1,200 million.

As of December 31, 2014 this credit facility was not drawn; therefore the undrawn portion of this credit facility was €1,200 million.

This new credit facility has a single consolidated financial covenant ratio (compared with two covenant ratios for the previous facility): net debt*/EBITDA** must be less than 2.50. The compliance with this ratio is a condition to the availability of this credit facility.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates granting the 2016 bonds. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

Faurecia has announced its intention to exercise the early redemption option of its 2019 bonds in 2015 at a price equal to 106.5625% of par; a provision and a financial expense were recorded for the corresponding redemption premium in the amount of €16.4 million as of December 31, 2014, while the principal was reclassified under current financial liabilities.

The various components of Faurecia's long-term debt and the maturities of the Group's liquidities are described in Notes 26-2 and 26-3 to the consolidated financial statements.

As is noted in Note 26.3 of the consolidated financial statements, as of December 31, 2014, Faurecia was compliant with the financial ratio required by the syndicated credit facility:

Ratio	Limit	Carrying amount as of 12/31/2014
Net debt*/EBITDA**	< 2.50	1.13

* *Consolidated net debt.*

** *Operating margin plus depreciation, amortization and impairment of property, plant and equipment and intangible assets over the past 12 months.*

In addition to the above-described bank and bond debt, part of Faurecia's liquidity requirements is met through receivables sale programs. Cash from receivables sold came to €816.7 million as of December 31, 2014 (see Note 18 to the consolidated financial statements), including €742.2 million from receivables that were sold and derecognized (see Note 18 to the consolidated financial statements).

Lastly, Faurecia regularly issues commercial paper to investors, mainly in France.

As of December 31, 2014, the long-term credit rating assigned by Moody's to Faurecia since February 20, 2013, was B1 with a stable outlook.

In addition, on November 10, 2014, Fitch Ratings assigned Faurecia a BB- long-term credit rating with stable outlook.

As of December 31, 2014, Faurecia had diversified funds with staggered maturities until 2019. As of that date, the average maturity of the Groups' key resources in terms of long-term debt (convertible bonds issued in 2012, as well as other bonds - with the exception of the 2019 bond that Faurecia intends to redeem early in 2015 - the syndicated loan and other main long-term borrowings), was approximately 3.76 years.

Thus, in view of the Group's current situation, and notwithstanding the possible future consequences of any deterioration in its operations or outlook, Faurecia does not believe itself to be exposed to significant liquidity risk.

3.4.2.4. Raw material risks

IDENTIFICATION OF RISK

The Group is exposed to commodity risk via its direct raw materials purchases or indirectly through components purchased from its suppliers.

The Group's operating and net income can be adversely affected by changes in the prices of the raw materials it uses, notably steel and plastics.

In 2014, plastics and steel accounted for approximately 9.8% of the Group's total purchases.

To the extent that the Group's sales contracts with customers do not include systematic price indexation clauses linked to the price of its raw materials, Faurecia is exposed to risks related to unfavorable fluctuations in commodity prices.

RISK MANAGEMENT

Efforts are made to reduce this exposure by continually negotiating conditions with customers and strictly managing inventories. Faurecia does not use derivatives to hedge its purchases of raw materials or energy.

Faurecia still has a low level of exposure to this risk however, since a large proportion of the commodity price fluctuation is passed on to customers on a "pass through basis". Faurecia's remaining exposure is, therefore, around 30% of the total commodities exposure.

A 10% fluctuation in the price of raw materials, not including component purchases, would have a 0.2% impact on operating income (expressed as a percentage of total sales).

3.4.3. LEGAL RISKS

3.4.3.1. Litigation

IDENTIFICATION OF RISK

Except for the Competition Authorities' procedure referred to in Note 24.2 to the consolidated financial statements and any resulting claims, as of the date of this Registration Document there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group was aware) likely to have, or have had a significant impact on the Group's financial position or profitability in the past 12 months.

In its decision of December 18, 2014, the Sanctions Committee of the French Financial Markets Authority (AMF) considered that Faurecia SA and its Chairman and CEO, Mr. Yann Delabrière, had failed to meet certain obligations defined in Articles 223-1, 223-2 and 223-10-1 of the AMF General Regulation on information related to the Company's objectives for 2012. On the basis of Articles L. 621-15 (paragraphs II (c) and III (c)) of the French Monetary and Financial Code, the AMF fined Faurecia SA and its Chairman and CEO, Mr. Yann Delabrière, €2.0 million and €0.1 million, respectively. On February 26, 2015, Faurecia SA and Mr. Yann Delabrière, supported by the Board of Directors of the Company, lodged an appeal against this decision with the Paris Court of Appeal, which will assess in fact and in law the merits of the evidence and substantive arguments presented by the Company and Mr. Yann Delabrière who believe that the offending acts have not occurred.

Faurecia believes that, in view of the nature and amounts of the claims and litigation that were known or in process at the date of this Registration Document, such disputes would not materially affect its consolidated financial position in the event of an unfavorable outcome.

However, Faurecia cannot guarantee that in the future Group subsidiaries will not be involved in legal, administrative, or regulatory proceedings, particularly in view of the complex regulatory requirements applicable to the Group; technical failures, or breaches of contract by customers, suppliers or partners.

Situations such as those described above could have a significant unfavorable impact on the Group's operations and/or financial position.

RISK MANAGEMENT

Litigation is monitored through quarterly reports prepared by the Legal department.

Adequate provisions have been set aside to cover litigation facing the Group, in accordance with the facts and information available at the balance sheet date. Note 24.2 to the 2014 consolidated financial statements gives a description of claims and litigation currently in process and indicates the total amount of provisions for litigation.

Moreover, Faurecia benefited in France from the specific regime of tax credits based on research and development activity conducted in that country. Faurecia cannot be sure that such tax provisions will be maintained in the future.

3.4.3.2. Industrial Property Risks

IDENTIFICATION OF RISK

The Group cannot rule out the risk that its intellectual and/or industrial property rights may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside France the Group ensures that it holds or obtains intellectual and industrial property rights offering the same level of protection as those in France.

RISK MANAGEMENT

Faurecia's proactive research and development policy allows the Group to be at the root of its own innovations and control the patents that are essential for its operations. Faurecia has not identified any risk of technological dependence in relation to its products, modules or systems.

Where possible and when justified by strategic technological considerations, Faurecia registers patents to protect the intellectual property relating to industrial know-how and innovations from Group research.

Faurecia also uses third-party patents under license in the normal course of business. None of these licenses represent a major industrial or financial risk.

Faurecia considers that it either owns or may validly use all the intellectual and industrial property rights required for its business operations and that it has taken all reasonable measures to protect its rights or obtain guarantees from the owners of third-party rights.

3.4.4. INDUSTRIAL AND ENVIRONMENTAL RISKS

IDENTIFICATION OF RISKS

As with any industrial activity, the Group's sites are exposed to various risks: fire, explosion, natural disaster, systems failure, pollution, non-compliance with regulations or stricter regulations applicable or other factors. These types of events may result in the Group incurring additional costs and/or capital expenditure to remedy the situation, to comply with regulations and/or as a result of any fines.

RISK MANAGEMENT

Environmental risk management

The Group is focused on managing the environmental impact of all its sites, from the planning phase right through to day-to-day on-site operations.

Human resources

Environmental policies are defined and deployed by the HSE (Health, Safety and Environment) Directorates for each Business Group. To accomplish their mission, these departments have established a network of HSE Managers for each Division (mainly on a geographical basis), along with HSE coordinators within each Faurecia site. These coordinators bring their expertise to the factory management team, are responsible for implementing procedures, and ensure compliance with regulations and Faurecia standards. This organization also enables good practice to be applied across all sites within a single Business Group and/or across the four Business Groups. In some cases, this feedback can lead to Group regulations.

Financial resources

The amount of investment in environmental protection, noise reduction and equipment upgrades reported by establishments is available in Subsection 7.1.2.2.

Methodology

Environmental risk analysis and control are based on ISO 14001. Figures for ISO 14001 certified sites are available in Subsection 7.1.2.3 of this Registration Document. Regular audits by the Internal Auditors and accredited testing laboratories, such as SGS, provide assurance that the environmental management system is properly applied.

On account of their industrial nature, the Group's sites and operations are subject to environmental and safety laws and regulations, as well as to the possible interpretation of such laws and regulations by various authorities and jurisdictions, in the various countries where it operates. Such authorities and jurisdictions are imposing increasingly stringent obligations, restrictions and protective measures in relation, amongst other things, to atmospheric emissions, waste water, the use and handling of hazardous products, waste disposal and pollution control. Each site has to obtain permits, licenses and/or authorizations or provide prior notifications (for example, in France, in application of legislation on classified installations for environmental protection).

Faurecia's installations must comply with such permits, licenses or authorizations and are subject to regular inspections by the relevant authorities. Fines and litigation are described in Subsection 7.1.2. of this Registration Document ("Other environmental indicators").

In terms of its greenhouse gas emissions (GHGE), pursuant to Article 75 of Law No. 2010-788 of July 12, 2010, the Groups' French sites prepared a greenhouse gas emissions inventory. This inventory can be accessed by the general public on the Faurecia website. In addition, pursuant to European Directive 2000/53/EC of September 18, 2000 on end-of-life vehicles, the Group is also taking action to reduce the mass and volume of its products, thereby contributing to reducing vehicle weight and fuel consumption (and, as a result, greenhouse gas emissions). This directive stipulates, inter alia, that such vehicles will have to be 95% recoverable by weight, of which 85% will have to be actually recyclable or reusable by January 1, 2015.

With regard to the environmental risks associated with chemicals, the Group more than complies with regulatory requirements, in particular, with regard to the handling, storage, use and removal of the products in question. Under the new EU regulatory framework for the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which came into effect on June 1, 2007, the Group is principally a "downstream user". It works in conjunction with automotive industry subcontractors in the form of the European Association of Automotive Suppliers (CLEPA) to set up initiatives with Group suppliers to ensure, on the one hand, that this regulation is properly recognized, thus ensuring continuity of delivery of chemicals required for production and, on the other, to provide the information required by its own customers for use in accordance with regulations.

Industrial risk management

Faurecia conducts surveillance and monitoring of its environmental risks as described in Section 8.4 of this Registration Document.

As Faurecia does not have any captive insurance entities, its system for safeguarding assets is based on the implementation and ongoing adaptation of its risk prevention policy and, as described in Section 3.4.5, its strategy of transferring its principal risks to the insurance market.

FIRE RISK

Faurecia's industrial risk prevention policy aims to reduce accidents caused by fire and to encourage Group sites to achieve excellence in fire safety by obtaining the Highly Protected Risk (HPR) label from Faurecia's insurer.

The HPR policy is based on the following priorities:

- fire safety audits conducted by the Group's insurer on an annual basis; 117 sites were audited in 2014, 34 of which were new sites. 93% of active sites were audited less than five years ago. 53% of the Group's sites are classified as HPR or pre-HPR;
- incorporating fire safety factors into the early stages of any plant design or major refurbishing of existing sites, through fire partitioning and ensuring that adequate fire safety equipment, such as extinguishers, is available;
- analysis and assessment of feedback, fires or simple outbreaks of fire are systematically analyzed and the results of this analysis shared with the plants' HSE network;
- an intranet-based fire safety management system, through which the HPR policy is relayed to the entire Group by placing technical specifications, experience-based information and best practices online.

NATURAL RISK (FLOODS, EARTHQUAKES, HURRICANES, TORNADOES, ETC...)

2014 was marked by greater acknowledgment of sites' exposure to natural risk by:

- systematic checking of the exposure of industrial projects, this being one of the criteria used to select future sites;
- exposure diagnosis conducted across existing industrial facilities with technical support from the Group's insurers and reinsurers.

In 2015, these initiatives will be supplemented by specific technical audits on seismic risk sites and flood risk sites, the promotion of natural risk emergency plans for exposed sites, and raising technical requirements for new industrial projects exposed to natural risk.

3.4.5. INSURANCE AND COVERAGE OF RISKS

Fire, property damage and business interruption insurance

Faurecia has taken out a fire, property damage and business interruption insurance policy with a co-insurance group of major insurers led by Allianz. Despite the high level of claims for 2011, a tender for the renewal of the policy in July 2011 resulted in a significant reduction in the premium. On July 1, 2014, these terms were extended until July 1, 2016. In 2014, the Group paid approximately €8 million (inclusive of all tax) for property and casualty and business interruption insurance.

The coverage for buildings and equipment is based on replacement value. Coverage is organized around a Master policy, which includes direct coverage for the freedom of services area, with local policies for subsidiaries in countries located outside this area. Special coverage has been set up to cover specific risks in certain countries.

Since July 2010, the premiums applicable to the capital at risk (direct loss and annual gross margin) are directly dependent on the HPR classification given to the site following an audit by the insurance company.

There were no significant claims in 2012, 2013 and 2014, unlike 2011, which was marked by a major fire on the foam production line in the acoustic products plant in Washington, UK (total cost: approximately €4 million) and two client default claims following the earthquake in Japan (accident compensation) and floods in Thailand (accident compensation).

Damage insurance is supplemented by builder's risk insurance and insurance covering the transportation of goods or equipment.

Liability insurance

Since January 1, 2013, the AXA group has been Faurecia's primary liability insurer. Liability insurance covers operating liability, product liability after delivery, including the risk of product recall. Liability insurance takes the form of a "Master" policy combined with local policies taken out in countries where Faurecia has subsidiaries.

In 2014, the Group paid approximately €4.5 million (inclusive of all tax) in premiums for its liability coverage policies, including product liability insurance applicable after delivery to customers.

Several claims were filed in the United States in 2014. These claims, which are still being examined, will impact the terms of the liability insurance program as of January 1, 2015.

The Groups' liability insurance schedule also includes specific policies such as environmental liability insurance and coverage of liability for damages resulting from accidents caused by employees' occupational illnesses.

4

The Group's human resources policy and social policy

CONTENTS

4.1. Safety in the workplace

Safety in the workplace is one of the key elements of the excellence initiative embodied by the Faurecia Excellence System (FES). It forms part of the personal respect requirement which every facility must satisfy. Faurecia's policy on health and safety in the workplace is based on two main objectives: safeguarding the health of its employees and improving their safety while at their place of work.

Thanks to our constant commitment to enhancing occupational safety and working conditions, we have consistently reduced the number of work-related accidents since 2003. To speed up this change, in 2010, Faurecia launched a breakthrough safety plan which, in two years, enabled it to achieve its highly ambitious objective of reducing the frequency of work-related accidents with lost time per million working hours by two thirds.

4.1.1. WORKPLACE SAFETY INDICATORS

Analyses of changes in the frequency rate of work-related injuries are performed in order to measure the effectiveness of actions carried out in this area. To guarantee the same level of workplace safety for all employees, temporary workers are included in the same manner as permanent staff in the following indicators:

- The Group's excellence indicators are FR0t and FR1t. FR0t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with lost time, per million hours worked. FR1t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with or without lost time, per million hours worked across the Group. Both indicators are calculated on a rolling six-month basis.

After each FR0t and FR1t accident, a QRCI (Quick Response Continuous Improvement) analysis is performed using a problem solving method based on quality problem solving best practices to ensure that the root causes of the accident are understood, that corrective actions have been effective and that preventative measures are implemented and shared across the various sites.

NUMBER OF ACCIDENTS RESULTING IN LOST TIME PER MILLION HOURS WORKED (FR0T)

The rates shown above, calculated on a rolling six-month basis, indicate the accident incidence rates approved as of the end of each fiscal year. For 2014, the results for the first and second half of the year are shown separately.

In 2014, the Faurecia group achieved its objectives in terms of accidents with lost time (FR0t of 0.8), with indicators reduced by two-thirds since 2009. This result shows Faurecia to be among the best industrial companies worldwide.

NUMBER OF ACCIDENTS WITH, OR WITHOUT LOST TIME PER MILLION HOURS WORKED (FR1T)

An FR1t of 2.3 was obtained in 2014, representing an improvement of more than 70% since 2009.

The rates shown above, calculated on a rolling six-month basis, indicate the accident incidence rates approved as of the end of each fiscal year. For 2014, the results for the first and second half of the year are shown separately.

- In its plants, Faurecia also monitors the FR2t indicator. This indicator measures the number of first aid procedures performed following an incident per million hours worked. This monitoring enables plants that have few accidents, with or without lost time, to identify their prevention priorities and to focus on accident prevention.
- Plants also monitor the severity of accidents that result in accident-related lost time.
- First aid procedures are now monitored in all autonomous production units using the Faurecia Quick Response Continuous Improvement (QRCI) method of problem resolution. This has enabled production managers to take greater responsibility for accident investigations and to increase their responsiveness.

4.1.2. BREAKTHROUGH SAFETY PLAN INITIATIVES

The purpose of the Breakthrough Safety Plan is to reduce the number of work-related accidents and serious Health, Safety, Environment (HSE) alerts following work-related accidents by providing training in the Group's various mandatory HSE rules as well as in monitoring the application of these rules.

Faurecia has defined 13 mandatory personal safety-related HSE rules. These rules have been deployed at all Faurecia sites.

Any plant reporting a serious HSE alert or an abnormally high work-related accident rate was audited by the Group's Quality department. An unsatisfactory audit result (level D) systematically results in a report being sent to the Chairman. No site has been on level D since the end of 2011. Faurecia ensures that these rules are applied at all the other sites by means of FES production audits.

Applying these 13 rules has made it possible to significantly reduce the number of serious HSE alerts and to achieve our FR0t objective.

In addition to the 13 mandatory HSE rules, Faurecia defined three rules on personal protection equipment (3PPE) for all Group sites. The application of these rules and their monitoring via FES production audits is speeding up the rate of reduction of work-related accidents not resulting in lost time (FR1t).

A film has been made about the 13 mandatory HSE and the three PPE rules so as to raise their profile among Faurecia employees. This film, with the help of practical scenarios demonstrating the different rules, is also intended for FES training for managers and was notably used in Europe, North and South America and Asia in 2014. In particular, these training courses focused on learning about HSE QRCI.

Three mandatory HSE rules apply to the control of non-production operational risks. The first two cover consignment operations (stopping processes, locking and draining energy and blocking gravitational energy), the third requires the application of a "Personal ID" label when working with equipment. This prevents machines being restarted by others, the owner of the personal ID label being the only person entitled to remove it from the machine.

Four rules apply to the protection of personnel during production operations. They cover protection against access to moving parts of machines through the establishment of protective devices such as light curtains, safety mats, radars and fixed barriers. The plant must ensure that the failure of one component of the safety loop will stop the machine automatically. Protective equipment is tested before production begins. If the protective equipment has any faults, the machine must not be used.

The other rules focus on the prevention of falls, finger pinch point injuries, traffic accidents, the bursting of hydraulic circuits, and fires and explosions.

The three rules related to protective equipment require the wearing of helmets during maintenance operations, gloves and cut-resistant sleeves when using cutting elements or handling metal, and thermal protection when working with hot materials. These rules also make it mandatory to wear ear protectors in noisy environments.

Furthermore, each Faurecia plant defines, on an individual basis, the personal protection equipment to be used by its employees or visitors. Faurecia safety footwear and clothing is mandatory in nearly all the plants. Ear protectors are mandatory in plants with high noise levels, as well as, in most cases, safety glasses.

Faurecia further pursues its fire safety initiatives, particularly with the installation of sprinklers. In doing that, the Group not only ensures the safety of its staff, but also reduces the risk of production downtime due to fire.

The analysis of accidents has shown that many are related to work outside the standard production process. For this reason, the plants now systematically review potential risks for this type of work.

The analysis has also shown a relative weakness in logistics. As a result, Faurecia developed 13 strict HSE rules. Five of these relate to plant safety, four to the safety of machine operators, two to vehicles and the last two relate to pedestrians. The Faurecia group has been monitoring the application of these 13 rules in all of its plants.

4.1.3. ERGONOMICS AND WORKING CONDITIONS

Most occupational illnesses reported by employees involve musculoskeletal disorders. To reduce this, Faurecia has taken steps for several years to take the strain caused by workstations into greater consideration and to remedy the situation as much as possible.

Ergonomic reviews of workstations form part of the Faurecia Excellence System and the Group systematically carries out audits at each of its manufacturing sites on an annual basis.

As a result of these analyses, a variety of solutions have been implemented for manufacturing workstations. The analyses are also used to prepare a list of recommendations that are systematically taken into account during the design of products and manufacturing tools. A number of recommendations from professional ergonomists and Group HSE coordinators are being factored into the Program Management System (PMS).

All of the Group's operations managers and plant managers have been given training in ergonomics as part of the acceleration of the deployment of the Faurecia Excellence System, which was launched by the Chairman during the second half of 2009 and continued in subsequent years. The goal of this program is to ensure that these managers play a real leadership role in the continuous improvement process, notably for ergonomics-related issues.

An "Ergonomics" memorandum is available to all Group process engineers and managers in charge of efficiency in manufacturing systems, to provide additional information on analyzing workloads and how to take into consideration the ergonomic constraints of workstations. This memorandum is aimed at providing basic training in this area for people such as members of Health and Safety Committees, who are involved in organizing work schedules or designing workstations.

Since 2012, Faurecia Automotive Exteriors has developed and implemented a new production standard known as NewTech, a bumper manufacturing process which incorporates all the different manufacturing stages from injection molding to assembly of the finished product.

Particular attention was paid to occupational ergonomics within the context of the implementation of this process, from three specific perspectives:

- optimization of parts loading/unloading stations with conveyer height adjusted in accordance with ergonomic ranges;
- optimization of paint drum handling processes, introduction of roller benches, compliance with working heights, compliance with storage heights;
- optimization of design of inspection and touch up workstations.

4.2. Skills development

Faurecia's employees progress within a meritocratic environment where their advancement is dependent on their potential and performance. The Group's growth and development is directly dependent on the commitment levels and skills of its teams and its capacity to set up the best teams of managers and experts, on a global level. Effective management of human resources is, therefore, right at the heart of Faurecia group strategy and is based on three principles: involvement, performance and development. Internal promotion is a key priority. It is based on individual development and makes it possible to capitalize on automotive know-how, expertise and a high level of customer insight.

4.2.1. BEING FAURECIA

Faurecia has inherited a long tradition of technological innovation and manufacturing excellence, although it was created in 1997. Since then, the Group has grown rapidly both organically and through major acquisitions. It is now one of the top global automotive suppliers and employs nearly 100,000 people in 34 countries.

During this first phase of its history, the Group has focused on developing systems and processes necessary to ensure that it provides the same level of quality and operating performance to all of its customers around the world.

The Group has now entered a new phase of development, characterized by steadier growth and a strengthened focus on value creation.

In this new context, the Faurecia group launched a cultural transformation program known as "Being Faurecia", which aims to redefine the corporate culture and management model. The program seeks to create an environment that promotes an entrepreneurial spirit and autonomous operating teams.

Faurecia is positioning itself as a company that is focused on creating value, is customer-oriented, innovative and has management principles based on self-control, the pursuit of excellence and entrepreneurship.

In this context, the corporate values were redefined. They are now broken down into managerial values (entrepreneurship, autonomy and accountability) and behavioral values (respect, exemplarity and energy). The Group developed a Code of Management to encourage exemplary behavior within the organization. Relying on practical situations that managers face during their daily activities, this management guide defines the exemplary behavior that is expected from managers. The Group has also updated its current Code of Ethics and reinforced decentralized organizational principles. In addition, it has systematically reviewed the decision-making processes, significantly reduced their number and simplified their content in order to effectively increase the teams' self-sufficiency at various levels of the organization.

Furthermore, Faurecia has redefined its Human Resources development strategy, by revising and improving most of the HR development processes, while continuing to give priority to internal mobility. This component of the Being Faurecia initiative is developed later in this section.

4.2.2. TRAINING POLICY

4.2.2.1. Principles

Within the Group, training is considered a strategic investment.

It is a key tool in the implementation of genuine continuous improvement, backed by the Faurecia Excellence System (FES).

Training plans are focused on improving results. Training actions are favored, as is internal training.

Training is a development tool. Specific actions are implemented to encourage individual development and to increase team effectiveness.

Training is also a tool that facilitates the development of the organizational structure and operational principles prevailing within the Group. In this context, the changes induced by the "Being Faurecia" strategy are gradually incorporated into the Group's training programs.

Lastly, training is a management tool. It is the responsibility of supervisors (identification of needs, communication with interested parties) and is implemented with the support of the human resources network.

4.2.2.2. Priorities

The priorities identified in training plans are used to achieve the goals set for different business units. They are structured around the following themes:

- improving plant performance (safety, quality, costs and deadlines) and ensuring optimal production start-up;
- enhancing the attractiveness of customer offerings;
- increasing technological expertise in products and processes;
- increasing the professional qualifications of staff, fostering their career development and enhancing their employability;
- developing managerial skills in line with Faurecia's Leadership Competency Model;
- anticipating and managing identified skills requirements over the medium term;
- strengthening a shared culture focusing on value creation and entrepreneurial spirit;
- ensuring the use of common working methods to increase efficiency;
- developing people's ability to work in an international context.

4.2.2.3. 2014 Key figure

In 2014, the Group's training effort numbered more than 1.7 million hours, an increase of nearly 2.0% compared with the previous year.

4.2.2.4. Focus on Faurecia University

2014 was marked by a step up in Corporate Training. The Group redefined the goals of Faurecia University, strengthened its governance and established two regional universities in North America and Asia.

1. Role and responsibilities of Faurecia University

    - support the professional development of managers;
    - be a preferred vehicle for the cultural transformation undertaken by the Company as part of the "Being Faurecia" program.

    To this effect, Faurecia University assists managers throughout their careers by:

    - ensuring their integration within the Group;
    - providing a management training program that is customized to specific stages in their career;
    - helping them to acquire functional skills necessary for their professional growth;
    - preparing them for key positions (plant manager, program manager, R&D manager);
    - encouraging them to develop their potential.

2. Mode of governance

    Faurecia University has been equipped with a governing body, the Advisory Board, made up of members of the Executive Committee. The Advisory Board met twice in 2014. In addition to these plenary meetings, the members of the Advisory Board have been closely involved in the development of the new programs.

    During 2014, they validated three key projects:

    - a new Leadership Development modular program: a tool for managing talent and individual skills, it helps managers acquire the skills required at each level of management. This customizable program is personalized to meet the needs expressed in the individual development plans. It will be gradually deployed in 2015 and 2016;
    - the PC&L School Master Class Program: this program combines external qualification, plant workshops and individual coaching. It targets key logistics personnel. In 2015, the program will be deployed in Europe, North America and Asia;
    - further integration of engineers and managers within the Group: this program is now supported by a real-time, online monitoring tool that allows management to track development and implement corrective actions when necessary. The selected tool also collects data about the level of satisfaction of new hires going through the program. It was successfully tested in the United States in the first half of 2014 and is currently being rolled out in all countries.

3. Two regional universities

    Faurecia University North America and Faurecia University Asia are now fully operational. They have dedicated teams and premises in Auburn Hills (Michigan) and Shanghai (China). The creation of regional governing bodies has enabled the Group to put down local roots and reinforce the involvement of management. In 2014, a first group of corporate training programs was decentralized thereby increasing the overall training effort in these two regions.

4. Enhanced training offer

   Three new corporate programs were developed in 2014:

   - « Interviewing Talent for Faurecia » concerns all participants (HR, line managers) in the recruitment process. It aims to strengthen their interviewing technique,
   - « STAR e-learning »: an e-learning module was developed to assist in the deployment of the new format for the annual performance appraisals (STAR: Setting Targets, Achieving Results). It is available online to all 16,300 engineers and managers,
   - « Competition Regulation Compliance »: this e-learning module was developed to strengthen Faurecia's approach to knowledge of and compliance with competition rules. It provides an individual diagnostic tool, and based on the diagnosis, it proposes a suitable learning path.

In 2014, Faurecia University delivered 298 training sessions compared to 163 in 2013. In total, 4,562 people benefited from these programs in 2014, compared with 2,487 in 2013.

Faurecia Automotive Seating, Faurecia Interior Systems and Faurecia Emissions Control Technologies have rolled out training courses in technical academies dedicated to their specific products and processes.

4.2.3. EMPLOYEE EMPOWERMENT

The Group's success is closely bound up with its capacity to actively involve all its employees in their work on a day-to-day basis and to create effective and autonomous teams. Employee accountability is one of Faurecia's key performance levers and is also one of the mainstays of the Faurecia Excellence System.

Group employees follow development programs so as to be able to fully meet their responsibilities. Staff benefit from development opportunities enabling them to increase their level of responsibility, the aim being to constantly improve team skills.

Employees are also encouraged to make an active contribution to continuous improvement. Managers are trained in team leadership (listening, communication skills, etc.) so as to be able to effectively support and coach their teams.

Plant Management Committees are key participants in industrial progress. On this basis, they help to make employee empowerment an operational reality and to assist in the deployment of FES tools in plants.

In 2014, Faurecia continued to support the deployment of employee empowerment by continuing to offer the training programs launched in 2013:

- the seven basic principles of employee empowerment: this module is designed for Plant Management Committees. It aims to develop their role in the day-to-day management of teams using the FES and the seven basic principles. More than 500 people benefited from this training this year;
- employee empowerment for human resources managers: this module aims to support human resources managers to develop their operational role and to implement the Faurecia Excellence System. In 2014, 52 human resources managers benefited from the training.

In 2014, Faurecia also reviewed some of its basic tools for implementing and evaluating employee empowerment in order to streamline them and more closely link them to the business priorities of the plants.

32.1% of supervisors within Faurecia have a level of education equivalent to a bachelor's degree or higher, compared with a target set to 37.8%. This indicator is a priority in recruitment to secure long-term pools of autonomous production unit and plant managers.

It should be noted that in 2014 the number of ideas for improvement suggested by Group employees amounted to 13.9 per employee.

4.2.4. DEVELOPING THE POTENTIAL OF ENGINEERS AND MANAGERS

Faurecia integrates and develops the potential of its engineers and managers so as to improve their performance and skills and offer them attractive career paths. The effective development of engineers' and managers' potential is at the core of the Being Faurecia program. The Group seeks to continuously improve the performance of its managers and ensure their professional development so that they can realize their potential.

At the same time, the Group constantly adapts its allocation of human resources to meet short-term business demands and prepares for the medium-term to ensure that the Group always has best-in-class in terms of managers and technical experts, driven by the pursuit of excellent customer service.

Recruiting and retaining the employees of tomorrow

Over the last five years, Faurecia has grown very significantly and it had over 99,000 employees, 16,300 of whom are engineers and managers at the end of 2014.

For the last two years, external recruitment was stable with 2,133 engineers and managers hired in 2014, compared with 2,063 in 2013. Recruitment mainly took place in areas of growth such as China (467), the United States (432), Mexico (252) and India (114). Proportionally, hiring continued at a slower pace in France (249) and Germany (148).

38% of new employees were assigned to production, 33% to sales, R&D and program functions, and 29% to support functions.

In 2014, Faurecia put particular emphasis on the quality of recruitment to ensure that the Group recruits and retains the employees of tomorrow. To achieve this, the HR teams and managers received extensive training in recruitment techniques in order to select the best candidates.

To ensure the success of newly recruited employees, Faurecia offers all new hires a personal induction program enabling them to find out more about the Company, its values, strategy and organization, and to become acquainted with its culture and operating systems.

In 2014, the Group deployed an online tool to help new employees and their line manager throughout the integration period.

The Group's policy consists of recruiting new graduates whose profile and aspirations are in line with the Being Faurecia program and who have the potential to build a career within the Group.

In line with this ambition, 2014 offered an opportunity to establish new partnerships with renowned higher education institutions in the main countries where the Group has operations. Throughout the year, the Group participated in many events ranging from school forums to car shows (North America International Auto Show in Detroit, Paris Auto Show).

Young graduates accounted for 21% of hires, a part of which were from the panels of target schools in the ten major countries.

In 2014, the number of international corporate volunteer (Volontariat International en Entreprise, VIE) contracts continued to grow, with 201 signed, compared with 167 in 2013. It is noteworthy that 60% of the young engineers and managers who completed their VIE period in 2014 were subsequently hired by Faurecia at the end of this period. VIE contracts mainly concerned Germany, the United States and Central Europe.

Developing and promoting international exposure is essential for a Group that employs 61% of its engineers and managers outside Western Europe and carries out 77% of its recruitments outside this region. Within this framework, Faurecia can offer its people many international assignments as well as the opportunity to take part in international projects.

The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. In keeping with this strategy, 55% of the Group's Senior Management team is now non-French, and 53% of the engineers and managers identified as high-potential are from non-Western European countries. 45% of the potential senior managers come from those same countries.

Lastly, a stable employee base is essential for safeguarding our investment in human capital. In 2014, the resignation rate for engineers and managers was 8%, up 1.1% on 2013 (6.9%). This rate increased to 11.6% in North America and remained relatively flat at 5.6% in Europe. In China, it remained at 6.9%, well below the market average. The rate dropped to 6.8% in South America.

Consolidating the Group's performance culture and having exemplary leaders

As part of the Being Faurecia program and to enhance the consistency of assessments, the Group transformed its annual performance appraisal process and adopted a comprehensive approach combining three components:

- "management by objective" component that aligns individual performance with business objectives;
- the evaluation of behavior enables the measurement of commitment to the Group's values. During 2014, these values were redefined in line with the Being Faurecia program. They now consist of three managerial values (entrepreneurship,

autonomy and accountability) and three individual values (respect, exemplarity and energy). A Code of Management was developed to illustrate the behavior expected from managers in the main situations they might face. This Code is intended to be a practical guide for managers to develop exemplary behavior;

- lastly, the managerial skills assessment makes it possible to identify each individual's strengths as well as areas where there is room for improvement so as to construct practical and effective individual development plans. The Code, which describes the managerial skills that must be mastered at each level of the organization, is at the center of performance management and the identification of the potential and development of future leaders.

Developing skills and optimizing career management

The Group's internal promotion policy revolves around offering career opportunities to employees who succeed and demonstrate their potential.

Despite a high recruitment rate, the rate of vacancies filled internally amounted to 58% overall in 2014, compared with 53.2% in 2013. This percentage is considerably higher for senior management positions (81.5%). These results were achieved through the implementation of robust succession planning and individual development plans, based on individual reviews made at least once a year at all levels of the Company (sites, divisions, Business Groups, Group) and on a rigorous use of Faurecia's managerial skills model.

In 2014, 17.3% of engineers and managers benefited from internal mobility, 37% as a result of a promotion.

In this same year, cross-function mobility represented 25% of the Group's total mobility assignments for over 740 engineers and managers.

In line with the Group's expertise management policy, Faurecia particularly rewards performance in technical and technological areas. The Group offers its experts a specific career program, which has the added advantage of allowing it to enhance business-specific skills within each product line. In 2014, 37 experts, 9 senior experts and 1 master expert were appointed in the product and process engineering businesses. At the end of 2014, Faurecia employed 332 experts.

Preparing for the medium term

The Group's priority is to make sure that it always has best-in-class teams of managers and technical experts. To do this, it is essential to anticipate future requirements in terms of staffing, skills and expertise.

In addition to the process of anticipating medium-term needs in these areas, the Group has an initiative to implement and monitor plans to strengthen the key population of plant managers, program managers and technical experts.

The Executive Committee strengthened its involvement in managing talent. It now assesses the Group's high-potential staff twice a year, with a particular focus on potential executives. In addition to People Reviews generally organized at Business Group/Division/functional level, Key Reservoir Reviews were carried out in North America, Asia and South America in order to optimize talent management locally.

Alongside these internal activities, a reinforcement plan was rolled out in France, Germany, the United States and China to recruit high-potential applicants for whom an accelerated career path is defined and implemented.

To prepare the managers of tomorrow, talent identification should start as early as possible. The applicants are offered diverse career paths to realize their potential. These paths include inter-functions/inter-divisions mobility, project work or short-term assignments. The plan aims to help employees step out of their comfort zone and provide them with general management skills.

External assessments are also proposed for current and future leaders, so that each individual may better understand their development potential and make the best career choice. Personal development plans are defined as part of this process. A total of 38 assessments were completed in 2014.

4.3. Strengthening economic and social dialog

4.3.1. AN ENVIRONMENT OF CONTRASTING BUSINESS ACTIVITY BY REGION

In 2014, the level of Faurecia's overall activity improved, with growth still strong in Asia and a recovery in automotive production in Europe.

This trend was reflected by continued growth in the workforce which rose from 81,995 at the end of 2013 to 82,382 at the end of 2014 (up 0.5%).

Industrial redeployment initiatives affected 23 sites and 1,582 employees in 9 countries in 2014, mainly in Europe, South America and North America.

In this context, Europe has seen the number of employees rise slightly, by 1.3%, despite the restructuring plans implemented in western European countries.

In North America, the number of registered employees dropped by 1.8%.

In South America, after registering significant growth in recent years, the number of employees fell 15.3%, confirming the decline in automotive production and the difficulties encountered in this region.

Lastly, Faurecia continued to grow in Asia, where the number of employees rose by 11.1%, consolidating the growth potential of this market and the good business momentum gained with automakers in this region.

4.3.2. GREATER SOCIAL DIALOG AND CONSULTATION WITH EMPLOYEE REPRESENTATIVES

Pursuant to the component on the development of economic and social dialog of the Code of Ethics in force since 2007, complemented in 2014 by the Being Faurecia program, the Group's various entities continued an active policy of dialog and negotiation with employee representatives.

This policy led in 2014 to the signing of 383 establishment or company agreements in 20 countries, including 174 in France, 101 in Germany, 29 in Brazil, 11 in Mexico, 9 in Thailand, and 8 in Tunisia and Uruguay.

19% of these agreements related to wages and benefits, 17% to statutory profit-sharing and incentive plans, 40% to working conditions and 5% to the quest for increased competitiveness and/or performance.

On this last topic in particular, in 2014, successful negotiations were held at a number of sites where remaining competitive was crucial to keeping the business going or to winning new programs, thereby avoiding any new plans for industrial redeployment. Thus, 20 competition agreements were finalized by the Group's businesses: 9 in France, 6 in Germany, 2 in Spain and 1 in Romania, the Czech Republic and Brazil. With these new agreements and those entered into in financial years 2012 and 2013, nearly 40 sites are now covered by competition agreements.

In addition, in all the countries in which it operates, the Group is keen to implement existing plans so as to reduce the impact on jobs arising from a slowdown in business. By way of illustration, these plans amounted to the equivalent of 1,018,538 hours in 2014, 518,524 hours of which involved reduced working hours programs in France, the European country that benefited the least from the rebound in the European economy. At the same time, in the event of any industrial redeployments, the Group prefers to make use of internal mobility, both on a geographical and cross-divisional level, as well as voluntary redundancy plans. In the event that a site closure is required, the Group endeavors, where this is possible, to put in place re-industrialization projects by providing financial and/or operational assistance to industrial players that are likely to propose redeployment solutions to its employees. In cases where compulsory redundancies cannot be avoided, providing support for those employees seeking redeployment is a priority.

The European Works Council, a key body in the Group's economic and social dialog, is the preferred forum for exchanges with employee representatives on the Group's strategy, results and outlook.

The twenty-five seats on the Council are allocated in proportion to the numbers of employees in each of the fifteen European countries where the Group has operations. Set up in 2003, this body is now governed by the agreement signed unanimously on January 10, 2012. The European Works Council met in plenary session on April 17 and 18, 2014; the Council Board, comprising representatives of the six biggest countries in terms of workforce (i.e. France, Germany, Spain, Portugal, Czech Republic and Poland), met three times during the year.

Pursuant to the terms of the agreement, the last meeting of the year was held at a site on November 12, 2014. On this occasion, the members of the Council visited the research and development center in Bavans and the "NewTech" industrial facilities of the Audincourt plant in the Montbéliard region.

4.3.3. RESPECT OF FUNDAMENTAL RIGHTS

Faurecia adhered to the UN Global Compact in 2004. By doing so, it committed to abiding by and promoting, in its business practices, a set of values and principles drawn from texts and international conventions relating to human rights, labor standards and the environment. Changes within the Group, the new requirements of customers and new guidelines bearing on corporate social responsibility and sustainable development prompted Faurecia in 2007 to prepare a new version of its Code of Ethics mirroring the International Labour Organization's (ILO) Core Conventions. This Code of Ethics was updated in 2014 as part of the roll out of the Being Faurecia program, intended to strengthen the Group's culture and contribute to the creation of long-term value. The Code of Management, which was established at that time to guide the day-to-day management of teams, customers, suppliers, etc., translated many of the principles set out in the Code of Ethics into operations.

4.3.3.1. Prohibition of child labor

Faurecia complies with national laws and regulations relating to child labor. It will not employ children under the age of 16, under any circumstances, and complies with the provisions of the ILO regarding the health, safety and morality of young people aged between 15 and 18. The Faurecia group ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.2. Elimination of all forms of forced labor

Faurecia is committed to the free choice of employment and the elimination of all forms of forced and compulsory labor. It ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.3. Freedom of association and the effective recognition of the right to collective bargaining

Faurecia recognizes the existence of trade unions worldwide and the right of workers to form the union organization of their choice and/or to organize workers' representation in accordance with the laws and regulations in force. It undertakes to protect union members and leaders and not to make any discrimination based on the offices held.

The Group is also committed to promoting a policy of dialog and negotiation. Given its decentralized legal and managerial structure, this policy is implemented through collective bargaining agreements signed with the sites, on the one hand, and companies, on the other.

4.3.3.4. The elimination of discrimination in terms of hiring and occupation

The Group is committed not to discriminate against anyone, notably on the basis of age, sex, skin color, nationality, religion, health status or disability, sexual orientation, political, philosophical or union-related opinion in its recruitment and career development initiatives. Every employee has the right to work in a healthy environment, free from any form of hostility or harassment qualified as unlawful under the regulations and practices in force in the countries where the Faurecia group operates.

In particular, Faurecia forbids any unlawful conduct construed as sexual or moral harassment, including in the absence of any hierarchical or subordination relationship.

4.3.4. CHANGES IN COMPENSATION AND BENEFITS

The total amount of compensation paid, including social contributions, increased by 3.9% across the Group as a whole: €3,101.7 million in 2014, compared with €2,986.1 million in 2013.

Meanwhile, the number of employees at the end of the year increased by 0.5% (+6% for engineers and managers).

The Group adheres to current minimum wage legislation in each country. Wage negotiations are held in the majority of countries. In 2014, 74 agreements were concluded on wage/bonus/compensation packages and 65 on profit-sharing/non-discretionary profit-sharing.

A system of variable compensation, based essentially on operating unit performance, applies in a uniform manner in all countries in which Faurecia operates. At the end of 2014, approximately 3,850 out of a total of 16,300 managers benefited from this system.

Compensation practices were analyzed for engineers and managers in key countries to support the practice of annual compensation reviews.

4.4. Company savings, incentive and profit-sharing bonuses in the development of the Group

4.4.1. EMPLOYEE SAVINGS PLANS IN FRANCE

In France, the Group has over the past few years implemented several mechanisms to allow employees to accumulate savings.

Since 2004, employees have had access to a Group employee savings plan (PEG) open to amounts distributed under profit-sharing and incentive plans, as well as voluntary contributions.

Thirteen funds are available, including Faurecia Actionnariat, a mutual fund investing exclusively in Faurecia stock. At end-2014, total funds managed in the employee savings plan (PEG) stood at €36.5 million, of which 26.6% were invested in Faurecia Actionnariat (2,603 employees).

Employees also have access to the Group retirement savings plan (PERCO), set up in late 2012. Like the employee savings plan, payments into the Group pension savings plan can be made from discretionary and non-discretionary profit-sharing plans as well as voluntary employee contributions.

A defined-contribution pension plan was also introduced in 2006 for Group executives and was opened up to voluntary contributions from employees in 2013. The various retirement savings plans have more than €72.4 million under management.

4.4.2. INCENTIVE PLANS IN FRANCE

The incentive agreements entered into by the Group's various French companies mostly establish how voluntary incentive payouts are calculated based on two sets of indicators:

- financial indicators at Company level. This part accounts for about 40% of the overall payout and is calculated annually;
- operational performance indicators calculated at site level and selected from among Faurecia Excellence System indicators. This part accounts for about 60% of the overall payout and is calculated half-yearly.

Under these agreements, the payout is capped at 5%-6% of payroll – although in exceptional cases it may be raised to 6.7-8% if objectives are exceeded – and is allocated partly in proportion to salary and partly applied on a uniform basis depending on hours worked.

In 2014, €14.6 million was paid out to employees under the incentive plan, of which €2.8 million were invested in Group Employee Savings Plans in France (PEG or PERCO).

4.4.3. PROFIT-SHARING IN FRANCE

The mandatory profit-sharing agreements of the various Group companies stipulate, for the most part, that employee profit-sharing calculated in accordance with the legal formula must be allocated among employees prorated on the basis of their compensation for the year in question, subject to compliance with regulatory limits.

The amounts allocated to the profit-sharing reserve may be held in a no-access account or invested in the corporate mutual funds set up in connection with the Group employee savings plan (PEG) or retirement savings plan (PERCO).

In 2014, €1.3 million was paid out to employees under the profit-sharing plan, of which €0.6 million was invested in Group Employee Savings Plans in France (PEG or PERCO).

4.4.4. STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

Faurecia has set up a performance share plan for its senior management, with a view to promoting motivation and fostering loyalty. It follows a procedure established by the Board of Directors at its meeting of December 17, 2009. The Combined General Meeting of May 30, 2013 authorized the Board of Directors to grant a maximum of 2,500,000 performance shares. Based on this authorization, on July 28, 2014, the Board granted 957,125 performance shares to 289 beneficiaries. These shares are subject to a continued employment requirement and two performance requirements. The latter include an internal requirement relating to the Group's pre-tax net income in 2016 and an external requirement comparing net earnings per Faurecia share between 2013 and 2016 with a reference share of a group of leading global automotive suppliers. It should be noted that the last five plans made grants in the same period of the year.

As of December 31, 2014, stock options granted but not yet exercised totalled 931,025, with a further 2,252,350 performance shares liable to be granted by July 2016, subject to the associated performance requirements.

4.5. Administrative efficiency of Human Resources

The rationalization of the human resources IT system begun in 2007 reached another milestone in 2014. GlobalView, the SAP-based payroll platform and employee management platform, was rolled out in Mexico (8,000 people) during the first half of the year. At the end of 2014, over 60,000 employees (in 12 countries) were being paid by GlobalView, 73% of the Group's workforce. New projects include the rollout in Brazil in 2015, as well as the launch of future implementations in Argentina, South Africa and Thailand, also in 2015, then in Romania in 2016. At the end of 2016, 85% of the Group's workforce will be paid via this platform.

Payroll processes were also optimized with a focus on two areas: full outsourcing in the new countries covered by GlobalView (China, Mexico and soon Brazil) and the continued deployment of shared service centers. At the end of the planned deployment, 75% of employees will be paid through an internal platform and 25% through an external platform. Eighteen countries will be managed by payroll shared service centers, covering 93% of the workforce.

At the same time as rolling out the payroll system, automatic interfaces continued to be set up with the Group's social reporting system, executive database and accounting system to improve administrative efficacy and make data more reliable.

The optimization of administrative procedures also took another step forward as a result of the implementation of a talent management tool and a tool for managerial assessment of individual performance (Taleo). The latter helps in assessing employees' skills in relation to a Group managerial skills model, Group values and the achievement of assigned targets. Human Resources is thus equipped with a modern tool for managing its employees' individual development online. Transparency with regard to employees and their managers is a key factor when it comes to improving managerial processes and information system quality.

4.6. Other employee-related data

TOTAL WORKFORCE AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014				2013				2014 vs. 2013			
	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which open-ended contracts (CDI) *(as points)*
Europe	45,540	7,747	53,287	78.4%	44,974	6,706	51,680	80.2%	1.3%	15.5%	3.1%	-1.8
North America	17,836	2,525	20,361	80.6%	18,172	2,812	20,984	78.3%	-1.8%	-10.2%	-3.0%	2.4
South America	5,122	86	5,208	91.4%	6,049	105	6,154	91.6%	-15.3%	-18.1%	-15.4%	-0.2
Asia	9,160	5,922	15,082	58.4%	8,243	5,314	13,557	57.2%	11.1%	11.4%	11.2%	1.2
Other	4,724	619	5,343	73.1%	4,557	487	5,044	77.2%	3.7%	27.1%	5.9%	-4.1
FAURECIA	**82,382**	**16,899**	**99,281**	**76.2%**	**81,995**	**15,424**	**97,419**	**77.1%**	**0.5%**	**9.6%**	**1.9%**	**-0.9**

Total employees

The Group's total workforce grew by 1,862 people in 2014, up +1.9%.

The proportion of staff employed on open-ended contracts increased from 77.1% to 76.2%.

The proportion of staff on fixed-term contracts decreased from 7.1% to 6.8%, and the proportion of temporary staff rose from 15.8% to 17.0%.

In 2014, the total workforce rose mainly in Europe (+1,607 people) and Asia (+1,525 people).

Registered employees

The Group's registered employees increased by 387 people (+0.5%) in 2014. This increase was particularly significant in Asia (+917 people or +11.1%) and Europe (+566 people or +1.3%) due to business growth in both regions. Employee numbers dropped by 1.8% (-336 people) in North America and by more than 15% (-927 people) in South America.

Temporary employees

The number of temporary staff rose by 1,475 people (+9.6%) in 2014. As of end-December 2014, the percentage of temporary staff was 17.0%, 1.2 points higher than in 2013.

In Europe, the rate rose from 13.0% to 14.5%. Growth in the use of temporary labor was most marked in Portugal and in the Czech Republic due to the launch of new projects.

The number of temporary staff also rose in France, although only accounting for 11.0% of the total number of employees.

In North America, this percentage fell from 13.4% to 12.4% as a result of shedding 415 temporary workers in Mexico over the period.

Finally, this rate was unchanged in Asia (39.2%), the percentage of temporary labor being structurally high in China.

REGISTERED EMPLOYEES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014 Registered employees				2013 Registered employees				
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Change 2014 vs. 2013
Europe	29,805	7,453	8,282	45,540	29,329	7,702	7,943	44,974	1.3%
North America	12,815	1,307	3,714	17,836	13,269	1,403	3,500	18,172	-1.8%
South America	3,332	1,169	621	5,122	4,125	1,291	633	6,049	-15.3%
Asia	4,532	1,079	3,549	9,160	3,999	1,061	3,183	8,243	11.1%
Other	3,577	611	536	4,724	3,474	590	493	4,557	3.7%
FAURECIA	**54,061**	**11,619**	**16,702**	**82,382**	**54,196**	**12,047**	**15,752**	**81,995**	**0.5%**

Registered employees increased by 0.5% in 2014.

In Europe, the number of registered employees grew by 1.3% overall, with a 1.6% increase in operators and workers, a 3.2% decrease in technicians, foremen and administrative staff and a 4.3% rise in managers.

In Western Europe, the number of registered employees fell by 2.2%, in particular in France (-4.1%), Germany (-1.9%) and Spain (-3.2%).

In Central Europe, the number of registered employees increased by 10.4%, mainly in Poland, Romania and the Czech Republic. This increase mainly related to operators and workers.

In North America, the number of registered employees decreased by 1.8% due to a significant decline in Canada (-392 people). The number of operators and workers dropped by 3.4%, the number of technicians, foremen and administrative staff fell by 6.8%, while the number of managers grew by 6.1%.

In South America, the number of registered employees decreased by 15.3%, mainly in Brazil (-743 people) and Argentina (-185 people). Numbers were down 19.2% for operators and workers, 9.5% for technicians, foremen and administrative staff, and 1.9% for managers.

In Asia, registered employee numbers were up 11.1%, mainly in China (+15.4%) and South Korea (+7.9%). Numbers were up 13.3% for operators and workers and 11.5% for managers.

Other countries recorded a rise in their registered employees of 3.7%, mainly in Tunisia (+301 people).

REGISTERED EMPLOYEES BY TYPE OF CONTRACT AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014			2013			2014 vs. 2013		
	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total
Europe	41,789	3,751	45,540	41,448	3,526	44,974	0.8%	6.4%	1.3%
North America	16,417	1,419	17,836	16,421	1,751	18,172	0.0%	-19.0%	-1.8%
South America	4,761	361	5,122	5,639	410	6,049	-15.6%	-12.0%	-15.3%
Asia	8,807	353	9,160	7,752	491	8,243	13.6%	-28.1%	11.1%
Other	3,906	818	4,724	3,895	662	4,557	0.3%	23.6%	3.7%
FAURECIA	**75,680**	**6,702**	**82,382**	**75,155**	**6,840**	**81,995**	**0.7%**	**-2.0%**	**0.5%**

Open-ended contracts rose by 0.7% (+525 people). Over the same period, staff employed under fixed-term contracts fell by 2.0% (-138 people).

Breakdown by contract type swung by 0.3 points in favor of open-ended contracts. In 2014, they accounted for 91.9% of the registered workforce, as opposed to 91.6% in 2013.

The number of open-ended contracts rose by 341 in Europe (+0.8%), mainly in Poland (+633) and the Czech Republic (+342).

In contrast, this type of contract decreased in Western Europe with 793 less open-ended contracts (CDI) over the period across all countries.

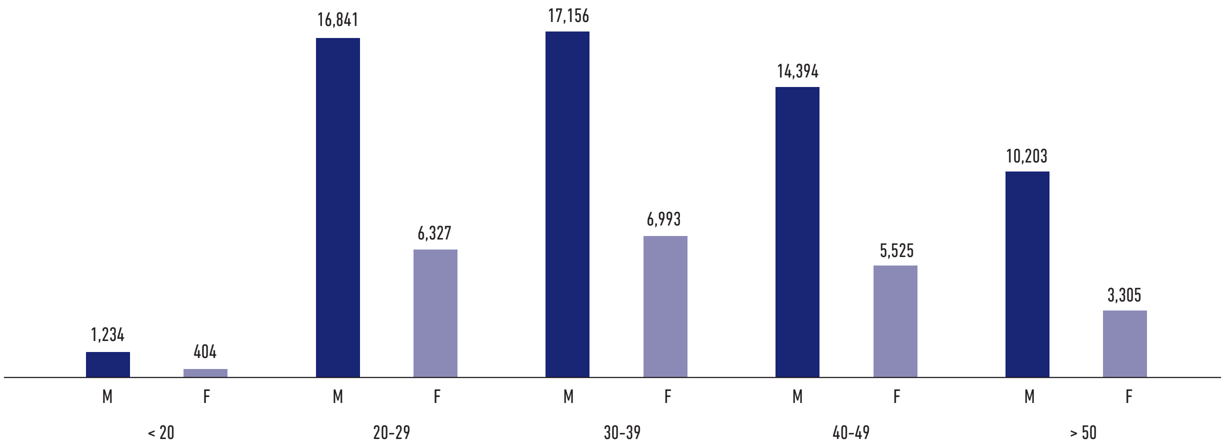
Changes were also noted in other regions. Open-ended contracts remained unchanged in North America, fell in South America (-878, mainly in Brazil and Argentina) and grew in Asia (+1,055, mainly in China) in line with the business developments in these regions.

The number of fixed-term contracts was down 2.0% from 2013.

They accounted for 8.1% of employees at the end of 2014, compared with 8.3% at the end of 2013.

2014 AGE PYRAMID BY GENDER

	< 20		20-29		30-39		40-49		> 50		Total	
Registered employees	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**	**M**	**F**
Operators & workers	1,105	313	11,871	4,271	10,405	4,646	8,558	4,006	6,358	2,528	38,297	15,764
Technicians, foremen & administrative staff	129	91	2,224	1,053	2,437	865	2,082	682	1,588	468	8,460	3,159
Managers & professionals	0	0	2,746	1,003	4,314	1,482	3,754	837	2,257	309	13,071	3,631
TOTAL	**1,234**	**404**	**16,841**	**6,327**	**17,156**	**6,993**	**14,394**	**5,525**	**10,203**	**3,305**	**59,828**	**22,554**



Women accounted for 27.4% of the Group's registered employees, an increase of 0.6 point compared with 2013.

Faurecia is a relatively young group with 59.4% of employees under the age of 40 and 30.1% under 30.

13,535 registered employees are aged over 50 (16.4%), up 0.5 point from 2013.

For all age brackets, the breakdown by staff category was stable year-on-year, with 66% of registered employees among operators and workers, 14% among technicians, foremen and administrative staff, and 20% among managers and professionals.

EXTERNAL HIRES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014			2013			2014 vs. 2013		
Registered employees	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**	**Hires on open-ended contracts (CDI)**	**Hires on fixed-term contracts (CDD)**	**Total**
Europe	3,085	3,674	6,759	2,501	3,454	5,955	23.4%	6.4%	13.5%
North America	2,364	3,299	5,663	2,758	3,382	6,140	-14.3%	-2.5%	-7.8%
South America	597	278	875	1,642	394	2,036	-63.6%	-29.4%	-57.0%
Asia	2,566	367	2,933	2,630	479	3,109	-2.4%	-23.4%	-5.7%
Other	763	612	1,375	1,117	492	1,609	-31.7%	24.4%	-14.5%
TOTAL	**9,375**	**8,230**	**17,605**	**10,648**	**8,201**	**18,849**	**-12.0%**	**0.4%**	**-6.6%**

This table shows year-on-year changes in hiring, excluding the impact of transfers from fixed-term to open-ended contracts.

The number of hires as a whole fell by 6.6% compared with 2013. A decline of 12% was recorded for open-ended contracts. On the other hand, hires on fixed-term contracts increased by 0.4%.

In Europe, hires on open-ended contracts were made primarily in Poland (41.5%), the Czech Republic (25.0%) and France (9.7%), with other countries in the region recording hiring volumes similar to 2013.

Hires on fixed-term contracts were mainly in Spain (20.3%) and Romania (19.3%) to respond to fluctuations in business activity.

In North America, 2,364 hires were made on open-ended contracts, compared with 2,758 in 2013 (-14.3%). Hires on fixed-term contracts fell too, from 3,382 in 2013 to 3,299 in 2014, notably in Mexico, so as to ensure a quick response to fluctuations in business activity.

In South America, the volume of new hires fell sharply from 2013 (-57% across all types of contracts), confirming the economic slowdown in this region, particularly in Brazil.

In Asia, hires on open-ended contracts were slightly down 2.4% on 2013 but remained strong, mainly in China with over 2,000 hires, as a result of regional business growth.

In other countries, hires on open-ended contracts decreased from 2013. These were mainly in Russia.

Hires on fixed-term contracts rose (+24.4%) as a result of fluctuations in business activity this region, particularly in Tunisia.

EXTERNAL HIRES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014				2013			
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total
Europe	5,046	1,123	590	6,759	4,485	987	483	5,955
North America	4,538	411	714	5,663	5,024	391	725	6,140
South America	372	432	71	875	1,439	525	72	2,036
Asia	1,955	283	695	2,933	2,080	419	610	3,109
Other	1,120	141	114	1,375	1,307	154	148	1,609
TOTAL	**13,031**	**2,390**	**2,184**	**17,605**	**14,335**	**2,476**	**2,038**	**18,849**

Operators and workers represented 74% of external hires in 2014, compared with 13.6% for technicians, foremen and administrative staff, and 12.4% for managers and professionals, compared with 76%, 13.1% and 10.8% respectively in 2013.

The 6.6% drop in external hires in 2014 can be broken down into a drop of 9.1% for operators and workers, 3.5% for technicians, foremen and administrative staff, and an increase of 7.2% for managers across all types of contracts.

In Europe, hires of operators and workers rose by nearly 12.5%, mainly in Poland and the Czech Republic as a result of the upturn in business in these countries. Hires of technicians, foremen and administrative staff grew by 13.8% (mainly in Poland) and hires of managers by 22.2% (mainly in France).

In North America, hires of operators and workers fell by nearly 10%. The number of hires of structural and managerial staff remained flat in the United States.

In South America, as a result of the sharp downturn, the hiring of workers dropped by 74.1%.

In Asia, hires of operators and workers decreased by 6% overall, mainly in Thailand and India. However, they continued to rise in China (+10.7%) as a result of business growth.

TRANSFERS FROM FIXED-TERM TO OPEN-ENDED CONTRACTS AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014				2013			
Registered employees	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total
Europe	981	248	86	1,315	1,106	213	106	1,425
North America	1,552	112	116	1,780	1,710	106	115	1,931
South America	0	16	0	16	9	22	0	31
Asia	118	23	4	145	274	35	5	314
Other	115	8	1	124	241	6	1	248
TOTAL	**2,766**	**407**	**207**	**3,380**	**3,340**	**382**	**227**	**3,949**

The number of transfers from fixed-term contracts to open-ended contracts fell by 14.4% in 2014. This drop mainly impacted North America (Mexico), Asia (India) and Morocco, following significant numbers of transfers in 2013. These transfers almost exclusively involved operators and workers.

DEPARTURES (BROKEN DOWN BY REASON) AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014					2013				
Registered employees	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total
Europe	1,601	1,784	446	2,146	5,977	1,383	1,583	1,007	2,348	6,321
North America	1,721	2,533	416	1,370	6,040	1,505	3,183	74	1,437	6,199
South America	137	1,171	257	231	1,796	265	871	220	360	1,716
Asia	1,218	411	0	346	1,975	855	373	3	415	1,646
Other	622	235	51	305	1,213	672	484	32	539	1,727
TOTAL	**5,299**	**6,134**	**1,170**	**4,398(*)**	**17,001**	**4,680**	**6,494**	**1,336**	**5,099**	**17,609**

* *Of which: end of fixed-term contracts (2,350), resignations on fixed-term contracts (1,603), retirement or death (445).*

The number of employees who left the Group totalled 17,001 in 2014, compared with 17,609 in 2013, a decrease of 3.4%. Of these departures, 14% corresponded to the expiration of fixed-term contracts.

Resignations on open-ended contracts accounted for 31.2% of departures in 2014, compared with 26.6% in 2013. 65% of these were operators and workers (mainly in Mexico, China and Russia), 10.9% were technicians, foremen and administrative staff, and 24.1% managers and professionals.

The highest rises were recorded in Asia, Central Europe and North America, which had stronger labor markets in 2014 than in 2013.

The percentage of individual and collective layoffs remained almost unchanged, falling from 44.4% to 43% of total departures.

TRAINING HOURS AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014		2013	
	Training hours	Training hours per employee	Training hours	Training hours per employee
Europe	854,805	20	852,512	20
North America	369,579	21	347,756	19
South America	103,423	21	79,438	14
Asia	317,784	37	321,317	42
Other	81,620	18	92,599	20
TOTAL	**1,727,211**	**22**	**1,693,622**	**22**

The average number of training hours was unchanged at 22 hours per employee Group-wide in 2014.

The total number of training hours in 2014 increased by nearly 2% over the period, positively impacted by sustained training programs in Asia (China), North America (USA and Mexico) and South America (Brazil).

EXPATRIATES BY DESTINATION AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014	2013
Europe	86	77
North America	92	98
South America	30	31
Asia	73	74
Other	44	41
TOTAL	**325**	**321**

The number of expatriates changed little in 2014 (+1.2%).

Growth in the number of expatriates and the wide diversity of their nationalities supported the Group's international growth.

EMPLOYEES WITH DISABILITIES AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014	2013
Europe	1,181	1,186
North America	6	13
South America	39	32
Asia	11	8
Other	42	28
TOTAL	**1,279**	**1,267**

Faurecia employs nearly 1,300 disabled people, mainly in Europe. This figure was up 0.9% on 2013.

The criteria used to define disabled employees are those set down in the legislation of each country. In Europe - particularly France and Germany - such legislation tends to favor a more proactive approach than in other countries.

In France and Germany, the proportion of disabled employees was unchanged at nearly 5% of registered employees.

WORK SCHEDULES AS AT DECEMBER 31, 2014

Registered employees	Two 8-hr shifts [1]	Three 8-hr shifts [2]	Weekend [3]	Other	Total
Europe	10,883	16,550	578	17,529	45,540
North America	2,593	7,450	14	7,779	17,836
South America	1,213	884	0	3,025	5,122
Asia	3,088	1,522	0	4,550	9,160
Other	1,420	2,198	0	1,106	4,724
TOTAL	**19,197**	**28,604**	**592**	**33,989**	**82,382**

(1) Two shifts.
(2) Three shifts.
(3) Reduced weekend hours.

Staff work schedules within the Group are aimed at meeting customer needs, based on production capacity at Group sites. Shift work and weekend work ((1), (2) and (3)) mainly concern the production sites, and together account for nearly 59% of the Group's registered employees.

PART-TIME STAFF AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013

	2014	2013
Europe	842	776
North America	0	0
South America	0	0
Asia	0	0
Other	0	0
TOTAL	**842**	**776**

Practically all of the Group's part-time employment contracts are in Europe, particularly France, Germany and Spain.

In 2014, part-time staff accounted for 2.5% of the Group's registered employees in France (2.4% in 2013), 2,6% in Germany (2,1% in 2013) and 3.9% in Spain (3.6% in 2013).

OVERTIME AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013 (NOT INCLUDING TEMPORARY STAFF)

	2014		2013	
	Overtime (in hours)	% hours worked	Overtime (in hours)	% hours worked
Europe	2,344,561	3.2%	2,107,100	2.8%
North America	3,870,465	10.7%	4,173,715	11.0%
South America	350,008	3.5%	689,365	6.1%
Asia	3,193,782	19.0%	2,430,403	16.2%
Other	642,168	7.4%	704,145	7.4%
TOTAL	**10,400,984**	**7.2%**	**10,104,728**	**6.8%**

Overtime hours are determined in accordance with the legislation of each country.

The volume of overtime hours was up 0.4 point on 2013, representing 7.2% of hours worked Group-wide in 2014.

Use of overtime rose in Central Europe (mainly in Poland, the Czech Republic and Romania) as well as in Asia (China) to respond to temporary increases in volumes.

ABSENTEEISM AS AT DECEMBER 31, 2014 VS. DECEMBER 31, 2013 (NOT INCLUDING TEMPORARY STAFF)

	2014					2013
	Sick leave (in hours)	Absence as a result of workplace accidents (in hours)	Other absences (in hours)	Total	Abs. rate	Abs. rate
Europe	2,298,152	53,288	192,247	2,543,687	3.5%	3.5%
North America	193,097	34,061	382,053	609,211	1.7%	1.6%
South America	137,598	3,969	78,127	219,694	2.2%	2.3%
Asia	67,102	400	63,753	131,255	0.8%	0.3%
Other	198,235	1,643	61,709	261,587	3.0%	3.4%
TOTAL	**2,894,184**	**93,361**	**777,889**	**3,765,434**	**2.6%**	**2.6%**

Absenteeism reported was due to illness, workplace accidents and various unauthorized absences.

The number of hours of employee absence was down 0.6% in 2014 compared with 2013, to reach nearly 3.8 million hours in total.

Over the period, the number of hours worked decreased by 2.5% from 148 million to 144.2 million hours.

This resulted in a rate of 2.6% in 2014, unchanged from 2013.

Sick leave accounted for nearly 77% of absences recorded Group-wide. This percentage was over 90% in Europe.

MATERNITY/PATERNITY/PARENTAL LEAVE AS AT DECEMBER 31, 2014

	Maternity leave				Paternity leave			
	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total
Europe	350	137	166	653	452	110	256	818
North America	201	6	29	236	115	9	17	141
South America	57	15	6	78	114	16	16	146
Asia	25	11	77	113	85	29	94	208
Other	104	17	14	135	41	4	4	49
TOTAL	**737**	**186**	**292**	**1,215**	**807**	**168**	**387**	**1,362**

	Parental leave				Total			
	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total
Europe	297	174	113	584	1,099	421	535	2,055
North America	14	0	0	14	330	15	46	391
South America	1	0	0	1	172	31	22	225
Asia	6	3	5	14	116	43	176	335
Other	31	4	1	36	176	25	19	220
TOTAL	**349**	**181**	**119**	**649**	**1,893**	**535**	**798**	**3,226**

Employees taking maternity leave rose by 12% in 2014. Those taking paternity and parental leave rose 9% over the period, mainly in Europe (Germany).

Terms and durations of maternity/paternity and parental leave are governed by legislation in each individual country.

OCCUPATIONAL ILLNESSES BY TYPE AS AT DECEMBER 31, 2014

	2014					
	Musculoskeletal disorders of the arms	Musculoskeletal back disorders	Exposure to asbestos	Deafness or hearing impairments	Other	Total
Europe	153	12	1	3	35	204
North America	36	6	0	2	13	57
South America	13	17	0	0	0	30
Asia	0	0	0	0	0	0
Other	2	0	0	0	0	2
TOTAL	**204**	**35**	**1**	**5**	**48**	**293**

0.4% of the Group's registered employees contracted an occupational illness in 2014, a percentage that remains stable compared with 2013.

Musculoskeletal disorders of the arms accounted for nearly 70% of the occupational illnesses recorded within the Group.

The requirements for recognition of these different pathologies are governed by legislation in each individual country.

56% of these disorders were recorded in France and recognized by the appropriate authorities.

SUBCONTRACTING AS AT DECEMBER 31, 2014

	2014			2013		
	One-off subcontracting projects	Ongoing subcontracting	Total	One-off subcontracting projects	Ongoing subcontracting	Total
Europe	754	1,374	2,128	619	1,495	2,114
North America	146	533	679	89	402	491
South America	394	424	818	267	472	739
Asia	53	679	732	49	669	718
Other	70	237	307	45	198	243
TOTAL	**1,417**	**3,247**	**4,664**	**1,069**	**3,236**	**4,305**

The use of subcontractors increased by 8.3% in 2014.

This change was mainly due to a greater use of occasional subcontractors in North and South America.

SOCIAL AND CULTURAL ACTIVITIES IN 2014 (FOR REGISTERED EMPLOYEES)

	Accommodation	Transportation	Catering	Medical care	Supplementary health and personal risk insurance	Subsidies	Total
Europe	2,835	11,057	9,252	4,704	19,624	4,274	51,745
North America	4,675	10,520	1,722	15,695	6,243	319	39,174
South America	1,150	4,157	4,708	5,060	543	269	15,888
Asia	8,185	8,631	8,497	12,423	9,098	731	47,565
Other	855	2,939	1,274	312	1,249	40	6,669
TOTAL	**17,700**	**37,305**	**25,453**	**38,194**	**36,757**	**5,633**	**161,041**

The total was up by more than 12% in 2014 compared to 2013.

The implementation of supplementary protective measures (medical/mutual and personal risk insurance) was accelerated in 2014, notably in Asia and North America, in line with growth and in order to support the Group workforce in these regions.

5

Quality

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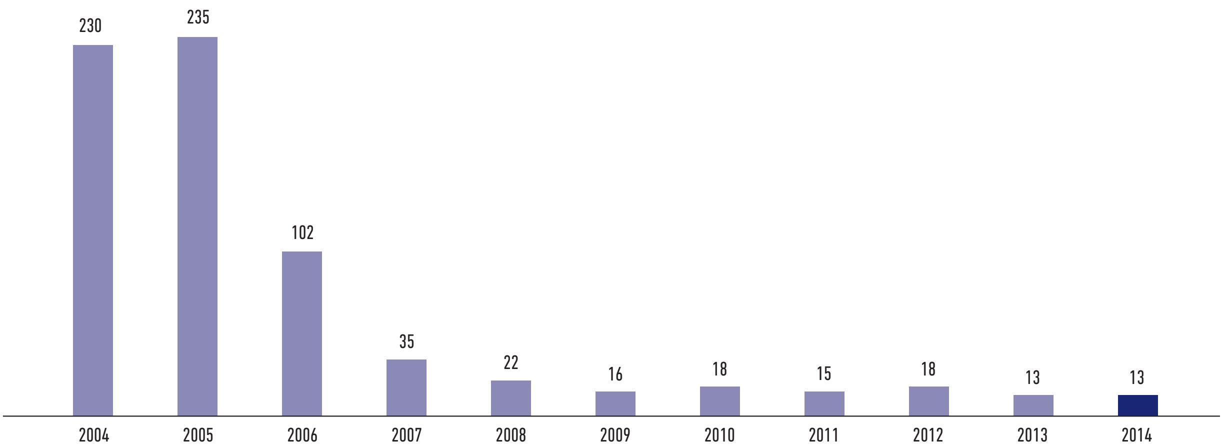
5.1. Quality achievements

Faurecia's quality performance, measured as the average half-yearly rate of customer rejects per million parts delivered (PPM) has now stabilized at a level lower than the 15 ppm target set by the Group.

PPM WITH EXTERNAL CUSTOMERS AS OF DECEMBER 31 (ROLLING SIX-MONTH PERIOD)



The strict application of the methods laid down in the Breakthrough Quality Plan allowed sites acquired in 2011 and 2012 to meet Faurecia's quality performance. This plan, launched in 2006, has now reached maturity. Faurecia's major customers now acknowledge that the Group offers one of the highest levels of quality worldwide. Detailed monitoring of specific performance for each customer has been introduced in order to ensure that corrective measures are taken immediately to address any quality issues at a given plant. Every major problem is addressed using a systematic cross-functional approach at the sites in question in order to prevent any recurrence.

At the end of 2012, 12 plants had a result above 50 ppm. The Group's objective, which was to reduce this number by half, has already been met: by the end of 2013, only six of these plants remained above 50 PPM. In 2014, Faurecia once again reduced the number of its plants whose quality performance lagged behind that of the Group to this extent. Only four plants now have results in excess of 50 PPM.

Faurecia has benefited from its quality problem solving experience by developing its methodology along the lines of a new concept, Quick Response to Continuous Improvement (QRCI). QRCI is a management approach whereby all defects must be dealt with through corrective action within 24 hours at the latest, working from an in-depth analysis to pinpoint the root causes of the problems and determine appropriate technical solutions that can be used across all Group businesses. It is applied Company-wide, from production line operators to workshop and site managers, as well as in project development teams and development centers.

5.2. Faurecia Excellence System (FES)

The Faurecia Excellence System (FES) is the framework within which all of the Group's production and operations are organized. The FES is designed to ensure continuous performance improvements for the Group in terms of quality, cost, delivery and safety.

This system complies with the requirements of quality, environmental and safety standards applicable to the automotive industry (ISO/TS 16949, ISO 14001, OHSAS 18001). It also leverages more than 13 years of experience by Faurecia and has continually been enhanced to reflect best practices, both within and outside the Group, from a lean manufacturing perspective.

The FES ensures appropriate operating performance by Faurecia's production sites, wherever they are located and irrespective of local specificities affecting their business activities, by instilling a shared language and shared working methods.

This approach by Faurecia is fundamental because the globalization of the automobile market requires automotive equipment suppliers to guarantee the same level of quality and service everywhere in the world.

In 2014, the new "Being Faurecia" culture was successfully rolled out to all sites, placing emphasis on their autonomy and accountability with respect to the attainment of targets while maintaining an appropriate level of control. An increasingly pragmatic approach, eschewing dogmatism, is being adopted for FES implementation, thus allowing plants to be managed in a way that reinforces their own responsibility for controls.

Accordingly, the roles of plant managers and operations managers have been clarified to ensure that sales, margin and inventory budget targets are supported by well-established fundamentals: employee safety, quality, timely deliveries, and a shared commitment by staff to high performance. Also in 2014, a new revised standard management chart, including 18 key performance indicators, was introduced.

In addition to its annual budget, each site now draws up a Plant Improvement Plan (PIP) identifying no more than seven priority areas in need of improvement to put the plant on the path to achieve the objectives set out in its division's three-year strategic plan. Plant managers perform daily verifications on the ground to ensure that progress toward meeting these goals is on track, that standards are being applied, and that performance shortfalls are remedied quickly by all actors at the appropriate level, in line with the strengthened emphasis on greater responsibility by plants for their own controls.

One practical application of the change in culture introduced by the "Being Faurecia" initiative is the decision to allocate personnel responsible for the annual program of site audits to carry out coaching activities at some 30 sites where neither the implementation of FES nor operating performance is reaching the desired level. In this way, Faurecia's internal auditors become consultants helping sites to understand the FES and how it is to be used to support performance improvements. This FES training/coaching program ends when the site reaches the level "C - Acceptable" and when key performance indicators have reached acceptable levels.

Given this approach, plants having already reached the levels "B - Good" or "A - Excellent" were not audited again during the year, but carried out their own self-assessments with assistance, where required, from their division on the basis of the principle of site responsibility for controls mentioned above.

The FES training/coaching program met with considerable success and will be maintained in 2015 to allow the most recently added sites to reach the required level.

At the same time, the Group is continuing the roll-out of a worldwide program of FES workshops in the best-performing plants to train the network of operations managers in FES methods as applied on the ground.

5.3. Customer awards

In 2014, Faurecia received several awards for its production sites.

Faurecia Automotive Seating:

- the Siedoubs site (France) was named a Best Plant by PSA Peugeot Citroën;
- the Chengdu plant (China) received the Best Quality Supplier Award from FAW-Volkswagen;
- for the tenth consecutive year, the Wuhan plant (China) was honored with a Top 10 Supplier Award by Dongfeng Peugeot Citroën Automotive.

Faurecia Emissions Control Technologies:

The entire Business Group was recognized with a Quality Supplier Relationship Award from Fiat/Chrysler.

Other awards and distinctions:

- the Bakov and Augsburg sites (Czech Republic) each received the Supplier Quality Excellence Award from General Motors;
- the Troy and Columbus sites (United States) also each received the Supplier Quality Excellence Award from General Motors;
- the Wuhan site (China) garnered several prizes:
  - the 0 PPM for 72 months Award from Ford Changan,
  - the General Manager's Special Award from DPCA,
  - the Excellent Supplier Award from Dongfeng;
- the Chongqing site (China) was named Top Supplier of the Year for 2014 by Ford Changan;
- the Anting site (China) received the Positive Response and Contribution Award and the Excellent Service Supplier Award from SGM as well as the Excellent Development Supplier Award and the Best Response Award from SAIC;
- the Changchun site (China) received the Top 10 Supplier Award from FAW together with an award in the same category from FAW-Volkswagen;
- the Chengdu site (China) received the Excellent Quality Award from FAW-VW;
- the Yantai site (China) received the GP8 Continuous Improvement Award from SGM;
- the Bangalore site (India) received the 2014 QCC Award from Toyota.

Faurecia Interior Systems:

- the Legnica site (Poland) and the Hlohovec site (Slovakia) were both named Best Plant winners by PSA Peugeot Citroën;
- the Uitenhage site (South Africa) and the Puebla site (Mexico) received the Supplier Quality Excellence Award from General Motors;
- the Chengdu site (China) received the Best New Supplier Award from Volvo China and the Excellent Supplier Award from Geely;
- the Foshan site (China) received the Quality Service Award from FAW-Volkswagen.

Faurecia Automotive Exteriors:

- the Hlohovec site (Slovakia) was named Best Plant by PSA Peugeot Citroën.

5.4 Outlook for 2015

The objectives for 2015 are:

- ongoing quality performance optimization;
- more widespread improvement in quality performance with the target of bringing individual plant performance below 50 ppm;
- reduction in the number of claims received from customers;

The training/coaching program will be implemented in plants having recently been rated C or D by the FES audit system.

6

Research and development

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Innovation and product development represent a strategic challenge for Faurecia. These activities are structured around two main divisions:

- the Research and Innovation Unit, which covers upstream activities prior to program acquisitions. This Unit is critical to enabling the Group to provide an appealing and competitive offering to its customers, which it achieves by designing new products and technologies, as well as researching and developing generic products and processes;
- the Program Engineering Unit, which covers vehicle applications. It is a downstream unit responsible for ensuring that programs are completed within the required timeframes, cost and quality levels.

Gross research and development expenditure accounted for €955.9 million of total expenses in 2014, representing 5.1% of revenue (see Note 5.4 to the consolidated financial statements). €100 million of this was spent on innovation over the same period.

Some 6,000 engineers and technicians based in 30 centers represent the Group's global R&D community. 505 patents were filed in 2014.

Technological development and innovation are key priorities for Faurecia. In support of this priority, Faurecia confirms year after year its policy of cooperation with the academic world, research laboratories and start-ups. To date, five industrial chairs involving universities in France and Germany and a partnership with Fraunhofer ICT constitute the core of Faurecia's applied research in fields as varied as mechatronics, composites, production processes for metal parts, the chemistry of plastic materials including biomass, and assembly lines. Furthermore, the Group is very involved in the Instituts de Recherche Technologique (IRT) [Technological Research Institutes] in France such as the IRT Jules Verne in Nantes where it represents the French automotive industry and the IRT M2P in Metz. Lastly, the Company developed a structure in 2014 to detect start-ups that correspond to its area of competence. This will serve as a basis for extending this business in 2015.

In recent years Faurecia has developed innovation partnerships with most major global automakers. These partnerships indicate the Company's intention to build close relationships with automakers by offering them the latest innovations, providing potential exclusive arrangements, and better meeting their demands, in particular as regards new functions or new architectures which may require products to be adjusted to meet their needs. From the start, these innovations have been associated with target vehicle programs.

Faurecia has also implemented an ambitious deployment and monitoring plan in respect of internal expertise. More than 300 experts are now skilled in the Group's 67 different areas of expertise. Skills sharing, wherever relevant, ensures optimal use of such expertise.

Executive Management's involvement in monitoring innovation plans via Technology Leadership Seminars, Technology Sessions and participation in the Experts' Forum, shows that the Company is committed to technology and innovation, believing these to be key drivers of its success.

6.1. Market expectations

Market trends

Consumer expectations and societal changes are the two main drivers of change within the market. Regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets. The globalization of the automotive markets and swift change in consumption patterns and tools, particularly in the field of electronics, have prompted automakers to look for new solutions enabling them to offer diverse, customizable and financially attractive product ranges.

Reduced fuel consumption, a growing imperative

In 2013, the European Commission adopted average CO_2 targets of 95 g/km (equivalent to approximately 4 l/100 km) for the automotive industry in Europe, effective from the end of 2020, with a planned level of 130 g for 2015. This 95 g target will lead automakers to work to dramatically improve parameters such as vehicle weight, efficiency of powertrains (engines and transmissions), rolling resistance and aerodynamics. Substantial progress has already been made in all these fields but still more will be required, and Faurecia makes a major contribution in the fields of vehicle weight reduction and optimizing powertrain operation.

In segment B, weight has fallen from approximately 1,250 kg to 1,100 kg in the latest vehicles produced. The target now is to go below the 900 kg mark, and even to reach 800 kg for the most ambitious CO_2 emission targets. This objective will require breakthroughs in design and materials. Characterized by an excellent ratio of weight to resistance, plastic composites have the added advantage of integrating related functions, and will therefore play an increasingly important role in the next generation of vehicles. A technological breakthrough will nevertheless be necessary to meet the economic constraints of mass production. Faurecia is already very active in the various areas that help reduce vehicle weight: it offers new products and architectures, optimized design, and is working to develop alternative materials and new manufacturing processes. These innovations already enable Faurecia to offer weight reductions of up to 60 kg with conventional materials.

By adding to its expertise in the field of vehicle interiors and exteriors through the integration of structural composite technologies, Faurecia is equipped to make an additional contribution of up to 50 kg to vehicle weight reduction targets.

Powertrain hybridization enables CO_2 emissions to be substantially reduced by authorizing an entirely electric mode of propulsion under certain conditions of use. However, discontinuous use of the internal combustion engine generates new constraints, particularly maintaining its temperature in order to limit excess fuel consumption and emission of pollution each time it restarts. Faurecia has developed specific systems enabling heat transiting through the exhaust system to be used, either by re-injecting it directly into the motor cooling system, or, in the medium term, by converting it directly into electric power, which can be used by the powertrain.

Fuel consumption savings may be up to 7% for thermal energy recovery and up to 10% for electric power generation.

Environmental performance

Emissions of all combustion-related pollutants are subject to standards that, while specific to each market, are converging towards a drastic reduction. And while reducing fuel consumption has the direct effect of reducing emissions, the use of smaller turbocharged engines results in increased levels of pressure and higher temperatures in combustion chambers, which is damaging in terms of emissions of gas, pollutants and particulates.

Increasingly widespread in gasoline engines, direct fuel injection allows the engine to work leanly and to limit consumption, but generates particulates that may require treatment in the exhaust system. Since 2014, Faurecia has supplied the world's first particulate filters for gasoline engines as standard equipment.

For diesel engines, regulatory change combined with high temperatures generating nitrogen oxides will result in the widespread adoption of post-treatment in the exhaust system for such emissions by 2018 in most markets.

Through their high cylinder capacity and their intensive use, the engines of commercial and public works vehicles (Off-Road) are major sources of pollution emission. Thus, in China, although they only represent 5% of total vehicles, they are responsible for 80% of pollution emission. Thanks in particular to the expertise developed through its partnership with Cummins, Faurecia has developed solutions dedicated to these specific markets. The proprietary technology for reducing nitrogen oxides in the gaseous phase (Ammonia Storage and Delivery System - ASDS) combined with the existing expertise in particulate capture can already meet the increasingly demanding global emission standards.

By mastering all aspects of the design and production of exhaust systems, Faurecia is able to provide systems integrating the most efficient pollutant and particulate treatment technologies in an optimized volume.

Sustainable development and use of raw materials

In addition to their contribution to reducing vehicle weight and cutting fuel consumption, materials are increasingly chosen and designed to satisfy regulatory constraints and societal expectations, in respect of both the end of vehicle lives and the environmental footprint.

At the forefront of the end-of-life vehicle processing, Europe will require, from 2015, that over 95% of a vehicle by weight is reusable and recoverable, with a reuse and recycling rate of over 85%: recyclability of synthetic materials such as plastics, a field in which Faurecia is already very active, and, in the longer term, composite materials constitute, for the automotive industry and thus for Faurecia, one of the key features for the vehicle of the future.

As with alternative energy sources, the development of biosourced resins associated with natural fiber reinforcements will ultimately allow the car to survive the depletion of oil resources. Faurecia is already making a contribution by developing technology strategies and innovative partnerships in these two areas. Thus in 2013, the Company signed a strategic partnership with Mitsubishi Chemicals for the development of biosourced resins.

Attractiveness

With more than half the global population now living in urban areas, average travel distances are decreasing, while time spent driving is on the rise. Vehicles are becoming living spaces in which users expect comfort, quality and seamless connectivity with their personal and professional environments. In all segments, users are looking for consistency between the look, feel and functionality of equipment. Accordingly, while the use of wood, aluminum and leather is indispensable for interiors in the upper segments, alternative technologies can increasingly provide a premium touch in the intermediate segments.

Connectivity is where the need for seamlessness is greatest: the cabin must naturally accommodate portable devices and use the information they provide within the constraints imposed by driving.

The pursuit of well-being also involves seats with extended functions: optimal positioning aids, temperature control and multi-zone massages.

From the body to the cockpit and the seats, the products supplied by Faurecia represent the main interfaces between the vehicle and the user. Continuous technological innovation helps us meet the expectations of automakers in terms of style, attractiveness, comfort, connectivity, perceived quality and durability.

Competitiveness

Development cost overruns and increased diversity are the downsides of the increase in embedded equipment and the rising number of versions of bodywork, trims and equipment. The standardization of components not specific to the various versions and their spread to all production sites in the context of platform strategies can help automakers offset these additional costs. For suppliers, the ability to adapt to the platform strategy and offer cross-cutting solutions for several automakers can help reduce costs and lead times, without sacrificing quality.

By offering pre-developed generic products, rolled out globally, Faurecia is making a contribution to the strategy of streamlining costs imposed by automakers, while continuing to provide the highest level of technical performance.

6.2. Research and innovation

In 2014, investment in innovation was supported around the following five objectives: reduction of fuel consumption, environmental performance, use of renewable materials, usability and competitiveness. Overall research and innovation performance rests on two pillars: a systems approach and an optimized product and process design.

6.2.1. DESIGN APPROACH

Systems approach

Faurecia develops and supplies complete modules such as seats, front-end modules, cockpits and exhaust systems. It develops its own product architectures for each module. Each time new architectures interact with the car's superior system, Faurecia works with the automakers to confirm the validity of its proposals.

Faurecia develops systems engineering in each of the areas covered by the modules it designs. Since 2012, Faurecia has increased its expertise in mechatronics, with the creation of an electronics laboratory in Brières (France) and an industrial chair of automobile mechatronics with Supélec and ESIGELEC (France), devoted to mechatronics.

Faurecia also reinforced its expertise in the optimization of assembly lines and logistics through the creation of an industrial chair with ECP (France) and the *Technische Universität München* (TUM, Germany).

Product design and process

Product and process design is central to the activity of the Group's engineering teams. Faurecia develops its own rules and design standards. This guarantees a high level of robustness and a competitive advantage.

Its design rules are part of knowledge management, and result in technical training.

Faurecia's systematic search of the best production technologies appropriate to its product portfolio and their adaptation to its requirements represent a second aspect of the product/process performance.

These approaches have allowed the Group to develop lighter, more standardized and more modular products than the competition and given it benchmark price/performance ratios.

The industrial chair of composites with the *École Centrale de Nantes* (France), the chair of processing methods for metal materials with the *Technische Universität Dortmund* (TUD, Germany), as well as a chair in polymer chemistry and renewable materials with the University of Freiburg (FMF) and SKZ Würzburg are part of this process.

6.2.2. ENVIRONMENTAL PERFORMANCE

Weight reduction

Automakers have two main levers for significantly reducing vehicle fuel consumption and CO_2 emissions: powertrain optimization and weight reduction. The target is to reduce the vehicle's total weight by 200 to 300 kg, which corresponds to a reduction of 20 to 30 g of CO_2 per kilometer.

Faurecia, through the extent of its product scope, research into new materials and manufacturing processes and its expertise in optimizing product/process design, has made weight reduction a priority, as shown by a product range of the highest standard.

Our multi-criteria approach allows us to combine the effects of a systems approach to product design with the development of new shaping or assembly technologies.

This has resulted in weight reductions in the order of 20% to 30% in new products currently being developed. This corresponds to gains of approximately 60 kg out of the 200 kg represented by the scope of Faurecia products. Some of the following products and processes were introduced in 2012, others have been rolled out since 2013 and started to become standard across the Group in 2014.

Work by successive approaches from an efficient concept in respect of seat structures has allowed weights to be brought down to roughly 10 kg, compared with approximately 14 kg and then 12 kg for previous generations. Laser welding was a key factor in achieving this. The mechanisms of these frames have currently been reduced in weight by approximately 30% to 40%, setting a new benchmark.

Induction brazing developed to assemble the various parts of the components of exhaust systems is now in mass production, resulting in a gain of 20% to 25% by allowing the use of thinner materials. The proprietary application of this technology in exhaust systems will be gradually extended to numerous other projects. The hydroforming technology developed by Faurecia to reduce the number of parts and optimize thickness can be combined with induction brazing to provide gains of more than 30%. The development of acoustic valves is also a means of reducing the size and weight of mufflers.

Moreover, Lignolight technology (a Faurecia patent), using compressed fibers for between 50% and 90% of the resin, applied to door panels, improves density by 40% compared with traditional components.

New technologies currently under development will allow further progress. Strategic partnerships with research laboratories, internal knowledge and the acquisition of Sora's automotive composites business will enable Faurecia to become a key player in the development of composites for the automotive industry. Faurecia in this way has mastered all the technologies currently used in mass production, is working on their optimization and is investing in future technologies including thermoplastic resins with reduced cycle times. The industrial chair with *École Centrale de Nantes*, the involvement with the Jules Verne IRT and the partnership with Fraunhofer ICT allow us to combine the results of academic research with Faurecia's own innovations. Mastery of these technologies opens up a new field of business development for Faurecia, with the potential use of composite materials for the structural parts of a scope representing weight of approximately 100 kg. The target reduction is of the order of 40%.

Investigations in the field of weight reduction were focused in 2014 on the 2 l/100 km vehicle project developed by the PFA (*Plateforme de la Filière Automobile* [Automotive Industry Platform]) through participation in the PSA prototype (a hatchback in carbon composite and a lighter exhaust system with a savings of over 10 kg) and the Renault prototype (a fiberglass composite floor, a multi-materials seat with an architecture allowing the thickness of the seat-back to be reduced by 3 cm and a short exhaust system including a resonator in fiberglass-loaded plastic instead of a standard steel muffler, saving a total of 30 kg).

Many other advanced studies are underway with other automakers throughout the world, demonstrating the relevance of Faurecia's proposals in this field.

Furthermore, Faurecia initiated the launch in France of an economic carbon fiber project, which will ultimately make it possible to offer carbon composite parts for mass-produced vehicles.

Size reduction

Reducing product size optimizes passenger space and helps reduce vehicle size. This translates directly or indirectly into a decrease in mass.

In Faurecia Automotive Seating, lighter and less bulky mechanisms mass-produced as from 2013, the use of composites for the back of the front seat and the compliant shell back provide significant space gains in spaciousness of up to 50 mm.

In Faurecia Emissions Control Technologies, the grouping of oxidation, selective catalytic reduction and particulate filtering functions into a module capable of being integrated into the engine environment represents a breakthrough in design and frees up space under the floor. Studies on reducing the length of exhaust systems are underway, allowing the vehicle floor to be made compatible with the additional batteries needed for motor hybridization.

For Faurecia Automotive Exteriors the aim in particular is to optimize the size of the shock absorbers in order, for example, to reduce the front overhang and give the designer greater freedom while reducing vehicle weight.

Energy recovery

Faurecia develops technologies for the recycling of thermal energy available in exhaust systems to be recycled, either directly, in order to heat the cabin or heat up the powertrain or transmission faster, or indirectly, by converting the heat into electricity to power the accessories and potentially hybrid powertrains or into mechanical energy to move the vehicle.

The direct application (known as thermal recycling) resulted in the launch of two new products in 2012: Generation 2 of the underfloor Exhaust Heat Recovery System (EHRS), more compact than Generation 1, and the Exhaust Heat Recovery Manifold (EHRM) which has been fitted in particular to the latest version of the Ford Fusion. These products, applied to conventional and hybrid vehicles, reduce CO_2 consumption by 2 to 8 g/km of carbon dioxide on the EU test cycle.

For the indirect application with conversion of thermal energy into electric power, two technologies have been considered: thermoelectricity, which uses a semiconducting material crossed by a heat flow to generate electricity, and the generation of mechanical energy from the "Rankine" cycle, which uses vaporized fluid to power a turbine. This mechanical energy is then converted by the turbine into electricity. These two principles can potentially reduce CO_2 emissions by 4 to 10 g/km.

Emissions control

Faurecia works with the full range of technologies used to reduce emissions of nitrogen oxides and particulates for diesel engines, regardless of the vehicle (passenger and/or commercial). Principles are of two types:

- recycling of gases through the low-pressure loop. The gases burned are re-injected into the cylinders to lower the combustion temperature. This loop, known as the EGR (Exhaust Gas Recirculation), requires an electric valve that opens on demand. Faurecia has developed its own valve to meet growing market demand;
- direct treatment of gas through selective catalytic reduction (SCR). Using this process, Faurecia has developed a system for mixing gases using either a liquid catalyst known as AdBlue® or a gaseous catalyst. Faurecia is developing its own gaseous catalytic system to reduce emissions of nitrogen oxides. The Ammonia Storage and Delivery System (ASDS) process stores ammonia in a compact gaseous form, delivering an improved performance compared with a traditional liquid-form storage system.

Faurecia also develops a system that incorporates an oxidation catalyst, a gas mixer with a liquid or gas catalyst (BlueBox), and particulate filters. It moves all of these components closer to the engine leading to more efficient treatment of exhaust gases and superior size and weight ratios.

EGR and SCR technologies are increasingly being used for passenger and utility vehicles (less than five metric tons) in Europe and North America. The most stringent regulations make particulate filters and SCR or EGR systems mandatory for commercial vehicles. In addition, some applications require innovations such as the Thermal Regenerator™. These NOx treatment technologies have already been incorporated into Faurecia's product offering, and are already included in several models that are looking ahead to the Euro 6 standard or similar regulations.

Furthermore, in 2014, Faurecia supplied the world's first particulate filters for gasoline direct injection engines. This technology will become standard in the upcoming years.

Renewable materials

Faurecia develops and incorporates bio-based materials and this is also an effective way of taking up positions that span the entire product life cycle.

In addition to the Lignolight technology mentioned above, natural fibers are a focus for Faurecia. NAFILean technology (NAtural Fiber Injection), which combines natural hemp fibers with polypropylene resin, reduces weight by 25% compared with talc-loaded polypropylene. This technology, now in production on the door panels for the new Peugeot 308, received the 2014 innovation prize in the green innovation category from CLEPA (European Association of Automotive Suppliers). In 2014, an APM (Automotive Performance Material) joint-venture was established with the Interval company in order to produce granules of this material. Faurecia's portfolio includes natural fibers combined with polypropylene fibers. Already in production on the Smart instrument panel, this technology is set to be extended to the door panels, providing a weight reduction of 20% compared with the best alternative technologies. The "Lignolight" technology, applied to a full door panel, uses wood chips compressed with resin which, combined with a molding operation, reduces weight by approximately 30% compared with standard technologies.

The final step is the generation of 100% natural materials for the mass production of semi-structural automotive applications. This was the purpose of the partnership launched in 2012 with Mitsubishi Chemicals. This joint work is based on the modification of polybutylene succinate (PBS), derived from biomass and patented by Mitsubishi Chemicals, allowing it to be made entirely from natural materials. BioAmber provides biosourced succinic acid to both partners. This resin is combined with natural reinforcing fibers to make parts using the injection molding process.

6.2.3. USABILITY

Ergonomics of seat adjustments, fit and finish of bumpers, harmony of the instrument panel, compatibility with mobile electronic devices and filtering of external noise: Faurecia products are located at the interface between the user and the vehicle and are major factors in its appeal. Striking the right balance for each vehicle and automaker requires the implementation of scenarios based on the resources of industrial design, using a range of technologies that provide comfort, decoration, and integrate electronics. In parallel, the safety of occupants remains a priority for Faurecia in the vehicle interior.

Comfort

Faurecia has always positioned itself as a key partner of automotive manufacturers in the area of seating comfort. The development of postural comfort software, optimization of the pressure at the occupant-seat interface, and filtration of vibrations from the vehicle floor are all areas upon which Faurecia has built its reputation. The latest innovations relate to the development of multi-hardness foams, which filter the various types of vibrations and optimize seat thickness in order to reduce its height, but they also propose a set of pneumatic systems that adjust the shape of the seat to the occupant and use inflation/deflation cycles to generate a massage with characteristics that can be adapted as needed.

In addition, Faurecia has developed a "compliant shell" seat (based on a deformable plastic shell and a foam whose thickness has been significantly reduced) which offers a different kind of comfort, especially at the level of the back, while achieving a size reduction in the order of 40 to 50 mm. This innovation, which was included in Renault's EOLAB concept car in 2014, is a major change in the seat system approach and could soon be used in middle- or lower-segment vehicles.

Ergonomics is also at the heart of Faurecia's concerns, as is shown by new approaches, for example, to seat adjustment and the various interfaces between the occupant and the various functions controlled from the center console.

Safety

Usability and safety go hand in hand. Faurecia is a supplier of components that play an important role in passive safety and thus help save lives or limit injuries to drivers or passengers. Seats are emblematic in this respect: they provide about 80% of rear impact protection, about 30% to 40% for frontal impacts and, depending on the automaker, between 30% and 80% for side impacts. Dashboards are also worthy of mention, especially for the protection of front passengers, including all the issues relating to the deployment of airbags. In the area of pedestrian impacts, bumpers make a decisive contribution in efforts to limit injuries, by devoting attention both to their intrinsic characteristics and to the kinematics of the impact sequence.

Over the years, Faurecia has taken position as a key partner for automakers in this area, initially by emphasizing the importance of safety and then by developing products and expertise that allow the Group to devote research efforts, in a measured and confident manner, to all anticipated changes. Each link in the "safety chain" is associated with design rules that guarantee the system's performance and its longevity.

Interior and external environments

From the instrument panel to the seats, consoles and door panels, Faurecia is responsible for all the surfaces constituting the visual atmosphere inside the vehicle.

The painting of parts on the instrument panel can ensure continuity with the body color or provide a counterpoint, using piano black or high gloss finishes. Films deposited directly on molded parts allow an infinite variety of patterns and colors. In high-end segments, three-dimensional Ligneos technology allows large and complex wood surfaces to be covered in an industrial and repeatable process, which can be supplemented by skins with visible stitching and highlighted by brushed or polished aluminum parts.

The use of these materials can be further enhanced by lighting. The inclusion of fiber optics in the instrument panel can be used to create patterns and illuminate door linings.

By providing a wide range of materials and technologies, Faurecia allows the creation of varied interior environments for all market segments.

In addition, Faurecia develops decoration technologies for exterior parts. Particular emphasis is placed on the modular design of the front bumpers, based on optimized architectures that must accommodate many finishes for a given vehicle while reducing tooling costs. Similarly, bright decoration technologies are being developed to meet the growing market demand.

Lastly, Faurecia, a partner known for its mastery of vehicle interior noise reduction solutions, is also developing advanced exhaust noise reduction and coloration solutions. "Active Noise Cancellation" allows exhaust noise to be considerably reduced by generating a sound wave contrary to the wave generated by the motor and "Active Sound Design" (ASD) allows a harmonious sound to be generated from any motor noise. ASD becomes necessary for top-of-the-range vehicles as the motors gradually lose displacement and cylinders in order to reduce fuel consumption. With ASD, for example, it is possible to generate the sound of an eight-cylinder engine from a four-cylinder engine.

Industrial design

Faurecia is relying on advanced design teams to materialize most of its breakthrough innovations focused on the occupant. Thus, the "performance" cockpit prototype was followed by "performance 2.0" in 2013. The latter incorporates the latest innovations in human-machine interface with a retractable screen, connectivity, air distribution with reduced vent sizes, kinematics and decoration.

On the seat side, the approach has remained unchanged. OASIS, the latest demonstrator that is designed for rear passengers, offers ergonomic kinematics that allow the switching from a standard position to a first-class relaxation position and includes advanced massage functions and audio systems, all of which are activated via an innovative control interface.

In addition, in 2011, Faurecia launched the "Collections By Faurecia" concept which provides tables setting out trends in the materials, styles and technologies available for the vehicle interior. These collections draw on the creative expertise (trend monitoring, colors, graphics, grain, special effects, etc.), and the latest technological developments mastered by Faurecia. In 2014, the group of collections was extended to seat lining technologies.

Electronics solutions

Many new car features stem from the integration of electronics. Faurecia products are no exception to the rule. Moreover, the trend towards the decentralization of electronics into modules requires that technology be integrated into products rather than being commanded by a centralized electronics system. Different approaches are used:

- develop partnerships to provide innovative products and optimize integration. In 2012, Faurecia signed a partnership with Philips & Lite-On Digital Solutions (PLDS) to develop an onboard charging system for wireless phones. In 2013, an agreement was signed with Magneti Marelli for the joint development of human-machine interfaces for center consoles with retractable or fixed screens, command buttons and decoration;
- manage product development and integration, and partner with industrial groups for production. This was the approach used for the latest developments of the SmartFit seat concept, which allows dynamic change in shape in keeping with the morphology of the driver, but also taking into account driving style and road type, in a predictive manner. Other examples are the reduction in noise in exhaust systems or changes in sound to simulate an engine with a larger number of cylinders by a counter-acoustic system driven electronically.

Faurecia's efforts in electronics resulted in the opening of an electronics laboratory in Brières (France) in 2012. The center, equipped with the best resources for testing and validating electronic components and systems, is used as a base for the development of electronic functions. Products that incorporate electronics and are developed by Faurecia are already mass-produced, but the signing of significant contracts in the last months of 2013 will position Faurecia as a renowned provider of this type of product.

In 2014, Faurecia marketed two innovative mechatronic products as standard: automatic seat-back folding of the two rows of rear seating in the new Renault Espace and Ford S Max.

In addition, the creation of an industrial chair in mechatronics with Supélec and ESIGELEC demonstrates the Company's medium- to long-term commitment in this field.

6.2.4. COMPETITIVENESS

Generic platforms and products

To reduce the cost of products and the developments and investments needed to manufacture vehicles, automakers have rolled out global platforms, which are generally used for different vehicles and brands. Automakers contribute to these strategies as part of their activities.

Faurecia is among the equipment manufacturers which took this approach very early on, and makes it a competitive advantage under three aspects:

- develop standard or generic products that will be used by different automakers: our seat mechanisms are global standard-setters with a market share of approximately 20%. The number of parts manufactured and their standardization make them robust and competitive, with lifetimes lasting beyond vehicle renewal cycles;
- develop standard and modular concepts tailored to the needs of the customer, in accordance with specifications. In such cases, the product must take into account the greatest number of specifications (performance, size, cost) and be sufficiently flexible to adapt to basic needs and specific requirements. This is the case of seat frames developed by Faurecia, which contain standard areas aimed at reducing development costs and allowing the use of generic means of production (assembly lines and technological equipment), while at the same time allowing different functions from one application to another (mechanical or electric versions, for instance). This approach requires a thorough knowledge of the market and a high level of control of the product and manufacturing processes. Other products, such as exhaust system components or equipment for the vehicle interior, use the same logic;
- develop the same products for different geographic areas, with the virtually simultaneous start of mass production. This requires a global footprint and control of global programs, taking local realities into account. Faurecia has acquired expertise making it one of the best automotive suppliers worldwide. The recent experience of the Ford Focus instrument panel, produced on 13 Faurecia sites for shipment to 7 Ford plants, is a striking example.

Faurecia is a front-ranking partner for automakers developing modular products worldwide, ensuring high levels of robustness and optimizing economic performance.

Production technologies

Faurecia must master the best technologies applied to its products to be competitive. Some technologies have a significant impact on product performance. For Faurecia Automotive Seating, the use of laser welding for mass assembly, starting several years ago, has drastically reduced the size of seat structures while maintaining their modular nature. Use of induction brazing in the mass production of exhaust systems began on the Ford Fiesta in 2012 and has continued since. It provides an overall reduction of between 20% and 30% in size, by reducing thickness, while increasing the quality of assemblies. Regarding the shaping of parts, hydroforming of exhaust components and cold or hot forging of mechanical parts provide reductions of 20% to 30% in size. Slush molding technology, which can produce components in three dimensions and which Faurecia is one of the few automotive equipment manufacturers to have mastered, delivers a 20% reduction in the thickness of skins for instrument panels and other adjacent technologies will enable reductions of 40%. Lastly, Microject technology applied to molded parts of the vehicle interior also provides a 20% weight savings. This molding procedure combines the injection of resin and a foaming agent, which causes the formation of air bubbles in the material during the production cycle.

In addition, an agreement was signed in 2012 with the University of Dortmund in Germany for the creation of an industrial chair on innovative molding of parts from metal tubes or sheets. It is helping to consolidate Faurecia's leading position in this field.

Materials development

The development of specific plastics can allow changes in molding, creating materials that meet market expectations with a higher level of performance. The non-exhaustive list of target criteria includes durability, strength, resilience and improved conditions for use. A significant example is the development of biosourced materials (discussed previously).

The search for metallic materials that meet increasingly advanced requirements and optimize weight is also a focal point for new product development.

Simulation

More than 300 engineers are dedicated to the development or use of simulation tools, and more than 100,000 calculations are performed every year. Product simulations cover a wide field, ranging from safety calculations on seats and instrument panels, pedestrian impact on the front end, and calculations of gas and acoustic flows for exhaust systems. The simulation process is being phased in for all activities. This is the case for the injection molding of thermoplastics or the foaming of instrument panels, stamping and hydroforming. The simulation process generally involves combining phenomena that become multi-physical, which increases the complexity. The chair with the École Centrale de Nantes on the simulation of composite manufacturing processes is part of this drive and today enables Faurecia to be predictive about phenomena that are not yet mastered. Lastly, strategic partnerships with code editors are part of the essential additions to simulation development.

Production processes/assembly lines

To show its willingness to adopt a long-term approach, in 2012 Faurecia signed a contract for the creation of an industrial chair on the optimization of assembly lines and logistics with ECP (France) and *Technische Universität München* (TUM, Germany).

6.2.5. ORGANIZATION OF INNOVATION

The innovation process

Faurecia develops its products and technologies within a structured approach known as process innovation. This process sets out the different stages in maturation from the initial idea to final validation. At each step, a validation committee rules on the transition to the next step.

Monitoring this process makes our innovation more robust, and allows it subsequently to be integrated into vehicle projects with limited risk.

Management of expertise

Faurecia's expertise is structured around skills in 67 areas. In 2014, the expert network was made up of over 300 experts, divided into three levels: expert, senior expert and master expert. The experts have a career path parallel to that of management and are recognized in the same way in the Company. Experts are primarily responsible for innovation and knowledge structuring, but are also involved in all stages of product and process development so as to ensure technical excellence at all levels.

Partnerships

To expand and enhance its expertise, Faurecia is actively developing new partnerships with suppliers and research institutes.

This is demonstrated by the creation of a chair in composites with the École Centrale de Nantes in 2011, followed by an additional three chairs in 2012 (automotive mechatronics with Supélec and ESIGELEC; assembly lines and logistics with the École Centrale de Paris (ECP, France) and the *Technische Universität München* (TUM, Germany); metal materials and innovative processing with the *Technische Universität Dortmund* (TUD, Germany)) and the most recent chair in 2013 with the University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials.

In addition, a master agreement was signed in 2012 with Fraunhofer ICT (Germany) on composite production technologies, which further confirmed Faurecia's determination to work with academic institutions to achieve greater mastery of the phenomena encountered and to open other avenues of innovation.

Faurecia is also strongly involved in France in the IRTs (*Instituts de Recherche Technologique* [Technological Research Institutes]) Jules Verne and M2P in order to develop innovative production processes in the field of composite and metal materials, as well as in start-up research through incubators in France and abroad. Specific cooperative actions are also implemented on a case-by-case basis for innovation projects that require technologies related to Faurecia's core business lines. Thus, in 2013, Faurecia signed an agreement with Magneti Marelli to develop human-machine interface modules incorporating electronics, command systems and decoration.

Investments

In 2014, the Group's continuous innovation work resulted in filing some 505 new patents. This result was stable compared with 2013 and it confirms Faurecia's commitment to innovation. These patents pertain to products, materials, and manufacturing processes, demonstrating the efforts made by Faurecia to optimize the entire product value chain.

This commitment to research and development is demonstrated regularly by the opening of new research and development centers in various geographic areas and the modernization of historic centers for which technologies have changed.

Thus in 2014, two new research and development centers were opened for the Automotive Seating business, one in North America, in Auburn Hills (USA), and the other in South America, in Quatro Barras (Brazil).

6.3. Engineering and program management

Carrying out innovation and vehicle application projects calls for highly reliable and effective organization of engineering and programs. Faurecia is organized in a way that meets both these requirements.

Engineering

Faurecia currently operates 30 R&D centers worldwide. Each Business Group's research and development is spread across our three main geographic areas: Europe, America and Asia. Since it is structured as a network, it can run global programs and commit as many of its resources as are needed through its worldwide workforce (quantity), or commit the right experts, particularly for innovation or vehicle application projects (quality).

Project Management

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. The Program Management System (PMS) process, describes all the requirements at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen.

The PMS consists of five phases:

- obtain and validate customer needs;
- develop the product;
- test the product and develop the manufacturing process;
- plan and validate production machinery;
- ramp up line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program requirements to ensure disciplined implementation;
- performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, lead times and launches of mass production.

495 programs run by 420 program managers were in development at the end of 2014.

7

Faurecia and sustainable development

CONTENTS

The information contained in this chapter aims in particular to meet the requirements of Article L. 225-102-1 of the French Commercial Code, as amended by French Law No. 2010-788 of July 12, 2010 and Decree No. 2012-557 of April 24, 2012.

Workforce-related disclosures are provided contained in Chapter 4 of this Registration Document.

7.1. Faurecia and the environment

7.1.1. FAURECIA'S PRODUCTS AND THE ENVIRONMENT

Many different approaches are used by Faurecia to help reduce its environmental footprint, ranging from reducing vehicle mass, limiting emissions of noxious gases, and lowering noise levels to energy recovery, the development of products made from biosourced materials, and recycling.

Faurecia and its companies are leading players in efforts to produce lighter-weight vehicles, thus lowering their fuel consumption, and to reduce greenhouse gas emissions (depending on the type of engine and the driving cycle, decreasing an average vehicle's total mass by 100 kg lowers CO_2 emissions by 8-10 g per kilometer). As Faurecia's products can represent up to 25% of this total mass, the Group has made limiting the use of raw materials required in vehicle manufacturing one of its strategic priorities. This objective is pursued for all of the Group's products.

In addition, through the activities of Faurecia Emissions Control Technologies, the Group is making a significant contribution to lowering emissions and reducing noise pollution by using state-of-the-art technologies to develop innovative solutions. This Business Group has also expanded its range of energy recovery solutions for exhaust systems which, depending on the application, can offer savings of between 3 and 10 grams of CO_2 per kilometer. Lastly, the Group has been and remains a trailblazer in the use of biosourced materials, particularly in connection with the activities of Faurecia Interior Systems, which recently began mass production of a polypropylene composite reinforced with hemp fibers and is currently developing biosourced resins. In order to grow sustainably and in recognition of the ways it can contribute to the production of lighter and cleaner vehicles, Faurecia takes environmental factors into account at all stages in the product life cycle, from the initial design to end-of-life management, including the environmental impact of its production sites and the potential for collaboration with suppliers.

Substance management systems are put in place across the entire supply chain, from suppliers to manufacturing customers, for all products delivered by Faurecia. Among other benefits, this approach gives the Group access to complete information on the substances entering into its products, in order to ensure that all actors in the supply chain comply with chemical regulations such as REACH.

Thanks to this approach, Faurecia also keeps a close watch on new developments in its supply chain in order to investigate substitutes for certain substances when necessary.

Faurecia Interior Systems is currently mapping out an anticipatory approach to the identification and sharing of information within the supply chain on chemicals or constituents of concern, based on a list of chemicals or constituents considered as potentially of concern for its products and their use.

Faurecia also takes part in working groups alongside automobile manufacturers in order to anticipate possible restrictions on the use of substances in the coming years.

7.1.1.1. Product approach

From product design to the technical expertise provided to automakers, Faurecia's process spans six areas:

- reducing the weight of the components and sub-assemblies;
- reducing the space taken up by products;
- recycling, including anticipation of the end-of-life phase, optimization of production waste recovery and the use of recycled materials;
- increasing the use of biosourced materials;
- reviewing and enhancing environmental performance based on life cycle analysis;
- lowering emissions of greenhouse gases and other airborne pollutants and improving energy efficiency through the use of energy recovery techniques.

DESIGN AND ENGINEERING

Subsection 6.2.2 of this Registration Document specifically contains a description of the actions taken by Faurecia to reduce weight and size.

MATERIALS

Recycling initiatives

Recyclability

European Directive 2000/53/EC of September 18, 2000 on end-of-life vehicles stipulates inter alia that vehicles will have to be 95% recoverable by weight, of which 85% will have to be actually reusable or recyclable, by January 1, 2015.

Given such onerous regulatory requirements, automakers are placing ever-greater demands on their suppliers in terms of end-of-life product recycling.

All of Faurecia's businesses are affected by these obligations and, depending on the characteristics of the component in question, have implemented plans and solutions to ensure that end-of-life products are processed as efficiently as possible in the future.

As regards current solutions, an innovative product must be measurable both in terms of improved technical and economic performance and its carbon footprint. Faurecia is committed to a process of forecasting and recovering future end-of-life products. Selective trials overseen by Faurecia comprise the first phase of a comprehensive approach by the automotive sector in partnership with industrial firms, academia and auto "clusters", to forecasting volumes of materials available for recycling in the future.

Faurecia Interior Systems, after performing tests on the recycling and recovery of complex products via disassembly, has begun similar operations after shredding vehicles. Industrial-scale recyclability studies and tests have been undertaken with certain car-shredding plants, both on existing products and materials being developed, including agro-composites. The NAFCORECY (NAtural Fiber COmposites RECYcling) project was able to demonstrate, with the help of European companies specialized in recycling, that parts made of NAFILean (polypropylene with natural fibers) can be processed with post-shredding technologies for end-of-life vehicles or recycling technologies used for industrial waste.

All possibilities for recycling end-of-life products are studied with a view to integrating the best solutions, ensuring reduced environmental impact and taking into account all utilization cycles at the design stage. Faurecia also uses life-cycle analyses to "eco-design" its products, integrating all of the above criteria as early as possible into the innovation and development processes.

Recycling

Faurecia offers an increasing number of recycled plastic parts.

In Faurecia Automotive Seating business, depending on the type and category of vehicle, various components are now partly made of recycled polypropylene. Taking all these components together, recycled plastics can now account for 15-20% of the materials comprising the seats manufactured by Faurecia.

In Faurecia Interior Systems business, the incorporation of recycled material is taken into account and validated in new product development, with the same constraints and specifications as virgin materials.

In addition, Faurecia maximizes the incorporation of recycled natural fibres (mainly cotton) in its vehicle soundproofing systems.

The integration of recycled materials in various applications by Faurecia Automotive Exteriors is taken into consideration and validated from the project development phase, by way of the same process as that used for virgin materials. The cross-functional organization put in place allows for heightened controls at various stages, from the sourcing of the material to its use at the plant.

In particular, this organization is made possible through the collaborative efforts of Faurecia's research centers and an industrial research chair established in 2013. The objective is twofold: better coordination between sourcing and the formulas developed for targeted applications as well as achieving a quality of materials allowing for greater use of recycled plastic as well as a wider range of applications. The level of mechanical and aesthetic results attained by today's recycling processes make it possible to meet expectations in relation to these two factors for bumpers, one of the most critical automotive parts contributing to the final product's attractiveness.

As an outcome of the BOREVE project launched in 2008, with the aim of introducing recycled automotive materials in a wider range of applications, pilot testing of formulas and related processes is currently underway.

Life-cycle analyzes show that the use of recycled materials can reduce the environmental impact of manufactured products. Faurecia, like its automaker customers, has considerably extended its panel of suppliers of recycled materials. This allows us today to offer increasingly technical applications with increasingly wide material grades.

Action in the field of biosourced materials

Subsection 6.2.2 of this Registration Document contains information on the use of renewable materials.

EMISSIONS

Subsection 6.2.2 of this Registration Document describes action taken by the Group with regard to control of emissions.

7.1.1.2. Life-cycle analysis

Faurecia is increasingly using life cycle assessment (LCA) as an engineering tool at various levels to steer its strategic decisions and those of automakers. These studies are carried out on its products, on the entire vehicle (from the extraction of materials to delivery to automakers), and on the entire vehicle life cycle (including customer use and recycling).

Framed by international standards ISO 14040 and ISO 14044, this methodology consists of assessing the environmental impact of products designed and manufactured by Faurecia for use in automobiles. It involves the fullest possible impact assessment, including climate change (including CO_2), the consumption of non-renewable resources (oil and coal) and eutrophication.

These life cycle analyses allow both Faurecia and automakers to:

- make the right design choices for current vehicles (with gasoline or diesel internal combustion engines) and for those of the future using alternative fuels and with more environmentally-friendly emission control systems;
- assess and avoid impact transfer by focusing on alternative solutions (e.g. by developing a lighter but non-recyclable product).

This is an especially useful innovation tool for evaluating benefits as well as any impact transfers as far upstream as possible through a comprehensive overview of the environmental impacts that paves the way for future innovations.

It also provides a more in-depth understanding of the environmental choices of an entire industry. Faurecia is therefore heavily committed to developing and using life cycle analyses in liaison with automakers and auto sector partners as the means of gaining a shared understanding of environmental challenges.

Whether in the short term with conventional engine power or in the medium term with the growth of hybrid engines and the emergence of "electric" engines, Faurecia's customers are keenly looking for groundbreaking solutions. This is the only way in which they can reduce their energy consumption and environmental footprint while at the same time ensuring autonomy, comfort, safety and driving pleasure.

Moreover, in an increasingly competitive environment, automakers must meet increasingly diverse local and global demand, while complying with existing regulations and anticipating future changes to the regulatory framework.

However, while the reduction in vehicle mass and the ensuing reduction of CO_2 emissions have a direct impact on the development of automakers' product line-ups, their focus on sustainability during this process is itself attracting more public attention, which is especially significant from the perspective of Tier 1 equipment manufacturers.

The broad scope of its customer portfolio allows Faurecia to achieve a better overview of the market and a better understanding of customer expectations, resulting in a more appropriate structuring of its offers.

Anticipating regulations and the changing nature of demand continues to inform Faurecia's innovation plan and its research and development budget. This also matched specific demands from manufacturers in respect of the integration of green materials (recycled or renewable) and the reuse of automotive materials.

For most of the parts that Faurecia produces and for most vehicles currently on the market, reducing mass is a clear priority and life cycle analyses help to quantify and validate such objectives.

7.1.2. FAURECIA'S INDUSTRIAL SITES AND THE ENVIRONMENT

METHODOLOGICAL NOTE

Faurecia has been reporting its annual results of its sites' environmental responsibility since 2001 and the publication of the law on New Economic Regulations. Since 2012, the Group has also been subject to the application of the decree implementing Article 225 of the law known as the Grenelle 2 Law of July 12th, 2010, which requires the reporting of 17 environmental issues with an aim to compare sectorial data.

ENVIRONMENTAL REPORTING FRAMEWORK

The environmental reporting process of the Faurecia sites is based on a set of reporting obligations provided for by the French Commercial Code and the principles established by Global Compact of which Faurecia is a signatory.

SCOPE

The reporting scope covers 251 sites. Compared with 2013, 18 sites have opened and 15 were out of scope (including 1 merger and 1 site transfer).

Except as noted, all the quantitative indicators were consolidated on 100% of the aforementioned scope.

DATA ANALYSIS METHODOLOGY

For transparency and consistency, the data analysis is first carried out on a constant scope with 2013 to enable comparability with the 2014 data (excluding data on waste and raw materials as these collection indicators were different to those in 2013, preventing any comparability of information). Graphical analysis is carried out on actual scope (i.e. all sites participating in the reporting in 2011, 2012, 2013, 2014) to reflect the reality of the environmental information.

7.1.2.1. The scope of Faurecia's sites contributing to environmental reporting

In 2014, as part of environmental reporting related to the Grenelle 2 Law, the Faurecia sites fall into three distinct types: production sites, semi-finished products assembly sites, called Just In Time, and R&D sites.

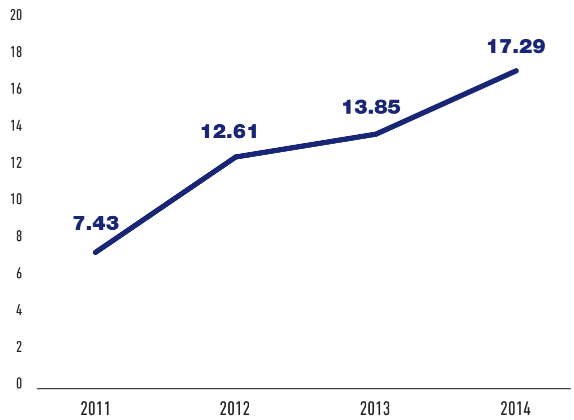
52% of the production sites are located on the European continent, 22.3% are located in Asia, 12.8% in South America, 9.5% in North America and 3.4% in the rest of world. The main countries where European factories are concentrated are France (30%), Spain (18%), Germany (13%) and Poland (10.8%).

7.1.2.2. Environmental protection improvement actions

In 2014, the Faurecia sites dedicated a total of €16.49 million to the protection of the environment and equipment compliancy, an increase of 20% compared to 2013 (see examples under the section on energy consumption).

Reporting year 2014 Scope by consistency	Equipment compliancy *(M€)*	Environmental Protection *(M€)*	Sum of environment-related investments *(M€)*
2011	5,31	2,12	7,43
2012	9,69	2,92	12,61
2013	9,24	4,61	13,85
2014	12,35	4,94	17,29

AMOUNT OF INVESTMENT RELATED TO COMPLIANCE AND PROTECTION OF ENVIRONMENT IN MILLION EUROS (2014 SCOPE)



7.1.2.3. Environmental certification and training

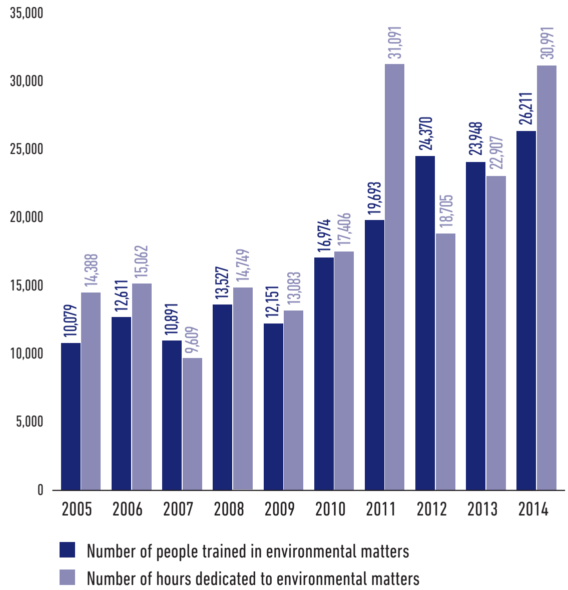
Based on a voluntary approach, 198 Faurecia business establishments implement environmental management systems based on the international standard ISO 14001. The ISO 14001 certification also enables Faurecia to meet its clients' requirements.

Compared to 2013, there were a stable number of certified sites or sites engaged in an environmental management approach. 65.5% of the Faurecia sites were concerned of which five production plants achieved certification in 2014. 41.2% of the non-certified sites in 2013, have decided to launch an action program to enable them to gradually fulfill the requirements of an environmental management system.

Faurecia's implementation of the ISO 14001 management systems was accompanied by training and awareness in the environmental field. In 2014, investment was increased and reached, for the sites present in 2013, 156K€, some 17% more than the previous year. Thus, the number of training hours focusing on enhancing environmental management skills reached 28,783 hours (up by 28% compared to 2013) and were delivered to 33.5% (2.7% more than in 2013) of the workforce, excluding temporary workers.

NUMBERS OF SITES WHICH ARE ISO 14001 CERTIFIED OR HAVE AN ACTION PLAN FOR ISO 14001 CERTIFICATION (2014 SCOPE)

NUMBER OF PERSONS TRAINED ANNUALLY IN ENVIRONMENTAL MATTERS AND THE NUMBER OF TRAINING HOURS CONCERNED (100% OF THE 2014 SCOPE)



7.1.2.4. Environmental Indicators

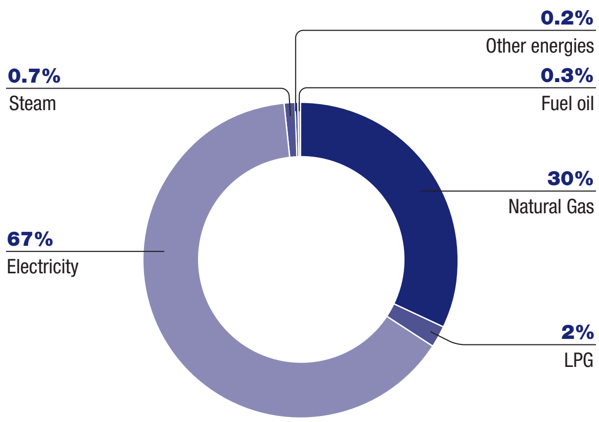
ENERGY CONSUMPTION

Consumption of energy, liquid refrigerants and greenhouse gas emissions

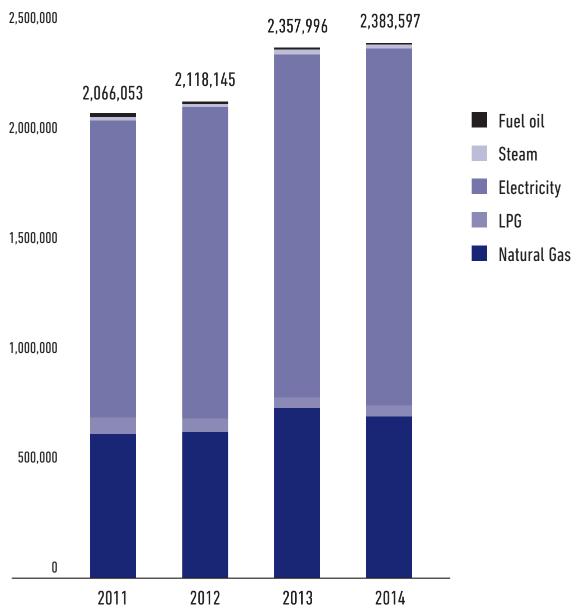
1. Energy consumption

In 2014, the energy consumed reached 2.4 million MWh (+0.33% compared to 2013). Electricity remains the energy source that is used the most by the Faurecia sites; nearly 10% comes from renewable sources.

BREAKDOWN OF ENERGY CONSUMPTION IN % (98.39% OF THE 2014 SCOPE)



ENERGY CONSUMPTION, IN MWH, BOTH GLOBAL AND BY SUPPLY SOURCE (98.39% OF THE 2014 SCOPE)



a) Actions for better energy efficiency within Faurecia Automotive Exteriors production sites

The Automotive Exteriors activity is largely based on the manufacture of painted parts such as bumpers, tailgates, wings or spoilers. These plants are major energy consumers. Injection molding operations require a high consumption of electricity while the flaming process in paint lines generates significant natural gas consumption. In 2014, 75% of sites continued to implement specific actions to reduce their energy consumption and, at the same time, their greenhouse gas emissions.

In 2012, all the Northern Europe Division sites (some 39% of the Automotive Exteriors sites) obtained the ISO 50001 certification to formalize their Energy Management System.

At the beginning of 2013, the Pappenheim site, located in Germany, installed and began running a cogeneration turbine enabling 13% of renewable electricity to be produced. This led to an 11% saving on total electricity consumption compared to the previous year.

The Essen site in Germany, the Group's fourth largest energy consumer, invested €1,175,000 in 2014 to finalize the installation of a cogeneration turbine to have a share of its electricity, measured at 27%, from renewable energy. The investment also enabled the site to continue implementing an intelligent management module for the raw material heating time on five other machines. This time is therefore better streamlined and enables savings in electricity consumption to be made.

The production plant in Hambach, based in France, has set up a free cooling system. This uses the temperature difference between the air leaving computers and that of the outside air to assist the water cooling system, thereby reducing the energy needed for this purpose. The site has also set up a system to recover the calories emitted by the injection presses to heat the paint booths.

b) Actions for better energy efficiency within Faurecia Interior Systems production sites

The plant in Legnica, based in Poland and one of the largest energy-consuming plants of the Group, methodically analyzed simple ways to achieve energy savings. The plant detected an energy loss at its cooling system. This was due to a film of limestone leading to a higher energy consumption to reach the ideal temperature for cooling water (-10°C). The installation of a system to eliminate the limestone enabled a reduction of 30 kW (-11%) of installed capacity at the site.

The Chongqing Guangneng (China) production site invested more than €10,000 in the installation of more energy efficient infrastructures and equipment. The HSE team insulated the injection cylinder to prevent energy loss when the raw material is heated.

More generally, all the production plants have installed intelligent light management systems as well as maximum temperature thresholds triggering the switching on of air conditioners (<25°C).

c) Actions for better energy efficiency within Faurecia Automotive Seating production sites

The industrial site of Quatro Barras, Brazil, has implemented a control system of the potential factors associated with the consumption of Liquefied Petroleum Gas (LPG) such as the temperature of the installations or the pressure of the pumps (burner, degrease tanks). This site uses 10% of the volume of LPG purchased by the Group. After four days of analysis, the site found that the temperature reached during the degreasing phase was largely responsible for the consumption of LPG. Therefore, in line with the technical data sheet and ensuring no negative impact on performance, the paint line manager proposed a 12°C drop in temperature, from 62°C to 50°C. Compared to the previous year, the site reported an 8% decrease in LPG consumption.

On the basis of energy audits in response to European Regulations, the Mechanisms division sites (eight industrial sites representing 5.2% of the total energy consumed by Faurecia) are preparing to obtain ISO 50001 certification. Their goal is to reduce energy consumption by 3% every year by 2016. The sites are working towards improving the energy performance of buildings and refrigeration systems, as well as optimizing the energy consumption of the paint lines and stamping shop. In 2015, two sites aim to obtain ISO 50001 certification.

d) Actions for better energy efficiency within Faurecia Emissions Control Technologies production sites

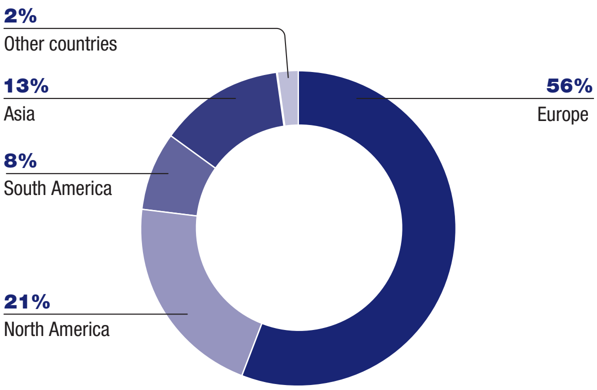
With an aim to reduce energy consumption related to the use of bending machines, BG Emissions Control Technologies has undertaken to renew its bending machines park favoring a new generation of more energy-efficient equipment which doesn't require the use of hydraulic oil.

In an operational management concern for the energy efficiency of its site, the French plant in Bavans has committed itself to ISO 50001 certification.

2. GHG emissions and air quality

For the last three years, the Faurecia sites have measured Scope 1 (direct) and 2 (indirect) emissions as defined by the ISO 14064 standard. This carbon accounting approach was initiated as part of Section 75 of the Grenelle 2 Law that requires every French establishment with more than 500 employees to measure emissions from fossil fuels, refrigerants from stationary and mobile sources (air conditioning), and from the fuel of owned vehicles. On the 2014 scope, 6 sites are required to publish the Greenhouse Gas report.

BREAKDOWN OF CONSOLIDATED GHG EMISSIONS (TECO$_2$) BY CONTINENT (84% OF THE 2014 SCOPE BY UNIFORMITY)



a) Direct GHG emissions

Direct GHG emissions are largely calculated from fossil fuel (natural gas, liquefied petroleum gas and fuel oil) consumption data by applying international emission factors recommended by the French administration (decree of October 31, 2012 and European decision No. 2012/601 for CO_2 and the circular of April 15, 2002 for the other gases). The emission factors to calculate refrigerant-related emissions come from the fourth report of the Intergovernmental Panel on Climate Change (IPCC), "Climate Change 2007".

Direct emissions of Greenhouse Gases (GHG) from the Faurecia sites present in 2013 generated the emission of 159,863 metric tons of CO_2 equivalent in 2014, a decrease of 5.3% compared to 2013. This reduction in emissions is explained by maintenance efforts and the renewal of equipment focusing on reducing the use of high-carbon energy in favor of electricity.

Emissions from leaks of refrigerant gases used in air conditioning and refrigeration systems represent 4.7% of direct emissions measured this year and less than 1% of Scope 1 and 2 emissions of the Group. In compliance with international regulations relating to the Montreal Protocol, Faurecia continued its efforts to decrease the use of the refrigerant gas R22 (-16% gas charged in the installations compared to 2013), which will be permanently banned in Western countries in 2020.

b) Indirect GHG emissions

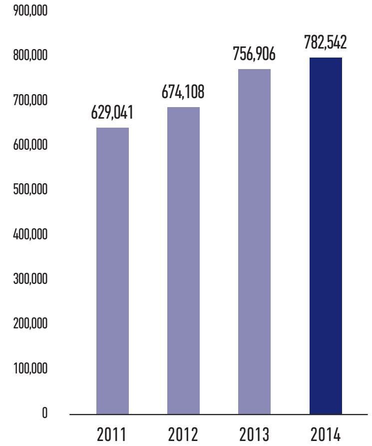
Indirect emissions are calculated from electricity purchases according to emission factors published by the IEA (*International Energy Agency®* – Version 2013).

The increased use of electricity compared to 2013 results in a slight increase in indirect emissions of 3.4% (or the equivalent of 618,894 metric tons of CO_2) by the sites present in 2013.

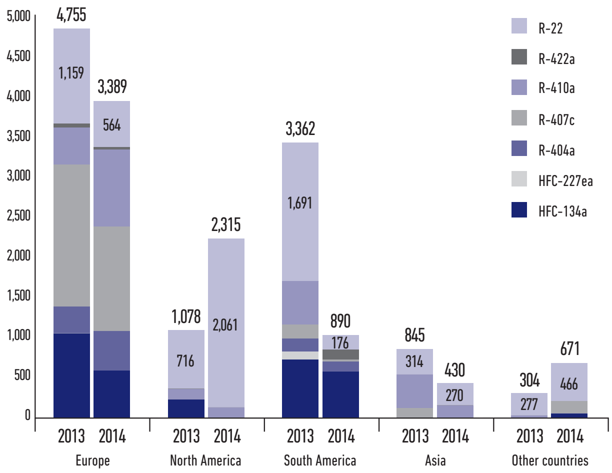
RESULTS OF THE DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS IN METRIC TONS OF CO_2 EQUIVALENT (100% OF THE 2014 SCOPE)

Total of atmospheric emissions	Reporting year	Europe	North America	South America	Asia	Others countries	Total
Direct emissions ($tCO2_e$)	2011	117,040	21,887	9,782	3,608	323	152,317
	2012	118,428	18,402	8,728	5,028	355	150,586
	2013	118,100	37,401	10,203	4,004	376	169,707
	2014	106,464	38,352	8,475	7,504	319	160,795
Indirect emissions ($tCO2_e$)	2011	306,623	84,561	40,498	45,043	14,811	476,724
	2012	317,683	96,907	49,644	58,614	15,230	522,847
	2013	327,972	129,749	52,731	76,796	15,262	587,248
	2014	339,885	130,941	53,878	97,043	15,722	621,747
Total emissions ($tCO2_e$)	2011	423,662	106,448	50,280	48,650	15,134	629,041
	2012	431,908	119,101	59,481	63,618	16,480	674,108
	2013	446,023	167,150	62,934	80,799	15,638	756,906
	2014	446,350	169,293	62,353	104,547	16,041	782,542
N_2O emissions	2011	5	1	0	0	0	6
	2012	5	1	0	0	0	6
	2013	5	2	0	0	0	7
	2014	5	2	0	0	0	7
CH_4 emissions	2011	8	1	0	0	0	10
	2012	8	1	0	0	0	10
	2013	8	2	1	0	0	11
	2014	7	3	0	0	0	11
SO_2 emissions	2011	5	7	1	2	0	14
	2012	4	3	0	11	0	18
	2013	3	1	0	10	0	15
	2014	3	1	0	6	0	10
NO_2 emissions	2011	123	23	10	4	0	160
	2012	124	19	9	6	0	159
	2013	124	39	10	5	0	179
	2014	112	40	9	8	0	169

RESULTS OF THE TOTAL GREENHOUSE GAS EMISSIONS IN METRIC TONS OF CO_2 EQUIVALENT (100% OF 2014 SCOPE)



DISTRIBUTION OF GREENHOUSE GAS LEAK EMISSIONS RELATED TO COOLING (92% OF 2014 PERIMETER)



c) Emissions of Volatile Organic Compounds (VOCs)

Faurecia is committed to limiting volatile organic compound (VOCs) emissions, which are regulated as they contribute to the formation or accumulation of harmful compounds, such as ozone, in the environment. Each Business Group is committed to making the necessary efforts in 2015 to ensure reliable data on VOC emissions be published in the Group's annual report next year.

Faurecia Automotive Exteriors industrial sites represent the biggest source of VOC emissions in the Group due to its activity requiring a significant use of paints and solvents. The other BGs, especially Faurecia Interior Systems sites, also emit VOCs through the use of paints and adhesives for some of their production lines.

As part of their 2013-2014 Quality policy and in compliance with the Faurecia Excellence System, the Faurecia Automotive Exteriors sites of their Southern division are committed to limiting their VOC emissions. To this end, a New Tech bumper painting line was designed and developed in 2010 at the pilot site in Audincourt (Faurecia's French historical site). Based on a new industrial process for the production of "all-in-one" bumpers, which goes from the plastic injection to the finished assembled product delivered to the customer, NewTech is a flexible, modular and competitive paint tool which is more environmentally friendly.

The latest "process" innovations to be integrated in the procedure have enabled a dramatic reduction in atmospheric emissions of around 95%. Beyond its benefits in terms of reducing emissions, it also reduces energy consumption by 25% since the heat generated to destroy the polluting emissions is used to heat the factory. Compared to last year, the Audincourt site has already saved 12% of its annual energy consumption. In the long term, the objective is to renew every bumper painting line with NewTech technology and implement it within each newly acquired plant. The site based in Marines, one of the biggest Ile de France VOC polluters, will be equipped with this new technology for its paint lines. The goal is to be able to support the business growth while ensuring that VOC emissions related to the running of the production plants do not increase.

Consumption of raw material [(1)]

Faurecia's production plants have an important role to play in the rational use of raw material. The Group is committed to meeting its customer requirements in terms of reducing the weight of its automotive equipment. Indeed, the weight of the car affects the quantity of emissions produced per kilometer. The techniques and best practices of each site are therefore determined first and foremost by the directions taken in terms of product innovation. Faurecia's strategic directions are clearly stated in the "Less is more" approach, presented publicly by the Group during the Paris Motor Show in October 2014 (see Section 6.2.2. Environmental Performance).

Reducing the amount of materials used in the factories is a key axis for each of the BGs in order to fulfill the objectives that the Group has set.

Metals are mainly used for the manufacture of seats and exhausts representing 52% and 48% respectively of the use of this raw material. Plastics are mainly used for the manufacture of instrument panels and bumpers: Faurecia Interior Systems uses 57% of this raw material while Faurecia Automotive

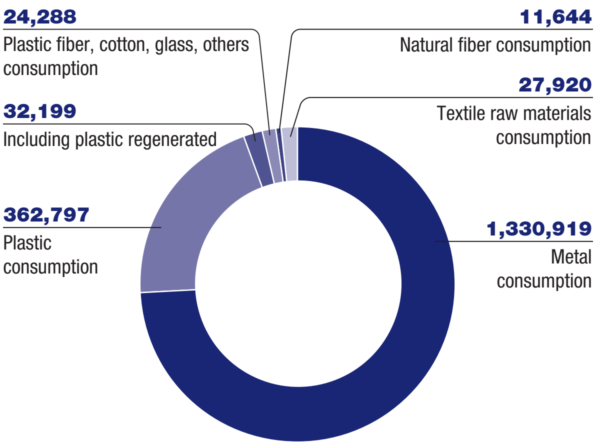
(1) In order to collect reliable information on raw materials, the reporting questionnaire was reworked this year to provide more specific information on the areas concerned and the rules for compiling data. For this reason, comparative information for the past two years is not provided this year.

Exteriors uses 23%. All of the fibers and textiles are mainly used in the design of the interior trim of a vehicle.

The sites pay particular attention to the rational use of raw materials, particularly by in-house recycling whenever possible. The metallic material has to be reworked in a foundry, so it must always leave the Faurecia site and be redirected to an external service provider: this is the only material that cannot be reused internally.

In total, the industrial sites recycled 3% of internal raw materials (excluding metal raw materials). In 2014, 2.9% of plastics, 3.3% of fibers and 5.6% of purchased solvents [1] are recycled internally.

DISTRIBUTION OF RAW MATERIALS PURCHASED IN 2014 BY TYPE OF MATERIAL IN METRIC TONS*



* *Metals, plastics and fibers are the main raw materials of the Group, excluding R & D sites, some 93% of the perimeter in 2014 covered by this data.*

Opt for bio-sourced raw materials

In October 2014, the BG Interior Systems, created a joint-venture with the French agricultural cooperative, Interval, to produce bio-based materials including hemp-based polymer. The NAFILean is a method that was developed to introduce natural elements into high-performance materials for instrument panels, door panels and center consoles manufactured by injection.

Optimize the weight of the parts to reduce material used

The Faurecia Automotive Seating production plants are gradually orientating their production system towards a lighter car seat. The goal is to mass produce seats weighing less than ten kilograms by 2017 with an aim to gain about 3 kg of the total mass of a seat in 4 years.

To do this, Faurecia's manufacturing processes are gradually incorporating new techniques in order to reduce to a minimum the metal and plastic materials used in the design of a seat (use of steel alloys for the seat frame, plastic over-injection techniques).

Faurecia Emissions Control Technologies production sites will follow a similar course of action with a view to lightening the weight of the exhaust pipes. In 2014 Faurecia developed a lighter exhaust system for its customer, Renault. Faurecia reduced the thickness of all the stainless steel elements on this line: 0.4 mm for pipes and muffler elements, to 0.6 mm for the shock absorbers. The exhaust line obtained is 20% lighter than the exhaust line of the current Peugeot 208, a saving of almost 2 kg.

Towards innovative and lighter materials

In 2012, Faurecia announced the acquisition of the automotive activities of Sora Composites, a company with high-quality expertise in composite plastics and the use of glass and carbon fibers in cars. Faurecia's aim is to transpose this innovative know-how on a larger scale to bring down costs. This strategic direction, along with others, should progressively impact the Faurecia Automotive Exteriors production sites by 2020.

Waste production [2]

All of Faurecia's sites, especially the production sites, aim to reduce the waste generated in the production process.

In total in 2014:

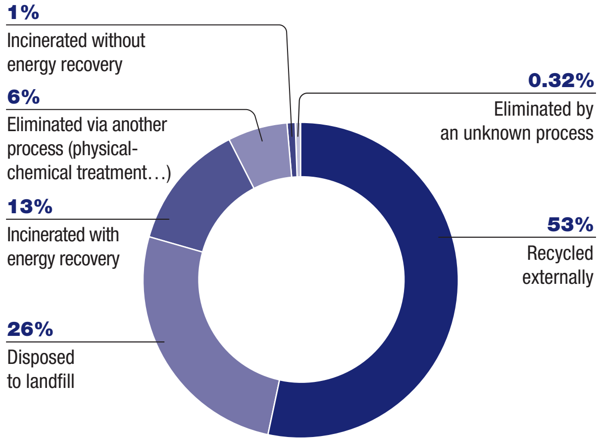
- 53% of waste was recycled ;
- 13% of waste was incinerated and recovered as energy.

In 2014, the sites generated 230,467 metric tons of waste. Non-hazardous waste makes up the biggest part with 147,225 metric tons (excluding metal waste). Furthermore, 100% of metal waste (scrap, cast iron) are recovered and recycled by foundries. This represents about 25% of the waste tonnage generated by Faurecia.

(1) The volume of solvents recycled within the Group was calculated on the basis of solvent consumption in 2014.

(2) In order to collect reliable information on waste, the reporting questionnaire was reworked this year to provide more specific information on the areas concerned and the rules for compiling data. For this reason, comparative information for the past two years is not provided this year.

DISTRIBUTION OF THE QUANTITY OF WASTE GENERATED, IN %, BY TREATMENT SECTOR (84% OF THE 2014 SCOPE)



Treatment process	Color code	Europe	Other countries	North America	Central and South America	Asia
Recycled externally		48%	45%	56%	78%	68%
Disposed to landfill		23%	55%	43%	17%	18%
Incinerated without energy recovery		2%	0%	0%	0%	4%
Incinerated with energy recovery		19%	0%	1%	2%	8%
Eliminated via another process		8%	0%	1%	2%	1%
Eliminated by an unknown process		0%	0%	0%	1%	0%

All of the Faurecia Automotive Seating sites are aiming for "zero waste to landfill" (Landfill Ban) by the end of 2015. To the extent that an alternative treatment sector can be found for each type of waste generated by the plants, each industrial site is challenged to try to find a solution. This year, sites belonging to the Business Group generated 8,350 metric tons of waste which was sent to landfill, some 13% of the total waste generated by the Business Group in 2014.

All the Faurecia Interior Systems plants based in South America (3.5% of the total waste generated by Faurecia) have implemented a new recycling partnership to systematize the recovery and recycling of non-standard pallets that have deteriorated so they can be repaired and reused thus avoiding the need to purchase new pallets.

Since 2007, the plant in Kosice, based in Slovakia, has faced the management of new waste associated with new production techniques: aqueous liquid waste containing adhesives. Until now, the site was storing this waste (some sixty metric tons every month) in 200 liter barrels while waiting to find the right solution to treat it. After analyzing the composition of the waste (97% of water and 3% glue), the factory began, in 2014, to treat it in an onsite wastewater treatment plant. This enabled the mass of waste to be reduced by 90%, about 7 metric tons of sewage sludge.

WATER CONSUMPTION

Water consumption and emissions to water

Water is mainly used in industrial production processes and auto parts cooling processes, as well as in the sanitation. In total, the Faurecia sites present in 2013 consumed 3,954 million m^3 in 2014 some 8% more than the previous year.

Water for the cooling system represents 43% (1,712 million m^3) of the total water consumption. Three production sites are primarily concerned as they alone represent 83% of the amount of water used for this purpose.

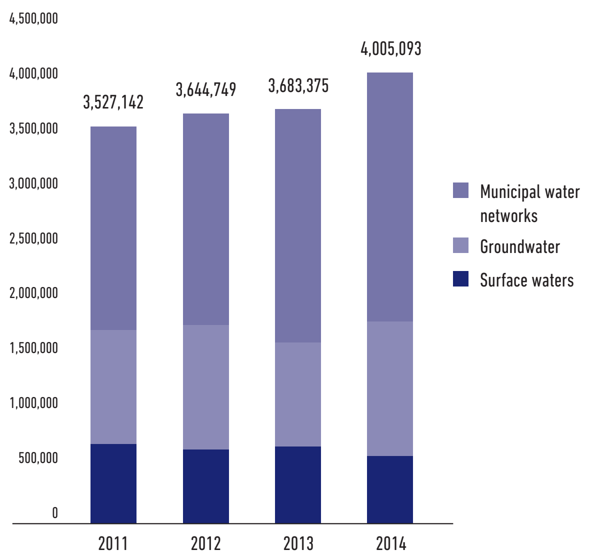
Groundwater extraction is mainly carried out by two industrial sites, one based in Germany and one in France. It concerns open cooling circuits: all of the water extracted is released into the environment after cooling. In both cases, the site checks the temperature before discharge. The environmental impact is low. Meanwhile, when the water is contaminated during the manufacturing process and must be treated before discharge, the sites usually use the collective network.

Some sites commit to water saving actions:

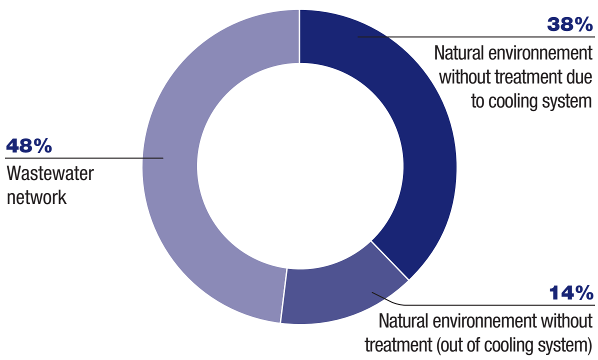
- this year, the French factory of Marckolsheim, responsible for 16% of Faurecia's groundwater consumption (197,247 m^3), set up a closed circuit cooling system for its welders;
- in one year, the Dexter site, based in the US, reduced its water consumption by 61% through the introduction of a closed cooling circuit.

In 2014, 136 institutions (64% of the total workforce excluding temporary workers) were subject to self-monitoring by local authorities for monitoring the quality of wastewater discharges. Of these sites, 88% aqueous discharges comply with the requirements.

TOTAL WATER CONSUMPTION BY SOURCE OF SUPPLY IN M³ (100% OF THE 2014 SCOPE)



DESTINATION OF WATER RELEASED IN 2014, IN % (91% OF THE 2014 SCOPE)



The protection of natural habitats and biodiversity

The production activity does not inherently present a high risk to the environment. It is however characterized by the size of the sites linked to large-scale mass production.

1. Installation near protected areas

90% of the sites in the reporting scope are located in urban or industrial areas. 27 sites (17 production sites, 8 assembly plants and 2 research and development facilities) are located within 3 kilometers of a protected area. These 27 sites represent 144 hectares.

2. Biodiversity conservation

Faurecia attaches great importance to the quality of its presence in the regions in which the Group operates. The Flers Caligny production plant is a good example of what can be done to preserve the neighborhood from noise. The site has two soil embankments with vegetated slopes that hide the plant and can prevent potential noise generated by industrial activity disturbing the neighborhood.

The production plant based in Hambach (France) is in the "Europôle Sarreguemines" industrial park in Lorraine. This industrial park called "Smartville" was designed to blend into the landscape. To this effect, grassland areas and tree-lined avenues green up the site, a natural pond and aquatic plants bring a balance, the rural landscape (orchards, pastures) coexists with the forest landscape (oak, beech, walnut trees). An independent study has shown that the industrial activity has not deteriorated the biodiversity of the site.

3. Use of ground surfaces (watertight surfaces and total surfaces)

The Faurecia sites worldwide occupy a total area of 1,093 hectares. This figure is slightly up on last year (+ 5%) due to the acquisition of 18 additional sites within the Group. 68,2% of the occupied surface area is rainwater tight. This waterproof surface includes surfaces occupied by buildings, parking lots, roads and other impervious surfaces.

The Group is committed to identifying previous pollution that may be present in the soil of its sites. At the instigation of the government, or on its own initiative, the Group recorded 120 sites, (47% of the sites questioned), which had established a soil and groundwater survey to identify the minimum consequences of previous activities and the environmental impact of the present site.

Soil and groundwater pollution checks are also carried out in accordance with regulatory requirements, and as part of environmental due diligence audits that require further investigation.

Since 2013, to determine the extent and nature of pollution, the Group's procedures provide that all sites which are acquired or sold have been subject to an environmental assessment that has been complemented by a soil and groundwater investigation. If, in case of the sale of a site or ceasing of an activity, the diagnosis identifies pollution which occurred during Faurecia's operation phase, remediation measures are implemented in accordance with the Group's regulations and guidelines. In the case of a permanent site closure and while waiting for a buyer, all waste, raw materials, products and equipment are removed, and site maintenance continues to be assured.

Pursuant to Decree No. 2012-633 of May 3, 2012, Faurecia identified 4 French sites subject to the obligation to provision of financial guarantees for their safety layout for a total amount of €541,150 as of July 1, 2014. Faurecia has chosen to subscribe to an environmental guarantee from an insurance company.

OTHER ENVIRONMENTAL INDICATORS

Noise pollution

In 2014, four industrial sites had a total of fifteen neighborhood complaints. These mainly concerned odors and noise and the Faurecia teams were able to respond quickly (sealing the openings of the exhaust air duct, emergences measures and plant shutdown during periods of non-use, notably the week-end).

Provisions

In 2014, provisions for environmental risks for the sum of €5,697 thousand have been established.

Fines and litigations

In 2014, Faurecia did not have any significant litigations. The total amount of penalties regarding the environment was €100, a decrease of 93% compared to the previous year.

7.2. Societal action

7.2.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS

7.2.1.1. Employment and regional development

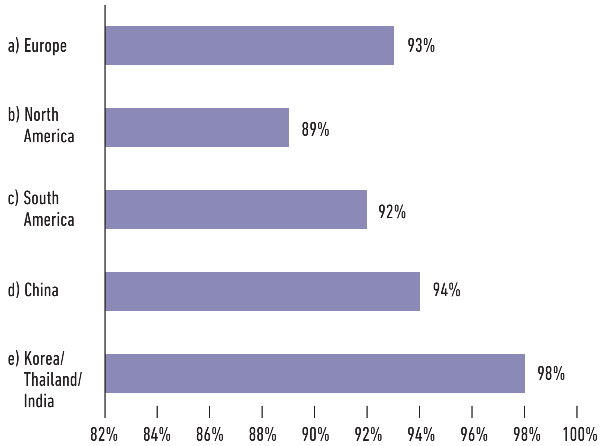
Developing and promoting international exposure is essential for a Group that employs 61% of its engineers and managers outside Western Europe and carries out 77% of its recruitments outside this region. Within this framework, Faurecia can offer its people many international assignments as well as the opportunity to take part in international projects.

The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. Today, in keeping with this strategy, 55% of the Group's senior managers are non-French nationals, and 53% of engineers and managers identified as high-potential employees are from countries outside Western Europe. Among employees considered as having the potential to become senior managers, 45% are natives of these same countries.

7.2.1.2. On neighboring or local populations

Faurecia's ambition is to purchase materials as close as possible to its sites in order to help develop local industry, and minimize the associated logistical costs and impacts.

For purchases of mass-produced parts, the percentage of purchases made locally ranges from 89% to 98% depending on the location of Faurecia's production sites (2014 data).



Virtually all non-production purchases are made locally.

In addition, the Code of Ethics in force within the Group, the operating principles of which are set out in Subsection 7.2.4.1, states that Faurecia is committed to continuously assessing the impact of its products and the activity of its plants on the environment and the communities with which it is in contact, with a view to continuous improvement.

Lastly, Faurecia participates in a number of local initiatives, described in Sections 7.2.2.2 and 7.2.3.1.

7.2.2. RELATIONSHIPS WITH ORGANIZED OR INDIVIDUAL STAKEHOLDERS

7.2.2.1. Conditions for dialog with stakeholders

Faurecia has developed and maintains the conditions and tools for dialog with a number of interested parties or stakeholders in its business.

FAURECIA AND ITS RESEARCH PARTNERS

To expand and enhance its expertise, Faurecia is actively developing new partnerships with suppliers and research institutes.

This is demonstrated by the creation of a chair in composites at École Centrale de Nantes in 2011, followed by an additional three chairs in 2012 (automotive mechatronics with Supélec and ESIGELEC; assembly lines and logistics with *École Centrale de Paris* (ECP, France) and the *Technische Universität München* (TUM, Germany); metallic materials and innovative processing with *Technische Universität Dortmund* (TUD, Germany)) and the most recent chair in 2013 with University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials.

In addition, a master agreement was signed in 2012 with Fraunhofer ICT (Germany) on composite production technologies, which further confirmed Faurecia's determination to work with academic institutions to achieve greater mastery of the phenomena encountered and to open other avenues of innovation.

Faurecia is also strongly involved in France in the IRTs (*Instituts de Recherche Technologiques* [Technological Research Institutes]) Jules Verne and M2P in order to develop innovative production processes in the field of composite and metal materials, as well as in start-up research through incubators in France and abroad.

In 2013, Faurecia also signed a strategic partnership with Mitsubishi Chemicals for the development of biosourced resins.

FAURECIA AND ITS SUPPLIERS

Faurecia is committed to basing its growth on socially responsible actions and behavior across all of its businesses and all of the countries in which the Group operates.

In view of this, Faurecia is committed to building close, long-term relationships with its suppliers, based on mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are critical criteria for the award of contracts to its suppliers.

Great importance is placed on communication and transparency to ensure strategic alignment with partners. Conventions are held, with the official presentation of performance awards in different areas (Logistics, Quality, Innovation, etc.). Faurecia has close relationships with its suppliers and organizes Strategic Supplier meetings, in which it shares and discusses strategies to be pursued to strengthen mutual development, and Tech Days aimed at exploring, identifying, promoting and developing new innovation ideas in a fully transparent way. As described in Section 7.2.3, Faurecia assesses the reliability of its suppliers not only in terms of product quality, but also in terms of meeting corporate social responsibility (CSR) criteria.

Faurecia thus communicates with its suppliers and subcontractors to raise their awareness of sustainability issues. Along these lines, Faurecia's corporate website includes a section entirely devoted to the Group's disclosures and standards with respect to compliance with CSR criteria by its current and potential partners.

FAURECIA AND ITS CUSTOMERS

Faurecia has very close relationships with virtually all major global automakers. It also works closely with its customers to develop the design and functionality of the product range on offer.

Faurecia is involved in all stages of the equipment development process, from defining product specifications to initial marketing. Faurecia designs and manufactures equipment that is generally specific to each new car model or platform, and generally concludes contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). The quality of Faurecia products is widely acknowledged among automakers. It is backed up by the Group's Faurecia Excellence System (FES), a rigorous set of project management procedures and methodologies, and by the expertise of the 6,000 Faurecia engineers and technicians who design products and develop technological solutions.

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. The Program Management System (PMS) process, describes all the requirements at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen.

The PMS consists of five phases:

- obtain and validate customer needs;
- develop the product;
- test the product and develop the manufacturing process;
- plan and validate production machinery;
- ramp up line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program requirements to ensure disciplined implementation;
- performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, lead times and launches of mass production.

In 2014, Faurecia received several customer awards for its production sites.

Faurecia Automotive Seating:

- the Siedoubs site (France) was named Best Plant by PSA Peugeot Citroën;
- the Chengdu plant (China) received the Best Quality Supplier Award from FAW-Volkswagen;
- for the tenth consecutive year, the Wuhan plant (China) was honored with a Top 10 Supplier Award by Dongfeng Peugeot Citroën Automotive.

Faurecia Emissions Control Technologies:

The entire Business Group was recognized with a Quality Supplier Relationship Award from Fiat/Chrysler.

Other awards and distinctions:

- the Bakov and Augsburg sites (Czech Republic) each received the Supplier Quality Excellence Award from General Motors;
- the Troy and Columbus sites (United States) also each received the Supplier Quality Excellence Award from General Motors;
- the Wuhan site (China) garnered several prizes:
  - the 0 PPM for 72 months Award from Ford Changan,
  - the General Manager's Special Award from DPCA,
  - the Excellent Supplier Award from Dongfeng;
- the Chongqing site (China) was named Top Supplier of the Year for 2014 by Ford Changan.
- the Anting site (China) received the Positive Response and Contribution Award and the Excellent Service Supplier Award from SGM as well as the Excellent Development Supplier Award and the Best Response Award from SAIC;
- the Changchun site (China) received the Top 10 Supplier Award from FAW together with an award in the same category from FAW-Volkswagen;
- the Chengdu site (China) received the Excellent Quality Award from FAW-VW;
- the Yantai site (China) received the GP8 Continuous Improvement Award from SGM;
- the Bangalore site (India) received the 2014 QCC Award from Toyota.

Faurecia Interior Systems:

- the Legnica site (Poland) and the Hlohovec site (Slovakia) were both named Best Plant winners by PSA Peugeot Citroën;
- the Uitenhage site (South Africa) and the Puebla site (Mexico) received the Supplier Quality Excellence Award from General Motors;
- the Chengdu site (China) received the Best New Supplier Award from Volvo China and the Excellent Supplier Award from Geely;
- the Foshan site (China) received the Quality Service Award from FAW-Volkswagen.

Faurecia Automotive Exteriors:

- the Hlohovec site (Slovakia) was named Best Plant by PSA Peugeot Citroën.

FAURECIA AND ITS INDUSTRIAL OR COMMERCIAL PARTNERS

Faurecia is always looking to develop new partnerships and strengthen existing ones.

For example, 2014 saw the creation of Automotive Performance Materials (APM), a 50/50 joint-venture between the Group and Interval, a major French agricultural cooperative.

This new entity, whose activities are connected with those of Faurecia Interior Systems, aims to develop and produce biosourced raw materials, building on the advances already made by Faurecia to help create more lightweight and eco-friendly vehicles. APM will draw on the strengths of France's manufacturing and agricultural sectors to develop innovative and high-performance products by using natural fibers such as hemp in composite materials. Apart from supplying automotive industry players through Faurecia, the new company will also serve other plastics processors.

FAURECIA AND THE FINANCIAL COMMUNITY

All of Faurecia's shareholders are given full, clear and transparent information which is tailored to their specific needs and provides them with an objective view of the Group's growth strategy and earnings performance. This financial communication policy is aimed at ensuring that all shareholders have access to the information required in accordance with customary market practice.

A wide variety of documents made available to the public, including regulated information, covers all of the Group's business activities, its strategy and financial information, including the annual Registration Document, interim financial reports, the bylaws, and the internal rules of Faurecia's Board of Directors. All these documents are readily accessible on the Group's website www.faurecia.fr, in French and English, and upon request from Faurecia's Investor Relations department. Shareholders can also automatically receive documents, such as the annual report, corporate brochures and press releases, through a free subscription service by e-mailing shareholders@faurecia.com.

Faurecia regularly publishes the annual and period disclosures required by regulations for listed companies in the French legal gazette, the BALO *(Bulletin des annonces légales obligatoires)*. This information is supplemented by press releases for both the financial community and the general public regarding matters that are of major importance in understanding the Company's strategy. In addition, periodic meetings are held on an interactive basis with financial analysts and business journalists in order to give updates on the Group's goals, products and results.

In 2014, Faurecia organized over 400 large-scale and individual meetings in 15 countries, which allowed for direct dialogue to take place with nearly 1,000 institutional investors and financial analysts. Themed presentations were also organized for analysts, investors and asset managers.

Shareholders also have a dedicated area on the Faurecia intranet where they can find out about the Group's employee savings plan.

Annual reports presented and filed as Registration Documents with the *Autorité des Marchés Financiers* (AMF) and interim financial reports are broadly circulated within the financial community.

FAURECIA AND CERTIFICATION BODIES

Environmental management systems based on ISO 14001 have been implemented and are maintained at 198 Faurecia sites, using a voluntary approach. ISO 14001 certification is often demanded by the Group's customers.

Compared with 2013, the number of sites certified to ISO 14001 or having implemented an environmental management system remained stable in 2014, corresponding to 65.5% of the relevant Faurecia sites. Five production plants obtained ISO 14001 certification during the year. Among sites not yet certified in 2013, 41.2% decided to launch a program of actions with milestones to be met in order to achieve full compliance with the requirements of an environmental management system.

The implementation of ISO 14001 management systems by Faurecia sites is accompanied by training and raising awareness programmes with regard to the environmental domain. Investments were expanded in 2014, reaching €156,000 for sites included in this category the previous year, a 17% increase compared with 2013. A total of 28,783 hours of training (up 28% compared with 2013) were thus completed by 33.5% of the workforce excluding temporary staff (up 2.7% compared with 2013) to enhance their environmental management skills.

The environmental and social requirements (ISO 14001 and OHSA 18000) are part of supplier evaluation criteria.

FAURECIA AND THE EDUCATION SECTOR

In the many countries where it has operations, the Faurecia group maintains close partnerships with preferred schools-universities and other higher education establishments-whose locations and curricula correspond best to its needs. Alumni of these institutions now working for Faurecia play a key role by discussing the Group's professions and possible career paths with future graduates.

Faurecia takes part in numerous events for students around the world every year, including job fairs, presentations of the Group's business activities at schools, and workshops on résumé writing or job interview skills. The Group also organizes a number of visits to its sites each year to introduce its business activities to students.

Lastly, several countries have put in place specific programs to further the integration of young graduates hired to their first job within the Group: the STAR program in Germany, the "Fresh Graduate Program" in China, and the VIE international corporate volunteer program offered to young graduates or professionals from France and other EU countries are just a few examples.

7.2.2.2. Partnership or sponsorship

Around the world, Faurecia's sites and employees frequently take part in many community-based initiatives, depending on local economic, social and cultural needs.

Actions to help vulnerable populations:

- through its FUELS (Faurecia Unites with Employees for Local Service) program, launched in North America in 2010, the Group encourages its employees to participate as volunteers in the collection of non-perishable food items to be donated to local food banks. In five years, food items collected and donated under the FUELS program have provided more than 3.5 million meals to needy families in the United States, Canada and Mexico. In 2014, following upon the success of this initiative in North America, Group sites in a number of countries launched similar campaigns in communities where Faurecia employees live and work. The Group's sites in France thus collected nearly 8 metric tons of food items for donation to the food charity *Restos du Cœur*;
- in India, September was declared "Joy of Giving" month to celebrate and encourage generosity: books, toys, clothing and food items were collected by employees and then redistributed to schools or local charitable organizations. In Spain, toys were collected on behalf of the Spanish Red Cross.

To promote education, Faurecia has participated in the Green IT Classrooms program in China since 2013, an initiative launched by the social enterprise Netspring. The aim is to facilitate access to technology for schoolchildren in underdeveloped rural areas, in particular through donations of refurbished computers. In 2013, Faurecia's support helped widen horizons and increase learning opportunities for two classes in the regions of Shanghai and Suzhou. In June 2014, the Group inaugurated a third campaign in Hubei Province, in partnership with Rexel, one of world's largest distributors of electrical supplies. Powered by a solar array installed by Rexel, the computers donated by Faurecia will be used by young schoolchildren from a dozen different villages. Apart from computers, Faurecia is also donating books and supplies to these same schools.

Many other initiatives are being launched around the world, organized on a country or site basis, in line with local realities.

7.2.3. SUBCONTRACTORS AND SUPPLIERS

7.2.3.1. Consideration of environmental and social issues in procurement policy

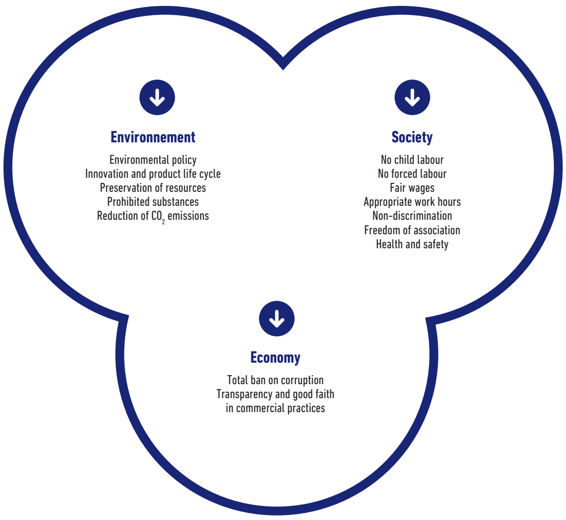
Faurecia's Code of Ethics, the operational principles of which are outlined in Subsection 7.2.4.1, defines the behavioral principles that apply daily to all Faurecia staff in their internal and external relations and to its partners, and sets out the way the Group intends to put into practice its values of respect for customers, shareholders, employees and the environment.

The Group has a real desire to implement a sustainable purchasing policy. Accordingly, as mentioned in Subsection 7.2.2.1, Faurecia is committed to basing its growth on socially responsible actions and behavior across all of its businesses and in all countries where the Group has operations.

In view of this, Faurecia is committed to building close, long-term relationships with its suppliers, based on mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are major criteria for the award of contracts to its suppliers. It is essential for Faurecia that its suppliers meet standards of behavior that are consistent with and reflect its own commitments.

Faurecia's Code of Conduct for Suppliers and Subcontractors, introduced in 2013, is a fundamental component of supplier relationship management across the Group. It is included in contract documentation (notably in the purchasing terms and conditions) and in all aspects of Faurecia's procurement process, from tender inquiry documents to supplier quality audits.

The fundamental commitments demanded of Faurecia's suppliers relate to compliance with laws and responsible supply chain management, as illustrated in the diagram below.



Also, at the specifically environmental level, Faurecia is rolling out a policy to avoid or minimize local and/or global problems which could be posed by car use. Via its industrial and human resources management policies, research and development, Faurecia is making an active contribution to reducing greenhouse gases and polluting emissions and improving road safety. Throughout a vehicle's life, Faurecia asks and encourages its suppliers to support it in this progressive approach.

In North America (United States and Canada), Faurecia has integrated diversity management within its procurement policy, thus responding to the growing demand from its customers to expand job opportunities to historically underemployed segments of the population. A Diversity Management department was created in 2011 to reinforce Faurecia North America's efforts in this area. Its main objective is to increase the use of companies certified for their approach to diversity and to offer them genuine opportunities for growth and expansion. In 2014, for the second consecutive year, Faurecia's work in this area was recognized by the Minority Supplier Development Council in Michigan, a state where the Group has a considerable presence.

7.2.3.2. Importance of outsourcing and consideration of social and environmental responsibility in relations with suppliers and subcontractors

Faurecia obviously has the desire to involve its partners in its growth over the long term, but also to manage the risks to which they might expose it. Consequently, the Company requires its suppliers to commit to the respect and compliance of the responsible purchasing policy, through the implementation of the Code of Conduct for Suppliers and Subcontractors in their own organization and global supply chain. Supplier quality audits, which are a prerequisite to joining Faurecia's panel of suppliers also include CSR issues. This Code of Conduct is integrated in the mandatory consultation documents sent to suppliers.

By way of illustration, Faurecia Interior Systems has strengthened its "Buy Beyond" responsible purchasing policy to ensure its wider deployment and promote compliance with the Faurecia Code of Conduct among its suppliers. In 2014, the Group extended this successful initiative to all its Purchasing teams. In order to integrate sustainability into their processes, each team sought the assistance of an external CSR partner in order to better understand, verify and optimize the practices of its suppliers in terms of social, environmental and economic responsibility. Faurecia is also training its Purchasing and Supplier Quality teams, who are tasked with the implementation of the responsible purchasing policy. This program is one of the Group's strategic drivers to accelerate value creation and boost competitiveness. To date, Faurecia Interior Systems has evaluated the performance of more than 290 suppliers with respect to social, environmental and economic responsibility, representing 52% of its purchases.

These assessments are incorporated into the purchasing process, are routinely taken into account in the award of contracts and are also included in the criteria for performance evaluation of suppliers.

Change in subcontracting is quantified by indicators provided in Section 4.6 of this Registration Document.

7.2.4. FAIR PRACTICES

7.2.4.1. Action to prevent corruption

Faurecia is a signatory of the United Nations Global Compact. Consequently, the Group is committed to aligning its operations and strategy with ten universally accepted principles in the areas of human rights, labor standards, the environment, and anti-corruption. This commitment is reaffirmed in Faurecia's Code of Ethics. This Code, created in 2005 and revised in 2007, was updated in 2014 as part of the "Being Faurecia" program intended to reinforce the Group's culture, thus contributing to the creation of long-term value. The Code of Management, which was established at that time to guide the day-to-day management of teams, customers, suppliers, etc., translated many of the principles set out in the Code of Ethics into operations. Each new employee receives a copy of the Code, which is available in the Group's main working languages and may also be accessed on the Group's corporate websites and intranet sites.

It is part of the Faurecia Core Procedures (FCP), and aims to develop the accountability and involvement of Group employees. During Internal Audits, auditors systematically check that everyone working at the plant is familiar with the Code.

The Code of Ethics is structured around four themes: compliance with fundamental rights, fostering economic and social dialogue, building skills, ethics, and rules of conduct. It also includes an alert procedure if the Code of Ethics is breached.

OVERVIEW OF ETHICAL PRINCIPLES AND RULES OF CONDUCT

Use of funds, services or Group assets

Any funding of political activity is forbidden, as are any unlawful payments to public authorities or officials. Assets, liabilities, expenses and other transactions made by Group entities must be recorded in the books and accounts of these entities, and should be kept truthfully and accurately, in accordance with the applicable principles, rules and laws.

Relationships with customers, providers or suppliers

Acceptance of gifts and entertainment from customers and/or suppliers is subject to limits. As such, it is prohibited to accept any gift or gratuity from customers or contractors worth over €100 per year and per business partner, regardless of type.

Furthermore, the payment of any amount in cash, in kind or otherwise to any customer or supplier representative in order to obtain either a contract or a business or financial advantage is prohibited.

The selection of suppliers must be based on quality, need, performance and cost. As stated in the current Purchasing procedures, agreements between the Group and its authorized representatives, agents and consultants or any other contractor must clearly state the actual products/services to be supplied, the basis for remuneration or price and all other terms and conditions. This rule also prohibits any investment in suppliers and any purchase of property or service from providers or customers for personal use.

Compliance with competition law

Faurecia aims to adhere strictly to the applicable regulations in all the countries where it operates, including the prohibition of reaching agreements, deals, plans, arrangements or coordinated conduct between competitors in respect of prices, territories, market shares or customers.

Confidentiality

This rule covers both the confidentiality of personal information of employees and that of the assets, documents and data of Faurecia.

Loyalty and exclusivity

It is incumbent on employees and executives of the Group to exercise their work contract faithfully.

Conflicts of interest

Employees shall not draw any personal advantage from a transaction carried out on behalf of a Group company, notably with customers and suppliers.

An employee must also not attempt to select or organize the selection of a company, in particular as a supplier, in which either the employee, an associate or a family member has, directly or indirectly, a financial interest.

Safeguarding Group assets

Group employees and managers are responsible for the proper use of the assets and resources of the Group, including those related to intellectual property, technology, equipment and computer media, software, real estate, equipment, machinery and tools, components, raw materials and liquidities.

WHISTLE-BLOWING PROCEDURE

The Code provides a mechanism for the purpose of managing violations.

Any employee who becomes aware of a breach of the rules set out in the Code may use an internal alert procedure; they may refer to their line manager or HR Director verbally or in writing.

Depending on the nature and importance of the events reported, additional investigations may be launched, an inquiry may be set up or an Internal Audit decided upon.

A strengthened alert procedure can also be started if the events relate to serious risks for the Group in terms of accounting, financial auditing and anti-corruption strategy. Events which jeopardize the physical or moral integrity of an employee may also be included in the scope of this procedure, which involves an outside body being brought in which the Group has tasked with gathering data and beginning procedures.

If the alleged conduct falls within the areas defined for this alert procedure and if its importance so warrants, the external body will refer the matter to the Group, in the person of its Chairman and CEO, who may then instruct the Group's Internal Audit department to carry out the necessary investigations.

7.2.4.2. Measures for the health and safety of consumers

Consumer expectations and societal changes are the two main drivers of change within the market. In this context, regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets.

In 2014, the Group's innovation policy focused in particular on limiting consumption, increasing environmental performance, greater use of renewable materials, and usability.

In this respect, driver and passenger safety remains a key focus of Faurecia's innovation efforts for vehicle interiors.

Usability and safety go hand in hand. Faurecia is a supplier of components that play an important role in passive safety and thus help save lives or limit injuries to drivers or passengers. Seats are emblematic in this respect: they provide about 80% of rear impact protection, about 30 to 40% for frontal impacts and, depending on the automaker, and between 30 and 80% for side impacts. Dashboards are also worthy of mention, especially for the protection of front passengers, including all the issues relating to the deployment of airbags. In the area of pedestrian impacts, bumpers make a decisive contribution in efforts to limit injuries, by devoting attention both to their intrinsic characteristics and to the kinematics of the impact sequence.

Over the years, Faurecia has taken position as a key partner for automakers in this area, initially by emphasizing the importance of safety and then by developing products and expertise that allow the Group to devote research efforts, in a measured and confident manner, to all anticipated changes. Each link in the safety chain is associated with design rules that guarantee the system's performance and its longevity.

Research and development projects undertaken and the consideration of environmental issues in product design are described at length in Chapter 6 and Subsection 7.1.1 of this Registration Document.

In general, and in accordance with its Code of Ethics relating to fundamental rights, the Group is committed to promoting health and safety at work by implementing policies and methods of active prevention of risks liable to affect the health and safety of employees, to regular monitoring of their proper implementation and to measuring their effectiveness.

In this context, it is particularly committed to empowering its managers and staff in the preservation of health and the prevention of occupational accidents and to organizing the design and development of its products and means of production with a view to achieving the best possible working conditions. All subcontractors working on the premises of Group companies are required to implement these health and safety policies.

7.2.5. OTHER ACTIONS TAKEN IN SUPPORT OF HUMAN RIGHTS

The Code of Ethics contains a number of rules on fundamental rights.

These rules are described in Subsection 4.3.3 of this Registration Document.

8

Corporate governance

CONTENTS

8.1. Board of Directors

Section 8.1.1 (Members, conditions for the preparation and organization of the work of the Board of Directors) and Section 8.4 (Internal control) constitute the Chairman's report as stipulated by Article L. 225-37 of the French Commercial Code.

The aim of this report, prepared by the Chairman of the Board of Directors, is to provide an account of the Board's membership, the conditions governing the preparation and organization of its work during 2014, and the internal control and risk management procedures introduced by Faurecia.

The report also indicates any restrictions applied by the Board of Directors to the powers exercised by the Chairman and Chief Executive Officer and refers to the principles and rules defined by the Board in order to determine the compensation and benefits of the corporate officers, the rules governing the participation of shareholders in Shareholders' Meetings as well as factors that may be relevant in the event of a tender offer.

It was prepared and drafted in accordance with the law of July 3, 2008 which amended various provisions of French corporate law to align them with European Community law and the AFEP/MEDEF Corporate Governance Code applicable to listed companies, which the Board of Directors has adopted as its reference framework and which can be viewed on the MEDEF's website (www.medef.fr).

Lastly, this report was approved by the Board of Directors at its February 11, 2015 meeting and was included in this Registration Document, which can be viewed on Faurecia's website at www.faurecia.com.

8.1.1. MEMBERS, CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

8.1.1.1. Composition of the Board of Directors

Pursuant to the applicable laws, regulations and by-laws, the Board of Directors must be made up of at least three and at most fifteen members. The mandate of the Board members was fixed at five years during the Shareholders' Meeting of May 26, 2011.

A statutory change shall be submitted to the Shareholders' Meeting of May 27, 2015, with a view to reducing to four years the Board members' mandates subject to renewal as from this same meeting, as well as the mandate of any Board member nominated by a Shareholders' Meeting in future.

The Board members' mandates as of May 27, 2015, which are not subject to renewal at this same meeting, shall not be affected by this statutory change. Therefore, they shall exercise their mandate until the end of the five years initially fixed when they were appointed.

Since the Shareholders' Meeting of May 23, 2012, the Board of Directors of Faurecia is made up of thirteen members.

As at December 31, 2014, the Board of Directors was composed of the following members:

	Age*	Nationality	Date of 1st appointment	Date of last renewal	Expiry of term of office
Yann DELABRIÈRE	64	French	BM November 18, 1996	GSM May 23, 2012	2017 GSM to approve the accounts for 2016
Éric BOURDAIS DE CHARBONNIÈRE	75	French	GSM February 8, 2010	-	2015 GSM to approve the accounts for 2014
Jean-Baptiste CHASSELOUP DE CHATILLON	49	French	GSM May 23, 2012	-	2017 GSM to approve the accounts for 2016
Jean-Pierre CLAMADIEU	56	French	GSM May 29, 2007	GSM May 23, 2012	2017 GSM to approve the accounts for 2016
Lee GARDNER	67	American	GSM February 8, 2010	-	2015 GSM to approve the accounts for 2014
Hans-Georg HÄRTER	69	German	GSM May 26, 2010	-	2015 GSM to approve the accounts for 2014
Linda HASENFRATZ	48	Canadian	GSM May 26, 2011	-	2016 GSM to approve the accounts for 2015
Ross McINNES	60	French/ Australian	GSM May 29, 2007	GSM May 23, 2012	2017 GSM to approve the accounts for 2016
Amparo MORALEDA	50	Spanish	GSM May 23, 2012	-	2017 GSM to approve the accounts for 2016
Robert PEUGEOT	64	French	GSM May 29, 2007	GSM May 23, 2012	2017 GSM to approve the accounts for 2016
Thierry PEUGEOT	57	French	BM April 17, 2003	GSM May 26, 2011	2016 GSM to approve the accounts for 2015
Bernadette SPINOY	52	Belgian	GSM May 27, 2014	-	2019 GSM to approve the accounts for 2018
Carlos TAVARES	56	Portuguese	GSM May 27, 2014	-	2019 GSM to approve the accounts for 2018

* *As at December 31, 2014.*

Mr. Yann Delabrière has been Faurecia's Chairman and CEO since February 16, 2007. He was reappointed as Chairman and CEO by the Board of Directors on May 23, 2012 for the duration of his term as a member of the Board.

The Board of Directors brings together major managerial, industrial, and financial expertise. Board members contribute to the work and deliberations of the Board of Directors and specialised committees through their diverse experience in the automobile industry and other economic sectors in which the Group does not operate. They also bring their international experience to the Group. They act in the best interests of all shareholders and are fully involved in defining Faurecia's corporate strategy so that they can actively and effectively contribute to and support the decisions of the Board.

With the exception of the Chairman and CEO, no member of the Board of Directors holds an executive management or salaried position within a Group company.

The business address of Board members is that of Faurecia.

Neither the Articles of Association nor the Rules of Procedure contain rules for staggered terms of office.

There are no non-voting members on the Board nor are there any members representing employee shareholders or employees. In this respect, it should be noted that the Company is not subject to the provisions of the law of June 14, 2013 on protecting employment.

Information on the expertise and experience of the members of Faurecia's Board of Directors and details of their terms of office and other positions held by them are provided in Subsection 8.1.2.1 of the 2014 Registration Document.

8.1.1.1.1. INDEPENDENCE OF MEMBERS

The AFEP/MEDEF Code, which Faurecia follows, provides that at least one third of Board members must be independent in companies with controlling shareholders and half of the Board in other companies, at least two thirds of the members of the Audit Committee must be independent, and the Compensation Committee must have a majority of independent Board members.

Independence criteria provided for in the Code are as follows:

- not be or have been, in the past five years, an employee or corporate officer of the Company, an employee or director of its parent company or a consolidated subsidiary;
- not be a corporate officer of a company in which the Company directly or indirectly holds the office of Board member or in which an employee appointed as such or a corporate officer of the Company (currently or who has held such an office for less five years) holds the office of Board member;
- not be a customer, supplier, investment banker, or financing banker:
    - major for the Company or Group,
    - or for which the Company or Group represents a significant share of business.

The assessment of significant nature or not of the relationship with the Company or its Group must be discussed by the Board and the criteria that led to this assessment explained.

- not have close family ties with a corporate officer;
- not have been the Company's statutory auditor in the past five years;
- not been a company director for more than twelve years.

Regarding Board members representing major company shareholders, the Code specifies that they may be considered independent as long as they do not participate in controlling the Company. Above 10% of the share capital or voting rights, the Board of Directors should systematically review the independent status taking the Company's share capital and the existence of a possible conflict of interest into consideration.

The situation of Board members with regard to each of these criteria was reviewed by the Board of Directors on February 11, 2015 on the recommendation of the Nominations and Compensation Committee issued on February 9, 2015.

The conclusions of the Board of Directors are provided in the summary table below:

REVIEW OF THE INDEPENDENCE OF BOARD MEMBERS BASED ON CODE OF INDEPENDENCE CRITERIA

	Éric BOURDAIS DE CHARBONNIÈRE	Jean-Baptiste CHASSELOUP DE CHATILLON	Jean-Pierre CLAMADIEU	Yann DELABRIÈRE	Lee GARDNER	Hans-Georg HÄRTER	Linda HASENFRATZ	Ross McINNES	Amparo MORALEDA	Robert PEUGEOT	Thierry PEUGEOT	Bernadette SPINOY	Carlos TAVARES
Is not or has not been, in the past five years, an employee or corporate officer of the Company, an employee or director of its parent company or a consolidated subsidiary	**Yes**	**No**	**Yes**	**No**	**(a)**	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**No**	**Yes**	**No**
Is not a corporate officer of a company in which the Company directly or indirectly holds the office of Board member or in which an employee appointed as such or a corporate officer of the Company (currently or who has held such an office for less 5 years) holds the office of Board member	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Is not a major customer, supplier, investment banker, or financing banker for the Company or Group or for which the Company or Group represents a significant share of business	**Yes**	**No**	**(b)**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**No**
Does not have close family ties with a corporate officer	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Has not been the Company's statutory auditor in the past five years	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Has not been a company director for more than twelve years	**Yes**	**Yes**	**Yes**	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Does not represent a shareholder who is involved in the control of the Company or its parent company	**Yes**	**No**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**Yes**	**Yes**	**No**
Situation	✱	■	✱	■	✱	✱	✱	✱	✱	■	■	✱	■

✱ Independent **■ Non Independent**

(a) Lee Gardner acted as Chairman and CEO of Emcon Technologies up to the date of the merger of this company with Faurecia in February 2010. Lee Gardner has no longer been entitled to make meaningful decisions of a managerial nature concerning Emcon Technologies from that date. Any such decisions taken before this date would not have had any material impact on the activity of the Faurecia Emissions Control Technologies Business Group in 2014.
In 2014, programmes acquired by Emcon Technologies prior to the merger with Faurecia, if they are still active, relate to industrial production. The majority of current FECT programmes were acquired after the merger.
There remains or are no conflicts, disputes, or events occurring before February 2010 that might significantly impact the conduct of FECT business in 2014.
As indicated in the 2010 Reference Document, the Board concluded that Lee Gardner was independent as of October 2010, following the sale by One Equity Partners of its 13% stake in the capital of Faurecia as the Board found that he no longer had any relationships that might compromise his independence with either Faurecia or a shareholder.

(b) Faurecia and Solvay (and Rhodia in the past) do not maintain a significant business relationship given the low level of business between the two companies.

Therefore, and according to the criteria of the AFEP/MEDEF Code, the Board of Directors is made up of 8 independent directors out of 13 that is to say more than one third of independent members.

8.1.1.1.2. GENDER BALANCE ON THE BOARD OF DIRECTORS

As of December 31, 2014, the Board of Directors had three female members.

As of that date, the composition of the Board is therefore consistent with the provisions on balanced representation of men and women on Boards of Directors under the AFEP/MEDEF Code and the law of January 27, 2011 on the balanced representation of men and women on Boards of Directors and professional equality.

8.1.1.2. Missions of the Board of Directors

The Board of Directors is a collective body that determines the Company's business strategy and oversees its implementation. Subject to the powers expressly granted to Shareholder Meetings and within the scope of the Company's purpose, it deals with all matters regarding the proper operation of the Company and settles matters concerning it through its decisions. The Chairman consults it on all Company and Group strategic decisions.

The Board's Rules of Procedure, which can be consulted by shareholders at the Company's head office or on Faurecia's website, www.faurecia.fr, detail the missions of the Board of Directors and its committees. They describe the Board's modus operandi and its role in the management of Faurecia and the Group in compliance with French law and the Articles of Association. They specify the rights and responsibilities of Board members, particularly regarding the prevention of conflicts of interest, the holding of multiple offices, and the need for strict confidentiality in deliberations as well as diligence when taking part in the Board's work. It also set out rules governing transactions involving Faurecia's shares made by members of the Board of Directors.

The Board's Rules of Procedure were updated in December 2014 taking into account the latest developments in terms of corporate governance.

These changes are reflected in the missions of the Board as they are described below and in any other information related to its functioning.

The Rules of Procedure provide for the following tasks to be performed by the Board of Directors:

- determination and implementation of decisions concerning the Company's main economic, social, financial, and technological strategies.

  In this context, the Board is informed of the Group's financial and cash position as well as contingent liabilities every quarter. Risk monitoring and control are reviewed at least annually following a presentation by the Audit Committee.

  The medium-term direction of the Group's activities is defined by a strategic plan. The draft of this plan is prepared and presented by the Chairman and submitted to the Strategy Committee for study and opinion before being adopted by the Board.

  As part of internal procedures, the Chairman must obtain approval from the Board of Directors before carrying out any acquisition, disposal, or joint venture project representing a total asset value of over €100 million and/or with revenues in excess of €300 million. In addition, any significant transaction that is not included in the Company's strategic plan must be approved by the Board beforehand;
- convening General Shareholders' Meetings and setting the agenda;
- approval of the annual and interim consolidated financial statements and preparation of the annual management and Group management reports;
- replacement of Board members;
- appointment or dismissal of the Chairman of the Board of Directors, the CEO, and Deputy Chief Executive Officers and determination of their remuneration;
- creation of committees of the Board of Directors, appointment of their members, determination of their tasks and operating methods;
- notice prior to the acceptance of a new term of office in a listed company by an executive corporate officer.

The Board is free to decide how to exercise Faurecia's senior management. This can be assumed, under its responsibility, either by the Chairman of the Board themselves or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Since the Board meeting on September 8, 2006 and confirmed by the Board meeting on February 16, 2007, the positions of Chairman and Chief Executive Officer of Faurecia have been combined.

As of February 2, 2015, Patrick Koller will hold the position of Deputy Chief Executive Officer.

In order for it to properly exercise its functions, the Board of Directors has included the following requirements in its Rules of Procedure:

(i) the Chairman, assisted by the Board Secretary, is responsible for sending any useful information to the other Board members;

(ii) where items on the agenda at a Board or committee meeting require specific analysis or review, information and/or documentation on the issues concerned must be provided in a timely manner prior to the meeting.

In this context, on receipt of this information, the Rules of Procedure provide for the Board member who feels that they are in conflict of interest with it to inform the Chairman of the Board of this and accept any consequences on the exercise of their term of office. Therefore, according to the case, they will either abstain from participating in deliberations concerning them, or not attend Board meetings during the period in which they are in a position of conflict of interest, or resign from the Board of Directors. In case of non-compliance with these rules of abstention or withdrawal, the Board member could be held liable.

In case of conflict of interest, the Board member concerned will not receive documentation relating to this.

No such situations arose in 2014.

(iii) the Board is authorised to make use of video or teleconference equipment on an exceptional basis, provided that at least four Board members, including the Chairman, attend the meeting in person at the venue specified in the notice of meeting to facilitate deliberations between members and, in certain cases, decision-making.

8.1.1.3. Organisation and report on the work of the Board and its committees in 2014

The Board of Directors is convened by its Chairman who sets the agenda for each meeting. To prepare the decisions falling under its responsibilities as best as possible, Faurecia's Board of Directors has set up three committees:

- Audit Committee;
- Strategy Committee;
- Appointments and Compensation Committee.

Committees study and prepare some of the Board's deliberations. They issue proposals, opinions, and recommendations within their field of competence. Committees only have a consultative role and act under the authority of the Board of Directors to which it reports whenever necessary and may not replace.

The Rules of Procedure of each committee were updated in December 2014 taking into account the latest developments in terms of corporate governance.

These changes are reflected in the missions of the committees as they are described below and any other information related to their functioning.

8.1.1.3.1. THE BOARD'S WORK IN 2014

The Board of Directors met six times in 2014.

The attendance rate was 91%. Jean-Baptiste Chasseloup de Chatillon, Jean-Pierre Clamadieu, Linda Hasenfratz, Lee Gardner, Bernadette Spinoy, Philippe Varin (Board member until April 16, 2014), and Carlos Tavares were all absent for one Board meeting.

At each of its meetings, the Board of Directors took note of the Group's operating results, business perspectives, and results. The Board of Directors examined and approved the annual consolidated company accounts for 2013 on February 11, 2014 and the consolidated accounts for the first half of 2014 on July 28, 2014.

The Group's 2014-2018 strategic plan was discussed at the meeting on July 28, 2014. The half-year review of the 2014 budget and the 2015 budget were respectively presented on July 28, 2014 and December 9, 2014.

The Board paid particular attention to the Group's financial position and cash generation and, as such, it considered operations to finance the Group.

The strategies of the four Business Groups and the Group were discussed at the meeting of October 16, 2014.

The Board approved the Registration Document on April 16, 2014 and convened a Combined General Shareholders' Meeting on May 27, 2014. In this respect, and following the resignation of Jean-Claude Hanus and Philippe Varin after the Board meeting on April 16, 2014, the Board decided to submit the appointment of two new Board members in the persons of Bernadette Spinoy and Carlos Tavares to the Combined General Shareholders' Meeting. The Board also decided to offer shareholders the option of receiving their dividend for 2013 in shares and submitted the elements constituting Yann Delabrière's remuneration to the advisory opinion of the shareholders in accordance with the *Say on Pay* principle. In accordance with Article L. 225-37-1 of the French Commercial Code, it also reviewed professional equality and pay and was informed, in accordance with AMF recommendation No. 2013-18, that sustainable development and social and environmental responsibility within the Group had been addressed.

The same Board meeting delegated the task of carrying out capital increases notably related to the payment of 2013 dividends in shares and the implementation of a performance share plan to Yann Delabrière. On this last point, it should be specifically noted that the Board meeting of July 28, 2014 decided to implement a sixth of the free performance share allocation plan.

Finally, the Board focused on the development and launch of the Group's new *Being Faurecia* culture several times during the year and it reviewed the significant trends and decisions in terms of strategic partnerships, acquisitions or sales of the Group.

8.1.1.3.2. AUDIT COMMITTEE

Composition

The Audit Committee's Rules of Procedure define its composition as follows:

The composition of the Committee is decided by the Board and it can change the composition at any time.

The Committee is composed of at least three members and no more than five members.

Members are selected from among the Board members.

They are appointed in their personal capacity and may not use proxies.

The term of office of Committee members is the same as that of their term of office as Board members. The Committee member's term of office may be renewed at the same time as their term of office as Board member.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of their term of office.

The Secretary of the Board is also the secretary of the Committee.

The Committee may only be composed of members of Faurecia's Board of Directors who are not corporate officers (Chairman, CEO, Deputy CEO).

At least two-thirds of the Committee's members must be independent. It is specified that the independence of Committee members is assessed according to the AFEP/MEDEF Code's independence criteria.

Committee members must have special expertise in finance or accounting.

Required financial and accounting expertise is assessed based on professional experience, academic training, and/or specific knowledge of Faurecia's activity.

The Audit Committee is currently composed of four members: Éric Bourdais de Charbonnière, Jean-Baptiste Chasseloup de Chatillon, Ross McInnes, and Bernadette Spinoy, all of whom have proven financial or accounting experience and expertise.

It is chaired by Ross McInnes.

The Committee therefore has three independent members, including the Chairman, and its composition conforms to the two-thirds threshold recommended by the AFEP/MEDEF Code and as reflected in the Committee's Rules of Procedure.

Mission

The Committee's Rules of Procedure specifically provide for the following responsibilities:

Audits

The Committee's mission is to review the Faurecia group's consolidated annual and interim financial statements.

It:

- monitors the preparation of financial information;
- monitors the statutory audit of annual accounts and consolidated accounts by the Statutory Auditors;
- ensures the relevance, permanence, and the proper application of accounting methods adopted to prepares financial statements;
- ensures the adequate treatment of major transactions at Group level;
- reviews material off-balance sheet risks and commitments;
- reviews the consolidation scope;
- reviews the audit plan, ensures the implementation of recommendations, and, if necessary, convenes the auditors;
- takes cognizance of and assesses internal control procedures and, in particular, monitors the effectiveness of internal control and risk management systems.

In general, the Audit Committee reviews any financial or accounting matter submitted to it by the Chairman of the Board of Directors.

Relationship with Statutory Auditors

The Committee manages the Statutory Auditor selection process. It develops selection principles and ensures the independence of Statutory Auditors.

It reviews the appointment of Statutory Auditors and gives an opinion on the amount of their fees in a report submitted to the Board.

The Statutory Auditors inform the Committee of the following:

(i) their work program;

(ii) changes they believe should be made to the accounts to be approved;

(iii) any non-conformities or misstatements found;

(iv) conclusions resulting from the observations and corrections mentioned above.

The Statutory Auditors will also review risks to their independence and the safeguards implemented to mitigate them with the Committee.

Statutory Auditors will inform the Committee of any material weaknesses found in internal control.

Every year, they provide the Committee with the following:

(i) a statement of independence;

(ii) the amount of fees paid to the network of Statutory Auditors for services that are not directly related to the mission of the Statutory Auditors;

(iii) information on the services provided in respect of audits directly related to the mission of the Statutory Auditors.

Organisation and activity report

The Audit Committee's Rules of Procedure specify that it should meet at least twice a year prior to the closing of the annual and interim financial statements.

The time between review of the accounts by the Committee and the corresponding decision of the Board must be at least two days before the Board's deliberation. Exceptionally, the Committee Chairman may decide to shorten this period to take account of the participation of members who are not based in France.

The Committee may hear external auditors and financial, accounting, and treasury directors. These hearings should be able to be held, if necessary, without the presence of the Finance department and, in any event, without the presence of Faurecia's Senior Management. The CFO may be assisted by any employee of their choice.

The Committee may call on external experts, as necessary, ensuring their competence and independence.

As part of its mission on the effectiveness of internal control and risk management systems, the Committee is informed of the main findings Statutory and internal auditors. It therefore hears the heads of Internal Audit and risk management and advises on the organisation of their departments. It must be informed of the Internal Audit programme and receive Internal Audit reports or periodic summaries of these reports.

Committee meetings may only be held if the majority of its members are present.

In 2014, the Audit Committee held four meetings with an attendance rate of 94%; Jean-Baptiste Chasseloup de Chatillon was absent for one meeting.

The main aim of the committee meeting held on February 10, 2014 was to examine the 2013 consolidated financial statements, review the cash position, and assess compliance with the bank covenants of the Group's main financing arrangements.

The committee meeting of April 14, 2014 was dedicated to discussing the Internal Audit department's report for 2013 and reviewing the Audit Plan for 2014. The Committee also reviewed cross group risks and their management by the Risk Committee.

The Committee examined the Group's interim financial statements, cash position, and debt refinancing on July 24, 2014. One point was also devoted to internal control.

Lastly, the meeting of December 9, 2014 mainly focused on reviewing the 2015 budget, the options for the 2014 financial statements, the auditors' presentation of the 2014 "hard close" audit, and Group refinancing.

At each of its meetings, the Committee reviewed the Group's cash position, financing, and liquidity.

During its various meetings, the Audit Committee was also given presentations by the Group's Chief Financial Officer, the Head of the Internal Audit department, and the Head of the Accounting department. The Statutory Auditors gave their observations during each meeting.

The Committee Chairman presented a report on the Committee's work to the Board of Directors on 11 February, 16 April, 28 July, and December 9, 2014.

8.1.1.3.3. STRATEGY COMMITTEE

The Group's Strategy Committee was set up by the Board of Directors on October 15, 2009.

Composition

The Strategy Committee's Rules of Procedure define its composition as follows:

The composition of the Committee is decided by the Board and it can change the composition at any time.

The Strategy Committee is composed of at least three members and no more than five members.

The Chairman of the Board of Directors and the Chief Executive Officer, provided that they are a Board member, are members of the Strategy Committee as of right.

Members are selected from among the Board members.

They are appointed in their personal capacity and may not use proxies.

The term of office of Committee members is the same as that of their term of office as Board members. The Committee member's term of office may be renewed at the same time as their term of office as Board member.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of their term of office.

The Secretary of the Board is also the Strategy Committee's secretary.

At least one member of the Committee must be independent within the meaning of the definition provided in the AFEP/MEDEF Code.

The Strategy Committee is currently composed of five members: Yann Delabrière, Lee Gardner, Hans-Georg Härter, Thierry Peugeot and Carlos Tavares. It is chaired by Carlos Tavares. The Strategy Committee therefore includes two independent members.

Mission

As part of its general mission to analyse the Group's overall strategic vision, the Strategy Committee prepares the matters to be discussed by the Board of Directors. It issues proposals, opinions, and recommendations on:

- the Group's strategic and medium-term plans;
- plans to acquire new businesses, including acquisitions of both assets and companies;

- plans to dispose of assets, companies, or equity interests belonging to the Group;
- plans to set up joint ventures with partners.

To fulfil its mission, the Strategy Committee may call on external auditors or any other experts that may be internal or external to the Group and on the Chairman of Faurecia's Audit Committee to report on any issue relating to investments, risks, and the impact on the Group's financing in relation to projects submitted to it.

Organisation and activity report

The Committee must meet at least twice a year.

Committee meetings may only be held if the majority of its members are present.

In 2014, the Strategy Committee held three meetings with an attendance rate of 92%; Carlos Tavares was absent from one meeting and Thierry Peugeot, member since October 16, 2014, was only able to attend the meeting held on December 2, 2014.

During these meetings, the Committee reviewed the strategies of the Group and the four Business Groups, the Group's 2014-2018 medium-term plan, and the Group's strategic development opportunities and operations. One point was devoted to the changing competitive environment of the Interior segment.

8.1.1.3.4. APPOINTMENTS AND COMPENSATION COMMITTEE

Composition

The Appointments and Compensation Committee's Rules of Procedure define its composition as follows:

The composition of the Committee is decided by the Board and it can change the composition at any time.

The Committee is composed of at least three members and no more than five members.

Members are selected from among the Board members. They are appointed in their personal capacity and may not use proxies.

The term of office of Committee members is the same as that of their term of office as Board members. The Committee member's term of office may be renewed at the same time as their term of office as Board member.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of their term of office.

The Secretary of the Board is also the secretary of the Committee.

The Committee should not include any executive officer (Chairman, CEO, Deputy CEO) and must have a majority of independent members. It should also be chaired by an independent member within the meaning of the AFEP/MEDEF Code.

The Appointments and Compensation Committee in composed of four members: Jean-Pierre Clamadieu who is the Chairman, Linda Hasenfratz, Amparo Moraleda, and Robert Peugeot. It is then made up of 3 independent directors being chaired by one of them in the person of Jean-Pierre Clamadieu and there are no members who are also corporate officers, in accordance with the AFEP/MEDEF Code.

The Company is not subject to the law of June 14, 2014 on the protection of employment and therefore has no member who represents employees within the meaning of that law.

Mission

The missions of the Appointments and Appointments Committee include:

- preparing the procedure to select new members of the Board;
- review Board member independence;
- issue recommendations on the remuneration of executive offices and Board members;
- review proposed plans for stock option and performance share allocation.

Organisation and activity report

The Appointments and Compensation Committee must meet at least twice a year.

The Chief Executive Officer may attend committee meetings where appointments are discussed.

Committee meetings may only be held if the majority of its members are present.

In 2014, it met six times with an attendance rate of 100%.

At its meeting on February 10, 2014, the Committee made proposals regarding the Chairman and Chief Executive Officer's fixed remuneration for 2014 together with setting the amount of his variable remuneration for 2013 and the criteria to determine the variable portion of his compensation for 2014.

The same Committee also reviewed the composition of the Board, the renewal of the mandates of some of its members and on the appropriateness to appoint new members.

The application guide for the AFEP/MEDEF Code regarding *Say on Pay* in particular and the independence of Board members were focused on during this Meeting.

The work of the Board and its Committees in 2013 was reviewed during the meeting on April 14, 2014.

The Committee meeting on May 23, 2014 specifically discussed the conditions for awarding performance shares to ensure that executives and key managers have a stake in the Group's medium-term performance. Deployment of *Being Faurecia* was also reviewed.

Discussions on the performance shares plan went on during the Committee meeting on July 24, 2014 which also reviewed the top and senior management of the Group together with associated succession plans.

Recommendations for the plan to replace the Chairman and CEO which had already been discussed during previous meetings was finalised during the committee meeting on October 10, 2014 as well as on the appointment of the Deputy Managing Director. The composition of the committees was reviewed and changes were made to the management team in North America.

Finally the December 5, 2014 Committee focused on the remuneration of the directors and the global amount of the attendance fees and validated the questionnaire aiming at evaluating the works of the Board and Committees in 2014.

8.1.1.4. Assessment of the Board of Directors

Like in 2013, the Board of Directors has again made an internal assessment of its activities in accordance with the AFEP/MEDEF Corporate Governance Code.

The assessment was made in December 2014 and January 2015, using a questionnaire.

The results of this assessment were presented to the Appointments and Compensation Committee on February 9, 2015 and to the Board of Directors on February 11, 2015.

The questionnaire concerned the following points: the opinion of the Board members on the implementation of the recommendations of the internal assessment made in 2013; the organisation and working of the Board with, in particular, the information made available to the Board members at the Board and its committees' meetings, the interaction between the Board and committees, the number of issues covered by the Board and its committees as well as relations between the Board members and the general management.

The Board members were also asked to express their opinion on governance, the evaluation of their actual contribution to the activities of the Board and its committees as well as on their involvement in deliberations.

According to the answers given in the questionnaires, the Board members are generally satisfied with the implementation of the recommendations of the internal assessment made in 2013. They think that more time has been devoted to Faurecia's strategy. They also think they have a good knowledge of Faurecia's activities and operations, especially through the international meetings held on Faurecia's sites which are opportunities of exchanges with local teams. Thus, the two-day visit to China in January 2014 was highly appreciated.

The Board members still pay special attention to Faurecia's strategies, risk evaluation and management, internal control, as well as to the balance of each member's contribution to discussions and deliberations at committees and meetings.

8.1.1.5. Limitations on the powers of the Chairman and Chief Executive Officer placed by the Board

The Board of Directors has entrusted its Chairman with responsibility for Faurecia's general management. The Rules of Procedure of the Board of Directors, which may be consulted on www.faurecia.com, sets out the manner in which the Board's responsibilities and those of the Chairman are to be exercised. The Chairman must obtain approval from the Board of Directors before carrying out any acquisition, disposal, or joint venture project representing a total asset value of over €100 million and/or revenues in excess of €300 million. These rules also state that any material transaction which is not integrated in the Company's current strategy plan will be submitted to the prior approval of the Board of Directors. The Board of Directors authorised the Chairman and Chief Executive Officer to give sureties, endorsements, or guarantees within the limit of €50 million capped at €10 million per transaction on July 28, 2014. If the Group is required to provide advance payment guarantees or performance bonds for contracts with successive partial deliveries, the Chairman and Chief Executive Officer is authorised to provide guarantees representing a maximum of €5 million per transaction. Lastly, through its Rules of Procedure and within the scope of the applicable laws governing its activities, the Board has the powers to deal with all matters required for the proper operation of Faurecia.

8.1.1.6. Principles of remuneration of corporate officers

The determination of fixed and variable remuneration, compensation criteria, and benefits-in-kind granted to corporate officers as well as a comparison of compensation awarded in past years are detailed in Subsection 8.1.2.1.

8.1.1.7. Factors that could impact a public offering

The information required under Article L. 225-100-3 of the French Commercial Code is provided in Sections 8.1.1, 10.3.2, and in Subsections 10.4.2.1 and 10.4.2.2.

8.1.1.8. Shareholder participation in Shareholders' Meetings

The specific rules governing the participation of shareholders in Shareholders' Meetings are described in Articles 22 and 23 of Faurecia's Articles of Association, which may be consulted on www.faurecia.com, and in Section 10.

8.1.1.9. Summary of compliance with the recommendations of the AFEP/MEDEF Code

By the end of the 2014 business year, Faurecia deviated from the recommendations of the AFEP/MEDEF Code on one point, pertaining to the duration of the Board members' mandates.

Recommendation of the AFEP/MEDEF Code	Reasons for the non-conformity
Recommendation 14, Paragraph 1: The Board members' mandate, fixed by bylaws, should not exceed four years.	The Board members' mandate is currently fixed at five years, according to Article 11 of the bylaws. A statutory change shall, however, be submitted to the Shareholders' Meeting of May 27, 2015, with a view to reducing to four years the Board members' mandates subject to renewal as from this same Shareholders' Meeting, as well as the mandate of any Board member nominated by a Shareholders' Meeting in future. In addition to the members' mandates which shall be ending at the Shareholders' Meeting of May 27, 2015, two mandates shall end by 2016, six mandates, including that of Mr. Yann Delabrière, in 2017, and two mandates in 2019. Thus, latest by the end of the 2019 Shareholders' Meeting, Faurecia shall be compliant with the recommendation of the AFEP/MEDEF Code on the duration of its Board members' mandate. Faurecia does not wish to anticipate this deadline, to prevent too close mandate renewals from having negative impacts on the working of the Board.

8.1.2. MEMBERS OF FAURECIA'S BOARD OF DIRECTORS

8.1.2.1. Information on Board members

There are no advisors, directors representing employee shareholders, or directors representing employees on the Board. In this respect, it may be noted that the Company is not subject to the provisions of the law of June 14, 2013 on job security.

Apart from the Chairman and Chief Executive Officer, no member of the Board of Directors holds a senior management or other salaried position within Faurecia or a company that is directly or indirectly controlled by Faurecia.

The only directors with a family connection were Thierry Peugeot and Robert Peugeot. There are no other family ties between Faurecia's other corporate officers.

No director has been convicted of any fraudulent offense, none has managed a company that has filed for bankruptcy or gone into receivership or liquidation in the past five years, and none has received a definitive official public incrimination and/or sanction by statutory or regulatory authorities (see the information relating to the December 18, 2014 decision of AMF's Sanctions Committee, contained in Subsection 3.4.3.1 of this Registration Document).

None of them has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of an issuer in the past five years.

EXPERTISE, POSITIONS AND DIRECTORSHIPS

The companies marked by an asterisk, in which members of the Board of Directors hold positions as at December 31, 2014, are listed companies.

Director	Directorships/Positions
Yann DELABRIÈRE Mr. Yann Delabrière has held various positions within the Finance departments of several major manufacturing groups. He joined the PSA Peugeot Citroën group in 1990 where he held the position of Chief Financial Officer and member of the Executive Committee from 1998 to 2007. He has been a director of Faurecia since November 18, 1996 and has been the Chairman and Chief Executive Officer since February 16, 2007.	**Within Faurecia** • Chairman and Chief Executive Officer of Faurecia • Member of the Strategy Committee **Outside Faurecia** At December 31, 2014, Mr. Yann Delabrière also held the following directorships and positions: • Director of Capgemini* (France) • Director of Société Générale* (France) Over the past five years, Mr. Yann Delabrière has not held any directorships and positions that he no longer holds.
Éric BOURDAIS DE CHARBONNIÈRE Mr. Éric Bourdais de Charbonnière joined JP Morgan in 1965, and went on to hold various positions within it. From 1987 to 1990 he was the Executive Vice-President, Head of Europe. In 1990, he joined Michelin as Chief Financial Officer, and subsequently became a member of the Group Executive Council. He was Chairman of the Supervisory Board from September 2000 until May 17, 2013	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** At December 31, 2014, Mr. Éric Bourdais de Charbonnière also held the following directorships and positions: • Member of the Supervisory Board of ODDO et Cie (France) and member of the Audit Committee Over the past five years, Mr. Éric Bourdais de Charbonnière has also held the following positions, which he no longer holds: • Chairman of the Supervisory Board of Michelin (France) and member of the Audit Committee • Vice-Chairman of the Supervisory Board of ING group • Member of the Board of Directors of Thomson S.A. (France)
Jean-Baptiste CHASSELOUP DE CHATILLON Mr. Jean-Baptiste Chasseloup de Chatillon has held financial and sales functions within the PSA Peugeot Citroën group since 1989. He is currently Chief Financial Officer of the PSA Peugeot Citroën group and a member of the Management Board of Peugeot S.A.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** At December 31, 2014, Mr. Jean-Baptiste Chasseloup also held the following directorships and positions: • Chief Financial Officer of the PSA Peugeot Citroën group • Member of the Executive Board of Peugeot S.A.* (France) • Chairman of the Board of Directors of Banque PSA Finance • Director of Automobiles Citroën (France) • Member of the Supervisory Board of Gefco (France) • Permanent representative of Peugeot S.A., director of Automobiles Peugeot (France) • Vice-Chairman and Chief Executive Officer of PSA International S.A. (France) • Director of Dongfeng Peugeot Citroën Automobiles Company Ltd (China) • Director of Changan PSA Automobiles Co., Ltd (China) Over the past five years, Mr. Jean-Baptiste Chasseloup de Chatillon has also held the following directorships and positions, which he no longer holds: • Director of Gefco • Chairman of the Supervisory Board of Peugeot Finance International NV • Permanent representative of Citroën Belux, director of PSA Finance Belux • Director of Peugeot Citroën Automobiles (France) • Permanent representative of CCFA with the Board of Directors of Auto Moto Cycle promotion • Director of PCMA Holding B.V. (Netherlands)

* *Listed company.*

Director	Directorships/Positions
Jean-Pierre CLAMADIEU Mr. Jean-Pierre Clamadieu was in charge of various divisions of Rhodia, also serving as its Chief Executive Officer from October 2003 to March 2008, and then as its Chairman and CEO until October 2011. He has been Chief Executive Officer of Solvay since May 8, 2012.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2014, Mr. Jean-Pierre Clamadieu also held the following directorships and positions: • Chief Executive Officer of Solvay S.A.* (Belgium) • Director of Solvay S.A.* (Belgium) • Director of AXA*(France) • Director of Solvay Finance S.A. (Luxembourg) • Director of Solvay Specialty Chemicals Asia Pacific Pte. Ltd (Singapore) Over the past five years, Mr. Jean-Pierre Clamadieu has also held the following directorships and positions, which he no longer holds: • Deputy Chief Executive Officer of Solvay (Belgium) until May 8, 2012 • Chairman of the Board of Directors of Rhodia (France) until February 12, 2013 • Chairman and Chief Executive Officer of Rhodia (France) until October 27, 2011 • Director of SNCF (France) until December 31, 2012 • Member of the Supervisory Board of Solvay GmbH (Germany) until December 31, 2013 • Director of Solvay Iberica S.L. (Spain) until September 26, 2014 • Director of Solvay Quimica S.L. (Spain) until September 26, 2014 • Director of Solvay America, Inc. (USA) until January 1, 2014
Lee GARDNER In 2001, Lee Gardner joined One Equity Partners (OEP), which at that time was the private investment arm of JP Morgan Chase & Co. Following a spin-off in January 2015, OEP is now an independent investment management firm called OEP Capital Advisors, L.P., where Mr. Gardner is a Managing Director.	**Within Faurecia** • Director of Faurecia • Member of the Strategy Committee **Outside Faurecia** As of December 31, 2014, Mr. Lee Gardner also held the following directorship and positions: • CEO of OEP Capital Advisors, L.P. (USA) • Director and Chairman of the Board of Directors of Strike LLC (USA) • Director of OEP East Balt I LP (USA) • Member of the Supervisory Board and President of Smartrac N.V. (Netherlands) Over the past five years, Mr. Lee Gardner has also held the following directorships and positions, which he no longer holds: • Director and Chairman and Chief Executive Officer of Emcon Technologies (USA) • Director of OEP Precision Holdings LLC (USA) • Director of Polaroid Inc. (USA) • Director of Mauser – Werke GmbH (Germany) • Director and Chairman of Progress Rail (USA) • Director of Precision Gear Holdings (USA)

* *Listed company.*

Director	Directorships/Positions
Hans-Georg HÄRTER Mr. Hans-Georg Härter spent his entire career with the ZF group, which he joined in 1973. He held the position of Chief Executive Officer of ZF Friedrichshafen AG from January 2007 to May 2012, when he retired.	**Within Faurecia** • Director of Faurecia • Member of the Strategy Committee **Outside Faurecia** At December 31, 2014, Mr. Hans-Georg Härter also held the following directorships and positions: • Founder of HGH Consulting (Germany) • Member of the Supervisory Board of Klingelnberg AG (Germany) • Member of the Board of the Zeppelin University Friedrichshafen Foundation (Germany) • Member of the Board of Association Deutsche Wissenschaft e.G. (Germany) • Member of Institut Deutsche Wissenschaft (Germany) • Member of the Advisory Committee of Unterfränkische Überlandzentrale e.G. (Germany) • Director of Axega GmbH (Germany) • Director of Altran S.A.* (France) • Member of the Supervisory Board of Kiekert AG (Germany) • Member of the Supervisory Board of Knorr-Bremse AG (Germany) Over the past five years, Mr. Hans-Georg Härter has also held the following directorships and positions, which he no longer holds: • Chief Executive Officer of ZF Friedrichshafen AG (Germany) • Member of the Supervisory Board of ZF Getriebe GmbH, Saarbrücken (Germany) • Member of the Supervisory Board of ZF Lemförder GmbH, Lemförde (Germany) • Member of the Supervisory Board of ZF Passau GmbH, Passau (Germany) • Member of the Supervisory Board of ZF Sachs AG, Schweinfurt (Germany) • Member of the Supervisory Board of Verband der Automobilindustrie (VDA) (Germany)
Linda HASENFRATZ Ms. Linda Hasenfratz has been Chief Executive Officer of Linamar Corporation since August 2002. She was also its President from April 1999 to August 2004, and its Chief Operating Officer from September 1997 to September 1999. She has been a director since 1998.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2014, Ms. Hasenfratz also held the following directorships and positions: • Chief Executive Officer of Linamar Corporation (Canada) • Director of Linamar Corporation (Canada) • Vice-President of the Board of Governors, Royal Ontario Museum (Canada) • Director of Canadian Imperial Bank of Commerce (CIBC) (Canada) • Director of Original Equipment Manufacturers Association (USA) • Vice-President of the Canadian Council of Chief Executives (Canada) • Member of the Catalyst Canadian Board of Advisors (Canada) Over the past five years, Ms. Hasenfratz has not held any directorships and positions that she no longer holds.

* *Listed company.*

Director	Directorships/Positions
Ross McINNES Mr. Ross McInnes mainly held the position of Executive Vice-President, Finance of Eridania Beghin-Say from 1991 to 2000. He became a director in the company in 1999. He joined Thomson-CSF (Thalès) in 2000, as Senior Vice-President and Chief Financial Officer, before joining the PPR group in 2005, as Senior Vice-President Finance and Strategy. From 2007 to 2009 he held the position of Vice-Chairman of Macquarie Capital Europe. In March 2009, Mr. Ross joined the Safran group as Advisor to the Chairman of the Executive Board. He then became Chief Finance Officer in June 2009. He was a member of the Executive Board from July 2009 to April 2011. On April 21, 2011 he was appointed Deputy Managing Director responsible for Economic and Financial Affairs by Safran's Board of Directors and he will hold the post until the 2015 General Meeting. Safran's Board of Directors, which met on December 5, 2014, agreed in principle to appoint Mr. Ross McInnes as Chairman of the Board of Directors in the Board meeting to be held after the General Meeting of April 23, 2015.	**Within Faurecia** • Director of Faurecia • Member and Chairman of the Audit Committee **Outside Faurecia** At December 31, 2014, Mr. Ross McInnes also held the following directorships and positions: • Deputy Managing Director responsible for Economic and Financial Affairs at Safran* • Permanent representative on the Board of Directors of Soreval (Luxembourg) (company represented: Établissements Vallaroche), Safran group • Director of Safran USA, Inc. (United States), Safran group • Director of Financière du Planier • Director of Eutelsat Communications* (France) • Chairman of Eutelsat Communications' Audit Committee* (France) • Director of IMI Plc* (Great Britain) Over the past five years, Mr. Ross McInnes has also held the following directorships and positions, which he no longer holds: • Director of Messier-Bugatti-Dowty (France), Safran group • Director of Aircelle (France), Safran group • Director of Morpho (France), Safran group • Director of Snecma (France), Safran group • Director of Turbomeca (France), Safran group • Member of the Executive Board of Safran, Safran group • Director of Vallaroche Conseil, Safran group • Permanent representative on the Board of Directors of Établissements Vallaroche (company represented: Safran), Safran group • Director of Limoni SpA (Italy) • Director of Sagem Défense Sécurité, Safran group • Director of Globe Motors, Inc. (United States), Safran group • Director of SME, Safran group • Director of Messier-Dowty S.A., Safran group • Permanent representative on the Board of Directors of Messier-Dowty S.A. (company represented: Safran), Safran group • Director of Santé S.A. (Luxembourg) • Member of the Supervisory Board of Générale de Santé • Permanent representative on the Board of Directors of La Financière de Brienne (company represented: Établissements Vallaroche) • Censor at the Board of Générale de Santé S.A. • Permanent Representative on the Board of Directors of Générale de Santé S.A. (company represented: Europe Investissements Sarl) • Member of the Audit Committee of Générale de Santé S.A. (France) • Permanent representative of the Board of Directors of Santé S.A. (Luxembourg) (company represented: Santé Europe Investissements Sarl)

* *Listed company.*

Director	Directorships/Positions
Amparo MORALEDA Ms. Amparo Moraleda is an engineering graduate from ICAI (*Escuela Tecnica Superior de Ingeniería Industrial*) in Madrid and has an MBA from the Madrid IESE Business School. From January 2009 to February 2012, she was Chief Operating Officer – International Division of Iberdrola S.A. (one of the main producers of renewable energy worldwide). From 1988 to 2008, she held various positions at the IBM group, which she joined as Systems Engineer. From June 2001 to June 2005, she was, most notably, General Manager of IBM Spain and Portugal. Between June 2005 and December 2008, she was General Manager of IBM for Spain, Portugal, Greece, Israel and Turkey.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2014, Ms. Amparo Moraleda also held the following directorships and positions: • Member of the Board of Directors of Meliá Hotels International S.A.* (Spain) • Member of the Supervisory Board of CSIC (Consejo Superior de Investigaciones Cientificas) (Spain) • Member of the Board of Directors of Solvay S.A.* (France) • Member of the Board of Directors of Alstom S.A.* (France) • Member of the Board of Directors of CaixaBank S.A.* (Spain) • Member of the Advisory Board of KPMG in Spain and Portugal • Member of the Advisory Board of SAP in Spain and Portugal Over the past five years, Ms. Amparo Moraleda has also held the following directorships and positions, which she no longer holds: • Member of the Board of Directors of Corporación Financiera Alba S.A. • Chief Operating Officer – International Division of Iberdrola S.A. • Member of the Board of Directors of Acerinox S.A.
Thierry PEUGEOT A graduate of ESSEC Business School, Mr. Thierry Peugeot began his career at Groupe Marrel as Export Manager for the Middle East and English-speaking Africa, then as director of Air Marrel America. In 1988, he joined PSA Peugeot Citroën as head of the Southeast Asia region for Automobiles Peugeot. He was initially Area Manager for South-East Asia at Automobiles Peugeot, before becoming CEO of Peugeot do Brasil and CEO of SLICA (Peugeot's main sales subsidiary) in Lyon. In 2000 he was appointed Head of International Key Accounts at Automobiles Citroën. He subsequently became director of Services and Parts for Citroën and a member of the Group's Management Committee. He was appointed Chairman of the Supervisory Board of Peugeot S.A. in December 2002. He held this position until April 29, 2014.	**Within Faurecia** • Director of Faurecia and Member of the Strategy Committee **Outside Faurecia** At December 31, 2014, Mr. Thierry Peugeot also held the following directorships and positions: • Vice-Chairman of Établissements Peugeot Frères (France) and Member of the Audit Committee • Chairman and Chief Executive Officer of Société Anonyme de Participations (SAPAR) (France) • Director of L'Air Liquide S.A.* (France) and member of the Audit Committee • Director of Compagnie Industrielle de Delle (CID) (France) • Permanent representative of CID on the Board of Directors of LISI* (France) • Member of the Compensation Committee of LISI* (France) and Chairman of the Appointments Committee • Director and member of the Accounts Committee of FFP* (France) • General Manager of SCI du Doubs (France) Over the past five years, Mr. Thierry Peugeot has also held the following directorships, which he no longer holds: • Chairman of the Supervisory Board of Peugeot S.A. (France) until April 29, 2014 • Vice-Chairman of the Supervisory Board of Peugeot S.A. until July 3, 2014 • Chairman of the Compensation Committee of Peugeot S.A. (France) • Member of the Appointments and Governance Committee of Peugeot S.A. (France) • Member of the Strategy Committee of Peugeot S.A. • Member of the Supervisory Board of Gefco (France) • Director of Française de Participation Financière

* *Listed company.*

Director	Directorships/Positions
Robert PEUGEOT Mr. Robert Peugeot is Chairman and CEO of FFP. Robert Peugeot studied at the *École Centrale de Paris* and INSEAD. He has held various senior positions within the PSA Peugeot Citroën group, and was a member of the Group Executive Committee from 1998 to 2007, holding the position of Vice-President, Innovation and Quality. He has been a member of the Supervisory Board of Peugeot S.A. since February 2007 and a member of the Finance and Audit Committee and chair of the Strategy Committee since December 2009. He has been Chairman and CEO of FFP since 2003.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2014, Mr. Robert Peugeot also held the following directorships and positions: • Chairman and Chief Executive Officer of FFP* (France) • Member of the Supervisory Board of Hermès International* (France) • Director of Imerys* (France) • Director of Holding Reinier SAS • Director of Établissements Peugeot Frères (France) • Director of Sofina* (Belgium) • Director of DKSH AG* (Switzerland) • Permanent representative of FFP Invest, Chairman of Financière Guiraud SAS (France) • Manager of SC Rodom • Manager of Sarl CHP Gestion • Permanent representative of FFP, Chairman of FFP Invest • Permanent representative of FFP Invest on the Board of Directors of Sanef (France) • Permanent representative of FFP Invest on the Supervisory Board of IDI Emerging Markets S.A. (Luxembourg) Over the past five years, Mr. Robert Peugeot has also held the following directorships and positions, which he no longer holds: • Member of the Supervisory Board of Peugeot S.A. (France) • Member of the Supervisory Board of IDI Emerging Markets S.A. (Luxembourg) • Permanent representative of FFP Invest on the Supervisory Board of Zodiac Aerospace (France) • Director of Sanef (France) • Chairman and Chief Executive Officer of Simante SL • Director of Fomento de Construcciones y Contratas S.A. (FCC) • Director of LFPF (La Française de Participations Financières) • Director of Immeubles et participations de l'Est • Director of Alpine Holding • Director of Waste Recycling group Ltd • Director of B-1998, SL • Director of FCC Construccion S.A.

* *Listed company.*

Director	Directorships/Positions
Bernadette SPINOY Ms. Bernadette Spinoy has a Master of Science in Business Engineering from the University of Louvain-La-Neuve in Belgium. Ms. Bernadette Spinoy began her career with the Belgian PetroFina group in 1985 and since 1999 she has held various positions with Total group, in the areas of supply and refining of petroleum products, logistics and marketing of natural gas, and petrochemicals. Over the course of her career, she switched between the positions of international active business units officer and positions in cross-divisional units such as strategy, purchase, management control and health-safety-working conditions.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** At December 31, 2014, Ms. Bernadette Spinoy also held the following directorships and positions: • Senior VP, Industrial Security, Total S.A.* (France) • Member of the Management Committee, Total S.A.* (France) • Director of ICSI (Institut pour une culture de sécurité industrielle), France • Director of the Fondation FONCSI (Fondation pour une culture de sécurité industrielle) (France) Over the last five years, Ms. Bernadette Spinoy held the following positions, which she no longer holds: • Director of Cepsa* (Spain) from 2003 to 2010 ***From 2012 to 2014*** • Director, Vice-President and Chair of the Remuneration Committee for Satorp**, Saudi Arabia • Director of Qapco**, Qatar • Director of Qatofin**, Qatar • Director and member of the Compensation Committee of STC** (Samsung Total Chemicals), Korea ***From 2010 to 2011*** • Director of FAO** (Fina Antwerp Olefins), Belgium • Director of Naftachimie**, France • Director of BFLP** (BASF FINA Petrochemicals Limited Partnership, USA) • Director on the Board of Directors of APPE, Association of Petrochemicals Producers in Europe (within CEFIC)
Carlos TAVARES Mr. Carlos Tavares graduated from the *École Centrale de Paris*. He held various senior positions in the Renault group between 1981 and 2004 before joining the Nissan group. After being Operations Manager for Nissan in the Americas, he was appointed Chief Operations Officer by the Renault group from 2011 to 2013. Since January 1, 2014, he has rejoined the Executive Board of Peugeot S.A. and holds the position of Chairman of the Executive Board since March 31, 2014.	**Within Faurecia** • Director of Faurecia • Member and Chairman of the Strategy Committee **Outside Faurecia** At December 31, 2014, Mr. Carlos Tavares also held the following directorships and positions: • Chairman of the Executive Board of Peugeot S.A.* • Director of Banque PSA Finance • Chairman of the Board of Directors of Peugeot Citroën Automobiles S.A. • Director of PCMA Holding B.V. • Manager of a micro-enterprise for the management of a "Bed&Breakfast" type unit in Lisbon Over the past five years, Mr. Carlos Tavares has also held the following directorships, which he no longer holds: • Deputy Managing Director of Renault and member of the Executive Board of the Renault-Nissan Alliance • Director of Renault-Nissan BV • Director of Avtovaz • Director of Alpine-Caterham • Chairman of Management Committee of Nissan Americas • EVP Planning Nissan Motor Company

* *Listed company.*

** *Unlisted joint-ventures in which the Total group has a stake.*

DIRECTOR SHAREHOLDINGS

Pursuant to the bylaws, each Board member must hold at least 20 Faurecia shares throughout his or her term of office.

At December 31, 2014, directors held the following interests on the basis of a capital stock of €867,476,470 divided into 123,925,210 shares representing 188,120,310 theoretical voting rights and 188,084,044 exercisable voting rights.

	Number of shares	Percentage of share capital	Number of voting rights	Percentage of theoretical voting rights	Percentage of exercisable voting rights
Éric BOURDAIS DE CHARBONNIÈRE	100	0.00%	200	0.00%	0.00%
Jean-Baptiste CHASSELOUP DE CHATILLON	20	0.00%	40	0.00%	0.00%
Jean-Pierre CLAMADIEU	364	0.00%	728	0.00%	0.00%
Mr. Yann DELABRIÈRE	55,444	0.04%	98,788	0.05%	0.05%
Lee GARDNER	100	0.00%	200	0.00%	0.00%
Hans-Georg HÄRTER	726	0.00%	1,446	0.00%	0.00%
Linda HASENFRATZ	100	0.00%	200	0.00%	0.00%
Ross McINNES	100	0.00%	200	0.00%	0.00%
Amparo MORALEDA	1,850	0.00%	1,850	0.00%	0.00%
Robert PEUGEOT	100	0.00%	200	0.00%	0.00%
Thierry PEUGEOT	628	0.00%	921	0.00%	0.00%
Bernadette SPINOY	1,000	0.00%	1,000	0.00%	0.00%
Carlos TAVARES	20	0.00%	20	0.00%	0.00%
TOTAL	**60,552**	**0.05%**	**105,793**	**0.06%**	**0.06%**

CONFLICTS OF INTEREST

As stipulated by the internal regulations of the Board of Directors, each director must inform the Board of any situation of conflict of interest, even potential, relating to issues mentioned in the agenda and draw conclusions therefrom with regard to his term of office. Thus, depending on the case, he should either abstain from participating in deliberations concerning him, or not attend the Board meetings until such time as he finds himself in a situation of conflict of interest, or resign from the directorship.

No such situations arose in 2014.

Thus, to the best of the Company's knowledge and as of the date of drafting of this document, no conflicts of interest had been identified between the duties of each member of the Board of Directors and of executive management vis-à-vis the Company in their capacity as corporate officers and their personal interests or other duties.

To the best of the Company's knowledge and as of the date of drafting of this document, there were no arrangements or agreements concluded with major shareholders, customers or suppliers resulting in a member of the Board of Directors or executive management being appointed in that capacity.

To the best of the Company's knowledge and as of the date of drafting of this document, no restriction has been agreed to by members of the Board of Directors or of executive management regarding the disposal of their interests in the Company's capital stock.

Aside from regulated agreements, which are the subject of a report to the Shareholders' Meeting, no service agreement has been entered into between a member of the Board of Directors and Faurecia or any of its subsidiaries.

The Statutory Auditors' special report on regulated agreements and commitments can be found in Subsection 11.5.1 of this Registration Document.

The Board of Directors strengthened its regulation relating to conflicts of interest by adopting a procedure regarding the use of inside information. This procedure provides that no transactions may be carried out involving the Company's shares until the related information has been made public. Directors and certain categories of personnel, who are all included in a regularly updated list, must disclose any trades they carry out in Faurecia's shares to the Company which then informs the markets.

On April 14, 2010, the Board of Directors modified its internal regulations for the purpose of:

- setting out situations where directors could encounter conflicts of interest and restating the confidentiality and discretion incumbent on directors with regard to information not in the public domain acquired during the course of their duties;
- setting up blackout periods during which directors are prohibited from carrying out transactions involving Faurecia shares, in particular periods during which interim or annual results or quarterly revenue are reported; directors are accordingly prohibited from trading on Faurecia securities (including derivatives), including through the exercise of stock options, during the following periods:
  - from the date of the annual December meeting of Faurecia's Board of Directors up to and including the third day following the announcement of Faurecia's annual results,
  - within 30 calendar days prior to the announcement of interim results, and up to and including the third day following the announcement, this deadline having been extended from 15 to 30 days by the Board meeting of April 14, 2011, and the internal regulations amended accordingly,
  - within 15 calendar days prior to the publication of quarterly revenue and up to and including the third day following the announcement,
  - throughout the period between the dates on which the Company (acting through its management) becomes aware of information that, if it became public, would be liable to have a significant impact on the share price of Faurecia, or the price of related financial instruments, and the date on which this information is made public. In the case of doubt on the nature of the information in its possession, each director may refer to the Group Chief Financial Officer, who has 24 hours to issue an opinion on the prospective transaction in his capacity as ethics officer;
- creating a position of Compliance Officer to facilitate the handling of securities transactions and sensitive information discussed by the Board.

TRANSACTIONS CARRIED OUT BY CORPORATE OFFICERS DURING THE PRECEDING FINANCIAL YEAR

Declarant	No. and date of the Decision/ Information AMF	Financial instrument	Type of transaction	Date of transaction	Date of receipt of declaration	Transaction venue	Unit price	Amount of transaction
Yann DELABRIÈRE	2014DD304078	Equities	Exercise of stock options	April 25, 2014	April 30, 2014	Euronext Paris	€32.96	€343,398
Bernadette SPINOY	2014DD317267	Equities	Acquisition	June 24, 2014	July 5, 2014	Euronext Paris	€29.79	€29,790

Mr. Carlos Tavares, appointed as director by the General Meeting held on May 27, 2014 also purchased 20 shares in 2014, in accordance with Article 11 of the Company's Articles of Association.

DIRECTORS' COMPENSATION

Directors' compensation is paid in the form of attendance fees allocated by the Board of Directors. On May 27, 2003, the maximum annual amount of attendance fees was fixed at €400,000 by the Ordinary General Meeting of Shareholders. It is distributed freely by the Board of Directors.

At its meeting of April 14, 2010, the Board decided that as of January 1, 2010:

- the Chairman and Chief Executive Officer shall waive all attendance fees for his participation in Board or committee meetings;
- members of the Board of Directors holding executive management in a company that is a shareholder of the Group do not receive any attendance fees in respect of their position on Faurecia's Board of Directors.

In addition, at its meeting of December 18, 2013, the Board of Directors changed the rules for the apportionment of the fees that it had set on April 14, 2010. These new rules, which were applied to fees due in respect of the financial year 2013, are as follows:

- directors would receive a fixed portion of attendance fees amounting to €12,000 in recognition of their directorship position, and a variable portion of €2,400 for each Board meeting they attend;
- Committee members receive a fixed portion of attendance fees amounting to €10,000 and a variable portion of €2,000 per relevant committee meeting.

Directors received gross attendance fees in respect of 2013 and 2014 in the amounts detailed in the table below:

Attendance fees

TABLE N° 3 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AMENDED ON DECEMBER 17, 2013)

Directors *(gross amounts in €)*	**Amount of attendance fees paid in 2013**	**Of which variable portion paid in 2013**	**Amount of attendance fees paid in 2014**	**Of which variable portion paid in 2014**
Éric BOURDAIS DE CHARBONNIÈRE	44,400	22,400	44,400	22,400
Jean-Baptiste CHASSELOUP DE CHATILLON	0	0	0	0
Jean-Pierre CLAMADIEU	44,400	22,400	41,998	19,998
Mr. Yann DELABRIÈRE	0	0	0	0
Linda HASENFRATZ	42,400	20,400	41,998	19,998
Hans-Georg HÄRTER	44,400	22,400	42,400	20,400
Jean-Claude HANUS	44,400	22,400	17,199	9,866
Lee GARDNER	44,400	22,400	40,000	18,000
Ross McINNES	44,400	22,400	44,400	22,400
Amparo MORALEDA	58,400	26,400	58,731	28,398
Thierry PEUGEOT	0	0	17,700	9,200
Robert PEUGEOT	26,400	14,400	30,233	15,733
Bernadette SPINOY	-	-	17,300	6,800
Carlos TAVARES	-	-	0	0
Philippe VARIN	0	0	-	-
TOTAL	**393,600**	**195,600**	**396,359**	**193,193**

Directors are not entitled to any termination benefits or deferred compensation for the loss of their corporate office.

The company controlling Faurecia, Peugeot S.A., paid fixed and variable compensation as well as benefits in kind to the following officers who also hold a corporate office within Faurecia.

In 2014, Mr. Carlos Tavares received a fixed compensation of €154,500 as member of Peugeot S.A.'s Executive Board from January 1, to March 31, 2014, and a fixed compensation of €976,894 as Chairman of Peugeot S.A.'s Executive Board from March 31, to December 31, 2014. A total variable compensation of €1,615,919 is payable to him for 2014 (€153,419 as member of the Executive Board; €1,462,500 as Chairman of the Executive Board).

In 2014, Mr. Jean-Baptiste Chasseloup de Chatillon received €618,000 as fixed compensation. A total variable compensation of €621,473 is payable to him for 2014.

In his capacity as Chairman of the Supervisory Board of Peugeot S.A. until April 29, 2014, then as Vice-Chairman and member of the Supervisory Board from April 29 to July 3, 2014, Mr. Thierry Peugeot received a total of €178,267 (€30,000 as attendance fees, €148,267 for his positions as Chairman and Vice-Chairman) in 2014.

In his capacity as a member of the Supervisory Board of Peugeot S.A. until April 29, 2014, then as permanent representative of FFP on the Supervisory Board of Peugeot S.A. since April 29, 2014, Mr. Robert Peugeot received a total of €75,000 (€40,000 as attendance fees, €35,000 for his attendance at committee meetings) in 2014.

Faurecia specifies that no compensation other than the attendance fees mentioned above was paid to any of its directors by the Company or its subsidiaries during the past year.

8.1.2.2. Information on corporate officers

Mr. Yann Delabrière has been Faurecia's Chairman and Chief Executive Officer since February 16, 2007.

Mr. Patrick Koller has been Deputy Managing Director since February 2, 2015.

RESTRICTIONS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER PLACED BY THE BOARD

This information can be found in Subsection 8.1.1.5 of this Registration Document.

COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Faurecia complies with the AFEP/MEDEF Corporate Governance Code as regards the compensation of corporate officers of companies whose securities are admitted to trading on a regulated market.

The Board of Directors does not have any fixed rule regarding the periodical revision of the fixed compensation of Mr. Yann Delabrière, Chairman and CEO of Faurecia provided that in practice, the Board of Directors reviews this compensation on an annual basis.

Fixed compensation for 2014

The fixed compensation for Mr. Yann Delabrière, in respect of 2014, was set at €700,000 by the Board of Directors on February 11, 2014, based on a recommendation by the Appointments and Compensation Committee on February 9, 2014, with this compensation set by the decision of the Board of Directors on February 7, 2011, remaining unchanged since 2011.

Variable compensation for 2014

At its meeting of February 11, 2014 the Board also laid down the rules for determining Mr. Yann Delabrière's variable compensation in respect of 2014.

This variable compensation is set out on the basis of attainment of the quantitative objectives, entitling him to a variable compensation of 0 to 150% of the fixed compensation.

In addition to these quantitative objectives, qualitative objectives have also been set.

When the quantitative objectives are met in full or in part, the level of attainment of the qualitative objectives results in a multiplier effect (if applicable) for the attainment of quantitative objectives from 0.70 to 1.20.

Therefore, if the quantitative objectives are equal to 0, the multiplier effect of the qualitative objectives is not taken into account.

The total variable compensation of Mr. Yann Delabrière can range from 0 to 180% of his annual fixed compensation.

The quantitative objectives, which were fixed at the Board meeting held on February 11, 2014, were related to the operating income and free cash flow and the contribution of each of these targets to the variable compensation was determined at the same Board meeting as follows:

- operating income: 40% of the variable compensation;
- free cash flow: 60% of the variable compensation.

The expected fulfillment levels of the quantitative criteria have been set out in the budget set by the Board, but the figures are not made public for confidentiality reasons.

The qualitative objectives fixed by the same Board meeting were:

- to continue to make changes to the organization and management of Faurecia in North America with the aim of setting-up a high-level executive team fully comprised of American citizens before the end of 2014/beginning of 2015 and the implementation of the budget in this zone (40% weighted on this criterion);
- to roll out the new Being Faurecia culture (30% weighted on this criterion); and
- to deal with internal control and information systems matters, notably by completely rolling out the SAP system (30% weighted on this criterion).

On the recommendation of the Appointments and Compensation Committee, which met on February 9, 2015, the Board of Directors examined the attainment of quantitative criteria in its February 11, 2015 meeting:

- regarding the operating income criterion, the Board of Directors noted that this first quantitative target had been met to 116.7%;
- regarding the free cash flow criterion, the Board of Directors noted that the second quantitative target had been met to 150%.

The attainment of these two targets correspond to a rate of 136.7% on the scale considered by the Board of Directors: the weighting of this indicator entitles him to a quantitative variable compensation of €956,900.

The Board of Directors then examined the achievement of each of the three qualitative targets described above:

- regarding the pursuit of changes made to the organization and management of Faurecia in North America, the Board considered this criterion to have been met at 95%;
- regarding the roll out of the *Being Faurecia* culture, the Board considered this criterion to have been fully met; and
- regarding dealing with internal control and information systems matters, notably by completely rolling out the SAP system, the Board considered this criterion to have been met at 83%.

Thus, according to the Board of Directors, the capacity of implementing these three qualitative targets corresponds to a degree of attainment such that the multiplier effect of the attainment of these two quantitative targets is 0.93.

On this basis, for 2014, the Board applied a variable compensation of 136.7% x 0.93, i.e. 127.1% of Mr. Yann Delabrière's fixed compensation for 2014, corresponding to €889,787.

Fixed compensation for 2015

On the recommendation of the Appointments and Compensation Committee, which met on February 9, 2015, the Board of Directors, also approved Mr. Yann Delabrière's fixed compensation for 2015 at €800,000 in its meeting of February 11, 2015.

This increase was decided by the Board of Directors on the basis of the following observations:

- a review of a representative sample of listed manufacturing companies comparable to Faurecia revealed a significant difference (more than 10%) compared to the fixed compensation of Mr. Yann Delabrière;
- Mr. Yann Delabrière's fixed compensation has remained the same since 2011;
- the 2014 financial results are proof of the implementation of a medium- and long-term strategy for Faurecia and a structure that suits this strategy.

Variable compensation for 2015

At its meeting of February 11, 2015 the Board also laid down the rules for determining Mr. Yann Delabrière's variable compensation for 2015.

This variable compensation is set out on the basis of attainment of the quantitative objectives, entitling him to a variable compensation of 0 to 150% of the fixed compensation.

In addition to these quantitative objectives, qualitative objectives have also been set.

When the quantitative objectives are met in full or in part, the level of attainment of the qualitative objectives results in a multiplier effect (if applicable) for the attainment of quantitative objectives from 0.70 to 1.20.

Therefore, if the quantitative objectives are equal to 0, the multiplier effect of the qualitative objectives is not taken into account.

The total variable compensation of Mr. Yann Delabrière can range from 0 to 180% of his annual fixed compensation.

This variable portion will be paid to Mr. Yann Delabrière after the Board of Directors confirms the achievement of results.

The quantitative objectives, which were fixed at the Board meeting held on February 11, 2015, are related to the operating income and free cash flow:

- the operating income will be taken into account for 40% of the variable compensation;
- the free cash flow will be taken into account for 60% of the variable compensation.

The expected achievement levels of these objectives were approved by the Board of Directors with reference to the 2015 budget, but have not been published for reasons of confidentiality.

The qualitative objectives fixed by the same Board meeting concern:

- effective management of the transition to the new structure of the general management (25% weighted on this criterion);
- the definition of the steps for implementing Faurecia's strategy (25% weighted on this criterion);
- carrying out strategic, cross-functional projects: Being Faurecia; digital company; factory of the future; strategic innovation (25% weighted on this criterion); and
- the strategy in Asia with business development and focus on relations with Asian manufacturers (25% weighted on this criterion).

Other components of compensation

Having waived any compensation in his capacity as member of the Board of Directors and member of the Strategy Committee, Mr. Yann Delabrière received no attendance fees for 2014.

Mr. Yann Delabrière did not receive any company stock options in 2014.

He exercised 12,100 stock options, as described in Table No. 5 below.

At its meeting of July 28, 2014, the Board approved performance share plan No. 6 as described in Table 6 below and resolved that the shares granted to Mr. Yann Delabrière would be subject to the same service and performance conditions as the shares granted to other members of Faurecia's Senior Management (these members are defined in Section 8.3 of this Registration Document).

To this end, the aforementioned decision of the Board of Directors made performance share plan No. 6, 60% subject to an internal performance target based on pretax net income (before gains on disposals of assets and changes in the Group's structure) and 40% subject to an external target based on a comparison between the Company's earnings per share growth, measured between 2013 and 2016, and the average growth of a reference group comprising global automotive suppliers.

The Board also decided that Mr. Yann Delabrière should keep 30% of his grant until the expiry of his term of office, regardless of the number of times it is renewed.

If the maximum performance targets set out in plan No. 6 are achieved by the end of 2016, Mr. Yann Delabrière will be granted a maximum of 68,900 shares.

The benefits in kind granted to Mr. Yann Delabrière correspond to a company car for business use as well as the services of a driver.

Mr. Yann Delabrière is a member of the supplementary pension plan set up for all of Faurecia's managers in France, which comprises:

- a defined contribution plan relating to salary tranches A and B with total contributions representing 1% on the tranche A and 6% on the tranche B of the compensation without the beneficiary's contribution;
- a defined benefit plan relating to salary tranche C whose contribution rate corresponds to 1% of salary tranche C multiplied by the beneficiary's years of seniority within the Company. Further information on the supplementary pension plan can be found in Note 25-2 to the consolidated financial statements.

Mr. Yann Delabrière is not entitled to any deferred compensation in the event that he loses his corporate office. He receives no other form of compensation.

The tables below provide an analysis of Mr. Yann Delabrière's compensation.

SUMMARY OF THE COMPENSATION, OPTIONS AND SHARES ALLOTTED TO MR. YANN DELABRIÈRE

TABLE N° 1 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

(in €)	2013	2014
Compensation for the year (see Table 2)	€1,407,371.60	€1,597,158.60
Value of multi-year variable compensation earned during the year	-	-
Value of stock options granted during the year (see Table 4)	-	-
Value of performance shares granted during the year (see Table 6)	€1,386,456	€1,808,900
TOTAL	**€2,793,827.60**	**€3,406,058.60**

SUMMARY OF MR. YANN DELABRIÈRE'S COMPENSATION

TABLE N° 2 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

	2013		2014	
(gross in €)	Amount due		Amount due	Amount paid
Fixed compensation	700,000	700,000.08	700,000	700,000.08
Annual variable compensation	700,000 (1)	140,000 (2)	889,787 (3)	700,000 (4)
Multi-annual variable compensation	-	-	-	-
Exceptional bonus	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind	7,371.60	7,371.60	7,371.60	7,371.60
TOTAL	**€1,407,371.60**	**€847,371.68**	**€1,597,158.60**	**€1,407,371.68**

(1) Amount due in respect of financial year 2013 and paid in 2014.
(2) Amount due in respect of financial year 2012 and paid in 2013.
(3) Amount due in respect of financial year 2014, to be paid in 2015.
(4) Amount paid in respect of financial year 2013.

STOCK SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO MR. YANN DELABRIÈRE BY THE ISSUER AND OTHER GROUP COMPANIES

TABLE N° 4 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

Mr. Yann DELABRIÈRE	Number and date of plan	Type of option (purchase or subscription)	Valuation of options based on the method used in the consolidated financial statements	Number of options granted (adjusted)	Adjusted exercise price	Exercise period	Performance criteria
	No. 17 – April 16, 2007	Subscription	911,090	48,000	44.69	04/17/2011 – 04/16/2017	-
	No. 18 – April 10, 2008	Subscription	603,624	60,000	28.38	04/10/2012 – 04/09/2016	-
TOTAL	**-**	**-**	**1,514,714**	**108,000**	**-**	**-**	

Mr. Yann Delabrière made a formal commitment not to hedge the risks associated with these options and the shares that would result from the exercise of these options.

No stock options were granted to Mr. Yann Delabrière by Faurecia or other Group companies in 2014.

STOCK OPTIONS EXERCISED DURING THE YEAR BY MR. YANN DELABRIÈRE

TABLE N° 5 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AMENDED ON DECEMBER 17, 2013)

Mr. Yann DELABRIÈRE	Number and date of plan	Type of options (purchase or subscription)	Number of options exercised during the year	Adjusted exercise price
	No. 18 – April 10, 2008	Subscription	12,100	28.38
TOTAL	**-**	**-**	**12,100**	**-**

The total number of stock options granted to Mr. Yann Delabrière and still in force as at December 31, 2014, less options exercised in 2014 (which is a total of 95,900 options), represents 0.08% of Faurecia's capital as at this date.

PERFORMANCE SHARES GRANTED TO MR. YANN DELABRIÈRE

TABLE N° 6 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

Mr. Yann DELABRIÈRE	Number and date of plan	Max. number of shares granted during the period (1)	Value of shares by the method used for the consolidated financial statements	Grant date	Vesting date	Performance condition
Plan No. 1	Plan No. 1 of June 23, 2010	37,050	383,468	06/23/2012	06/23/2014	Net income before tax for the year ended December 31, 2011 before gains on disposals of assets and changes in the scope of consolidation (2).
Plan No. 2	Plan No. 2 of July 21, 2010	37,050	399,514	07/21/2013	07/21/2015	Net income before tax for the year ended December 31, 2012 before gains on disposals of assets and changes in the scope of consolidation (3).
Plan No. 3	Plan No. 3 of July 25, 2011	52,000	1,085,040	07/25/2014	07/25/2016	Net income before tax for the year ended December 31, 2013 before gains on disposals of assets and changes in the scope of consolidation (3).
Plan No. 4	Plan No. 4 of July 23, 2012	52,000	435,080	07/23/2015	07/23/2017	• Net income before tax for the year ended December 31, 2014 before gains on disposals of assets and changes in the scope of consolidation; and • Comparison between the Company's earnings per share growth between 2011 and 2014, and the average growth of a reference group comprising global automotive suppliers.
Plan No. 5	Plan No. 5 of July 24, 2013	71,500	1,386,456	07/24/2017	07/24/2017	• Net income before tax for the year ended December 31, 2015 before gains on disposals of assets and changes in the scope of consolidation; and • Comparison between the Company's earnings per share growth between 2012 and 2015 and the average growth of a reference group comprising global automotive suppliers.
Plan No. 6	Plan No. 6 of July 28, 2014	68,900	1,808,900	07/28/2018	07/28/2018	• Net income before tax for the year ended December 31, 2016, before gains on asset disposals and change in the scope of consolidation; and • Comparison between the Company's earnings per share growth between 2013 and 2016, and the average growth of a reference group comprising global automotive suppliers.
GRAND TOTAL	-	**318,500**	**5,498,458**	-	-	-
TOTAL EXCLUDING PLANS 2 AND 3 (3)	-	**229,450**	**4,013,904**	-	-	-

(1) The number of performance shares given in this table is the maximum number and corresponds to 130% of the number of shares used in the valuation.
(2) The performance criterion of this plan has reached the maximum limit.
(3) The performance criteria of Plan No. 2 and 3 had not been reached: as a result, Mr. Yann Delabrière did not purchase any share as part of these plans.

Mr. Yann Delabrière made a formal commitment not to hedge the risks associated with the performance shares granted to him.

PERFORMANCE SHARES THAT BECAME AVAILABLE TO MR. YANN DELABRIÈRE DURING THE FINANCIAL YEAR

TABLE N° 7 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

Mr. Yann DELABRIÈRE	Number and date of plan	Number of shares that became available during the year	Vesting conditions
	Plan No. 1 of June 23, 2010	37,050	The Board meeting held on June 23, 2010 decided that Mr. Yann Delabrière shall retain 30% of the purchased shares until the end of his office term, irrespective of the number of times his office term is renewed
TOTAL	**-**	**37,050***	

* *Considering the vesting conditions stipulated by the Board of Directors as described above, 25,935 performance shares are effectively available.*

The total number of performance shares still in force as at December 31, 2014, which can be purchased by Mr. Yann Delabrière, less the shares purchased during the financial year (which is a total of 192,400 shares) represents 0.15% of Faurecia's capital as at this date.

TABLE N°11 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AMENDED ON DECEMBER 17, 2013)

	Employment Contract		Supplementary pension plan		Compensation or benefits due or that may be due on termination or change in position		Compensation due under a non-competition clause	
Mr. Yann DELABRIÈRE	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Position: Chairman and Chief Executive Officer Start of term: February 16, 2007 End of term: Shareholders' Meeting held in 2017		X	X*			X		X

* *Supplementary pension plan applicable to all of Faurecia's managers (see Subsection 8.1.2.2).*

The components of Mr. Yann Delabrière's compensation due or received for the year ended December 31, 2014, which are subject to the advisory opinion of the shareholders pursuant to the recommendation of Article 24.3 of the AFEP/MEDEF Corporate Governance Code of June 2013 are detailed in the explanatory notes to the resolutions included in Chapter 11 of this Registration Document.

COMPENSATION OF THE DEPUTY MANAGING DIRECTOR

Mr. Patrick Koller has been Deputy Managing Director since February 2, 2015.

The components of Mr. Patrick Koller's fixed and variable compensation for the year 2015 were fixed by the Board of Director's meeting held on December 9, 2014 and February 11, 2015 on the recommendation of the Appointments and Compensation Committee's meetings held on December 5, 2014 and February 9, 2015 and are as follows:

Fixed compensation for 2015

Mr. Patrick Koller will receive an annual gross fixed compensation of €620,000.

Variable compensation for 2015

Mr. Patrick Koller's variable compensation is set out on the basis of attainment of the quantitative objectives, entitling him to a variable compensation of 0 to 120% of his fixed compensation.

In addition to these quantitative objectives, qualitative objectives have also been set by the Board of Directors.

When the quantitative objectives are met in full or in part, the level of attainment of the qualitative objectives results in a multiplier effect (if applicable) for the attainment of quantitative objectives from 0.70 to 1.20.

Therefore, if the quantitative objectives are equal to 0, the multiplier effect of the qualitative objectives is not taken into account.

The total variable compensation of Mr. Patrick Koller can range from 0 to 144% of his annual fixed compensation.

This variable portion will be paid to Mr. Patrick Koller after the Board of Directors confirms the achievement of results.

The quantitative objectives, which were fixed at the Board meeting held on February 11, 2015 are the same as those fixed for Mr. Yann Delabrière and are related to the operating income and free cash flow:

- the operating income will be taken into account for 40% of the variable compensation;
- the free cash flow will be taken into account for 60% of the variable compensation.

The expected achievement levels of these objectives were approved by the Board of Directors with reference to the 2015 budget, but have not been published for reasons of confidentiality.

The qualitative objectives fixed by the same Board meeting concern:

- effective management of the transition to the new structure of the general management (25% weighted on this criterion);
- the definition of the steps for implementing Faurecia's strategy (25% weighted on this criterion);
- carrying out strategic, cross-functional projects: Being Faurecia; digital company; factory of the future; strategic innovation (25% weighted on this criterion); and
- the turnaround of businesses in North America (25% weighted on this criterion).

Table 3 (attendance fees) appears in Subsection 8.1.2.1. Table 8 (overview of grants of stock options), Table 9 (stock options granted during the year to the top ten non-corporate officer employees and options exercised by them during the year) and Table 10 (overview of bonus performance share grants) are included in Subsection 10.4.2.2.

8.2. The Executive Committee

8.2.1. EXECUTIVE COMMITTEE MEMBERS

Faurecia's executive management function is performed under the responsibility of the Chairman and Chief Executive Officer by an Executive Committee that meets every month to review the Group's results and consider general matters concerning the Group.

Its members are as follows:

Yann Delabrière
Chairman and Chief Executive Officer

Niklas Braun
Executive Vice-President, Faurecia Automotive Exteriors

Michel Favre
Executive Vice-President, Finance

Hervé Guyot
Executive Vice-President, Strategy

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating until February 2, 2015
Deputy Managing Director from February 2, 2015

Jacques Mauge
Executive Vice-President, Faurecia North America until March 2, 2015
Advisor to the Chairman and CEO from March 2, 2015

Kate Philipps
Executive Vice-President, Communication

Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems

Christophe Schmitt
Executive Vice-President, Faurecia Emissions Control Technologies

Jean-Pierre Sounillac
Executive Vice-President, Human Resources

Mark Stidham
Executive Vice-President, Faurecia North America from March 2, 2015

Hagen Wiesner
Executive Vice-President, Faurecia Automotive Seating from February 2, 2015

8.2.2. MISSION AND STRUCTURE

The Faurecia group is organized into Business Groups dedicated to managing and developing Faurecia's activities worldwide.

They are responsible for the operating results of their individual businesses, as well as investments and the management of operating cash flow.

Faurecia comprises four Business Groups:

- Faurecia Automotive Seating is responsible for the management and development of the complete seat unit business and all aspects of the design and production of seats such as metal frames, mechanisms, comfort and safety submodules, foams and covers;
- the Emission Control Technologies business (Faurecia Emissions Control Technologies) is responsible for the management and development of complete exhaust systems and exhaust components covering both the hot end of the exhaust system such as particulate and exhaust fume treatments, as well as the cold end;
- Faurecia Interior Systems is responsible for the management and development of the main parts making up vehicle interiors such as instrument panels, cockpits, center consoles, door panels, door modules, sound insulation solutions, soft trim and acoustic modules;
- the Automotive Exteriors business (Faurecia Automotive Exteriors) is responsible for front-end modules and exterior equipment, as well as for the Group's composite plastics business.

The Corporate departments include:

- the Finance and Human Resources departments, which are responsible for the management of their respective areas of expertise. They are structured around country-based divisions and shared services centers in charge of providing financial and administrative services (cash management, accounting, tax, legal) and human resources management services to the Faurecia group as a whole;
- the Strategy department, which drives the Group's strategy and medium-term planning, and coordinates the Business Groups' innovation and R&D activities, as well as Faurecia's expansion in emerging markets;
- the Communications department, which conducts the Group's internal and external communications.

8.2.3. COMPENSATION OF THE EXECUTIVE COMMITTEE

The total compensation paid or allocated in 2014 to members of the Executive Committee in office as at December 31, 2014 amounted to €6,983,304.

The compensation of the Executive Committee includes a variable bonus. Performing on target can result in a bonus worth 50% of the base salary. Should targets be exceeded, this percentage can rise to 100% of the base salary. 80% of the bonus is based on targets related to operating income and cash generation within the scope of responsibility, and 20% on the same targets measured across the Group. Within the Corporate departments, 100% is based on targets measured across the Group.

If the employment contract of an Executive Committee member is terminated, he or she may receive contractual severance pay of up to 12 months' compensation, depending on their position. This amount is not payable in the event of gross negligence or willful misconduct.

Details on the number of stock options granted are provided in Subsection 10.4.2.2 of this Registration Document. Members of the Executive Committee also benefit from the performance share plan instituted by the Board of Directors. An initial tranche contained three plans that were granted at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche of three plans was approved and the first two plans granted by the Board of Directors at its July 23, 2012 and July 24, 2013 meetings. The third plan was granted by the Board of Directors at its July 28, 2014 meeting (see Subsection 10.4.2.2 of this Registration Document).

8.3. Senior Management

Each of the four core businesses is organized into geographic divisions – Europe, divided when appropriate into Northern and Southern Europe, North America, South America, and Asia (China) – which manage operations in their region and also coordinate operations with customers headquartered in their region.

The four Business Groups also have a central staff that handles the main operational functions (sales and marketing, programs, manufacturing support, purchasing, quality, human resources and finance). These functions are also managed within the geographic divisions by equivalent teams. Additionally, some specialized areas are managed by worldwide product lines within the four businesses, such as seat mechanisms, acoustic treatments and decorative interior trims.

Senior Management at Faurecia consists of all the aforementioned management teams along with the Executive Committee and the key headquarters managers of the manufacturing and quality staff, as well as the Human Resources and Finance departments.

Faurecia Senior Management included 302 members as at December 31, 2014. This is Faurecia's operational management, responsible for the Company's operations, growth and performance. As such, the members of this team have an interest in the short-term results, through a system of variable bonuses. 80% of the bonus is based on targets related to operating income and cash generation within the scope of responsibility, and 20% on the same targets measured across the Group.

Members of this team also benefit from the performance share plan instituted by the Board of Directors. An initial tranche contained three plans that were granted at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche of three plans was approved and the first two plans granted by the Board of Directors at its July 23, 2012 and July 24, 2013 meetings. The third plan was granted by the Board of Directors at its July 28, 2014 meeting (see Subsection 10.4.2.2 of this Registration Document).

8.4. Internal control

8.4.1. INTERNAL CONTROL: DEFINITION AND OBJECTIVES

Internal control is a Group structure that includes a set of resources, behaviours, procedures, and actions adapted to the individual characteristics of each company and the Group which:

- contributes to controlling its activities, the efficiency of its operations, and the efficient use of its resources; and
- enables it to take all major operational, financial, and compliance risks into consideration in an appropriate manner.

The aim of internal control is to ensure:

- compliance with laws and regulations;
- that the instructions and guidelines fixed by Senior Management and/or the Board of Directors are applied;
- that the Company's internal processes are functioning correctly, particularly those concerning asset protection;
- financial information reliability;
- the fight against fraud.

However, internal control cannot give an absolute guarantee that Faurecia's objectives will be achieved. All internal control systems have inherent limitations such as uncertainties in the outside world, the exercise of people's judgement, or the cost/benefit relationship of implementing new controls.

Faurecia verifies that internal control procedures have been implemented within its subsidiaries. These procedures are adapted to the specific characteristics of the subsidiaries and to relations between the parent company and consolidated companies.

8.4.2. REFERENCE FRAMEWORK USED BY FAURECIA

The Faurecia group continues to develop its internal control system by making use of the AMF Reference Framework and its Application Guide, as updated on July 22, 2010. This system applies to processes relating to the preparation of accounting and financial information intended for publication and the general organisation of the Group's operating divisions. This system is also applied to risk management procedures implemented by Faurecia, including basic internal control rules, and its application by operational departments is verified.

The Group's internal control system is implemented with regard to both its operations and its legal structure.

It applies to all Group subsidiaries consolidated by the global integration method.

The summarised information on Faurecia's internal control procedures provided in this report is focused on the main areas that could have an impact on financial and accounting information published by the Group.

8.4.3. INTERNAL CONTROL PROCEDURE ACTORS AND ORGANISATION

Internal control is implemented by both Senior Management and all of the Group's other employees in their daily work in strict compliance with the Group's procedures, including, in particular, the eleven basic rules.

The main participants in the internal control system are as follows:

- the Board of Directors, which is responsible for determining Faurecia's overall strategic vision and Group strategy and for overseeing their implementation;
- the Audit Committee, described earlier in this report, whose responsibilities are set by the Board of Directors, which plays a vital role, particularly in the monitoring of (i) the process by which financial data is developed, (ii) the effectiveness of

internal control and risk management systems, and (iii) the audit of annual and consolidated accounts by the Statutory Auditors;

- the Group Executive Committee which oversees the Group's strategy, allocates the resources required to implement this strategy, sets the objectives for all Group entities, and verifies that these objectives are met;
- Operations Committee meetings are held between Group Senior Management and the executive team of each Business Group every month during which all management indicators are reviewed. This Committee particularly focuses on the various key aspects of quality, financial performance, and deadline compliance in programmes under development;
- the management and internal control network at Group level (director of group internal control), various Business Groups (Internal control managers for each BG) and the financial management of certain regions (North America, South America, China) which aims to strengthen governance, improve procedures, processes, and IT tools and train managers on concepts and procedures related to internal control (see details in Section 8.4.6);
- the Financing and Treasury department, the Financial Control department, the Quality department, the Legal Affairs department, and the Country and Regional Finance departments which all play a specific role in the internal control process on account of their cross-functional skills;
- the Operational Risk Committee which is tasked with both ensuring that certain Group-wide risks are correctly monitored and that the indicators used to measure them are relevant;
- the Internal Audit department, which tends to assess risk management processes, internal control, and corporate governance using a systematic and methodical approach, ensures that the Group's procedures comply with the applicable legislation and market recommendations and ensures continuous compliance with procedures and the eleven basic internal control rules via regular controls and checks. In the event of shortfalls, it ensures that corrective measures are taken and reports on the effectiveness of internal control.

The Internal Audit department is under the direct responsibility of the Group Chief Financial Officer. Although centralised at Group level, it has regional teams based in France, Germany, the United States, and China. Its work is approved and supervised by the Chairman and reviewed by the Audit Committee. It can intervene on all Group processes, anywhere in the world, if need be. It conducts its assignments wholly independently and systematically substantiates its findings with specific facts that have been duly verified and rigorously calculated. It provides the Senior Management with all of its work and regularly reports to it on the progress of its assignments and the measures taken to reach its objectives. Recommendations sent by the Internal Audit department to the audited sites are monitored by (i) an analysis by questionnaire three, six and twelve months after the final report, (ii) monitoring by the Operations Committee, and (iii) a post-audit onsite if deemed necessary. It presents its audit plan as well as the reports it has drawn up, including an assessment of its performance, to the Chief Financial Officer twice a year and to the Audit Committee at least once a year. In 2004, the department drew up an Internal Audit Charter which defines its roles and mission, its field of competence, and the audit methodology used.

The Operational Risk Committee, set up on November 10, 2011 and chaired by the Head of the Internal Audit department, brings together the owners of Group-wide risks at Group level. This Committee is charged with defining, monitoring, quantifying, prioritising, and checking the relevance of these risks with regard to Group objectives. Its deliberations include an evaluation of the usefulness over time of the key indicators of each Risk in question as well as the actions required to strengthen their control or management. Finally, the Committee assists the Head of the Internal Audit department in preparing and checking risk information for the Audit Committee.

This is complemented by the intervention of external actors, including:

- the Statutory Auditors. Their mission does not directly involve them in internal control or risk management. They take note of them, make use of Internal Audit reports to improve their understanding of them, and give a wholly independent opinion on their relevance. Every year, they conduct a Group audit as part of their statutory audit of consolidated financial statements and individual Group entity financial statements. In accordance with French company law, Faurecia and Group financial statements are certified by two audit firms which undertake a joint review of the full accounts, the procedures used for preparing them, and also certain Group internal control processes for preparing accounting and financial information. Backed by members of their networks in each of the Group's host countries, these two audit firms perform statutory or contractual audit engagements for all of the Group's fully consolidated companies. The Auditors present their comments on the Chairman's report regarding internal control procedures for preparing and processing financial and accounting data and certify that other disclosures required by law have been made;
- third-party organisations which carry out the following certification processes for the entire Group over a three-year cycle:
  - environment (ISO 14001),
  - quality (ISO/TS);
- engineers from fire and property insurance companies who conduct a two-yearly audit on each of Faurecia's sites to:
  - assess fire risks and any potential impact on production and customers,
  - assess whether the prevention and protection measures in place are adequate,
  - issue recommendations to reduce risks.

8.4.4. RISK ANALYSIS AND RISK MANAGEMENT PROCEDURE

The Group's objectives are set by the Board of Directors. They relate not only to financial performance but also to areas in which the Group aims to achieve a particular level of excellence such as human resources management, quality, innovation, working conditions, and environmental performance.

In this context, the Group monitors and manages risks that are likely to affect the achievement of its objectives. The Audit Committee thus reports to the Board of Directors on the major steps taken to oversee and monitor risks, the Committee itself being informed by the Internal Audit department which provides an update on Group-wide risks at least once a year.

Generally speaking, all the risks identified within the Group are reviewed and discussed by specific bodies and are consolidated by the Group Executive Committee. The executive team of each Business Group is responsible for identifying and managing operational risks inherent to its business which are reviewed every month by its Operations Committee. Financial risks for all Group companies are managed at Group level by the Group Finance department and are reviewed by a special committee as well as locally managed in regional Finance departments via the quarterly review of the accounts for each of the sites in the scope.

It should be noted that certain operational risks, identified as Group-wide, are also reviewed by the Operational Risk Committee, as described above.

These risks are associated with personal safety, quality, programme management, liquidity risk, the availability of Just In Time information systems, the reliability of supplies, asset protection, fire risks, exposure of industrial sites to certain natural disasters, the international exposure of employees to health and safety risks, reliability of financial information, fraud, and the environment. For the purposes of procedure progress and improvement, the relevance of this list is regularly reviewed by the Operational Risk Committee and the inclusion of new Group-wide risks is submitted to the Audit Committee.

Faurecia has undertaken a risk review and considers that it is not currently exposed to any significant risks other than those described in Section 3.4.

8.4.5. DESCRIPTION OF INTERNAL CONTROL PROCEDURES

The Group's internal control system is underpinned by a set of procedures including basic internal control rules that can be accessed by all employees on the intranet. These procedures are part of the *Faurecia Excellence System* (FES) which defines the way in which Group's employees work worldwide and structures the Group's identity.

The related *Faurecia Core Procedures* (FCP) are organised around the following processes:

- *Manager Empowerment* which defines six general principles for managers in certain key areas: *Acquire a new program*, *Assess Managers and Professionals*, *Decide on Capital Expenditures*, *Decide on Exceptional Items*, *Manage Managers and Professionals Compensation*, *Staff Managers and Professional positions*;
- nine processes:
  - *Production Control and Logistics*, corresponding to the various production process stages in the factories: preparing for the start-up of new programmes or units, planning and controlling the production process, and managing flows;
  - *Purchasing*, covering processes set up with the Group's suppliers with a view to building a sustainable relationship based on excellence;
  - *Quality and HSE* which addresses quality and health and safety of policies;
  - *PMS (Program Management System) and Engineering* which defines the operating rules related to programmes, including the different development phases and conditions of transition from one phase to the next;
  - *Sales and Marketing* which includes the procedures to define product offerings and the innovation policy which describes the process to develop relationships with Faurecia group customers;
  - *Communication* which defines the principles of external and internal communication;
  - *Finances* which sets a common framework for all Group entities in relation to issues such as financial control, setting objectives, drawing up strategic plans;

- *Human Resources* which addresses all aspects of human resources management.

These procedures are developed by each Group division respecting a common general framework and apply to all subsidiaries controlled by the Group. They are regularly updated and continually enhanced.

An annual audit is carried out by the Group on production sites to ensure that the FES is correctly implemented. Each production site is rated either "Poor/Satisfactory/Excellent/Benchmark". If a site is rated "Poor", it is required to prepare a corrective action plan which is presented directly to Faurecia's Chairman with a view to reaching a "Satisfactory" level within a maximum of three months.

8.4.5.1. Program control

Program control measures are subject to specific procedures. Each contract signed with a customer represents a program and corresponds to a project which:

- responds to *Request for Quotation* issued by a vehicle manufacturer for the supply of complex automotive equipment;
- meets set quality, cost, and lead time objectives;
- meets financial performance targets set by the Group.

The life of a program can stretch to ten years, from the beginning of the development phase (acquisition and industrialisation phases) to the end of series life (production).

Every program is subject to control procedures and tools throughout its life. The *Program Management System* (PMS) lays out a strict succession of steps for the entire duration of a programme. Each program has various milestones from bid processing to the end of product life. As part of this control system, program reviews are carried out once a month by the concerned activities. Formal reports of these reviews are required and a certain number of documents must be submitted. This process is designed to identify program risks on an ongoing basis and to draw up and implement the necessary action plans.

Prospective financial analysis in the form of a Business Plan (BP) is performed for each program during the initial bidding period. BPs are prepared in accordance with a standard method developed and monitored by Group management. BPs are regularly updated as assumptions are changed. Therefore, it contains all the information required to assess a programme when preparing a quotation, during contract negotiations, and during the development phase.

Program effectiveness is monitored by a continuous improvement process through:

- standard monthly indicators to measure consolidated operating and financial performance from each program up to Group level;
- a biannual audit system by the Group to ensure implementation of the *Program Management System* (PMS) in each development centre;
- an *Alert Management System* or AMS for major programme deviations and the monitoring of resolution; and
- a training routine for Program Managers.

8.4.5.2. Code of Ethics

The Faurecia group is deeply committed to respecting the values of accountability, integrity, and ethical conduct. The Group's Code of Ethics forms an integral part of FCPs. This Code defines the general rules on ethical behaviour applicable on a day-to-day basis to all of Faurecia's employees in their relations both inside and outside the Group and with the Group's partners. The Code also describes how the Group seeks to implement its values of respecting customers, shareholders, the people it works with, and the environment. In addition to strengthening the measures already in place, the Code provides for a confidential whistle-blowing procedure enabling employees to notify Faurecia of any breaches of the law or Group procedures. A reinforced whistle-blowing procedure, accessible to all Group employees who are aware of matters that constitute serious risks for the Group in terms of accounting, financial auditing, and anti-corruption, has also been implemented. This procedure allows Faurecia to refer to an outside organisation which gathers and performs the initial processing provided for in whistle-blowing procedures. If circumstances warrant, the organisation contacts the Faurecia group's Chairman and CEO who can ask the Group's Internal Audit department to carry out the necessary investigations. The Code of Ethics has been widely relayed throughout the Group, notably via the intranet, to ensure that all employees can access it and comply with it at all times and in all circumstances. It is intended to develop a sense of responsibility and involvement in Group employees. During Internal Audits, auditors systematically check that everyone is familiar with the Code at factory level.

8.4.5.3. Quality risk management

The Faurecia group systematically manages quality risks throughout the business process, from new order acquisition phases to manufacturing in factories. The quality function guarantees this management at all stages of the process. It is present at all levels of organisation from the multidisciplinary team developing new programmes or the production site up to the Group's management structure.

Specific indicators with monthly reports assess the risks, generate improvement plans, and mainstream actions to prevent major risks at all levels of organisation. Every year, annual targets to meet customer needs as expressed in the measurement of the performance of their suppliers and operational efficiency are set.

Faurecia's alert management system (AMS) immediately informs Business Group management teams and, according to importance, the Group Executive Committee of any problems encountered. This system also ensures a prompt and structured response including problem solving which the organisation capitalises.

A structured problem solving culture (immediate response within 24 hours and identification of root technical and management causes) is constantly being developed by Faurecia's management: QRCI "Quick Response Continuous Improvement". Initially deployed to professionally handle quality problems, it has been extended to all opportunities to improve business operations, programmes, HSE, scrap, inventory, deliveries, etc.

Group quality management has a structure of auditors that is independent to Business Group operations organisations to conduct audits on both production sites and R&D centres. They use a precise and rigorous questionnaire to assess the application and maturity of the FES's implementation. Audit guidelines and Group procedures are regularly updated to reflect the changing needs of customers and weaknesses identified in organisation.

The Group Quality department also conducts audits and/or coaching in case of significant deviations in quality performance on the affected sites and a report and corrective action plan are submitted to Senior Management.

8.4.5.4. Internal control procedures for the preparation and processing of accounting and financial information

PRINCIPLES APPLIED TO THE PREPARATION OF FINANCIAL STATEMENTS

The Board of Directors is collectively responsible for publishing reliable financial and accounting information.

The Audit Committee is expected to study and prepare some of the Board's deliberations. It issues proposals, opinions, and recommendations within its field of competence. The Committee only has a consultative role and acts under the authority of the Board to which it reports whenever necessary.

The Audit Committee's mission is to review the Faurecia group's consolidated annual and interim financial statements.

It may hear external auditors and financial, accounting, and treasury directors. These hearings should be able to be held, if necessary, without the presence of the Finance department and, in any event, without the presence of Faurecia's Senior Management. The CFO may be assisted by any employee of their choice.

Senior Management specifically relies on input from the Accounting, Consolidation, Financial Control, and Financial Communications departments.

The Accounting department prepares monthly consolidated financial statements as well as interim and annual financial information to be published. It ensures that local financial managers properly prepare subsidiary financial statements in compliance with local regulations. It defines the Group's accounting principles in accordance with IFRS and sees that all subsidiaries follow them. It also prepares Faurecia's financial statements.

Internal control procedures required to produce reliable accounting data are implemented locally. Among others, these include physical inventorying, the separation of tasks, and reconciliation with independent sources of information.

The following principles are implemented across the Group to prepare financial statements:

- completeness of transaction processing;
- transaction compliance with applicable accounting principles;
- periodic review of assets.

Ensuring consistency between financial reporting tools and the Group's operating systems is vital for the preparation of reliable financial and accounting information. The volume of information involved, the quality and integrity required to process the information, and ever-tighter financial reporting deadlines enabling management to respond quickly and efficiently control operations require the use of effective information systems. Faurecia implemented a Group ERP system built on SAP in 2008 which is now rolled out across the most of the Group's accounting platforms and continues to be progressively rolled out across the various Group sites.

The Group's financial statements are prepared using information from each subsidiary which has been entered into the HFM reporting and consolidation system. The accounting data submitted by each subsidiary is prepared in accordance with Group standards which themselves comply with IFRS as adopted by the European Union. An IFRS accounting manual is included in the FCP system which can be accessed via the intranet.

Each subsidiary's accounting information comprises income statements prepared by nature and destination, a breakdown by business segment, an analysis of current and deferred taxes, a balance sheet, a cash flow statement, and a statement of commitments and contingent liabilities.

Inter-company transactions are entered in the HFM reporting tool every month.

The Finance department also uses short and medium term forecasts to verify the value of cash-generating units, actuarial reports to assess commitments to employees and retirees, and fair-value measurements of derivative financial instruments confirmed by the Group's banking counter-parties.

For each subsidiary, the head of accounting and the financial controller have access to all the information they require to prepare accurate financial statements in compliance with local standards for statutory financial statements and with Group standards for reporting.

At every interim and annual close, the head accountant is required to prepare an IFRS/local standard compliant reconciliation for equity and profit and loss for each subsidiary.

Instructions are sent to the accountants and financial controllers specifying the closing procedures to be followed every month. Training on reporting tools are regularly provided to newly recruited accounting and financial staff.

The preparation of monthly reporting packages requires each entity to ensure that it has the appropriate resources to draw up quality information.

OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are handled in accordance with a specific identification and valuation process.

Each commitment is tracked by nature. Currency and interest-rate risks as well as inter-company financing in foreign currencies are managed at Group-level under the supervision of the Finance department and, if necessary, are subject to hedging. Similarly, any sureties or guarantees granted by Faurecia S.A. are issued and monitored at Group level.

IDENTIFICATION AND ANALYSIS OF RISKS IMPACTING ACCOUNTING AND FINANCIAL INFORMATION

The preparation of full monthly financial statements greatly reduces risks at interim and annual closes, particularly regarding meeting financial reporting deadlines. Any problems are anticipated, inter-company accounts are reconciled each month, specific transactions are accounted for without waiting for the yearly close, and tax calculations are regularly substantiated.

The preparation and review of monthly financial statements and reconciling them with the budget allows each entity to detect any anomalies in the accounts, such as in relation to inventories or cash flows. Implemented in tandem with specific procedures, this process is intended to reduce the risk of errors and fraud.

"HARD CLOSE" PROCEDURE

A hard close is carried out on 31 October every year for interim accounts to anticipate, assess, and validate the main accounting options to be implemented for the yearly close. Similarly a hard close is carried out in May to anticipate the close for interim financial statements on 30 June.

ACCOUNTING AND FINANCIAL CONTROL TOOLS

The Group has drawn up procedures for preparing and processing financial and accounting information. These procedures comply with applicable accounting principles and standards and, like all the other internal control procedures, are available on the Group's intranet. The following figure among the most important Group procedures:

- a capital expenditure authorisation procedure to determine capital spending criteria and name authorised signatories who can commit the Company for amounts up to pre-defined thresholds;
- an authorisation procedure for capital increases, capital injections, acquisitions of shareholdings, and inter-company loans;
- a procedure to draft Program Business Plans;
- a procedure for the acquisition of new programs;
- a procedure for consolidating financial statements.

The Group financial services are primarily structured to separate "accounting" functions from "financial control" functions and create shared accounting services centres for each country or region which report to a Finance Director. The Group Finance department is responsible for drawing up rules and procedures as well as for the consolidation, audit, and management of the Group's cash position and financing.

This organisation makes it possible to handle the variety of the Group's activities and enhance the applicability and consistency of Group procedures and therefore the effectiveness of internal control procedures. It strengthens the roles and responsibilities of the accounting function, improves reporting processes, increases the effectiveness of information systems, and reinforces programme management controls. Job enhancement, resulting from this organisation, also contributes to developing the skills and commitment of employees.

FINANCE AND ACCOUNTING REPORTING PROCESS

Reporting processes are intended to provide systems for informing and steering the Group and ensuring maximum responsiveness to any risks that may arise. A "reporting glossary" describes the content of all reporting data and procedures explains how reporting should be conducted.

The HFM consolidation system provides for the reporting of both financial information (income statement and balance sheet data) and non-financial information (such as indicators relating to quality, production, purchasing, safety, human resources, etc.).

The results consolidation process is secured by applying blocking controls upstream in reporting documents and intermediate controls related to the structure of the reporting system at Group level.

Monthly reporting data includes estimated sales and operating results for each business unit within three days of the month-end and definitive data five days after month-end prepared in accordance with Group standards. Every month, the Operations Committee reviews the operating performance and action plans of each Group business.

BUDGET AND STRATEGIC PLAN

The Group Finance department provides economic and financial assumptions and sets specific objectives for each operating unit to be used in the budget. The annual budget is developed by production site, R&D centre, and administrative centre. It is then broken down into monthly periods using standard schedules and then consolidated.

In order to effectively anticipate short-term changes and improve responsiveness, monthly reporting includes a rolling forecast for the income statement and cash flow statement for the current and subsequent quarters.

As Faurecia's contracts span several years, it requires a medium-term overview of its financial position to effectively manage risks. The Group draws up a five-year plan each year, in which programmes play an essential role, for this purpose. This plan helps clarify the Group's outlook in terms of profitability and required resources. It is consolidated using the same tool and applying the same stringent procedures as for monthly reporting and it is also used to define budgetary targets.

FINANCIAL PRESS RELEASES, ANNUAL REPORT, AND REGISTRATION DOCUMENT

The Group's Finance and Communications departments are responsible for drawing up and relaying all of the Group's financial information to the financial markets. Financial communication is transmitted through two main vehicles:

- the annual report and the Registration Document;
- financial press releases.

Preparation of the annual report, which also serves as the Registration Document, is coordinated by the Legal department. A large number of people who are experts in their field contribute to the process ensuring that the document contains broad-ranging and high-quality information. The Reference Document is then reviewed and approved by the Board of Directors before it is published.

Financial press releases are systematically reviewed by the Finance department and announcements on the annual and interim accounts are also approved by the Board of Directors.

8.4.6. KEY DEVELOPMENTS

During the year the Group continued to improve its internal control procedures:

- a Group Internal Control department and an Internal Control Task Force was created in May 2014. In parallel, internal control managerial functions have been created by Business Group within certain regional Finance departments (North America, South America, China) and in certain business units. This network includes some thirty part-time or full-time managers. This network has the following This network has the following tasks:
  - strengthen governance (reviewed by business unit, monitoring of action plans, facilitation of self-assessment campaigns, definition of audit scoring objectives for 2015),
  - identify best practices and implement them,
  - create or improve Group procedures (*Faurecia Core Procedures*) and the related tools (primarily the *Faurecia Core System*),
  - promote internal control through outreach sessions with the Executive Committee, the Management Committees of each BG, Finance agreements, training, induction programs for new managers entering the Group, introduction of internal control sections managerial job descriptions;
- the implementation of the standards and procedures of the *Faurecia Excellence System*, particularly by regularly updating the procedures and self-assessment questionnaires that enable each site to assess whether it complies with these standards, was continued;
- compliance of each site inspected with the eleven basic internal control rules is assessed on a four-level scale from "poor" to "benchmark". In 2014, internal control deficiencies identified in the USA in 2013 were partially corrected and will be permanently corrected in early 2015 through organisational improvements and information systems;
- the Group has precisely been implementing a programme to reform its management information systems for several years now. Based on *Faurecia Core Procedures*, the *Faurecia Core System* (FCS) project uses management software published by the German company SAP.

The objective of this project is for the Group to implement best practices in accounting and administrative management, together with consistent tools and processes for approving and monitoring management actions, from purchase requisitions through to the vendor payment, from a sales order received through to final payment.

Particular importance is given to the consistency and integrity of financial information through this project. Special attention is paid to all financial data control processes and quality checks, from creation to its publication in monthly or yearly consolidated statements.

The FCS project has been used to clarify the roles and responsibilities of those involved in the management process: accounting management centres, profit centre controllers, buyers, and sales administration departments.

Another outcome has been the development of shared services for accounting, sales, and purchasing as a way of optimising support structures and improving the quality of teams by combining skill sets.

By upgrading its information systems based on SAP architecture, the Group has created standardised, reliable, and modern tools that correspond to Faurecia's standards and procedures and which have been gradually rolled out across the Group since the establishment of pilot sites in 2008.

The first operational sites in France and South Korea were integrated into FCS in mid-2008. At the end of 2014, the FCS system was rolled out in 86% of R&D centres, 85% of accounting centres, and 72% of production sites. Roll-out of the FCS project should be completed by mid-2016, on a like-for-like basis.

In addition, Faurecia deployed a secure payment application ensuring the integrity of the order from generation in the FCS to the bank in a number of accounting shared service centres in 2014.

To check the quality of the work performed, the Group conducted audits, with the assistance of special purpose companies and the Internal Audit department, on targeted management processes.

It was also decided to speed up the decommissioning of the now obsolete ERP systems.

Moreover, the replacement of the Magnitude application has been completed as part of the Metis project decided in 2012. The main goal of Metis is to improve production time-frames for financial information, strengthen integrity through improved interfacing with FCS, and provide more powerful analytical tools.

Finally, with regard to managing data processing tool access clearance, Faurecia has developed and implemented a policy of user account profile management and approval by employee line managers using an IAM (*Identity Access Management*) application as well as the implementation of a profile management module in FCS. These profiles are based on a rigorous definition of roles and responsibilities and strict separation of tasks to comply with internal control rules. All of these actions allowed significant progress to be made in 2014. This progress was audited by special purpose companies. Actions to increase the Group's protection in the field of information systems will be continued in 2015.

8.5. Report of the Statutory Auditors drawn up in accordance with Article L. 225-235 of the French Commercial Code on the report of the Chairman of Faurecia's Board of Directors

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Faurecia, and in accordance with Article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, 20 April 2015

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

9

Consolidated financial statements

CONTENTS

9.1. Consolidated statement of comprehensive income

(in € millions)	*Notes*	2014	2013	2012
SALES	4	**18,828.9**	**18,028.6**	**17,364.5**
Cost of sales	5	(17,271.8)	(16,636.1)	(16,038.7)
Research and development costs	5	(235.5)	(254.0)	(239.6)
Selling and administrative expenses	5	(648.3)	(600.2)	(569.9)
OPERATING INCOME (LOSS)		**673.3**	**538.3**	**516.3**
Other non-operating income	6	5.1	4.8	15.5
Other non-operating expense	6	(91.6)	(111.6)	(102.7)
Income on loans, cash investments and marketable securities		8.0	9.0	10.2
Finance costs		(191.1)	(196.9)	(175.4)
Other financial income and expense	7	(60.5)	(46.4)	(31.9)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**343.2**	**197.2**	**232.0**
Current taxes	8	(161.2)	(132.0)	(96.9)
Deferred taxes	8	46.1	67.3	29.5
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**228.1**	**132.5**	**164.6**
Share of net income of associates	13	0.8	14.0	23.6
NET INCOME OF CONTINUED OPERATIONS		**228.9**	**146.5**	**188.2**
NET INCOME OF DISCONTINUED OPERATIONS			**(3.1)**	**(2.6)**
CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD		**228.9**	**143.4**	**185.6**
Attributable to owners of the parent		**165.7**	**87.6**	**143.5**
Attributable to minority interests		63.2	55.8	42.1
Basic earnings (loss) per share *(in €)*	9	1.34	0.79	1.30
Diluted earnings (loss) per share *(in €)*	9	1.34	0.79	1.26
Basic earnings (loss) of continued operations per share *(in €)*	9	1.34	0.82	1.32
Diluted earnings (loss) of continued operations per share *(in €)*	9	1.34	0.82	1.28

OTHER COMPREHENSIVE INCOME

(in € millions)	2014	2013	2012
CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD	**228.9**	**143.4**	**185.6**
Amounts to be potentially reclassified to profit or loss	**125.1**	**(40.5)**	**(4.3)**
Gains (losses) arising on fair value adjustments to cash flow hedges	(5.3)	5.2	10.8
of which recognized in equity	*(1.5)*	*(5.1)*	*(4.0)*
of which transferred to net income (loss) for the period	*(3.8)*	*10.3*	*14.8*
Exchange differences on translation of foreign operations	130.4	(45.7)	(15.1)
AMOUNTS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS	**(55.5)**	**18.9**	**(43.1)**
Actuarial gain/(loss) on post-employment benefit obligations	(55.5)	18.9	(43.1)
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	**298.5**	**121.8**	**138.2**
Attributable to owners of the parent	221.1	68.3	99.5
Attributable to minority interests	77.4	53.5	38.7

9.2. Consolidated balance sheet

ASSETS

(in € millions)	Notes	12/31/2014	12/31/2013	12/31/2012
Goodwill	*10*	1,317.3	1,297.1	1,300.0
Intangible assets	*11*	850.5	686.2	588.1
Property, plant and equipment	*12*	2,229.7	2,027.9	1,972.2
Investments in associates	*13*	94.7	88.7	85.2
Other equity interests	*14*	14.6	13.9	13.4
Other non-current financial assets	*15*	62.7	49.4	54.2
Other non-current assets	*16*	26.6	18.9	18.1
Deferred tax assets	*8*	220.7	161.8	95.1
TOTAL NON-CURRENT ASSETS		**4,816.8**	**4,343.9**	**4,126.3**
Inventories, net	*17*	1,076.6	1,123.4	1,096.2
Trade accounts receivables	*18*	1,677.0	1,680.7	1,702.8
Other operating receivables	*19*	275.9	288.1	357.8
Other receivables	*20*	229.3	184.2	150.0
Other current financial assets	*30*	7.9	8.7	0.6
Cash and cash equivalents	*21*	1,016.9	701.8	628.0
TOTAL CURRENT ASSETS		**4,283.6**	**3,986.9**	**3,935.4**
Assets held for sale		0.0	0.0	8.7
TOTAL ASSETS		**9,100.4**	**8,330.8**	**8,070.4**

LIABILITIES

(in € millions)	*Notes*	12/31/2014	12/31/2013	12/31/2012
EQUITY				
Capital	*22*	867.5	858.1	775.8
Additional paid-in capital		430.9	410.4	279.1
Treasury stock		(1.7)	(1.4)	(1.6)
Retained earnings		109.2	118.3	(47.2)
Translation adjustments		145.0	28.8	72.3
Net income (loss) for the period attributable to owners of the parent		165.7	87.6	143.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**1,716.6**	**1,501.8**	**1,221.9**
Minority interests	*23*	159.9	140.5	132.6
TOTAL SHAREHOLDERS' EQUITY		**1,876.5**	**1,642.3**	**1,354.5**
Long-term provisions	*24*	369.4	283.5	300.8
Non-current financial liabilities	*26*	1,029.0	1,308.8	1,671.1
Other non-current liabilities		1.5	0.6	0.2
Deferred tax liabilities	*8*	9.6	19.6	14.0
TOTAL NON-CURRENT LIABILITIES		**1,409.5**	**1,612.5**	**1,986.1**
Short-term provisions	*24*	220.2	223.2	321.2
Current financial liabilities	*26*	1,383.4	920.8	764.6
Prepayments from customers		98.4	169.4	170.3
Trade payables		3,311.5	3,053.1	2,754.0
Accrued taxes and payroll costs	*27*	586.0	517.2	519.1
Sundry payables	*28*	214.9	192.3	154.4
TOTAL CURRENT LIABILITIES		**5,814.4**	**5,076.0**	**4,683.6**
Liabilities linked to assets held for sale		0.0	0.0	46.2
TOTAL LIABILITIES		**9,100.4**	**8,330.8**	**8,070.4**

9.3. Consolidated cash flow statement

(in € millions)	*Notes*	2014	2013	2012
I – OPERATING ACTIVITIES				
Operating margin		673.3	538.3	513.7
Depreciation and amortization of assets		555.6	532.0	495.5
EBITDA		**1,228.9**	**1,070.3**	**1,009.2**
Operating short-term and long-term provisions		25.9	(47.2)	(65.5)
Capital (gains) losses on disposals of operating assets		3.2	2.7	(0.5)
Paid restructuring		(95.5)	(122.6)	(53.9)
Paid finance costs net of income		(180.2)	(187.5)	(163.6)
Other income and expenses paid		(79.3)	(38.6)	(3.5)
Paid taxes		(154.9)	(134.3)	(104.5)
Dividends from associates		26.1	20.2	25.0
Change in working capital requirement		**263.2**	**364.4**	**(372.1)**
Change in inventories		77.9	(79.4)	(208.9)
Change in trade accounts receivables		87.8	(44.0)	(91.2)
Change in trade payables		120.2	395.8	(22.6)
Change in other operating receivables and payables		(4.8)	74.4	(18.1)
Change in other receivables and payables (excl. tax)		(17.9)	17.6	(31.2)
CASH FLOWS FROM OPERATING ACTIVITIES		**1,037.4**	**927.4**	**270.5**
II – INVESTING ACTIVITIES				
Additionals to property, plant and equipment	*12*	(519.2)	(518.0)	(557.3)
Additionals intangible assets	*11*	(1.8)	(4.6)	(2.9)
Capitalized development costs	*11*	(321.6)	(265.0)	(266.7)
(Acquisition)/disposal of equity interests and businesses (net of cash and cash equivalents)		(33.3)	(12.3)	(71.2)
Proceeds from disposal of property, plant and equipment		13.6	5.9	13.0
Proceeds from disposal of financial assets		0.0	0.0	0.7
Change in investment-related receivables and payables		7.6	(2.1)	7.6
Other changes		(15.3)	(26.8)	(26.0)
CASH FLOWS USED IN INVESTING ACTIVITIES		**(870.0)**	**(822.9)**	**(902.8)**
NET CASH FROM (USED IN) OPERATING AND INVESTING ACTIVITIES (I) + (II)		**167.4**	**104.5**	**(632.3)**
III – FINANCING ACTIVITIES				
Issuance of shares by Faurecia and fully consolidated companies (net of costs)		5.4	11.0	9.0
Option component of convertible bonds		0.0	0.0	52.5
Dividends paid to owners of the parent company		(7.2)	0.0	(38.6)
Dividends paid to minority interests in consolidated subsidiaries		(49.8)	(47.9)	(27.0)
Other financial assets and liabilities		0.0	0.0	0.0
Issuance of debt securities and increase in other financial liabilities		296.2	473.0	850.5
Repayment of debt and other financial liabilities		(138.4)	(398.4)	(244.3)
CASH FLOWS FROM FINANCING ACTIVITIES		**106.2**	**37.7**	**602.1**
IV – OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents		41.5	(27.7)	(6.9)
Net flows from discontinued operations		0.0	(40.7)	35.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**315.1**	**73.8**	**(2.1)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**701.8**	**628.0**	**630.1**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,016.9**	**701.8**	**628.0**

9.4. Consolidated statement of changes in equity

(in € millions)	Number of shares	Capital stock	Additional paid-in capital	Treasury stock	Retained earnings and net income (loss) for the period	Valuation adjustments: Translation adjustments	Valuation adjustments: Cash flow hedges	Valuation adjustments: Actuarial gain/(loss) on post-employment benefit obligations	Equity attributable to owners of the parent	Minority interests	Total
Shareholders' equity as of 01/01/2012 before appropriation of net income (loss)	**110,368,345**	**772.6**	**282.4**	**(1.7)**	**19.3**	**83.8**	**(17.1)**	**(27.5)**	**1,111.8**	**113.6**	**1,225.4**
Net income (loss)					143.5				143.5	42.1	185.6
Other comprehensive income						(11.7)	10.8	(43.1)	(44.0)	(3.4)	(47.4)
Total income (expense) recognized in equity					***143.5***	***(11.7)***	***10.8***	***(43.1)***	***99.5***	***38.7***	***138.2***
Capital increase	465,400	3.3	(3.3)						0.0	8.7	8.7
2011 dividends					(38.6)				(38.6)	(27.0)	(65.6)
Measurement of stock options and shares grant					(2.3)				(2.3)		(2.3)
Purchases and sales of treasury stock				0.1					0.1		0.1
Option component of convertible bonds					52.5				52.5		52.5
Changes in scope of consolidation and other					(1.1)				(1.1)	(1.4)	(2.5)
Shareholders' equity as of 12/31/2012 before appropriation of net income (loss)	**110,833,745**	**775.9**	**279.1**	**(1.6)**	**173.3**	**72.1**	**(6.3)**	**(70.6)**	**1,221.9**	**132.6**	**1,354.5**
Net income (loss)					87.6				87.6	55.8	143.4
Other comprehensive income						(43.4)	5.2	18.9	(19.3)	(2.3)	(21.6)
Total income (expense) recognized in equity					***87.6***	***(43.4)***	***5.2***	***18.9***	***68.3***	***53.5***	***121.8***
Capital increase [(1)]	11,754,390	82.2	131.3						213.5	10.3	223.8
2012 dividends					0.0				0.0	(48.9)	(48.9)
Measurement of stock options and shares grant					2.1				2.1		2.1
Purchases and sales of treasury stock				0.2	0.0				0.2		0.2
Option component of convertible bonds					0.0				0.0		0.0
Changes in scope of consolidation and other					(4.2)				(4.2)	(7.0)	(11.2)
Shareholders' equity as of 12/31/2013 before appropriation of net income (loss)	**122,588,135**	**858.1**	**410.4**	**(1.4)**	**258.8**	**28.7**	**(1.1)**	**(51.7)**	**1,501.8**	**140.5**	**1,642.3**
Net income (loss)					165.7				165.7	63.2	228.9
Other comprehensive income						116.2	(5.3)	(55.5)	55.4	14.2	69.6
Total income (expense) recognized in equity					***165.7***	***116.2***	***(5.3)***	***(55.5)***	***221.1***	***77.4***	***298.5***
Capital increase [(2)]	1,337,075	9.4	20.5						29.9	1.8	31.7
2013 dividends					(36.8)				(36.8)	(47.4)	(84.2)
Measurement of stock options and shares grant					0.1				0.1		0.1
Purchases and sales of treasury stock				(0.3)	6.0				5.7		5.7
Option component of convertible bonds									0.0		0.0
Changes in scope of consolidation and other					(5.3)	0.1			(5.2)	(12.4)	(17.6)
Shareholders' equity as of 12/31/2014 before appropriation of net income (loss)	**123,925,210**	**867.5**	**430.9**	**(1.7)**	**388.5**	**145.0**	**(6.4)**	**(107.2)**	**1,716.6**	**159.9**	**1,876.5**

(1) Capital increase arising from the conversion of bonds for the Group part.
(2) Capital increase arising from the payment of dividends in the form of shares for the Group part.
(3) Of which 46,872 treasury shares as of 12/31/2011, 41,979 as of 12/31/2012, 44,162 as of 12/31/2013 and 36,266 as of 12/31/2014 (see Note 22.3).

9.5. Notes to the consolidated financial statements

CONTENTS

Along with its subsidiaries, Faurecia S.A. ("Faurecia") is one of the world's leading automotive equipment suppliers, active in four key business areas: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors.

Faurecia's registered office is located in Nanterre, in the Hauts-de-Seine region of France. The Company is quoted on the Eurolist market of Euronext Paris.

The consolidated financial statements were approved by Faurecia's Board of Directors on February 11, 2015.

The accounts were prepared on a going concern basis.

NOTE 1 ACCOUNTING POLICIES

The consolidated financial statements of the Faurecia group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB, as adopted by the European Union and available on the European Commission website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), as well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The standards used to prepare the 2014 consolidated financial statements and comparative data for 2013 and 2012 are those published in the Official Journal of the European Union (OJEU) as of December 31, 2014, whose application was mandatory at that date.

The principal accounting policies applied in the preparation of the consolidated financial statements have been consistently applied to all the years presented.

Since January 1, 2014 Faurecia has applied the standard IFRS 10, IFRS 11, IFRS 12 and the amendments and revisions to the standards IAS 27, IAS 28, IAS 32, IAS 36 and ISA 39; these amendments did not have any material impact on the consolidated financial statements. Moreover, Faurecia has not applied by anticipation the standards, amendments or interpretations:

- adopted by the European Union but which application is due after December 31, 2014 (IFRIC 21);
- not yet adopted by the European Union as of December 31, 2014 (IFRS9 and its amendments, IFRS 14, IFRS 15 and amendments on IAS 16, IAS 19, IAS 38 and IFRS 11).

The application of IFRIC 21 is due as of January 1, 2015; its anticipated application as of January 1, 2014 would have had no impact on the full year but would have generated a transfer of €8,4 million from the second half year 2014 to the first half year:

(in € millions)	First-half 2014	IFRIC 21 impact	First-half 2014 pro forma	Second-half 2014	IFRIC 21 impact	Second-half 2014 pro forma	2014	IFRIC 21 impact	2014 pro forma
Operating margin	310.6	(8.4)	302.2	362.7	9.1	371.8	673.3	0.7	674.0
in % of sales	*3.3%*		*3.2%*	*3.8%*		*3.9%*	*3.6%*		*3.6%*

Since January 1, 2013 Faurecia has applied the amendments to the existing standard IAS 19; the application of these amendments being retrospective, the previously published 2012 financial statements have been modified accordingly. The impacts have been presented in the 2013 financial statements.

1.1 Consolidation principles

Companies over which the Group exercises significant influence and which are at least 20%-owned are consolidated where one or more of the following criteria are met: annual sales of over €20 million, total assets of over €20 million, and/or debt of over €5 million.

Non-consolidated companies are not material, either individually or in the aggregate.

Subsidiaries controlled by the Group are fully consolidated. Control is presumed to exist where the Group holds more than 50% of a company's voting rights, and may also arise as a result of shareholders' agreements.

Subsidiaries are fully consolidated as of the date on which control is transferred to the Group. They are no longer consolidated as of the date that control ceases.

Companies over which the Group exercises significant influence but not control -generally through a shareholding representing between 20% and 50% of the voting rights are accounted for by the equity method.

The Faurecia group's financial statements are presented in euros.

The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and income statement items are translated at the average exchange rate for the year. The resulting currency translation adjustments are recorded in equity.

Certain companies located outside the euro or US dollar zone which carry out the majority of their transactions in euros or US dollars may, however, use either of the two currencies as their functional currency.

All material inter-company transactions are eliminated in consolidation, including inter-company gains.

The accounting policies of subsidiaries and companies accounted for by the equity method are not significantly different from those applied by the Group.

1.2 Goodwill

In case of a business combination, the aggregate value of the acquisition is allocated to the assets acquired and liabilities assumed based on their fair value determined at their acquisition date.

A goodwill is recognized when the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquired business exceed the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more often if there is an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGU to which goodwill is allocated represents the lowest level within the operating segment at which goodwill is monitored for internal management purposes. The Group has identified the following CGUs:

- Automotive Seating;
- Emissions Control Technologies;
- Automotive Interiors;
- Automotive Exteriors.

The carrying amount of assets and liabilities thus grouped is compared to the higher of its market value and value in use, which is equal to the present value of the net future cash flows expected, and their net market value including costs of disposal.

1.3 Intangible assets

A – RESEARCH AND DEVELOPMENT EXPENDITURE

The Faurecia group incurs certain development costs in connection with producing and delivering modules for specific customer orders which are not considered as sold to the customer, especially when paid for by the customer on delivery of each part. In accordance with IAS 38, these development costs are recorded as an intangible asset where the company concerned can demonstrate:

- its intention to complete the project as well as the availability of adequate technical and financial resources to do so;
- how the customer contract will generate probable future economic benefits and the Company's ability to measure these reliably;
- its ability to measure reliably the expenditure attributable to the contracts concerned (costs to completion).

These capitalized costs are amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances.

Research costs, and development costs that do not meet the above criteria, are expensed as incurred.

B – OTHER INTANGIBLE ASSETS

Other intangible assets include development and purchase costs relating to software used within the Group – which are amortized on a straight-line basis over a period of between one and three years – as well as patents and licenses.

1.4 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, or production cost in the case of assets produced by the Group for its own use, less accumulated depreciation.

Maintenance and repair costs are expensed as incurred, except when they increase productivity or prolong the useful life of an asset, in which case they are capitalized.

In accordance with the amended version of IAS 23, borrowing costs on qualifying assets arising subsequent to January 1, 2009 are included in the cost of the assets concerned.

Property, plant and equipment are depreciated by the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20 to 30 years
Leasehold improvements, fixtures and fittings	10 to 20 years
Machinery, tooling and furniture	3 to 10 years

Certain tooling is produced or purchased specifically for the purpose of manufacturing parts or modules for customer orders, which are either a) not sold to the customer, or b) paid for by the customer on delivery of each part. In accordance with IAS 16, this tooling is recognized as property, plant and equipment.

It is depreciated to match the quantities of parts delivered to the customer over a maximum of five years, in line with the rate at which models are replaced.

Investment grants are recorded as a deduction from the assets that they were used to finance.

Property, plant and equipment acquired under finance leases which transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are recorded under assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The recognized assets are subsequently depreciated as described above. An obligation of the same amount is recorded as a liability.

1.5 Cash-generating units and impairment tests

Impairment tests are carried out whenever there is an indication that an asset may be impaired. Impairment testing consists of comparing the carrying amount of an asset, or group of assets, with the higher of its market value and value in use. Value in use is defined as the present value of the net future cash flows expected to be derived from an asset or group of assets.

The assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs).

Impairment tests are performed on each group of intangible assets (development costs) and property, plant and equipment attributable to a customer contract. This is done by comparing the aggregate carrying amount of the group of assets concerned with the present value of the expected net future cash flows to be derived from the contract.

An impairment loss is recorded when the assets' carrying amount is higher than the present value of the expected net future cash flows. A provision is also recorded for losses to completion on loss-making contracts.

In case of a triggering event, impairment testing is also carried out on general and corporate assets grouped primarily by type of product and geographic area.

The cash inflows generated by the assets allocated to these CGUs are largely interdependent due to the high overlap among the various manufacturing flows, the optimization of capacity utilization, and the centralization of research and development activities.

Manufacturing assets whose closure is planned are tested independently for impairment.

1.6 Financial assets and liabilities (excluding derivatives)

A – DEFINITIONS

In accordance with IAS 39, the Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets, and financial assets at fair value through profit or loss. They are recorded in the balance sheet under the following items: Other equity interests (Note 14), Other non-current financial assets (Note 15), Trade accounts receivables (Note 18), Other operating receivables (Note 19), Other receivables (Note 20) and Cash and cash equivalents (Note 21).

The Group does not use the IAS 39 categories of "Held-to-maturity investments" or "Financial assets held for trading".

The Group's financial liabilities fall within the IAS 39 categories of (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost.

They are recorded in the balance sheet under the following items: Current and non-current financial liabilities (Note 26), Accrued taxes and payroll costs (Note 27) and Other payables (Note 28).

Financial assets and liabilities are broken down into current and non-current components for maturities at the balance sheet date: under or over a year.

B – RECOGNITION AND MEASUREMENT OF FINANCIAL ASSETS

(a) Equity interests

Equity interests correspond to the Group's interests in the capital of non-consolidated companies. They are subject to impairment testing based on the most appropriate financial analysis criteria. An impairment loss is recognized where appropriate. The criteria generally applied are the Group's equity in the underlying net assets and the earnings outlook of the company concerned.

(b) Loans and other financial assets

Loans and other financial assets are initially stated at fair value and then at amortized cost, calculated using the effective interest method.

Provisions are booked on a case-by-case basis where there is a risk of non-recovery.

(c) Cash and cash equivalents

Cash and cash equivalents include current account balances and units in money market funds that are readily convertible to a known amount of cash and are not subject to a significant risk of impairment in the event of changes in interest rates. They are measured at fair value and variances are booked through P&L.

C – RECOGNITION AND MEASUREMENT OF FINANCIAL LIABILITIES

The Group's financial liabilities are generally measured at amortized cost using the effective interest method.

1.7 Inventories and work-in-progress

Inventories of raw materials and supplies are stated at cost, determined by the FIFO method (First-In, First-Out).

Finished and semi-finished products, as well as work-in-progress, are stated at production cost, determined by the FIFO method. Production cost includes the cost of materials and supplies as well as direct and indirect production costs, excluding overhead not linked to production and borrowing costs.

Work-in-progress includes the costs of internally-manufactured specific tooling or development work which is sold to customers, i.e. where the related risks and rewards are transferred. These costs are recognized in the income statement over the period in which the corresponding sales are made, as each technical stage is validated by the customer, or when the tooling is delivered if the contract does not provide for specific technical stages.

Provisions are booked for inventories for which the probable realizable value is lower than cost.

1.8 Foreign currency transactions

Transactions in foreign currency are converted at the exchange rate prevailing on the transaction date. Receivables and payables are converted at the year-end exchange rate. Resulting gain or loss is recorded in the income statement as operating income or expenses for operating receivables and payables, and under "Other financial income and expense" for other receivables and payables.

1.9 Derivatives instruments

Faurecia uses derivative instruments traded on organized markets or purchased over-the-counter from first-rate counterparties to hedge currency and interest rate risks.

They are recorded at fair value in the balance sheet.

CURRENCY HEDGES

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expense" together with changes in the fair value of instruments used to hedge other receivables and payables.

INTEREST RATE HEDGES

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expense" when the hedging relationship cannot be demonstrated under IAS 39, or where the Group has elected not to apply hedge accounting principles.

1.10 Minority interests

This item corresponds to minority shareholders' interests in the equity of consolidated subsidiaries.

1.11 Provisions for pensions and other post-employment benefits

Group employees may receive, in addition to their pensions in conformity with the applicable regulations in the countries where are located the Group companies employing them, additional benefits or retirement indemnities (Note 25). The Group offers these benefits through either defined benefits or defined contribution regimes.

The valuation and accounting methodologies followed by the Group are the following:

- for defined contribution plans, costs are recognized as expenses based on contributions;
- the liability for defined benefit plans is determined on an actuarial basis using the projected unit credit method, according the agreements effective in each concerned Group company.

The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels as well as other economic assumptions (such as the inflation rate, the discount rate) for each concerned zone or country. These assumptions are described in Note 25.2.

Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability. An excess of plan assets is only recognized in the balance sheet when it represents future benefits effectively available for the Group.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period.

Actuarial gains and losses on defined benefits plan are recognized in other comprehensive income.

In case of a change in regime, past service costs are fully recognized as operating expenses, the benefits being fully acquired or not.

The expected rate of return of defined benefits plan assets is equal to the discount rate used to value the obligation. This return is recorded in "Other financial income and expense".

The other post-employment benefits mainly cover seniority bonuses as well as health care benefits. The obligation is valued using similar methodology, assumptions and frequency as the ones used for post-employment benefits.

1.12 Stock option, share grant and free share plans

Stock options and share grant plans for managers of Group companies. Options granted after November 7, 2002 that had not vested as of January 1, 2005 are measured at fair value as of the grant date using the Black & Scholes option pricing model. The fair value of stock options is recognized in payroll costs on a straight-line basis over the vesting period (the period between the grant date and the vesting date), with a corresponding adjustment to equity.

Free shares are measured at fair value by reference to the market price of Faurecia's shares at the grant date, less (i) an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and (ii) an amount reflecting the cost of the shares being subject to a lock-up period. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

1.13 Restructuring and reorganization provisions

A provision is booked when Group General Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives, when relevant.

1.14 Recognition of sales

Sales are recognized when the risks and rewards incidental to ownership of the modules or parts produced are transferred. This generally corresponds to when the goods are shipped.

For development contracts or the sale of tooling, sales are recognized when the technical stages are validated by the customer. If no such technical stages are provided for in the contract, sales are recognized when the related study is completed or the tooling is delivered.

1.15 Operating income

Operating income is the Faurecia group's principal performance indicator.

It corresponds to net income of fully consolidated companies before:

- other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses and reversals recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IAS 39, and gains and losses on sales of shares in subsidiaries;
- taxes.

1.16 Deferred taxes

Deferred taxes are recognized using the liability method for temporary differences arising between the tax bases for assets and liabilities and their carrying amounts on the consolidated financial statements. Temporary differences mainly arise from tax loss carryforwards and consolidation adjustments to subsidiaries' accounts.

Deferred taxes are measured using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the loss carry forward can be utilized.

Where appropriate, a deferred taxes liability is booked to cover taxes payable on the distribution of retained earnings of subsidiaries and associates which are not considered as having been permanently reinvested and for which the Group is not in a position to control the date when the timing difference will reverse.

1.17 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions when measuring certain assets, liabilities, income, expenses and obligations. These estimates and assumptions are primarily used when calculating the impairment of property, plant and equipment, intangible assets and goodwill, as well as for measuring pension and other employee benefit obligations. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The results of the sensitivity tests carried out on the carrying amounts of goodwill and provisions for pensions and other employee benefits are provided in Notes 10 and 25, respectively. In addition, Note 11 "Intangible assets" describes the main assumptions used for measuring intangible assets.

1.18 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. For the purpose of calculating diluted earnings per share, it is adjusted for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

1.19 Discontinued operations and assets held for sale

Non-current assets or disposal group are held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. These assets (or disposal groups) are presented separately on a line "assets held for sale" in the consolidated balance sheet when they are significant. The asset (or disposal group) is being measured on initial recognition at the lower of its carrying amount and fair value less costs to sell. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

An operation considered as held for sale is defined as a component of the Group, for which either a sale is ongoing, or being classified as assets or disposal group as held for sale, and representing a business or a geographical area significant for the Group, or a business acquired only to be sold.

The results and cash flows of discontinued operations or held for sale are presented separately in the statement of financial position for all prior periods presented in the financial statements. Assets and liabilities as held for sale are presented without any restatement from prior year.

NOTE 2 CHANGE IN THE SCOPE OF CONSOLIDATION

2.1 Changes in the scope of consolidation in 2014

In the Interior Systems business, Faurecia Howa Interior Systems, held at 51% by Faurecia, has been created in Mexico and is fully consolidated since July 2014. Faurecia Magneti Marelli Pernambuco Componentes Automotivos Ltda in Brazil, held at 35% by Faurecia, is consolidated by equity method from November 2014.

In the Automotive Seating business, Shanghai Faurecia Automotive Seating Company Limited, held at 55% by Faurecia, has been created in China and is fully consolidated since April 2014. In Spain, Industrias Cousins Freres, previously fully consolidated, is consolidated by equity method since July 2014, following a change in the Company's governance. The position taken for Faurecia Azin Pars (Iran) in 2013 (see 2.2) has been maintained in 2014.

In the Emissions Control Technologies business, Changsha Faurecia Emissions Control Technologies Company Limited has been created in China and is fully consolidated since July 2014.

2.2 Reminder of change in the scope of consolidation having occurred in 2013

In the Interior Systems business, Faurecia Summit Interior Systems, held at 50% by Faurecia, has been created in Thailand and is fully consolidated since March 2013. Foshan Faurecia Xuyang Interior Systems Company Limited, 60% owned, was established in China and has been consolidated from June 2013. CSM Faurecia Automotive Parts Company Limited, 50% owned, was established in China and has been consolidated by equity method from July 2013.

In the Automotive Seating business, Changchun Faurecia Xuyang Automotive Components Technologies R&D Company Limited, held at 45% by Faurecia, has been created in China and is consolidated by equity method since June 2013. Faurecia Azin Pars, 51% owned, produced automobile seating in Iran for the Renault group. Considering the restrictions imposed by the American authorities on exports to Iran, production was stopped and no operating margin was recognized in the second half of 2013. Due to uncertainties regarding resumption of business in Iran, all the assets of this subsidiary were written down as of December 31, 2013 for an amount of €8.1 million (see Note 6).

In the Emissions Control Technologies business, Faurecia Emissions Control Technologies (Foshan) Company Limited, held at 51% by Faurecia, has been created in China and is consolidated by equity method since August 2013. Faurecia Emissions Control Technologies Ningbo Hangzhou Bay, 66% owned, was established in China and has been consolidated from December 2013.

NOTE 3 POST-BALANCE SHEET EVENTS

No significant post-balance sheet events have occurred.

NOTE 4 INFORMATION BY OPERATING SEGMENT

For internal reporting purposes the Group is structured into the following four business units based on the type of products and services provided:

- Automotive Seating (design of vehicle seats, manufacture of seating frames and adjustment mechanisms, and assembly of complete seating units);
- Emissions Control Technologies (design and manufacture of exhaust systems);
- Interior Systems (design and manufacture of instrument panels, door panels and modules, and acoustic components);
- Automotive Exteriors (design and manufacture of front ends and safety modules).

These business units are managed on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment – notably operating income – and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expense, and taxes are monitored at Group level and are not allocated to the various segments.

4.1 Key figures by operating segment

2014

(in € millions)	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exteriors	Other	Total
Sales	**5,318.9**	**6,749.6**	**4,737.0**	**2,069.7**	**337.3**	**19,212.5**
Inter-segment eliminations	(9.8)	(2.2)	(27.7)	(6.6)	(337.3)	(383.6)
Consolidated sales	**5,309.1**	**6,747.4**	**4,709.3**	**2,063.1**	**0.0**	**18,828.9**
Operating income (loss) before allocation of costs	238.6	260.8	134.1	55.7	(15.9)	673.3
Allocation of costs	(4.5)	(4.2)	(5.2)	(2.0)	15.9	0.0
Operating income	**234.1**	**256.6**	**128.9**	**53.7**	**0.0**	**673.3**
Other non-operating income						5.1
Other non-operating expenses						(91.6)
Finance costs, net						(183.1)
Other financial income and expenses						(60.5)
Corporate income tax						(115.1)
Share of net income of associates						0.8
Net income of continued operations						**228.9**
Net income from discontinued operations						**0.0**
NET INCOME (LOSS)						**228.9**
Segment assets	**2,721.3**	**2,250.2**	**1,859.9**	**675.7**	**85.5**	**7,592.6**
Net property, plant and equipment	551.9	639.0	755.1	258.8	24.9	2,229.7
Other segment assets	2,169.4	1,611.2	1,104.8	416.9	60.6	5,362.9
Investments in associates						94.7
Other equity interests						14.6
Short and long-term financial assets						1,107.6
Tax assets (current and deferred)						290.9
Assets held for sale						0.0
TOTAL ASSETS						**9,100.4**
Segment liabilities	**1,475.4**	**1,553.5**	**1,140.9**	**418.5**	**161.5**	**4,749.8**
Borrowings						2,412.4
Tax liabilities (current and deferred)						61.7
Liabilities linked to assets held for sale						0.0
Equity and minority interests						1,876.5
TOTAL LIABILITIES						**9,100.4**
Capital expenditure	152.6	139.5	158.7	45.5	22.9	519.2
Depreciation of items of property, plant and equipment	(97.1)	(88.5)	(128.2)	(42.4)	(3.5)	(359.7)
Impairment of property, plant and equipment	(4.3)	(0.1)	3.3	(0.7)		(1.8)
Headcounts	34,799	21,445	32,817	8,057	2,163	99,281

2013

(in € millions)	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exteriors	Other	Total
Sales	**5,231.0**	**6,351.4**	**4,593.2**	**1,904.8**	**314.2**	**18,394.6**
Inter-segment eliminations	(12.1)	(0.9)	(33.2)	(5.6)	(314.2)	(366.0)
Consolidated sales	**5,218.9**	**6,350.5**	**4,560.0**	**1,899.2**	**0.0**	**18,028.6**
Operating income (loss) before allocation of costs	218.5	200.0	85.2	38.4	(3.8)	538.3
Allocation of costs	(1.1)	(1.0)	(1.2)	(0.5)	3.8	0.0
Operating income	**217.4**	**199.0**	**84.0**	**37.9**	**0.0**	**538.3**
Other non-operating income						4.8
Other non-operating expenses						(111.6)
Finance costs, net						(187.9)
Other financial income and expenses						(46.4)
Corporate income tax						(64.7)
Share of net income of associates						14.0
Net income of continued operations						**146.5**
Net income from discontinued operations						**(3.1)**
NET INCOME (LOSS)						**143.4**
Segment assets						
Net property, plant and equipment	482.4	568.4	702.6	258.6	15.9	2,027.9
Other segment assets	2,059.2	1,523.4	1,148.3	489.7	(31.0)	5,189.6
Total segment assets	**2,541.6**	**2,091.8**	**1,850.9**	**748.3**	**(15.1)**	**7,217.5**
Investments in associates						88.7
Other equity interests						13.9
Short and long-term financial assets						780.4
Tax assets (current and deferred)						230.3
Assets held for sale						0.0
TOTAL ASSETS						**8,330.8**
Segment liabilities	**1,393.2**	**1,353.3**	**1,097.4**	**424.0**	**126.9**	**4,394.8**
Borrowings						2,229.6
Tax liabilities (current and deferred)						64.1
Liabilities linked to assets held for sale						0.0
Equity and minority interests						1,642.3
TOTAL LIABILITIES						**8,330.8**
Capital expenditure	117.9	126.4	187.1	60.9	25.7	518.0
Depreciation of items of property, plant and equipment	(95.3)	(80.1)	(121.5)	(41.8)	(3.1)	(341.8)
Impairment of property, plant and equipment	(6.2)	0.0	(1.6)	(0.7)	0.0	(8.5)
Headcounts	33,565	21,124	32,831	7,927	1,972	97,419

2012

(in € millions)	Automotive Seating	Emissions Control Technologies	Interior Systems	Automotive Exteriors	Other	Total
Sales	**5,166.2**	**6,086.2**	**4,385.3**	**1,787.4**	**324.5**	**17,749.6**
Inter-segment eliminations	(10.3)	(6.7)	(32.6)	(11.0)	(324.5)	(385.1)
Consolidated sales	**5,155.9**	**6,079.5**	**4,352.7**	**1,776.4**	**0.0**	**17,364.5**
Operating income (loss) before allocation of costs	193.1	148.5	132.4	43.4	(1.2)	516.2
Allocation of costs	(0.4)	(0.3)	(0.3)	(0.1)	1.2	0.1
Operating income	**192.7**	**148.2**	**132.1**	**43.3**	**0.0**	**516.3**
Other non-operating income						15.5
Other non-operating expenses						(102.7)
Finance costs, net						(165.2)
Other financial income and expenses						(31.9)
Corporate income tax						(67.4)
Share of net income of associates						23.6
Net income of continued operations						**188.2**
Net income from discontinued operations						**(2.6)**
NET INCOME (LOSS)						**185.6**
Segment assets						
Net property, plant and equipment	478.6	553.3	657.4	260.5	22.4	1,972.2
Other segment assets	1,853.2	1,483.4	1,285.5	465.4	50.4	5,137.9
Total segment assets	**2,331.8**	**2,036.7**	**1,942.9**	**725.9**	**72.8**	**7,110.1**
Investments in associates						85.2
Other equity interests						13.4
Short and long-term financial assets						703.3
Tax assets (current and deferred)						149.7
Assets held for sale						8.7
TOTAL ASSETS						**8,070.4**
Segment liabilities	**1,275.3**	**1,237.6**	**1,125.7**	**413.9**	**133.8**	**4,186.3**
Borrowings						2,435.7
Tax liabilities (current and deferred)						47.7
Liabilities linked to assets held for sale						46.2
Equity and minority interests						1,354.5
TOTAL LIABILITIES						**8,070.4**
Capital expenditure	113.1	152.7	179.6	88.8	23.1	557.3
Depreciation of property, plant and equipment	(95.0)	(76.2)	(111.8)	(38.4)	(1.4)	(322.8)
Impairment of property, plant and equipment	(4.1)	0.0	0.0	0.0		(4.1)
Headcounts	33,586	20,374	30,892	7,267	1,799	93,918

Sales by operating segment break down as follows:

(in € millions)	2014	%	2013	%	2012	%
Automotive Seating	5,309.1	28	5,218.9	29	5,155.9	30
Emissions Control Technologies	6,747.4	36	6,350.5	35	6,079.5	35
Interior Systems	4,709.3	25	4,560.0	25	4,352.7	25
Automotive Exteriors	2,063.1	11	1,899.2	11	1,776.4	10
TOTAL	**18,828.9**	**100**	**18,028.6**	**100**	**17,364.5**	**100**

4.2 Sales by major customer

Sales by major customer* break down as follows:

(in € millions)	2014	%	2013	%	2012	%
VW group	3,645.1	19	3,556.7	20	3,523.1	20
Ford group	2,452.2	13	2,352.4	13	2,079.9	12
PSA Peugeot Citroën	2,219.3	12	2,263.4	13	2,263.2	13
Renault-Nissan	1,612.4	9	1,470.4	8	1,509.5	9
Daimler	1,427.2	8	1,256.3	7	1,001.3	6
GM	1,414.7	8	1,309.4	7	1,356.7	8
BMW	915.7	5	1,070.8	6	1,106.6	6
Other	5,142.3	27	4,749.2	26	4,524.2	26
TOTAL	**18,828.9**	**100**	**18,028.6**	**100**	**17,364.5**	**100**

* *The presentation of sales invoiced may differ from that of sales by end customer when products are transferred to intermediary assembly companies.*

4.3 Key figures by geographic region

Sales are broken down by destination region. Other items are presented by the region where the companies involved operate.

2014

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	1,902.1	3,969.8	4,509.4	4,536.2	689.9	3,048.7	172.6	18,828.9
Net property, plant and equipment	293.8	253.3	650.5	534.7	159.4	318.0	20.0	2,229.7
Capital expenditure	73.7	54.4	160.0	123.0	21.3	83.8	2.9	519.2
Number of employees as of December 31	13,619	11,527	31,859	20,361	5,208	15,082	1,625	99,281

2013

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	1,812.4	3,709.3	4,181.6	4,705.6	871.7	2,596.8	151.2	18,028.6
Net property, plant and equipment	290.4	256.6	612.6	437.2	158.2	252.5	20.4	2,027.9
Capital expenditure	79.2	51.2	113.9	132.2	57.0	81.1	3.4	518.0
Number of employees as of December 31	13,847	12,029	29,177	20,984	6,154	13,557	1,671	97,419

2012

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	Total
Sales	2,005.8	3,694.7	3,910.9	4,575.3	791.9	2,204.2	181.7	17,364.5
Net property, plant and equipment	316.6	257.2	595.8	400.6	152.3	221.2	28.5	1,972.2
Capital expenditure	72.5	55.0	152.3	104.7	87.2	82.6	3.0	557.3
Number of employees as of December 31	13,860	12,848	26,739	21,426	5,801	11,301	1,943	93,918

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5.1 Operating expenses by function

(in € millions)	2014	2013	2012
Cost of sales	(17,271.8)	(16,636.1)	(16,038.7)
Research and development costs	(235.5)	(254.0)	(239.6)
Selling and administrative expenses	(648.3)	(600.2)	(569.9)
TOTAL	**(18,155.6)**	**(17,490.3)**	**(16,848.2)**

5.2 Operating expenses by nature

(in € millions)	2014	2013	2012
Purchases consumed	(12,711.8)	(12,383.6)	(11,983.4)
External costs	(1,776.4)	(1,682.9)	(1,629.0)
Personnel costs	(3,383.2)	(3,239.8)	(3,182.9)
Taxes other than on income	(48.6)	(48.7)	(59.7)
Other income and expenses*	349.2	353.7	442.5
Depreciation, amortization and provisions for impairment in value of non-current assets	(559.0)	(532.0)	(495.7)
Charges to and reversals of provisions	(25.8)	43.0	60
TOTAL	**(18,155.6)**	**(17,490.3)**	**(16,848.2)**
** Including production taken into inventory or capitalized.*	*288.0*	*319.2*	*427.6*

The CICE (tax credit for competitiveness and employment) has been allocated to personnel costs; it amounts to €14.9 million in 2014 (€10.5 million in 2013).

5.3 Personnel costs

(in € millions)	2014	2013	2012
Wages and salaries*	(2,694.6)	(2,574.7)	(2,512.2)
Payroll taxes	(688.6)	(665.1)	(670.7)
TOTAL	**(3,383.2)**	**(3,239.8)**	**(3,182.9)**
** Of which temporary employee costs.*	*(280.5)*	*(253.6)*	*(256.2)*

Details of expenses relating to the Group's stock option and free shares plans and pension costs are provided in Notes 22.2 and 25, respectively.

5.4 Research and development costs

(in € millions)	2014	2013	2012
Research and development costs, gross	(955.9)	(916.5)	(943.0)
• amounts billed to customers and changes in inventories	581.6	575.3	595.9
• capitalized development costs	317.0	258.4	263.9
• amortization of capitalized development costs	(175.8)	(171.5)	(158.9)
• charges to and reversals of provisions for impairment of capitalized development costs	(2.4)	0.3	2.5
NET EXPENSE	**(235.5)**	**(254.0)**	**(239.6)**

After review of commercial practices, an additional €20 million of 2014 development costs were considered eligible to be capitalized.

Sales which were previously billed as product sales in 2013 have now been integrated as sales of R&D in 2014, for an amount of €37.6 million, this amount hence reduces the net R&D cost.

5.5 Depreciation, amortization and provisions for impairment in value of non-current assets

(in € millions)	2014	2013	Year 2012
Amortization of capitalized development costs	(175.8)	(171.5)	(158.9)
Amortization of items of property, plant and equipment	(25.0)	(24.2)	(21.4)
Depreciation of specific tooling	1.5	0.5	4.1
Depreciation and impairment of other items of property, plant and equipment	(357.3)	(337.1)	(322.0)
Provisions for impairment of capitalized development costs	(2.4)	0.3	2.5
TOTAL	**(559.0)**	**(532.0)**	**(495.7)**

NOTE 6 OTHER NON-OPERATING INCOME AND EXPENSES

Other non-operating income and expenses are analyzed as follows:

OTHER NON-OPERATING INCOME

(in € millions)	2014	2013	2012
Release of provision for impairment of assets	3.4	0.0	0.0
Badwill from acquisitions*	0.0	0.0	15.5
Losses on disposal of assets	0.8	0.0	0.0
Other	0.9	4.8	0.0
TOTAL	**5.1**	**4.8**	**15.5**

* *This item includes the badwill from the acquisitions from the Saline acquisition in 2012.*

OTHER NON-OPERATING EXPENSES

(in € millions)	2014	2013	2012
Reorganization expenses*	(76.7)	(91.3)	(83.7)
Losses on disposal of assets	0.0	(0.1)	(0.3)
Other**	(14.9)	(20.2)	(18.7)
TOTAL	**(91.6)**	**(111.6)**	**(102.7)**

* *As of December 31, 2014, this item includes restructuring costs in the amount of €71.2 million and provisions for impairment in value of non-current assets in the amount of €5.5 million, versus respectively, €84.3 million and €7.0 million in 2013 and €79.4 million and €4.3 million in 2012.*

** *This item includes exceptional depreciation linked to the stop of activities in Iran for €8.1 million.*

RESTRUCTURING

Reorganization costs (€76.7 million) include redundancy and site relocation payments for 1,781 people and breakdown by country as follows:

	(in € millions)	Employees
France	17.7	379
Germany	29.3	290
Spain	3.5	83
Other	26.2	1,029
TOTAL	**76.7**	**1,781**

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	2014	2013	2012
Impact of discounting pension benefit obligations	(9.1)	(8.6)	(10.1)
Changes in the ineffective portion of currency hedges	0.1	(0.2)	0.6
Changes in fair value of currency hedged relating to debt	(5.4)	10.1	0.6
Changes in fair value of interest rate hedges	0.0	0.2	1.4
Translation differences on borrowings	(15.3)	(25.3)	(10.0)
Gains on sales of securities	0.0	0.0	0.0
Other	(30.8)	(22.6)	(14.4)
TOTAL	**(60.5)**	**(46.4)**	**(31.9)**

NOTE 8 CORPORATE INCOME TAX

Corporate income tax can be analyzed as follows:

(in € millions)	2014	2013	2012
Current taxes			
• Current corporate income tax	(161.2)	(132.0)	(96.9)
Deferred taxes			
• Deferred taxes for the period	46.1	67.3	29.5
TOTAL	**(115.1)**	**(64.7)**	**(67.4)**

8.1 Analysis of the tax charge

The effective corporate income tax charge can be reconciled with the theoretical tax charge as follows:

(in € millions)	2014	2013	2012
Pre-tax income of consolidated companies	343.2	197.2	232.0
Tax at 38% (2014 and 2013) and 36.1% (2012)	*(130.4)*	*(74.9)*	*(83.8)*
Effect of rate changes on deferred taxes recognized on the balance sheet	(1.5)	(10.4)	(13.4)
Effect of local rate differences*	63.2	37.3	26.5
Tax credits	24.6	8.5	11.6
Change in unrecognized deferred tax	(40.1)	(33.4)	16.9
Permanent differences & others	(30.9)	8.2	(25.2)
Corporate tax recognized	**(115.1)**	**(64.7)**	**(67.4)**

* *The impact of local rate differences mainly relates to Chinese entities.*

8.2 Analysis of tax assets and liabilities

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Current taxes			
• Assets	70.2	68.5	54.6
• Liabilities	(52.1)	(44.5)	(33.7)
	18.1	**24.0**	**20.9**
Deferred taxes			
• Assets*	220.7	161.8	95.1
• Liabilities	(9.6)	(19.6)	(14.0)
	211.1	**142.2**	**81.1**
* *Of which tax assets on tax losses.*	*165.5*	*131.1*	*89.8*

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in € millions)	2014	2013	2012
Net amount at the beginning of the year	**142.2**	**81.1**	**62.8**
• Deferred taxes carried to income for the period	46.1	67.3	29.5
• Deferred taxes recognized directly in equity	9.8	0.1	0.0
• Effect of currency fluctuations and other movements	13.0	(6.3)	(11.2)
• Impairment of tax asset carryforwards	0.0	0.0	0.0
Net amount at the end of the year	**211.1**	**142.2**	**81.1**

8.3 Impairment of tax asset carryforwards

(in € millions)	12/31/2014	12/31/2013	12/31/2012
N+1	6.9	8.7	7.5
N+2	9.6	13.0	12.1
N+3	10.6	17.4	15.2
N+4	12.4	9.9	8.0
N+5 and above	104.6	121.1	137.4
Unlimited	639.2	619.1	550.7
TOTAL	**783.3**	**789.2**	**730.9**

These impaired deferred income tax assets on loss carry forwards are originated mainly from France.

NOTE 9 EARNINGS PER SHARE

	2014	2013	2012
Number of shares outstanding at year end (1)	**123,925,210**	**122,588,135**	**110,833,745**
Adjustments:			
• treasury stock	(36,266)	(44,162)	(41,979)
• weighted impact of share issue prorated	(641,063)	(11,713,275)	(222,527)
Weighted average number of shares before dilution	**123,247,881**	**110,830,698**	**110,569,239**
Weighted impact of dilutive instruments:			
• stock options (2)	1,788	0	0
• free shares attributed	0	241,800	291,200
• bonds with conversion option (3)	204,880	0	2,599,982
Weighted average number of shares after dilution	**123,454,549**	**111,072,498**	**113,460,421**

(1) Changes in the number of shares outstanding as of December 31 are analyzed as follows:

As of 12/31/2012: Number of Faurecia shares outstanding	*110,833,745*
Capital increase (bonds converted and attribution of performance shares)	*11,754,390*
As of 12/31/2013: Number of Faurecia shares outstanding	*122,588,135*
Capital increase (dividend paid in the form of shares and stock options)	*1,337,075*
As of 12/31/2014: Number of Faurecia shares outstanding	*123,925,210*

(2) As of December 31, 2014, 931,025 stock options were outstanding and exercisable, compared with 1,113,600 as of December 31, 2013 and 1,126,725 as of December 31, 2012. Taking into account the average Faurecia share price for 2014, only the stock option plan 18 has a dilutive impact.

(3) Convertible bonds have a dilutive effect when the net interest per share deriving from the conversion is less than the basic earnings per share. As of December 31, 2014 these bonds have a dilutive impact.

The dilutive impact of the bonds was calculated using the treasury stock method.

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value (in this case the average Faurecia share price for the year was €28.55 in 2014).

Earnings per share

Earnings per share break down as follows:

	2014	2013	2012
Net income (loss) *(in € millions)*	**165.7**	**87.6**	**143.5**
Basic earnings (loss) per share	1.34	0.79	1.30
After dilution	1.34	0.79	1.26
Net income (loss) of continued operations *(in € millions)*	**165.7**	**90.7**	**146.1**
Basic earnings (loss) per share	1.34	0.82	1.32
After dilution	1.34	0.82	1.28

NOTE 10 GOODWILL

(in € millions)	Gross	Impairment	Net
Net carrying amount as of January 1, 2012	**1,771.2**	**(510.6)**	**1,260.6**
Acquisitions	40.2	0.0	40.2
Translation adjustments and other movements	(0.9)	0.1	(0.8)
Net carrying amount as of December 31, 2012	**1,810.5**	**(510.5)**	**1,300.0**
Acquisitions	4.1	0.0	4.1
Translation adjustments and other movements	(7.7)	0.7	(7.0)
Net carrying amount as of December 31, 2013	**1,806.9**	**(509.8)**	**1,297.1**
Acquisitions	0.0	0.0	0.0
Translation adjustments and other movements	20.3	(0.1)	20.2
Net carrying amount as of December 31, 2014	**1,827.2**	**(509.9)**	**1,317.3**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Automotive Seating	793.5	793.5	792.4
Emissions Control Technologies	352.8	332.6	339.3
Interior Systems	45.6	45.6	45.6
Automotive Exteriors	125.4	125.4	122.7
TOTAL	**1,317.3**	**1,297.1**	**1,300.0**

In accordance with the accounting policies described in Notes 1.2 and 1.5, the carrying amount of each CGU to which goodwill has been allocated has been compared to the higher of the CGU's value in use and its market value net of selling costs. Value in use corresponds to the present value of net future cash flows expected to be derived from the CGU's in question.

The cash flow forecasts used to calculate value in use were based on the Group's 2015-2018 strategic plan which was drafted in mid-2014 and adjusted at the end of the year based on the latest assumptions in the 2015 budget. The volume assumptions used in the 2015-2018 strategic plan are based on external information sources.

The main assumption affecting value in use is the level of operating income used to calculate future cash flows and particularly the terminal value. The operating margin assumption for 2018 is 5.5% for the Group as a whole.

Projected cash flows for the last year of the Strategic Business Plan (2018) have been projected to infinity by applying a growth rate determined based on analysts' trend forecasts for the automotive market. The growth rate applied for the year-end 2014 test was 1.5% (unchanged from 2013).

Faurecia called on an independent expert to calculate the weighted average cost of capital used to discount future cash flows. The market parameters used in the expert's calculation were based on a sample of 26 companies operating in the automotive supplier sector (8 in Europe, 9 in the United States and 9 in Asia). Taking into account these parameters and a market risk premium of 6% to 7%, the weighted average cost of capital used to discount future cash flows was set at 9.5% (on the basis of a range of values provided by the independent expert) in 2014 (9.5% in 2013). This rate was applied for the impairment tests carried out on all of the Group's CGU's. They all bear the same specific risks relating to the automotive supplier sector and the CGU'S multinational operation does not justify using geographically different discount rates.

The tests performed at year-end 2014 did not show any indication of further impairment in goodwill.

The table below shows the sensitivity of the impairment test results to changes in the assumptions used as of December 31, 2014 to determine the value in use of the CGU's to which the Group's goodwill is allocated:

Sensitivity *(in € millions)*	**Test income (value in use – net carrying value)**	**Cash flow discount rate +0.5 pt**	**Growth rate to infinity -0.5 pt**	**Operating margin for terminal value -0.5 pt**	**Combination of the 3 factors**
Automotive Seating	1,855	(219)	(179)	(246)	(590)
Emissions Control Technologies	1,692	(177)	(144)	(259)	(528)
Interior Systems	616	(102)	(83)	(152)	(307)
Automotive Exteriors	424	(50)	(41)	(56)	(134)

NOTE 11 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in € millions)	**Development costs**	**Software and other**	**Total**
NET CARRYING AMOUNT AS OF JANUARY 1, 2012	**415.1**	**49.1**	**464.2**
Additions	266.7	2.9	269.6
Funding of amortization provisions	(158.9)	(21.4)	(180.3)
Funding of provisions	2.5	0.0	2.5
Translation adjustments and other	9.4	22.7	32.1
NET CARRYING AMOUNT AS OF DECEMBER 31, 2012	**534.8**	**53.3**	**588.1**
Additions	265.0	4.6	269.6
Funding of amortization provisions	(171.5)	(24.2)	(195.7)
Funding of provisions	0.3	0.0	0.3
Translation adjustments and other	(0.5)	24.4	23.9
NET CARRYING AMOUNT AS OF DECEMBER 31, 2013	**628.1**	**58.1**	**686.2**
Additions	321.6	1.8	323.4
Funding of amortization provisions	(175.8)	(25.0)	(200.8)
Funding of provisions	(2.4)	0.0	(2.4)
Translation adjustments and other	26.9	17.2	44.1
NET CARRYING AMOUNT AS OF DECEMBER 31, 2014	**798.4**	**52.1**	**850.5**

The carrying amount of development costs allocated to a customer contract as well as the associated specific tooling is compared to the present value of the expected net future cash flows to be derived from the contract based on the best possible estimate of future sales. The volumes taken into account in Faurecia's Business Plans are the best estimates by the Group's Marketing department based on automakers' forecasts when available.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

(in € millions)	Land	Buildings	Plant, tooling and equipment	Specific tooling	Other property, plant and equipment and property, plant and equipment in progress	Total
NET CARRYING AMOUNT AS OF JANUARY 1, 2012	**85.0**	**425.0**	**866.3**	**30.8**	**326.3**	**1,733.4**
Additions (including own work capital) [1]	2.9	17.5	133.8	27.2	375.9	557.3
Disposals	(3.1)	(31.7)	(102.5)	(8.4)	(28.1)	(173.8)
Funding of depreciation, amortization and impairment provisions	(0.5)	(49.1)	(232.1)	(16.6)	(24.5)	(322.8)
Non-recurring impairment losses	0.0	(0.5)	(3.3)	0.0	(0.3)	(4.1)
Depreciation written off on disposals	1.0	29.6	97.7	7.8	27.5	163.6
Currency translation adjustments	(0.4)	(4.2)	(11.2)	(0.1)	(6.9)	(22.8)
Entry into scope of consolidation & other movements	1.0	72.5	243.6	(1.5)	(274.2)	41.4
NET CARRYING AMOUNT AS OF DECEMBER 31, 2012	**85.9**	**459.1**	**992.3**	**39.2**	**395.7**	**1,972.2**
Additions (including own work capital) [1]	0.7	10.3	90.7	41.1	375.2	518.0
Disposals	(0.1)	(16.1)	(178.8)	(1.5)	(23.9)	(220.4)
Funding of depreciation, amortization and impairment provisions	(0.4)	(50.6)	(247.1)	(16.9)	(26.8)	(341.8)
Non-recurring impairment losses	(0.8)	(0.6)	(6.4)	0.0	(0.7)	(8.5)
Depreciation written off on disposals	0.0	18.2	177.7	1.2	22.5	219.6
Currency translation adjustments	(1.8)	(17.8)	(41.6)	(1.0)	(17.1)	(79.3)
Entry into scope of consolidation & other movements	(0.3)	55.7	296.1	(2.5)	(380.9)	(31.9)
NET CARRYING AMOUNT AS OF DECEMBER 31, 2013	**83.2**	**458.2**	**1,082.9**	**59.6**	**344.0**	**2,027.9**
Additions (including own work capital) [1]	0.4	11.9	47.2	41.0	418.7	519.2
Disposals	(4.7)	(30.4)	(244.2)	(2.0)	(34.5)	(315.8)
Funding of depreciation, amortization and impairment provisions	(0.4)	(51.6)	(256.5)	(21.3)	(29.9)	(359.7)
Non-recurring impairment losses	0.0	2.7	(4.5)	0.0	0.0	(1.8)
Depreciation written off on disposals	2.3	28.9	240.4	2.0	33.4	307.0
Currency translation adjustments	1.2	4.9	52.2	2.1	13.1	73.5
Entry into scope of consolidation & other movements	1.0	57.7	356.4	(3.2)	(432.5)	(20.6)
NET CARRYING AMOUNT AS OF DECEMBER 31, 2014	**83.0**	**482.3**	**1,273.9**	**78.2**	**312.3**	**2,229.7**

(1) Including assets held under finance leases:

- *in 2012* *13.0*
- *in 2013* *11.8*
- *in 2014* *4.5*

(in € millions)	12/31/2014 Gross	12/31/2014 Depreciation	12/31/2014 Net	12/31/2013 Gross	12/31/2013 Net	12/31/2012 Net
Land	93.2	(10.2)	83.0	93.7	83.2	85.9
Buildings	1,174.7	(692.4)	482.3	1,141.6	458.2	459.1
Plant, tooling and technical equipment	3,680.4	(2,406.5)	1,273.9	3,465.0	1,082.9	992.3
Specific tooling	229.9	(151.7)	78.2	192.5	59.6	39.2
Other property, plant and equipment and property, plant and equipment in progress	569.1	(256.8)	312.3	600.8	344.0	395.7
TOTAL	**5,747.3**	**(3,517.6)**	**2,229.7**	**5,493.6**	**2,027.9**	**1,972.2**
Including assets subject to lease financing	100.0	(61.7)	38.3	104.6	91.7	73.4

Property, plant and equipment are often dedicated to client programs. Their utilization rates are not monitored centrally or systematically.

NOTE 13 INVESTMENTS IN ASSOCIATES

AS OF DECEMBER 31, 2014

(in € millions)	% interest*	Group share of equity**	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	5.0	0.0	29.4	19.8
Amminex Emissions Systems ApS	42	8.5	0.0	0.0	11.9
Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd.	50	1.2	0.0	42.3	31.3
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd.	40	5.4	0.0	12.1	14.7
Detroit Manufacturing Systems LLC	45	0.0	0.0	233.6	36.9
DMS leverage lender (LLC)	45	3.0	0.0	0.0	5.1
Dongguan CSM Faurecia Automotive Parts Co., Ltd.	50	4.9	0.0	8.6	17.2
FMM Pernambuco Componentes Automotivos Ltda	35	3.4	0.0	0.0	28.8
Other	-	14.2	(11.1)	223.8	94.9
SAS Group	50	49.1	(15.0)	1,599.2	261.8
TOTAL		**94.7**	**(26.1)**	**2,149.0**	**522.4**

* *Percentage of interest held by the company that owns the shares.*
** *As the Group's share of some company's net equity is negative it is recorded under liabilities as a provision for contingencies and charges.*

There is no joint operation in the sense of IFRS 11 within the companies consolidated by equity method.

13.1 Change in investments in associates

(in € millions)	2014	2013	2012
Group share of equity at beginning of period	**88.7**	**85.2**	**71.0**
Dividends	(26.1)	(20.3)	(25.0)
Share of net income of associates	0.8	14.0	23.6
Change in scope of consolidation	22.8	(1.0)	17.1
Capital increase	6.2	11.6	0.0
Currency translation adjustments	2.3	(0.8)	(1.5)
Group share of equity at end of period	**94.7**	**88.7**	**85.2**

13.2 Group share of financial items of associates

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Fixed assets	121.5	95.8	89.7
Current assets	325.2	283.5	306.1
Cash and cash equivalents	75.7	76.9	68.6
TOTAL ASSETS	**522.4**	**456.2**	**464.4**
Equity	81.1	83.7	78.3
Borrowings	27.9	41.2	41.8
Other non-current liabilities	46.2	14.5	14.8
Non-current financial liabilities	367.2	316.8	329.5
TOTAL EQUITY AND LIABILITIES	**522.4**	**456.2**	**464.4**

13.3 Information on significant associates

SAS is a joint venture with Continental Automotive GmbH which manufactures full cockpit modules with electronics and circuitry built into the instrument panels. Its headquarters is located in Germany, with subsidiaries mainly in France, Slovakia, United Kingdom, Spain, Mexico, Turkey and Czech Republic. The additional information on this entity is detailed here below:

BALANCE SHEET

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Fixed assets	72.6	63.9	61.0
Current assets	352.3	366.8	375.6
Cash and cash equivalents	98.6	110.0	98.4
TOTAL ASSETS	**523.5**	**540.7**	**535.0**
Equity	98.2	92.3	88.7
Borrowings	0.0	0.0	2.5
Other non-current liabilities	23.0	28.2	28.2
Non-current financial liabilities	402.3	420.2	415.6
TOTAL EQUITY AND LIABILITIES	**523.5**	**540.7**	**535.0**

INCOME STATEMENT

(in € millions)	2014	2013	2012
Sales	3,198.5	3,000.6	3,423.1
Operating margin	49.5	68.0	75.9
Net income (loss)	35.5	44.1	54.1

The other associates, in joint control or significant influence, taken individually, are not considered as significant as for sales nor for total assets.

NOTE 14 OTHER EQUITY INTERESTS

		12/31/2014		12/31/2013	12/31/2012
(in € millions)	% of share capital	Gross	Net	Net	Net
Changchun Xuyang Industrial group	19	12.8	12.8	11.6	11.8
Other	-	5.1	1.8	2.3	1.6
TOTAL		**17.9**	**14.6**	**13.9**	**13.4**

NOTE 15 OTHER NON-CURRENT FINANCIAL ASSETS

	12/31/2014			12/31/2013	12/31/2012
(in € millions)	Gross	Provisions	Net	Net	Net
Loans with maturity longer than one year	46.9	(13.0)	33.9	29.0	29.0
Other	40.4	(11.6)	28.8	20.4	25.2
TOTAL	**87.3**	**(24.6)**	**62.7**	**49.4**	**54.2**

NOTE 16 OTHER NON-CURRENT ASSETS

This line includes:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Pension plan surpluses	6.8	1.6	0.5
Guarantee deposits and other	19.8	17.3	17.6
TOTAL	**26.6**	**18.9**	**18.1**

NOTE 17 INVENTORIES AND WORK-IN-PROGRESS

	12/31/2014			12/31/2013	12/31/2012
(in € millions)	Gross	Provisions	Net	Net	Net
Raw materials and supplies	460.2	(47.7)	412.5	407.4	377.0
Engineering, tooling and prototypes	393.5	(14.5)	379.0	459.5	457.4
Work-in-progress for production	19.0	(0.4)	18.6	25.2	32.4
Semi-finished and finished products	316.3	(49.8)	266.5	231.3	229.4
TOTAL	**1,189.0**	**(112.4)**	**1,076.6**	**1,123.4**	**1,096.2**

NOTE 18 TRADE ACCOUNTS RECEIVABLES AND RELATED ACCOUNTS

Under trade receivables sale programs, the Group can sell a portion of the receivables of a number of its French, German and other subsidiaries to a group of financial institutions, transferring substantially all of the risks and rewards relating to the receivables sold to the financial institutions concerned.

The following table shows the amount of receivables sold with maturities beyond December 31, 2014, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized as well as the financing under these programs – corresponding to the cash received as consideration for the receivables sold:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Financing	850.6	565.5	435.8
Guarantee reserve deducted from borrowings	(33.9)	(16.0)	(15.9)
Cash received as consideration for receivables sold	816.7	549.5	419.9
Receivables sold and derecognized	(742.2)	(385.4)	(313.0)

Individually impaired trade receivables are as follows:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Gross total trade receivables	1,702.3	1,702.5	1,720.3
Provision for impairment of receivables	(25.3)	(21.8)	(17.5)
TOTAL TRADE ACCOUNTS RECEIVABLES AND RELATED ACCOUNTS, NET	**1,677.0**	**1,680.7**	**1,702.8**

Given the high quality of Group counterparties, late payments do not represent a material risk. They generally arise from administrative issues.

Late payments as of December 31, 2014 were €126.5 million, breaking down as follows:

- €67.7 million less than one month past due;
- €17.1 million one to two months past due;
- €7.0 million two to three months past due;
- €13.9 million three to six months past due;
- €20.8 million more than six months past due.

NOTE 19 OTHER OPERATING RECEIVABLES

(in € millions)	31/12/2014	Dec. 31, 2013	Dec. 31, 2012
Down payments	86.7	135.6	173.3
Currency derivatives for operations	0.3	3.2	3.0
Other receivables [1]	188.9	149.3	181.5
TOTAL	**275.9**	**288.1**	**357.8**
(1) Including the following amounts for VAT and other tax receivables.	*181.1*	*161.3*	*176.5*

NOTE 20 OTHER RECEIVABLES

(in € millions)	31/12/2014	Dec. 31, 2013	Dec. 31, 2012
Short-term portion of loans	13.5	6.1	6.2
Prepaid expenses	86.9	57.8	30.0
Current taxes	70.2	68.5	54.6
Other sundry payables	58.7	51.8	59.2
TOTAL	**229.3**	**184.2**	**150.0**

In 2014, the receivables on *Crédit d'Impôt pour la Compétitivité et l'Emploi* (CICE) and *Crédit d'Impôt Recherche* (CIR) have been sold respectively for amounts of €14.9 million and €30.5 million.

NOTE 21 CASH AND CASH EQUIVALENTS

As of December 31, 2014, cash and cash equivalents amounted to €1,016.9 million including current account balances in the amount of €728 million (versus €608.4 million as of December 31, 2013 and €613 million as of December 31, 2012) and short-term investments in the amount of €288.9 million (versus €93.4 million as of December 31, 2013 and €15 million as of December 31, 2012).

The carrying amount of marketable securities is almost identical to market value as they are held on a very short-term basis.

NOTE 22 EQUITY

22.1 Capital

As of December 31, 2014, Faurecia's capital stock totaled €867,476,470 divided into 123,925,210 fully paid-in shares with a par value of €7 each.

The Group's capital is not subject to any external restrictions. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

As of December 31, 2014, Peugeot S.A. held 51.14% of the capital stock and 67.35% of the voting rights.

22.2 Employee stock options and share grants

A – STOCK OPTIONS

Faurecia has a policy of issuing stock options to the executives of Group companies.

As of December 31, 2014, a total of 931,025 stock options were outstanding.

The exercise of these options would result in increasing:

- the capital stock by €6.5 million;
- additional paid-in capital by €32.3 million.

Details of the stock subscription option plans as of December 31, 2014 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting Adjusted exercise price *(in €)*	Adjusted number of options granted	Including granted to Senior Executive Management	Start of exercise period Last exercise date	Options exercised	Options cancelled	Adjusted number of options outstanding as of 12/31/2014
05/25/2004	04/19/2005 54.45	321,750	142,740	04/18/2009 4/18/2015	0	131,625	190,125
05/23/2005	04/13/2006 45.20	340,800	168,000	4/12/2010 4/12/2016	0	144,600	196,200
05/23/2005	04/16/2007 44.69	346,200	172,800	4/17/2011 4/17/2017	0	95,400	250,800
05/29/2007	04/10/2008 28.38	357,000	174,000	4/10/2012 04/10/2016	13,300	49,800	293,900
TOTAL							**931,025**

Movements in the aggregate number of options under all of the plans in force were as follows:

	2014	2013	2012
Total at beginning of the period	**1,113,600**	**1,126,725**	**1,475,348**
Options granted	0	0	0
Options exercised	(13,300)	0	0
Options cancelled and expired	(169,275)	(13,125)	(348,623)
TOTAL AT THE END OF THE YEAR	**931,025**	**1,113,600**	**1,126,725**

In accordance with IFRS 2, the four plans issued since April 19, 2005 have been measured at fair value as of the grant date. The measurement was performed using the Black & Scholes option pricing model based on the following assumptions:

	04/19/2005 plan	04/13/2006 plan	04/16/2007 plan	04/10/2008 plan
Option exercise price (as of the grant date)*	€54.45	€45.20	€44.69	€28.38
Share price as of the grant date	€62.05	€53.15	€56.15	€33.10
Option vesting period	4 years	4 years	4 years	4 years
Expected share dividend	2%	1.5%	0.00%	0.00%
Zero coupon rate	2.93%	3.50%	4.41%	3.86%
Expected share price volatility	40%	30%	30%	30%

* *Adjusted following the capital increase.*

The fair value of the option is amortized over the vesting period, with a corresponding adjustment to equity. The plans have not generated any expense in 2014, same as in 2013.

B – FREE SHARES ATTRIBUTED

In 2010, Faurecia implemented a share grant plan for executives of Group companies. These shares are subject to service and performance conditions.

The fair value of this plan has been measured by reference to the market price of Faurecia's shares at the grant date, less an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and an amount reflecting the cost of the shares being subject to a lock-up period. The corresponding expense will be deferred and recognized over the share vesting period. The amount recognized for the period is an expense of €6 million, compared to €2.1 million in 2013.

Details of the share grant plans as of December 31, 2014 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted* for: reaching the objective	exceeding the objective	Performance condition
05/26/2011	07/23/2012	682,000	886,600	2014 pretax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies
05/30/2013	07/24/2013	852,000	1,107,600	2015 pretax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies
05/30/2013	07/28/2014	718,350	933,855	2016 pretax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies

* *Net of bonus shares allocated and cancelled.*

Following the achievement of the performance condition for the first plan (Board meeting 06/23/2010), 478,400 shares have been attributed in previous years and 226,200 in 2014.

22.3 Treasury stock

As of December 31, 2014, Faurecia held 36,266 shares of treasury stock.

The cost of the shares held in treasury stock as of December 31, 2014 totaled €1.7 million, representing an average cost of €47.63 per share.

NOTE 23 MINORITY INTERESTS

Changes in minority interests were as follows:

(in € millions)	2014	2013	2012
Balance as of January 1	140.5	132.6	113.6
Increase in minority shareholder interests	1.8	10.3	8.7
Other changes in scope of consolidation	(12.4)	(7.0)	(1.4)
Minority interests in net income for the year	63.2	55.8	42.1
Dividends allocated to minority interests	(47.4)	(48.9)	(27.0)
Translation adjustments	14.2	(2.3)	(3.4)
BALANCE AS OF DECEMBER 31	**159.9**	**140.5**	**132.6**

The minority interests, taken individually, are not considered as significant in comparison to the total net equity.

NOTE 24 CURRENT AND NON-CURRENT PROVISIONS

24.1 Non-current provisions

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Provisions for pensions and other employee obligations			
• Pension plan benefit obligations	200.2	149.6	160.0
• Retirement indemnities obligations	115.2	90.2	91.3
• Long-service awards	27.1	22.9	22.8
• Healthcare costs	26.9	20.6	25.6
	369.4	**283.3**	**299.7**
Provisions for early retirement costs	0.0	0.2	1.1
TOTAL NON-CURRENT PROVISIONS	**369.4**	**283.5**	**300.8**

CHANGES IN NON-CURRENT PROVISIONS:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Balance of provisions at beginning of year	**283.5**	**300.8**	**260.7**
Changes in scope of consolidation	0.0	0.0	3.4
Other movements	11.5	(2.2)	(7.9)
Funding (or reversal) of provision	28.2	22.8	25.0
Expenses charged to the provision	(10.7)	(10.8)	(15.5)
Payments to external funds	(8.4)	(8.2)	(8.0)
Restatement differences	65.3	(18.9)	43.1
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**369.4**	**283.5**	**300.8**

24.2 Current provisions

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Restructuring	87.4	113.1	153.0
Risks on contracts and customer warranties	67.0	55.5	86.7
Litigation	12.6	21.2	27.6
Other provisions	53.2	33.4	53.9
TOTAL	**220.2**	**223.2**	**321.2**

Changes in these provisions in 2014 were as follows:

(in € millions)	Balance as of 01/01/2014	Additions	Expenses charged	Reversal*	Sub-total changes	Change in scope of consolidation and other changes	Balance as of 12/31/2014
Restructuring	113.1	63.5	(77.1)	(11.3)	(24.9)	(0.8)	87.4
Risks on contracts and customer warranties	55.5	41.5	(27.9)	(5.6)	8.0	3.5	67.0
Litigation	21.2	3.5	(3.1)	(9.0)	(8.6)	0.0	12.6
Other provisions	33.4	22.0	(6.2)	(5.1)	10.7	9.1	53.2
TOTAL	**223.2**	**130.5**	**(114.3)**	**(31.0)**	**(14.8)**	**11.8**	**220.2**

* *Surplus provisions.*

LITIGATION

In the normal course of business, the Group may be involved in disputes with its customers, suppliers, tax authorities in France or abroad, or other third parties. These disputes are being accrued for, and these accruals are presented in the line litigation of the above schedule. The Group considers that the residual risks and impact of these proceedings are not material.

Since 2010, Faurecia Systèmes d'Échappement has been subject to a claim concerning electrostatic filtration brought before the courts as a result of its unsuccessful cooperation with a service provider. On June 24, 2011, the *Tribunal de Grande Instance* of Paris (district court of first instance) rendered a judgment favorable to Faurecia and on April 19, 2013, the Paris *Cour d'Appel* (appeal court), with clear and detailed reasoning, upheld the judgment of June 24, 2011. In addition, on December 19, 2013, the opposing party had commenced new proceedings against Faurecia at the Paris *Tribunal Correctionnel* (Criminal Court of first instance). By decision of February 19, 2014, the Criminal Court noted various irregularities in the form of citation of the opposing party and declared it void from the very filing. The corresponding accrual has been reversed.

On March 25, 2014, the European Commission and the Department of Justice of the United States of America and on November 27, 2014, the Competition Commission of South Africa, initiated an enquiry covering certain suppliers of emission control systems on the basis for suspicions of anti-competitive practices in this segment. Faurecia is one of the companies covered by these enquiries. These enquiries are ongoing. In the event anti-competitive practices are proven, possible sanctions include fines, criminal charges or civil damages. Faurecia is at present unable to predict the consequences of such inquiries including the level of fines or sanctions that could be imposed.

There are no other claims or litigation in progress or pending that are likely to have a material impact on the Group's consolidated financial position.

NOTE 25 PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

25.1 Benefit obligations

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Present value of projected obligations			
• Pension plan benefit obligations	322.6	261.1	266.1
• Retirement indemnities obligations	122.9	98.6	99.7
• Long-service awards	27.1	22.9	22.8
• Healthcare costs	26.9	20.6	25.6
TOTAL	**499.5**	**403.2**	**414.2**
Value of plan assets			
• Provisions booked in the accounts	369.4	283.3	299.7
• External funds (market value) [1]	136.9	121.5	115
• Plan surplus [2]	(6.8)	(1.6)	(0.5)
TOTAL	**499.5**	**403.2**	**414.2**

(1) External funds mainly cover pension plan benefit obligations for €128,7 million in 2014.
(2) Pension plan surpluses are included in "Other non-current assets".

25.2 Pension benefit obligations

A – DESCRIPTION OF THE PLANS

In addition to the pension benefits provided under local legislation in the various countries where Group companies are located, Group employees are entitled to supplementary pension benefits and retirement bonuses.

The supplementary pension scheme for all managerial employees in France comprises:

- defined contribution plan financed entirely by Faurecia whose contribution rate varies depending on salary tranches A or B applies;
- a defined benefit plan for all managerial employees granting a rent relating to salary tranche C.

In the USA, the three defined benefit pension plans are all closed to new participants, respectively since 1996, 2002 and 2011. The first plan covers 891 participants, the second one 417 and the third one 1,207.

In Germany, the main defined benefit pension plan still open covers 5,396 participants. The benefit granted is based on the number of years of service, starting after 15 years of presence.

B – ASSUMPTIONS USED

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 62 and 65 for employees in France;
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past three years to measure the pension liability are as follows:

(in %)	Euro Zone	United Kingdom	United States
DISCOUNT RATE			
2014	**1.85%**	**3.60%**	**3.95%**
2013	3.25%	4.45%	4.61%
2012	3.00%	4.22%	3.79%
INFLATION RATE			
2014	**1.80%**	**3.00%**	**2.00%**
2013	1.80%	3.15%	2.00%
2012	1.80%	2.65%	2.00%

Note: the iboxx AA rate has been used as reference to determine the discount rate of the euro zone.

The average duration of the various plans for the principal regions is as follows:

(in number of years)	Euro Zone	United Kingdom	United States
Average duration	16.5	25.5	10.1

C – INFORMATION ON EXTERNAL FUNDS

External funds are invested as follows:

	2014			2013			2012	
(in %)	Equities	Bonds	Other	Equities	Bonds	Other	Equities	Bonds
France	16%	79%	5%	15%	75%	10%	13%	87%
United Kingdom	50%	50%	0%	63%	36%	1%	59%	41%
United States	53%	33%	14%	55%	23%	22%	59%	41%

Fair value of equities and bonds belongs to level 1 category in 2014.

D – PROVISIONS FOR PENSION LIABILITIES RECOGNIZED ON THE BALANCE SHEET

	2014			2013			2012		
(in € millions)	France	Abroad*	Total	France	Abroad	Total	France	Abroad	Total
Balance of provisions at the beginning of the year	**115.2**	**123.0**	**238.2**	**113.3**	**137.5**	**250.8**	**86.3**	**99.9**	**186.2**
Effect of change in scope of consolidation (provision net of plan surpluses)	0.0	0.0	0.0	0.0	0.0	0.0	3.2	0.0	3.2
Additions	8.0	13.0	21.0	8.5	10.6	19.1	9.2	10.2	19.4
Expenses charged	(2.4)	(5.0)	(7.4)	(1.7)	(4.2)	(5.9)	(2.3)	(7.4)	(9.7)
Payments to external funds	(3.0)	(5.4)	(8.4)	(4.3)	(3.9)	(8.2)	(3.0)	(5.0)	(8.0)
Restatement differences	26.7	35.0	61.7	(0.6)	(15.2)	(15.8)	19.9	35.4	55.3
Other movements	(0.0)	3.5	3.5	0.0	(1.8)	(1.8)	0.0	4.4	4.4
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**144.5**	**164.1**	**308.6**	**115.2**	**123.0**	**238.2**	**113.3**	**137.5**	**250.8**

* *The provision of €164.1 million as of December 31, 2014 relates mainly to Germany (€122.4 million).*

E – CHANGES IN PENSION LIABILITIES

	12/31/2014			12/31/2013			12/31/2012		
(in € millions)	France	Abroad	Total	France	Abroad	Total	France	Abroad	Total
PROJECTED BENEFIT OBLIGATIONS									
At beginning of the period	**129.3**	**230.4**	**359.7**	**130.1**	**235.7**	**365.8**	**102.6**	**188.1**	**290.7**
Service costs	7.2	9.2	16.4	7.3	8.3	15.6	5.8	5.8	11.6
Annual restatement	4.3	9.3	13.6	4.1	8.1	12.2	4.9	8.9	13.8
Benefits paid	(6.4)	(11.3)	(17.7)	(9.6)	(8.8)	(18.4)	(5.0)	(12.8)	(17.8)
Restatement differences	26.3	38.1	64.4	(0.4)	(7.1)	(7.5)	19.3	40.4	59.7
Other movements (including translation adjustment)	0.0	12.5	12.5	0.0	(4.1)	(4.1)	3.2	5.4	8.6
Curtailments and settlements	(3.0)	(0.4)	(3.4)	(2.2)	(1.7)	(3.9)	(0.7)	(0.1)	(0.8)
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AT THE END OF THE YEAR	**157.7**	**287.8**	**445.5**	**129.3**	**230.4**	**359.7**	**130.1**	**235.7**	**365.8**
PLAN ASSETS									
At beginning of the period	**14.1**	**107.4**	**121.5**	**16.8**	**98.2**	**115.0**	**16.3**	**88.2**	**104.5**
Projected return on plan assets	0.5	5.1	5.6	0.6	4.0	4.6	0.8	4.4	5.2
Restatement differences	(0.4)	3.1	2.7	0.1	8.1	8.2	(0.6)	5.0	4.4
Other movements (including translation adjustment)	0.0	9.0	9.0	0.0	(2.3)	(2.3)	0.0	1.0	1.0
Employer contributions	3.0	5.4	8.4	4.3	3.9	8.2	3.0	5.0	8.0
Benefits paid	(4.0)	(6.3)	(10.3)	(7.7)	(4.5)	(12.2)	(2.7)	(5.4)	(8.1)
Curtailments and settlements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AT THE END OF THE YEAR	**13.2**	**123.7**	**136.9**	**14.1**	**107.4**	**121.5**	**16.8**	**98.2**	**115.0**
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**144.5**	**164.1**	**308.6**	**115.2**	**123.0**	**238.2**	**113.3**	**137.5**	**250.8**

Actuarial gains and losses can be analyzed as follows:

	12/31/2014		
(in € millions)	France	Abroad	Total
Detail of estimation differences of the period			
• differences linked to financial assumptions	(25.2)	(48.3)	(73.5)
• difference linked to demographic assumptions	(1.1)	10.2	9.1
• other differences	(0.4)	3.1	2.7
TOTAL	**(26.7)**	**(35.0)**	**(61.7)**

F – PERIODIC PENSION COST

Period pension cost is recognized:

- in operating income for the portion relating to service cost;
- in "Other financial income and expenses" for restatement of vested rights and the expected return on external funds.

Period pension costs break down as follows:

	2014			2013			2012		
(in € millions)	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**	**France**	**Abroad**	**Total**
Service cost	(7.2)	(9.2)	(16.4)	(7.3)	(8.2)	(15.5)	(5.7)	(5.8)	(11.5)
Interest cost	(4.3)	(9.3)	(13.6)	(4.0)	(8.1)	(12.1)	(4.9)	(8.9)	(13.8)
Change in top up scheme	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Projected return on plan assets	0.5	5.1	5.6	0.6	4.0	4.6	0.7	4.4	5.1
Curtailment and settlements	3.0	0.4	3.4	2.2	1.7	3.9	0.7	0.1	0.8
TOTAL	**(8.0)**	**(13.0)**	**(21.0)**	**(8.5)**	**(10.6)**	**(19.1)**	**(9.2)**	**(10.2)**	**(19.4)**

In France, pension liability increased by €28.4 million at year-end compared to 2013. This increase breaks down as follows:

- +€11.5 million relating to service cost and interest cost for 2014;
- -€6.4 million relating to lump-sum retirement bonuses and rights to capital for supplementary pension schemes;
- -€3 million relating to headcount reduction plans in 2014;
- +€26.3 million resulting from actuarial gains and losses, including €25.2 million relating to the discount rate, €1.1 million relating to experience.

G – RETIREMENT PENSION LIABILITIES: SENSITIVITY TO CHANGES IN THE DISCOUNT RATE IN MAIN PERIMETERS

The impact of a 0.25 percentage point increase in the discount and inflation rates on the obligation amount would be as follows:

(in %)	**Discount rate +0.25 pt.**	**Inflation rate +0.25 pt.**
France	-2.9%	+3.0%
Germany	-4.9%	+1.2%

25.3 Long-service awards

The Group evaluates its liability for the payment of long-service awards, given to employees based on certain seniority requirements. The Group calculates its liability for the payment of long-service awards using the same method and assumptions as for its pension liability. Provisions for long-service awards have been set aside as follows:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
French companies	7.8	7.2	7.5
Foreign companies	19.3	15.7	15.3
TOTAL	**27.1**	**22.9**	**22.8**

25.4 Healthcare costs

In addition to pension plans, some Group companies – mainly in the United States – cover the healthcare costs of their employees.

The related liability can be analyzed as follows:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Foreign companies	26.9	20.6	25.6
TOTAL	**26.9**	**20.6**	**25.6**

The increase of 0.25 percentage point in the discount rate and 1 percentage point in the healthcare cost trend rates would lead to the following variations on the Group's commitments:

(in %)	Discount rate +0.25 pt.	Healthcare cost trend rate +1 pt.
Projected benefit obligation	-3.1%	+13.8%

Expenses recognized in connection with this liability break down as follows:

(in € millions)	2014	2013	2012
Service cost	(0.1)	(0.1)	(0.1)
Interest cost*	(1.1)	(1.1)	(1.2)
Curtailment	0.0	0.0	0.0
TOTAL	**(1.2)**	**(1.2)**	**(1.3)**

* *Interest cost is recorded under "Other financial income and expense".*

NOTE 26 NET DEBT

26.1 Analysis of net debt

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Bonds	709.3	949.8	1,140.0
Bank borrowings	288.9	321.2	490.5
Other borrowings	2.4	3.0	4.2
Obligations under finance lease	28.4	31.1	29.3
Non-current derivatives	0.0	3.7	7.1
SUB-TOTAL OF NON-CURRENT FINANCIAL LIABILITIES	**1,029.0**	**1,308.8**	**1,671.1**
Current portion of long-term debt	409.9	148.2	74.2
Short-term borrowings [1]	968.0	772.6	684.1
Current derivatives	5.5	0.0	6.3
SUB-TOTAL OF CURRENT FINANCIAL LIABILITIES	**1,383.4**	**920.8**	**764.6**
TOTAL	**2,412.4**	**2,229.6**	**2,435.7**
Derivatives classified under non-current and current assets	(7.9)	(8.7)	(0.6)
Cash and cash equivalents	(1,016.9)	(701.8)	(628.0)
NET DEBT	**1,387.6**	**1,519.1**	**1,807.1**
Net cash and cash equivalents	**1,016.9**	**701.8**	**628.0**
(1) Including bank overdrafts.	*107.9*	*115.2*	*163.6*

26.2 Maturities of long-term debt

(in € millions)	2016	2017	2018	2019	2020 and beyond	Total
Bonds	491.7	0.0	217.6	0.0	0.0	709.3
Bank borrowings	155.5	77.4	28.4	11.1	16.5	288.9
Other borrowings	1.5	0.4	0.2	0.3	0.0	2.4
Obligation under finance leases	15.2	1.9	1.6	1.7	8.0	28.4
TOTAL AS OF DECEMBER 31, 2014	**663.9**	**79.7**	**247.8**	**13.1**	**24.5**	**1,029.0**

26.3 Financing

The principal Group financing items are described below:

2016 BONDS

On November 9, 2011 Faurecia issued €350 million worth of bonds, due December 15, 2016. The bonds bear annual interest of 9.375% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.479% of the nominal value. An additional €140 million has been issued on February 21, 2012 with the same due date and same interest rate, at 107.5% of the nominal value; they are listed on the Luxembourg stock exchange. They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L over the life time of the bonds. The 2016 bonds benefit from guarantees from some Group subsidiaries.

2019 BONDS

On May 3, 2012, Faurecia issued €250 million worth of bonds, due June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.974% of the nominal value and are listed on the Luxembourg stock exchange. They include the same covenants as the bonds due December 2016. They do not benefit from guarantees from Group subsidiaries. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

Faurecia has announced its intention to use its early redemption option on these bonds in June 2015, for a price of 106.5625% of the par value. The corresponding premium has been accrued for as at December 31, 2014 in finance costs for an amount of €16.4 million and the nominal value of the debt reclassed in current financial liabilities.

SYNDICATED CREDIT FACILITY

Faurecia has renewed per anticipation its credit facility implemented in December 2011 and expiring in December 2016, which has enabled the Group to benefit from more favorable conditions than the previous credit facility, as well for its cost than for its covenants.

The new credit facility, signed on December 15, 2014 is composed of one five-year tranche for an amount of €1,200 million.

As of December 31, 2014 this credit facility was not drawn; therefore the undrawn portion of this credit facility was €1,200 million.

This new credit facility includes a single covenant concerning compliance with consolidated financial ratios (compared with two covenants for the previous credit facility): the ratio Net debt*/ EBITDA** must be lower than 2.50. The compliance with this ratio is a condition to the availability of this credit facility. As of December 31, 2014, the Group complied with this ratio.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates granting the 2016 bonds. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

2018 OCEANE

On September 18, 2012 Faurecia issued €250 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2018. The bonds bear annual interest of 3.25% payable on January 1 each year, as from January 1, 2013. Each bond has a nominal value of €19.48.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2016, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue.

The criteria relating to their compulsory early redemption include a clause of change of control, but they do not include an ownership clause relating to PSA.

In accordance with IAS 39, the fair value of the OCEANE bonds is split into two components: (i) a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option and (ii) an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. These two components were recognized at the bond issue date in respective amounts of €198.3 million and €46.5 million. As of December 31, 2014 the liability component was €217.6 million.

* *Net debt = published consolidated net debt.*

** *Operating margin plus depreciation, amortization and provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past twelve months.*

The Group's global contractual maturity schedule as of December 31, 2014 breaks down as follows:

	Carrying Amount			Remaining contractual maturities				
(in € millions)	**Assets**	**Liabilities**	**Total**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Other non-current financial assets	62.7		62.7				62.7	
Loans and receivables	26.6		26.6				26.6	
Trade accounts receivables	1,677.0		1,677.0	1,616.9	9.2	50.9		
Cash and cash equivalents	1,016.9		1,016.9	1,016.9				
Interests on other long-term borrowings								
Syndicated credit facility		*0.0*	*0.0*					
Bonds		*(2.0)*	*(91.9)*	*0.0*	*(23.0)*	*(23.0)*	*(45.9)*	
2018 OCEANE		*(8.1)*	*(32.5)*	*(8.1)*			*(24.4)*	
Other		*(6.1)*	*(16.4)*	*(4.1)*	*(2.3)*	*(3.0)*	*(7.0)*	
Obligations under finance leases (ST portion)		(11.1)	(11.1)	(8.9)	(0.9)	(1.3)		
Other current financial liabilities		(1,350.6)	(1,350.6)	(806.1)	(399.9)	(144.6)		
Trade accounts payable		(3,311.5)	(3,311.5)	(3,276.1)	(9.8)	(25.6)		
Bonds (excluding interest)								
2018 OCEANE		*(217.6)*	*(250.0)*				*(250.0)*	
Bonds		*(491.7)*	*(490.0)*				*(490.0)*	
Bank borrowings								
Syndicated credit facility		*0.0*	*0.0*					
Other		*(288.9)*	*(288.9)*				*(272.5)*	*(16.4)*
Other borrowings		(2.4)					(2.4)	
Obligations under finance leases (LT portion)		(28.4)					(20.4)	(8.0)
Interest rate derivatives		**(1.0)**	**(1.0)**	**(1.0)**	**0.0**	**0.0**	**0.0**	
• o/w cash flow hedges		(1.0)	(1.0)	(1.0)				
• o/w derivatives not qualifying for hedge accounting under IFRS								
Currency hedges	**8.2**	**(10.9)**	**(2.7)**	**(1.9)**	**(1.5)**	**(0.3)**	**1.1**	
• o/w fair value hedges	7.9	(4.5)	3.4	2.3			1.1	
• o/w cash flow hedges	0.2	(6.4)	(6.2)	(4.3)	(1.5)	(0.3)		
• o/w derivatives not qualifying for hedge accounting under IFRS	0.1		0.1	0.1				
TOTAL	**2,791.4**	**(5,730.3)**	**(3,063.4)**	**(1,472.4)**	**(428.2)**	**(146.9)**	**(1,022.2)**	**(24.4)**

26.4 Analysis of borrowings

As of December 31, 2014, the floating rate portion was 52% of borrowings before taking into account the impact of hedging.

Derivatives have been set up to partially hedge interest payable on variable rate borrowings against increases in interest rates (see Note 30.2).

(in € millions)	12/31/2014	
Variable rate borrowings	1,255.4	52.0%
Fixed rate borrowings	1,157.0	48.0%
TOTAL	**2,412.4**	**100.0%**

Borrowings, taking into account exchange rate swaps, break down by repayment currency as follows:

(in € millions)	12/31/2014		12/31/2013		12/31/2012	
Euros	1,815.2	75.3%	1,686.3	75.6%	1,866.9	76.6%
US dollars	447.1	18.5%	377.9	17.0%	380.0	15.6%
Other currencies	150.1	6.2%	165.4	7.4%	188.8	7.8%
TOTAL	**2,412.4**	**100.0%**	**2,229.6**	**100.0%**	**2,435.7**	**100.0%**

In 2014, the weighted average interest rate on gross outstanding borrowings was 5.40%.

NOTE 27 ACCRUED TAXES AND PAYROLL COSTS

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Accrued payroll costs	286.5	269.4	263.6
Payroll taxes	147.4	143.4	143.6
Employee profit-sharing	19.3	12.2	19.1
Other accrued taxes and payroll costs	132.8	92.2	92.8
TOTAL	**586.0**	**517.2**	**519.1**

NOTE 28 SUNDRY PAYABLES

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Due to suppliers of non-current assets	76.2	65.3	71.2
Prepaid income	17.1	20.2	12.3
Current taxes	52.1	44.5	33.7
Other	63.1	61.0	36.4
Currency derivatives for operations	6.4	1.3	0.8
TOTAL	**214.9**	**192.3**	**154.4**

NOTE 29 FINANCIAL INSTRUMENTS

29.1 Financial instruments recorded in the balance sheet

(in € millions)	12/31/2014		Breakdown by category of instrument (1)				
	Carrying amount	Fair value	Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Financial assets available for sale	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	14.6	14.6			14.6		
Other non-current financial assets	62.7	62.7				62.7	
Trade accounts receivables	1,677.0	1,677.0				1,677.0	
Other operating receivables	275.9	275.9				275.9	
Other receivables and prepaid expenses	229.3	229.3				229.3	
Currency derivatives	8.2	8.2	7.9	0.3			
Interest rate derivatives	0.0	0.0					
Cash and cash equivalents	1,016.9	1,016.9	1,016.9				
ASSETS	**3,284.6**	**3,284.6**	**1,024.8**	**0.3**	**14.6**	**2,244.9**	**0.0**
Long-term debt*	1,029.0	1,247.7					1,029.0
Short-term debt	1,377.9	1,384.0					1,377.9
Prepayments from customers	98.4	98.4				98.4	
Trade payables	3,311.5	3,311.5				3,311.5	
Accrued taxes and payroll costs	586.0	586.0				586.0	
Sundry payables	214.9	214.9				214.9	
Currency derivatives	10.9	10.9	4.5	6.4			
Interest rate derivatives	1.0	1.0		1.0			
LIABILITIES	**6,629.6**	**6,854.4**	**4.5**	**7.4**	**0.0**	**4,210.8**	**2,406.9**

(1) No financial instruments were transferred between categories in 2014.

(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1.6.

** The fair value of the OCEANE 2018 was established on the base of the end of year valuation (Dec. 31, 2014) of €28.8 at €369.6 million. In the balance sheet, OCEANE are recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option. The fair value of the bonds, excluding accrued interest, was established on the base of the end of year valuation (Dec. 31, 2014): for the 2016 bonds quoted 113.964% of par, at €558.4 million and for the 2019 bonds quoted 108.923% of par, at €272.3 million.*

(in € millions)	12/31/2013 Carrying amount	Fair value	Breakdown by category of instrument (1) Financial assets/ liabilities at fair value through profit or loss (2)	Financial assets/ liabilities at fair value through equity (2)	Financial assets available for sale	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	13.9	13.9			13.9		
Other non-current financial assets	49.4	49.4				49.4	
Trade accounts receivables	1,680.7	1,680.7				1,680.7	
Other operating receivables	288.1	288.1				288.1	
Other receivables and prepaid expenses	184.2	184.2				184.2	
Currency derivatives	11.9	11.9	8.7	3.2			
Interest rate derivatives	0.0	0.0					
Cash and cash equivalents	701.8	701.8	701.8				
ASSETS	**2,930.0**	**2,930.0**	**710.5**	**3.2**	**13.9**	**2,202.4**	**0.0**
Long-term debt*	1,305.1	1,628.2					1,305.1
Short-term debt	920.8	920.8					920.8
Prepayments from customers	169.4	169.4				169.4	
Trade payables	3,053.1	3,053.1				3,053.1	
Accrued taxes and payroll costs	517.2	517.2				517.2	
Sundry payables	192.3	192.3				192.3	
Currency derivatives	1.3	1.3		1.3			
Interest rate derivatives	3.7	3.7		3.7			
LIABILITIES	**6,162.9**	**6,486.0**	**0.0**	**5.0**	**0.0**	**3,932.0**	**2,225.9**

(1) No financial instruments were transferred between categories in 2013.

(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1.6.

* *The fair value of the OCEANE 2018 was established on the base of the end of year valuation (Dec. 31, 2013) of €31.05 at €398.5 million. In the balance sheet, OCEANE are recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option. The fair value of the bonds, excluding accrued interest, was established on the base of the end of year valuation (Dec. 31, 2013): for the 2016 bonds quoted 119.375% of par, at €584.9 million and for the 2019 bonds quoted 114.825% of par, at €287.1 million.*

(in € millions)	12/31/2012 Carrying amount	Fair value	Breakdown by category of instrument [1] Financial assets/ liabilities at fair value through profit or loss [2]	Financial assets/ liabilities at fair value through equity [2]	Financial assets available for sale	Loans and receivables	Financial liabilities measured at amortized cost
Other equity interests	13.4	13.4			13.4		
Other non-current financial assets	54.2	54.2				54.2	
Trade accounts receivables	1,702.8	1,702.8				1,702.8	
Other operating receivables	357.8	357.8				357.8	
Other receivables and prepaid expenses	150.0	150.0				150.0	
Currency derivatives	3.5	3.5	1.2	2.3			
Interest rate derivatives	0.0	0.0					
Cash and cash equivalents	628.0	628.0	628.0				
ASSETS	**2,909.7**	**2,909.7**	**629.2**	**2.3**	**13.4**	**2,264.8**	**0.0**
Long-term debt*	1,664.0	1,830.1					1,664.0
Short-term debt	758.3	758.3					758.3
Prepayments from customers	170.3	170.3				170.3	
Trade payables	2,754.0	2,754.0				2,754.0	
Accrued taxes and payroll costs	519.1	519.1				519.1	
Sundry payables	154.4	154.4				154.4	
Currency derivatives	4.3	4.3	4.3				
Interest rate derivatives	9.9	9.9	1.2	8.7			
LIABILITIES	**6,034.3**	**6,200.4**	**5.5**	**8.7**	**0.0**	**3,597.8**	**2,422.3**

(1) No financial instruments were transferred between categories in 2012.

(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition, in accordance with the criteria set out in Note 1.6.

* *The fair value of OCEANE was established on the base of the end of year valuation (Dec. 31, 2012) for the OCEANE 2009 of €20.1, at €227.2 million and for the OCEANE 2018 of €18.8, at €241.2 million. In the balance sheet, OCEANE are recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option. The fair value of the bonds, excluding accrued interest, was established on the base of the end of year valuation (Dec. 31, 2012): for the 2016 bonds quoted 116.5% of par, at €570.9 million and for the 2019 bonds quoted 105.25% of par, at €263.1 million.*

The main measurement methods applied are as follows:

- Items accounted for at fair value through profit or loss, as well as hedging instruments, are measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank.
- Financial assets are primarily recognized at amortized cost calculated using the effective interest rate method.
- The fair value of trade receivables and payables related to manufacturing and sales operations corresponds to their carrying value in view of their very short maturities.

The impact of financial instruments on income:

(in € millions)	2014 Impact Income	Breakdown by category of instrument: Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Payables at amortized cost	Derivative instruments
Translation differences on commercial transactions	1.8					1.8
Income on loans, cash investments and marketable securities	8.0	8.0				
Finance costs	(191.1)				(191.1)	
Other financial income and expenses	(60.5)			(55.2)		(5.3)
Net income (expense)	**(241.8)**	**8.0**	**0.0**	**(55.2)**	**(191.1)**	**(3.5)**

(in € millions)	2013 Impact Income	Breakdown by category of instrument: Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Payables at amortized cost	Derivative instruments
Translation differences on commercial transactions	2.2					2.2
Income on loans, cash investments and marketable securities	9.0	9.0				
Finance costs	(196.9)				(196.9)	
Other financial income and expenses	(46.4)			(56.5)		10.1
Net income (expense)	**(232.1)**	**9.0**	**0.0**	**(56.5)**	**(196.9)**	**12.3**

(in € millions)	2012 Impact Income	Breakdown by category of instrument: Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Payables at amortized cost	Derivative instruments
Translation differences on commercial transactions	(2.1)					(2.1)
Income on loans, cash investments and marketable securities	10.2	10.2				
Finance costs	(175.4)				(175.4)	
Other financial income and expenses	(30.5)			(33.2)		2.7
Net income (expense)	**(197.8)**	**10.2**	**0.0**	**(33.2)**	**(175.4)**	**0.6**

As of December 31, 2014, movements in provisions for impairment break down as follows by category of financial asset:

(in € millions)	Balance as of 01/01/2014	Additions	Utilizations	Reversals (surplus provisions)	Change in scope of consolidation and other changes	Balance as of 12/31/2014
Doubtful accounts	(21.8)	(7.7)	4.5	0.0	(0.3)	(25.3)
Shares in non-consolidated companies	(3.4)	0.0	0.0	0.0	0.1	(3.3)
Non-current financial assets	(19.2)	(3.4)	1.2	0.0	(3.2)	(24.6)
Other receivables	(10.6)	(0.3)	0.0	0.0	1.5	(9.4)
TOTAL	**(55.0)**	**(11.4)**	**5.7**	**0.0**	**(1.9)**	**(62.6)**

29.2 Financial instruments – fair value hierarchy

The Group's financial instruments that are measured at fair value break down as follows by level of fair value measurement: Level 1 (prices quoted in active markets) for short-term cash investments and Level 2 (measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank) for currency and interest rate instruments.

NOTE 30 HEDGING OF CURRENCY AND INTEREST RATE RISKS

30.1 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia using forward purchase and sale contracts and options as well as foreign currency financing. Faurecia manages the hedging of currency risks on a central basis, through the Group Finance and Treasury department, which reports to Group General Management. Hedging decisions are made by a Market Risk Committee that meets on a monthly basis.

Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by General Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

Subsidiaries with a functional currency different from the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through swaps.

AS OF DECEMBER 31, 2014

Currency exposure *(in € millions)*	USD	CZK	CAD	RUB	GBP	PLN	ZAR
Trade receivables (net of payables)	17.2	0.0	0.0	0.0	(1.7)	(16.9)	(0.3)
Financial assets (net of liabilities)*	357.1	0.0	115.6	(3.0)	(68.6)	0.0	34.5
Forecast transactions**	41.4	(59.3)	(9.6)	43.0	20.4	(108.1)	(0.8)
Net position before hedging	**415.7**	**(59.3)**	**106.0**	**40.0**	**(49.9)**	**(125.0)**	**33.4**
Currency hedges	(415.6)	50.7	(109.5)	(2.1)	50.4	117.4	(37.8)
Net position after hedging	0.1	(8.6)	(3.6)	37.9	0.5	(7.6)	(4.3)

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

AS OF DECEMBER 31, 2013

Currency exposure *(in € millions)*	USD	CZK	CAD	RUB	GBP	PLN	ZAR
Trade receivables (net of payables)	(1.2)	(9.1)	0.0	0.0	(0.4)	(11.8)	(0.6)
Financial assets (net of liabilities)*	304.7	0.0	98.6	9.1	(41.3)	0.0	55.7
Forecast transactions**	91.8	(51.3)	(15.4)	42.4	(8.4)	(103.5)	13.3
Net position before hedging	**395.3**	**(60.4)**	**83.2**	**51.5**	**(50.1)**	**(115.3)**	**68.4**
Currency hedges	(315.9)	28.1	(85.2)	(15.8)	41.3	109.1	(56.4)
Net position after hedging	79.3	(32.3)	(2.0)	35.7	(8.9)	(6.2)	12.0

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

AS OF DECEMBER 31, 2012

Currency exposure *(in € millions)*	USD	CZK	CAD	RUB	GBP	PLN	ZAR
Trade receivables (net of payables)	(0.4)	(4.4)	0.0	0.0	(0.3)	(17.9)	1.1
Financial assets (net of liabilities)*	354.2	(0.2)	84.2	79.3	(56.4)	0.0	76.0
Forecast transactions**	37.1	(27.0)	(19.7)	0.0	(9.2)	(54.7)	0.2
Net position before hedging	**390.9**	**(31.6)**	**64.5**	**79.3**	**(65.9)**	**(72.6)**	**77.3**
Currency hedges	(347.2)	32.0	(64.9)	(79.3)	56.4	52.3	(76.0)
Net position after hedging	43.8	0.4	(0.4)	0.0	(9.5)	(20.3)	1.3

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

Hedging instruments are recognized in the balance sheet at fair value. Said value is determined based on measurements confirmed by banking counterparties.

Information on hedged notional amounts

(in € millions)	Carrying amount			Maturities		
As of 12/31/2014	**Assets**	**Liabilities**	**Notional amount***	**< 1 year**	**1 to 5 years**	**> 5 years**
Fair value hedges						
• forward currency contracts	0.0	0.0	2.5	2.5	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	5.6	(4.5)	753.8	753.8	0.0	0.0
• cross-currency swaps	2.3	0.0	17.4	9.1	8.3	0.0
Cash flow hedges						
• forward currency contracts	0.2	(6.4)	281.5	281.5	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	2.1	2.1	0.0	0.0
	8.2	**(10.9)**				

* *Notional amounts based on absolute values.*

(in € millions) As of 12/31/2013	Carrying amount Assets	Liabilities	Notional amount*	Maturities < 1 year	1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	0.0	0.7	0.7	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	5.8	0.0	664.9	664.9	0.0	0.0
• cross-currency swaps	2.9	0.0	36.3	36.3	0.0	0.0
Cash flow hedges						
• forward currency contracts	3.1	(1.3)	229.6	229.6	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	0.0	0.0	0.0	0.0
	11.9	**(1.3)**				

* *Notional amounts based on absolute values.*

(in € millions) As of 12/31/2012	Carrying amount Assets	Liabilities	Notional amount*	Maturities < 1 year	1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	(0.3)	6.0	6.0	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	0.6	(3.2)	755.9	755.9	0.0	0.0
• cross-currency swaps	0.0	(0.3)	37.9	0.0	37.9	0.0
Cash flow hedges						
• forward currency contracts	2.8	(0.4)	136.0	136.0	0.0	0.0
Not eligible for hedge accounting	0.1	(0.1)	30.5	30.5	0.0	0.0
	3.5	**(4.3)**				

* *Notional amounts based on absolute values.*

The sensitivity of Group income and equity as of December 31, 2014 to a fluctuation in exchange rates against the euro is as follows for the main currencies to which the Group is exposed:

Currency exposure *(in € millions)*	**USD**	**CZK**	**CAD**	**RUB**	**GBP**	**PLN**	**ZAR**
As of 12/31/2014	1.21	27.74	1.41	72.34	0.78	4.27	14.04
Currency fluctuation scenario (depreciation of currency/EUR)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Exchange rate after currency depreciation	**1.27**	**29.12**	**1.48**	**75.95**	**0.82**	**4.49**	**14.74**
Impact on income before tax (in € millions)	(2.11)	0.00	(5.08)	0.25	0.08	0.79	0.06
Impact on equity (in € millions)	1.69	(2.41)	(0.03)	0.00	0.91	(5.64)	0.04

These impacts reflect (i) the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognized on the balance sheet, net of the impact of the change in the intrinsic value of hedging instruments (both those qualifying and not qualifying as fair value hedges and (ii) the effect on equity of the change in the intrinsic value of hedging instruments for derivatives qualifying as cash flow hedges.

30.2 Interest-rate hedges

Faurecia manages the hedging of interest rate risks on a central basis. Said management is implemented through the Group Finance and Treasury department, which reports to Group General Management. Hedging decisions are made by a Market Risk Committee that meets on a monthly basis.

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **12/31/2014**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
Financial assets		1,016.9								1,016.9
Financial liabilities	(258.6)	(1,106.4)	(565.8)	(77.3)	(306.1)	(68.1)	(26.5)	(3.6)	(1,157.0)	(1,255.4)
Net position before hedging	**(258.6)**	**(89.5)**	**(565.8)**	**(77.3)**	**(306.1)**	**(68.1)**	**(26.5)**	**(3.6)**	**(1,157.0)**	**(238.5)**
Interest rate hedges	(470.0)	470.0	0.0	0.0	0.0	0.0	0.0	0.0	(470.0)	470.0
Net position after hedging	**(728.6)**	**380.5**	**(565.8)**	**(77.3)**	**(306.1)**	**(68.1)**	**(26.5)**	**(3.6)**	**(1,627.0)**	**231.5**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **12/31/2013**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
Financial assets		701.8							0.0	701.8
Financial liabilities	(9.1)	(921.9)	(69.6)	(28.3)	(754.7)	(147.7)	(286.4)	(11.8)	(1,119.8)	(1,109.7)
Net position before hedging	**(9.1)**	**(220.1)**	**(69.6)**	**(28.3)**	**(754.7)**	**(147.7)**	**(286.4)**	**(11.8)**	**(1,119.8)**	**(407.9)**
Interest rate hedges	0.0	0.0	(470.0)	470.0	0.0	0.0	0.0	0.0	(470.0)	470.0
Net position after hedging	**(9.1)**	**(220.1)**	**(539.6)**	**441.7**	**(754.7)**	**(147.7)**	**(286.4)**	**(11.8)**	**(1,589.8)**	**62.1**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **12/31/2012**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
Financial assets		628.0							0.0	628.0
Financial liabilities	0.0	(786.5)	(3.0)	(49.2)	(687.5)	(428.7)	(480.8)	0.0	(1,171.3)	(1,264.4)
Net position before hedging	**0.0**	**(158.5)**	**(3.0)**	**(49.2)**	**(687.5)**	**(428.7)**	**(480.8)**	**0.0**	**(1,171.3)**	**(636.4)**
Interest rate hedges	(222.9)	222.9	0.0	0.0	(420.0)	420.0	0.0	0.0	(642.9)	642.9
Net position after hedging	**(222.9)**	**64.4**	**(3.0)**	**(49.2)**	**(1,107.5)**	**(8.7)**	**(480.8)**	**0.0**	**(1,814.2)**	**6.5**

The main components of fixed-rate debt are:

- bonds maturing in December 2016, issued in November 2011 and February 2012, with a principal amount of €490 million;
- bonds maturing in June 2019, issued in May 2012, with a principal amount of €250 million; and
- bonds convertible into and/or exchangeable for new or existing shares, issued in September 2012, with a principal amount of €250 million, maturing on January 1, 2018.

Approximately half of the gross borrowings (syndicated credit loan, short term loans, commercial paper) are at variable or renewable rates. The aim of the Group's interest rate hedging policy is to reduce the impact of changes in short-term rates on earnings. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges cover a part of the interest on variable rate borrowings, due in the first half year 2015, against a rise in rates.

Interest rate hedging instruments are recognized in the balance sheet at fair value. Said value is determined based on measurements confirmed by banking counterparties.

The notional amounts of the Group's interest rate hedges break down as follows:

(in € millions)	Carrying amount		Notional amounts by maturity		
As of 12/31/2014	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0	0	0
Variable-rate/fixed-rate swaps	0.0	(1.0)	470	0	0
Accrued premiums payables	0.0	0.0	0	0	0
	0.0	**(1.0)**	**470**	**0**	**0**

(in € millions)	Carrying amount		Notional amounts by maturity		
As of 12/31/2013	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0	0	0
Variable-rate/fixed-rate swaps	0.0	(3.7)	0	470	0
Accrued premiums payables	0.0	0.0	0	0	0
	0.0	**(3.7)**	**0**	**470**	**0**

(in € millions)	Carrying amount		Notional amounts by maturity		
As of 12/31/2012	**Assets**	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0	0	0
Variable-rate/fixed-rate swaps	0.0	(9.9)	223	420	0
Floor	0.0	0.0	0	0	0
Accrued premiums payables	0.0	0.0	0	0	0
	0.0	**(9.9)**	**223**	**420**	**0**

A part of the Group borrowings being at variable rates as stated in Note 26.4, a rise in short-term rates would therefore have an impact on financial expense.

The sensitivity tests performed, assuming a 100 bp increase in average interest rates compared to the rate curve as of December 31, 2014 show that the effect on financial expense (before taxes) would not be significant, taking into account the profile of the Group's borrowings and derivatives in place as of December 31, 2014.

30.3 Counterparty risk associated with derivative instruments

Faurecia's counterparty risk in relation to its derivatives is not significant as the majority of its derivatives are set up with banks with strong ratings that form part of its banking pool. The consideration of agreements for offsetting existing derivative products with counterparties is summed up in the tables below:

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fulfilling IAS 32 compensation criteria)		(e) = (c) - (d)
Financial assets as of 12/31/2014 *(in € millions)*	**Gross amount value (before compensation)**	**Gross amounts compensated (according to IAS 32)**	**Net amounts presented in the balance sheet**	**Financial instruments**	**Collaterals received**	**Net amount**
Derivatives	8.21	0	8.21	6.47		1.74
Other financial instruments						
TOTAL	**8.21**	**0**	**8.21**	**6.47**	**0**	**1.74**

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fulfilling IAS 32 compensation criteria)		(e) = (c) - (d)
Financial liabilities as of 12/31/2014 *(in € millions)*	**Gross amount value (before compensation)**	**Gross amounts compensated (according to IAS 32)**	**Net amounts presented in the balance sheet**	**Financial instruments**	**Collaterals received**	**Net amount**
Derivatives	11.95	0	11.95	6.47		5.48
Other financial instruments						
TOTAL	**11.95**	**0**	**11.95**	**6.47**	**0**	**5.48**

NOTE 31 COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

31.1 Commitments given

(in € millions)	**12/31/2014**	**12/31/2013**	**12/31/2012**
Future minimum lease payments under operating leases	487.7	351.5	335.1
Debt collateral:			
• mortgages	6.3	8.7	14.8
Other debt guarantees	66.0	47.6	46.2
Firm orders for property, plant and equipment and intangible assets	98.1	88.5	122.7
Other	1.9	1.8	3.0
TOTAL	**660.0**	**498.1**	**521.8**

Future minimum lease payments under operating leases break down as follows:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
N+1	95.3	84.2	79.0
N+2	76.0	61.1	59.8
N+3	63.5	46.4	43.3
N+4	55.4	39.5	34.4
N+5 and above	197.5	120.3	118.6
TOTAL	**487.7**	**351.5**	**335.1**

Expiry dates of mortgages and guarantees:

(in € millions)	12/31/2014
• less than a year	52.8
• 1 to 5 years	7.5
• more than 5 years	12.0
TOTAL	**72.3**

31.2 Contingent liabilities

INDIVIDUAL TRAINING ENTITLEMENT

In accordance with the provisions of French Act No. 2004-391 dated May 4, 2004 on professional training, employees of the Group's French companies are entitled to at least twenty hours of training per calendar year, which may be carried forward for up to six years. If all or part of the entitlement is not used within six years, it is capped at 120 hours.

In 2014, the average utilization rate of this entitlement was 2.3%.

The number of unused training hours accumulated at year-end totaled 1,167,052. No provision was recorded in the financial statements for these individual training entitlements as the Group does not have sufficiently reliable historical data to accurately estimate the related contingent liability. The potential impact is not, however, considered to be material.

NOTE 32 RELATED PARTY TRANSACTIONS

32.1 Transactions with PSA Peugeot Citroën

The Faurecia group is managed independently and transactions with the PSA Peugeot Citroën group are conducted at arm's length terms.

These transactions (including with companies accounted for by the equity method by the PSA Peugeot Citroën group) are recognized as follows in the Group's consolidated financial statements:

(in € millions)	12/31/2014	12/31/2013	12/31/2012
Sales	2,219.3	2,263.4	2,263.2
Purchases of products, services and materials	14.8	16.3	14.2
Receivables*	430.4	426.3	399.9
Trade accounts payables	23.6	17.9	44.0
* *Before no-recourse sales of receivables amounting to:*	*167.2*	*160.4*	*136.2*

32.2 Management compensation

Total compensation for 2014 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity as at December 31, 2014 amounted to €7,379,663, including directors' fees of €396,359, compared with the year-earlier figures of €5,334,190 and €393,600 respectively.

No Faurecia stock subscription options were awarded to management in 2014.

NOTE 33 FEES PAID TO THE STATUTORY AUDITORS

	Pricewaterhouse Coopers				Ernst & Young			
	Amount (excluding taxes)		%		Amount (excluding taxes)		%	
(in € millions)	2014	2013	2014	2013	2014	2013	2014	2013
AUDIT								
Statutory and contractual audits	3.1	2.7	100.0%	100.0%	4.4	4.8	100.0%	100.0%
Issuer	0.4	0.4	12.9%	14.8%	0.5	0.5	11.4%	10.4%
Fully consolidated companies	2.7	2.3	87.1%	85.2%	3.9	4.3	88.6%	89.6%
Other services relating directly to the auditor's duties	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Issuer	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**3.1**	**2.7**	**100%**	**100.0%**	**4.4**	**4.8**	**100.0%**	**100.0%**
Other services provided by the network to fully consolidated companies (Legal and tax advisory services)								
Issuer	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Other (disclosure required where > 10% of audit fees)	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0**	**0.0**	**0.0%**	**0.0%**
TOTAL	**3.1**	**2.7**	**100.0%**	**100.0%**	**4.4**	**4.8**	**100.0%**	**100.0%**

NOTE 34 INFORMATION ON THE CONSOLIDATING COMPANY

The consolidated accounts of the Faurecia group are included in the consolidated financial statements of its parent, the PSA Peugeot Citroën group, 75 avenue de la Grande-Armée, 75116 Paris, France.

As of December 31, 2014, Peugeot S.A. held 51,14% of the capital and 67.35% of the voting rights of Faurecia S.A.

NOTE 35 DIVIDENDS

The Board of Directors has decided to propose to the next Shareholders' Meeting a dividend of €0.35 per share.

9.6. List of consolidated companies as of December 31, 2014

	Country	Interest of (%)	Stake (%)*
I – FULLY CONSOLIDATED COMPANIES			
Faurecia	France	Parent company	Parent company
South Africa			
Faurecia Exhaust Systems South Africa Ltd.	South Africa	100	100
Faurecia Interior Systems South Africa (Pty) Ltd.	South Africa	100	100
Faurecia Interior Systems Pretoria (Pty) Ltd.	South Africa	100	100
Faurecia Emission Control Technologies S.A. (Cape Town) (Pty) Ltd.	South Africa	100	100
Germany			
Faurecia Autositze GmbH	Germany	100	100
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100	100
Faurecia Abgastechnik GmbH	Germany	100	100
Faurecia Angell-Demmel GmbH	Germany	100	100
Faurecia Automotive GmbH	Germany	100	100
Faurecia Innenraum Systeme GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Germany GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Novaferra GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Finnentrop GmbH	Germany	100	100
Faurecia Exteriors GmbH	Germany	100	100
Argentina			
Faurecia Sistemas De Escape Argentina S.A.	Argentina	100	100
Faurecia Argentina S.A.	Argentina	100	100
Faurecia Exterior Argentina	Argentina	100	100
Belgium			
Faurecia Automotive Belgium	Belgium	100	100
Faurecia Industrie NV	Belgium	100	100
Faurecia Autocomponent Exterior Systems Holding	Belgium	100	100
Brazil			
Faurecia Automotive do Brasil Ltda	Brazil	100	100
Faurecia Emissions Control Technologies do Brasil Ltda	Brazil	100	100
Canada			
Faurecia Automotive Seating Canada, Ltd.	Canada	100	100
Faurecia Emissions Control Technologies Canada, Ltd.	Canada	100	100
China			
Faurecia Exhaust Systems Changchun Co., Ltd. (ex- CLEC)	China	51	100
Changchun Faurecia Xuyang Automotive Seat Co., Ltd. (CFXAS)	China	60	100
Faurecia GSK (Wuhan) Automotive Seating Co., Ltd.	China	51	100

* *Total stake held in fully consolidated companies.*

	Country	Interest of (%)	Stake (%)*
Faurecia (Wuxi) Seating Components Co., Ltd.	China	100	100
Faurecia Tongda Exhaust Systems Wuhan Co., Ltd. (ex-TEEC)	China	50	100
Faurecia Honghu Exhaust Systems Shanghai, Co., Ltd. (ex- SHEESC)	China	66	100
Faurecia (Changchun) Automotive Systems Co., Ltd.	China	100	100
Faurecia Emissions Control Technologies Development (Shanghai) Co., Ltd.	China	100	100
Faurecia (Wuhan) Automotive Seating Co., Ltd.	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd.	China	100	100
Faurecia (Qingdao) Exhaust Systems Co., Ltd.	China	100	100
Faurecia (Wuhu) Exhaust Systems Co., Ltd.	China	100	100
Faurecia (China) Holding Co., Ltd.	China	100	100
Faurecia (Guangzhou) Automotive Systems Co., Ltd.	China	100	100
Faurecia Emissions Control Technologies (Shanghai) Co., Ltd.	China	66	100
Faurecia Emissions Control Technologies (Chongqing) Co., Ltd.	China	72.5	100
Faurecia Emissions Control Technologies (Yantai) Co., Ltd.	China	100	100
Faurecia (Chengdu) Emission Control Technologies Co., Ltd.	China	51	100
Faurecia (Nanjing) Automotive Systems Co., Ltd.	China	100	100
Faurecia (Shenyang) Automotive Systems Co., Ltd.	China	100	100
Faurecia (Wuhan) Automotive Components Systems Co., Ltd.	China	100	100
Changchun Faurecia Xuyang Interior Systems Co., Ltd.	China	60	100
Chongqing Guangneng Faurecia Interior Systems Co., Ltd.	China	50	100
Chengdu Faurecia Limin Automotive Systems Co., Ltd.	China	79.19	100
Faurecia (Yancheng) Automotive Systems Co., Ltd.	China	100	100
Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd.	China	51	100
Faurecia Emissions Control Technologies (Beijing) Co., Ltd.	China	100	100
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	China	51	100
Faurecia Emissions Control Technologies (Ningbo) Co., Ltd.	China	91	100
Faurecia Emissions Control Technologies (Foshan) Co., Ltd.	China	51	100
Foshan Faurecia Xuyang Interior Systems Co., Ltd.	China	60	100
Faurecia PowerGreen Emissions Control Technologies Co., Ltd.	China	91	100
Faurecia Emissions Control Technologies (Ningbo Hangzhou) Co., Ltd.	China	66	100
Shanghai Faurecia Automotive Seating Co., Ltd.	China	55	100
Changsha Faurecia Emissions Control Technologies Co., Ltd.	China	100	100
South Korea			
Faurecia Emissions Control Systems Korea	South Korea	100	100
Faurecia Trim Korea, Ltd.	South Korea	100	100
Faurecia Shin Sung Co., Ltd.	South Korea	60	100
Faurecia JIT and Sequencing Korea	South Korea	100	100
Faurecia Automotive Seating Korea Ltd.	South Korea	100	100
Spain			
Asientos de Castilla Leon, S.A.	Spain	100	100
Asientos del Norte, S.A.	Spain	100	100

* *Total stake held in fully consolidated companies.*

	Country	Interest of (%)	Stake (%)*
Faurecia Asientos Para Automovil España, S.A.	Spain	100	100
Faurecia Sistemas De Escape España, S.A.	Spain	100	100
Tecnoconfort	Spain	50	100
Asientos de Galicia, SL	Spain	100	100
Faurecia Automotive España, SL	Spain	100	100
Faurecia Interior Systems España, S.A.	Spain	100	100
Faurecia Interior System SALC España, SL	Spain	100	100
Valencia Modulos de Puertas, SL	Spain	100	100
Faurecia Emissions Control Technologies, Pamplona, SL	Spain	100	100
Faurecia Automotive Exteriors España, S.A. (ex-Plastal Spain S.A.)	Spain	100	100
Incalpas, SL	Spain	100	100
USA			
Faurecia Exhaust Systems, Inc.	USA	100	100
Faurecia Automotive Seating, LLC	USA	100	100
Faurecia USA Holdings, Inc.	USA	100	100
Faurecia Emissions Control Technologies, USA, LLC	USA	100	100
Faurecia Interior Systems, Inc.	USA	100	100
Faurecia Madison Automotive Seating, Inc.	USA	100	100
Faurecia Interiors Louisville, LLC	USA	100	100
Faurecia Interior Systems Saline, LLC	USA	100	100
Faurecia Interior Systems Holdings, LLC	USA	100	100
Faurecia North America Co., Ltd.	USA	100	100
Faurecia North America Holdings, LLC	USA	100	100
France			
Faurecia Automotive Seating	France	100	100
EAK Composants pour l'Automobile (EAK SNC)	France	51	100
Faurecia Industries	France	100	100
ECSA – Études et Construction de Sièges pour l'Automobile	France	100	100
Siebret	France	100	100
Siedoubs	France	100	100
Sielest	France	100	100
Siemar	France	100	100
Sienor	France	100	100
Sotexo	France	100	100
Financière Faurecia	France	100	100
Faurecia Investments	France	100	100
Trecia	France	100	100
Faurecia Automotive Holdings	France	100	100
Faurecia Automotive Industrie	France	100	100
Faurecia Intérieur Industrie	France	100	100

* *Total stake held in fully consolidated companies.*

	Country	Interest of (%)	Stake (%)*
Automotive Sandouville	France	100	100
Faurecia Systèmes d'Échappement	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Bloc Avant	France	100	100
Faurecia-Metalloprodukcia Holding	France	70	100
Faurecia ADP Holding	France	60	100
Faurecia Intérieurs Saint-Quentin	France	100	100
Faurecia Intérieurs Mornac	France	100	100
Faurecia Automotive Composites	France	100	100
Hennape Quatre	France	100	100
Hambach Automotive Exteriors	France	100	100
Great Britain			
Faurecia Automotive Seating UK Limited	Great Britain	100	100
Faurecia Midlands Limited	Great Britain	100	100
SAI Automotive Fradley Limited	Great Britain	100	100
SAI Automotive Washington Limited	Great Britain	100	100
Faurecia Emissions Control Technologies UK Limited	Great Britain	100	100
Hungary			
Faurecia Magyarorszag Kipufogo-rendszer Kft	Hungary	100	100
Faurecia Emissions Control Technologies, Hungary Kft	Hungary	100	100
India			
Faurecia Automotive Seating India Private Limited	India	100	100
Faurecia Emissions Control Technologies India Private Limited	India	74	100
Faurecia Interior Systems India Private Limited	India	100	100
Faurecia Emissions Control Technologies Center India Private Limited	India	100	100
Italy			
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100
Japan			
Faurecia Japan KK	Japan	100	100
Faurecia Howa Interiors Co., Ltd.	Japan	50	100
Luxembourg			
Faurecia AST Luxembourg S.A. (ex-SAI Automotive SILUX SA)	Luxembourg	100	100
Malaysia			
Faurecia Hicom Emissions Control Technologies (M)	Malaysia	65	100
Morocco			
Faurecia Equipements Automobiles Morocco	Morocco	100	100

* *Total stake held in fully consolidated companies.*

	Country	Interest of (%)	Stake (%)*
Mexico			
Faurecia Sistemas Automotrices de Mexico, SA de CV	Mexico	100	100
Servicios Corporativos de Personal Especializado, SA de CV	Mexico	100	100
Exhaust Services Mexicana, SA de CV	Mexico	100	100
ET Mexico Holdings II, S de RL de CV	Mexico	100	100
Faurecia Howa Interiors de Mexico SA de CV	Mexico	51	100
Netherlands			
Faurecia Automotive Seating BV	Netherlands	100	100
ET Dutch Holdings BV	Netherlands	100	100
Faurecia Emissions Control Technologies Netherlands BV	Netherlands	100	100
Faurecia Netherlands Holding BV	Netherlands	100	100
Poland			
Faurecia Automotive Polska Spolka Akcyjna	Poland	100	100
Faurecia Walbrzych Spolka Akcyjna	Poland	100	100
Faurecia Grojec R&D Center Spolka Akcyjna	Poland	100	100
Faurecia Legnica Spolka Akcyjna	Poland	100	100
Faurecia Gorzow Spolka Akcyjna	Poland	100	100
Portugal			
Faurecia – Assentos de Automovel, Lda	Portugal	100	100
SASAL	Portugal	100	100
Faurecia – Sistemas De Escape Portugal, Lda	Portugal	100	100
EDA – Estofagem de Assentos, Lda,	Portugal	100	100
Faurecia Sistemas de Interior de Portugal. Componentes Para Automoveis SA	Portugal	100	100
Czech Republic			
Faurecia Exhaust Systems, sro	Czech Republic	100	100
Faurecia Automotive Czech Republic, sro	Czech Republic	100	100
Faurecia Interior Systems Bohemia, sro	Czech Republic	100	100
Faurecia Components Pisek, sro	Czech Republic	100	100
Faurecia Interiors Pardubice, sro	Czech Republic	100	100
Faurecia Emissions Control Technologies, Mlada Boleslav, sro	Czech Republic	100	100
Faurecia Plzen, sro	Czech Republic	100	100
Romania			
Faurecia Seating Talmaciu SRL	Romania	100	100
Euro Auto Plastic Systems SRL	Romania	50	100
Russia			
OOO Faurecia ADP	Russia	60	100
OOO Faurecia Metalloprodukcia Exhaust Systems	Russia	70	100
OOO Faurecia Automotive Development	Russia	100	100
Faurecia Autocomponent Exterior Systems	Russia	100	100

* *Total stake held in fully consolidated companies.*

	Country	Interest of (%)	Stake (%)*
Slovakia			
Faurecia Slovakia sro	Slovakia	100	100
Sweden			
Faurecia Exhaust Systems AB	Sweden	100	100
Faurecia Interior Systems Sweden AB	Sweden	100	100
Thailand			
Faurecia Interior Systems Thailand Co., Ltd.	Thailand	100	100
Faurecia Emissions Control Technologies, Thailand Co., Ltd.	Thailand	100	100
Faurecia & Summit Interior Systems	Thailand	50	100
Tunisia			
Société Tunisienne d'Équipements d'Automobile	Tunisia	100	100
Faurecia Informatique Tunisia	Tunisia	100	100
Turkey			
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
Uruguay			
Faurecia Automotive del Uruguay S.A.	Uruguay	100	100
II – COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
Germany			
SAS Autosystemtechnik GmbH und Co. KG	Germany	50	50
Brazil			
FMM Pernambuco Componentes Automotivos Ltda	Brazil	35	35
China			
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd.	China	40	40
Zhejiang Faurecia Limin Interior & Exterior Systems Co., Ltd.	China	50	50
Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd.	China	50	50
Xiangtan Faurecia Limin Interior & Exterior Systems Co., Ltd.	China	50	50
Lanzhou Faurecia Limin Interior & Exterior Systems Co., Ltd.	China	50	50
Jinan Faurecia Limin Interior & Exterior Systems Co., Ltd.	China	50	50
CSM Faurecia Automotive Systems Co., Ltd.	China	50	50
Changchun Faurecia Xuyang Automotive Components Technologies R&D Co., Ltd.	China	45	45
South Korea			
Kwang Jin Faurecia Co., Ltd.	South Korea	50	50
AD Tech Co., Ltd.	South Korea	50	50
Denmark			
Amminex Emissions Technology APS	Denmark	42	42
Spain			
Componentes de Vehiculos de Galicia, S.A.	Spain	50	50
Copo Iberica, S.A.	Spain	50	50
Industrias Cousin Frères, SL	Spain	50	50

* *Total stake held in fully consolidated companies.*

	Country	Interest of (%)	Stake (%)*
USA			
Detroit Manufacturing Systems, LLC	USA	45	45
DMS leverage lender (LLC)	USA	45	45
India			
NHK F. Krishna India Automotive Seating Private, Ltd.	India	19	19
Japan			
Faurecia-NHK Co., Ltd.	Japan	49.99	49.99
Portugal			
Vanpro Assentos Lda	Portugal	50	50
Turkey			
Teknik Malzeme Ticaret Ve Sanayi AS	Turkey	50	50

* *Total stake held in fully consolidated companies.*

9.7. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Faurecia;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- your Company performs impairment tests on goodwill at each reporting date and also assesses whether fixed assets show any indication of impairment, based on the methods described in Notes 1-2, 1-5, 10, 11 and 12 to the consolidated financial statements. We have reviewed the methods used to carry out these impairment tests as well as the corresponding assumptions applied by your Company;
- Notes 1-16 and 8 to the consolidated financial statements concerning deferred taxes specify that deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which they can be utilized. Our work consisted in verifying that this method had been correctly applied and reviewing the assumptions supporting the probability of recovery for these deferred tax assets;
- as part of our assessment of the accounting principles used by your Company, we verified the methods used to capitalize and amortize development costs. We also verified the recoverable amount of these assets and the appropriateness of the disclosures provided in Notes 1-3, 1-5 and 11 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2015

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

10

Legal and financial information

CONTENTS

10.1. Faurecia parent company financial statements and management report

10.1.1. FAURECIA MANAGEMENT REPORT

Report of the Managing Board of the holding company

The parent company, Faurecia S.A., is a holding company which directly and indirectly provides financial, accounting, IS, general management and administrative services to companies in the Group.

Sales for 2014 rose slightly to €213.6 million from €203.5 million in 2013, due to the Group's continued increase in business volume; the parent company has since 2010 acted as a pivot for all re-invoices of work done for Group entities.

In addition to providing services to Group subsidiaries, Faurecia invoices trademark royalties to certain subsidiaries, calculated as a proportion of the subsidiaries' sales. Royalties collected in 2014 were slightly up by 1.79% compared with 2013; they totaled €25.0 million in 2014 versus €24.6 million in 2013.

Results of operations

The Company ended 2014 with an operating loss of €8.1 million, compared with an operating profit of €1.9 million in 2013.

Net financial income totaled €101.2 million versus net financial income of €20.1 million in 2013. This change is primarily attributable to movements in provisions for impairment of investments. It includes:

- a net reversal of provisions for impairment losses on investments of €42.0 million compared with a net allocation of €36.8 million in 2013. An additional provision of €25.8 million for impairment losses on investments was recognized in 2014 for Faurecia Automotive GmbH, in addition to the provision for EAK SNC of €1.9 million. Provision reversals were recognized for Faurecia Systèmes d'Échappements for €38.2 million, for Faurecia Automotive Belgium for €29.1 million and for EAK SAS for €2.4 million;
- dividends received from subsidiaries which stood at €123.8 million in 2014, up by €15.0 million compared with 2013. The largest dividends received came from Faurecia Automotive Holdings for €59.7 million (versus €46.8 million in 2013) and Financière Faurecia for €22.8 million (versus €31.9 million in 2013);
- a net financing cost of €33.6 million compared with €48.9 million in 2013;
- allocations to other provisions and other expenses for €37.4 million compared with €6.7 million in 2013. They contain in particular the amortization of the 2019 bond redemption premium for €14.4 million and a net allocation for foreign exchange losses of €23 million (net of a €16.6 million reversal).

There was a net non-recurring loss for the year of €40.2 million versus net revenue of €58.9 million in 2013. It mainly includes the impact of the reclassification within the Group of the subsidiary Faurecia Systèmes d'Échappement.

Tax income amounted to €39.6 million. This refers to the tax income recognized from the positive earnings of French subsidiaries that are part of the consolidated tax group and compares with €18.2 million in 2013.

Net income for the financial year showed a profit of €92.5 million. This compares with a profit of €99.1 million in 2013.

Financial structure and net debt

The principal operations which affected the Company's financial structure are as follows:

- Faurecia announced its intention to exercise its option to call its 2019 bonds for early redemption, in June 2015, at a price equal to 106.5625% of the par value; the associated redemption premium was provisioned at December 31, 2014 in financing costs for an amount of €14.4 million.
- Faurecia has renewed per anticipation its credit facility implemented in December 2011 and expiring in December 2016, which has enabled the Group to benefit from more favorable conditions than the previous credit facility, as well for its cost than for its covenants;
- the new credit facility, signed on December 15, 2014, includes a single five-year maturity tranche, for an amount of €1,200 million.

As of December 31, 2014 this credit facility was not drawn; therefore the undrawn portion of this credit facility was €1,200 million.

This new credit facility contains a single covenant concerning compliance with consolidated financial ratios (versus two in the previous credit facility): the Net Debt*/EBITDA** ratio must be less than 2.50. The compliance with this ratio is a condition to the availability of this credit facility. As of December 31, 2014, the Group complied with this ratio.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates guaranteeing the December 2016 bonds. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

The breakdown of the debt is provided in Note 16 to the parent company financial statements.

At December 31, 2014, the shareholders' equity in the Company before distribution of the period's earnings amounted to €2,564.1 million versus €2,478.4 million at the close of 2013. It thus increased by €85.7 million.

At December 31, 2014, Faurecia had positive net cash and cash equivalents of 34.9 million, taking into account its gross debt, net of available funds, marketable securities and advances net of intra-group cash and loans, compared with net debt of €139.8 million at December 31, 2013. As of December 31, 2014, 47.11% of the Company's debt was at floating rates. The Company hedges its exposure to changes in interest rates on this debt through interest rate derivatives.

Trade accounts payable equaling €10.7 million do not include invoices past due; these break down as follows:

(in € millions)	12/31/2014	12/31/2014
Provision for invoices not yet received	8.5	5.2
Invoices not yet due	2.2	1.9
Invoices between 1 and 30 days past due		
Invoices between 31 and 60 days past due		
Invoices between 61 and 90 days past due		
Invoices more than 90 days past due		
TOTAL	**10.7**	**7.1**

Cash flows for the year generated a financing surplus of €156.9 million, primarily from cash flow from operations. Cash flow on investing activities was significantly positive at €73.5 million, due to the sale of investments (operations for the reclassification of investments within the Group).

The carrying amount of investments in subsidiaries and affiliates recognized in the balance sheet at December 31, 2014 came to €2,534 million (€2,602.8 million at end 2013).

Business review relating to the Company's subsidiaries

The operations and results of the Company's subsidiaries in 2014 are analyzed in detail in the review of the consolidated financial statements. 2014 was marked by the internal sale of Faurecia Systèmes d'Échappement shares to Faurecia Exhaust International. On January 1, 2015, all the assets of Financière Faurecia, a wholly owned subsidiary of Faurecia, were transferred to its sole shareholder.

The continuing expansion of the Group has led to the establishment of new subsidiaries, in particular in China, Russia, Belgium and Brazil.

Legal reorganization operations have been carried out in 2014 in Mexico, the Netherlands and in South Africa.

As this management report is being presented in the form of this Registration Document, the various chapters in this document supplement the report.

Accordingly, the risks to which Faurecia is exposed are analyzed in Subsection 3.4 of this Registration Document.

Research & development activities are discussed in Chapter 6 and the information on how Faurecia addresses the social and environmental consequences of its activities as well as on sustainable development commitments as part of corporate social responsibility are also discussed in that chapter and in Chapters 4 and 7.

The current capital structure, the crossing of thresholds and employee shareholding, via the Faurecia Actionnariat corporate mutual fund, are described in Section 10.3.2.

Other information on the share capital (including the table of financial authorizations and their use in 2014, changes to the share capital, potential share capital and treasury stock) can be found in Subsection 10.4.2.2.

Details relating to the fixed, variable and exceptional compensation and benefits in kind paid to directors, the Chairman and Chief Executive Officer as well as the fees paid to the Statutory Auditors are provided in Subsections 8.1.2.1, 8.1.2.2 and 10.4.2.4. Provisions recognized by Faurecia and

* *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

its subsidiaries for pensions and other employee benefits are analyzed in Note 24.1 to the consolidated financial statements.

The list of directorships and other positions held in 2014 by each corporate officer is provided in Subsection 8.1.2.1.

Details of the stock options and performance shares granted by Faurecia during the year, the principal beneficiaries thereof and the number of shares subscribed for or vesting during the year, are provided in a special report. This information is provided and, in certain cases, supplemented in Note 22.2 to the consolidated financial statements and in Subsection 10.4.2.2 of the Registration Document.

The procedures of the Board of Directors and its specialized committees, as well as the main data on Group internal control, are covered in the Chairman's report as required by Article L. 225-37 of the French Commercial Code, comprising Section 8.1.1 and Section 8.4.

Lastly, other information, as required by Article L. 225-100-3 of the French Commercial Code is shown in Subsection 10.4.2.1.

The draft resolutions along with explanatory notes presented in Chapter 11, including the disclosure of the amount of dividends paid over the last three years, are an integral part of this report and supplement this information.

10.1.2. PARENT COMPANY FINANCIAL STATEMENTS

10.1.2.1. Income statement

(in € thousands)	*Notes*	2014	2013	2012
Services sold		213,601	203,478	191,916
Sales		**213,601**	**203,478**	**191,916**
Capitalized production (long-term inventory)				
Outside services		(219,755)	(198,692)	(201,263)
Taxes other than on income		(5,712)	(4,494)	(2,281)
Salaries and wages		(12,193)	(9,375)	(8,940)
Payroll taxes		(7,211)	(8,045)	(4,455)
Depreciation and provisions, (net of reversals) and expense transfers	*3*	(1,503)	(5,301)	3,217
Other income/(expenses)		24,671	24,294	24,338
Total operating expenses		**(221,703)**	**(201,613)**	**(189,384)**
NET OPERATING INCOME		**(8,102)**	**1,865**	**2,532**
Financial income	*4*	285,354	184,322	247,917
Financing costs	*4*	(184,141)	(164,223)	(158,746)
NET FINANCIAL INCOME (EXPENSE)	*4*	**101,213**	**20,099**	**89,171**
OPERATING INCOME (LOSS) AFTER NET FINANCIAL INCOME (EXPENSE)		**93,111**	**21,964**	**91,703**
Non-recurring income	*5*	72,797	79,090	129,524
Extraordinary expenses	*5*	(113,015)	(20,176)	(159,175)
NET NON-RECURRING INCOME (EXPENSE)	*5*	**(40,218)**	**58,914**	**(29,651)**
Employee profit-sharing				
Corporate income tax	*6*	39,644	18,188	45,280
NET INCOME		**92,537**	**99,066**	**107,322**

10.1.2.2. Balance sheet as of December 31, 2014

ASSETS (in € thousands)	Notes	12/31/2014 Gross Amounts	12/31/2014 Depreciation, amortization and provisions	12/31/2014 Net Amounts	12/31/2013 Net Amounts	12/31/2012 Net Amounts
Intangible assets	7	9,468	9,384	84	95	127
Property, plant and equipment	8	11,646	10,325	1,321	963	409
Investments	9	2,627,565	93,370	2,534,195	2,602,969	2,669,433
TOTAL FIXED ASSETS		**2,648,679**	**113,079**	**2,535,600**	**2,604,027**	**2,669,969**
Operating receivables		3,738		3,738	4,498	1,691
Other receivables	10	2,047,808	872	2,046,936	1,521,699	1,350,322
Marketable securities and related receivables	11	3,693	621	3,072	3,145	2,188
Cash and cash equivalents		95		95	115	31,103
TOTAL CURRENT ASSETS		**2,055,334**	**1,493**	**2,053,841**	**1,529,457**	**1,385,304**
Prepaid expenses	12	1,858		1,858	1,618	1,072
Unrealized foreign exchange losses		23,006		23,006	6,420	3,220
Bond redemption premiums		764		764	1,104	1,413
Deferred charges	13	20,089		20,089	21,919	28,158
TOTAL ASSETS		**4,749,730**	**114,572**	**4,635,158**	**4,164,545**	**4,089,136**

LIABILITIES (in € thousands)	Notes	12/31/2014	12/31/2013	12/31/2012
Capital		867,476	858,117	775,836
Additional paid-in capital		434,755	414,185	285,517
Statutory reserve		79,390	74,437	69,070
Untaxed reserves		8,939	8,939	8,939
Other reserves				
Retained earnings		1,080,999	1,023,644	921,679
Recognized in income of the period		92,537	99,066	107,332
Untaxed provisions				
TOTAL SHAREHOLDERS' EQUITY	14	**2,564,096**	**2,478,388**	**2,168,373**
Provisions for liabilities and charges	15	**42,048**	**9,941**	**7,849**
TOTAL DEBT	16	**1,945,522**	**1,589,511**	**1,850,796**
Operating payables	17	18,133	13,741	12,447
Sundry payables	17	34,466	49,963	24,808
TOTAL OPERATING PAYABLES AND OTHER PAYABLES		**52,599**	**63,704**	**37,255**
Prepaid income		3,676	5,349	6,897
Unrealized foreign exchange gains		27,217	17,652	17,966
TOTAL EQUITY AND LIABILITIES		**4,635,158**	**4,164,545**	**4,089,136**

10.1.2.3. Cash flow statement

(in € millions)	2014	2013	2012
I – OPERATING ACTIVITIES			
Net income	92.5	99.1	107.3
Depreciation and amortization	12.8	7.8	7.6
Increase (decrease) in provisions and other long-term liabilities	(9.9)	45.4	2.7
Capital (gains) losses on disposals and liquidations of fixed assets	36.8	(58.9)	29.6
Cash flow from operations	**132.2**	**93.4**	**147.2**
(Increase) decrease in working capital requirement	(48.8)	32.0	7.3
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**83.4**	**125.4**	**154.5**
II – INVESTING ACTIVITIES			
Acquisitions of intangible assets and property, plant and equipment	(0.4)	(0.7)	(0.2)
Acquisitions of investments in subsidiaries and affiliates	(2.0)		(125.4)
Acquisitions of other investments	(40.8)	(31.8)	(8.9)
Disposals of intangible assets and property, plant and equipment and of intangible assets			
Disposals and liquidation of investments	75.9	78.3	129.3
Disposals of other financial assets	40.8	31.4	7.3
Other reductions in property, plant and equipment			
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**73.5**	**77.2**	**2.1**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I) + (II)	**156.9**	**202.6**	**156.6**
III – FINANCING ACTIVITIES			
Capital increase	0.4		
Bond issue premium			6.9
Dividends paid during the year	(7.2)		(38.6)
Issuance of debt securities and increase in borrowings	404.3	263.4	700.4
Redemption of debt securities and repayment of borrowings	(41.3)	(315.5)	(236.1)
Changes in inter-company borrowings	(513.1)	(181.5)	(588.7)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(156.9)**	**(233.6)**	**(156.1)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**0.0**	**(31.0)**	**0.5**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**0.1**	**31.1**	**30.6**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**0.1**	**0.1**	**31.1**

10.1.2.4. Notes to the 2014 parent company financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements were established in accordance with the general principles for preparing and presenting annual financial statements (ANC Regulation No. 14-03 of June 5, 2014), relating to the PCG [*Plan Comptable Général* (General Accounting Plan)], amended by the regulations of the *Comité de la Réglementation Comptable* [Accounting Regulations Committee] and the *Autorité des Normes Comptables* [Accounting Standards Authority]. The main policies applied are as follows:

1.1 Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost. Depreciation is calculated by the straight-line method over the estimated useful life of the assets, as follows:

- buildings: 20 to 30 years;
- leasehold improvements, fixtures and fittings: seven to ten years;
- other fixtures and fittings: ten years;
- office equipment and computers: three to five years;
- software: one to three years;
- furniture: ten years.

1.2 Investments

Gross value is equal to contribution value or cost. A provision is made if the value in use of a security is lower than its entry value. Value in use is based on the subsidiary's revalued net assets, profitability and future outlook.

For investments intended to be sold, value-in-use estimates also take into account prices at which prior transactions were carried out, if any.

1.3 Marketable securities and equivalent receivables

Marketable securities are stated at the lower of cost or market value.

1.4 Foreign currency transactions

Unhedged payables and receivables in foreign currency are translated at the exchange rate prevailing on the transaction date. At the balance sheet date, they are remeasured at the year-end exchange rate. Gains or losses resulting therefrom are recognized under "Unrealized foreign exchange losses" for unrealized losses and under "Unrealized foreign exchange gains" for unrealized gains.

Hedged payables and receivables are translated at the hedging rate.

1.5 Provisions for pensions and other post-employment benefits

The vested rights of employees under supplementary pension and retirement bonus plans are determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the Company up to retirement age and expected future salary levels. Benefit obligations are partially funded by contributions to external funds. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

1.6 Non-recurring items

Unusual or non-recurring items are included under "Non recurring income" and "Non-recurring expense".

1.7 Financial instruments

Interest-rate risks are hedged, where appropriate, using financial instruments traded on organized or over-the-counter markets.

Hedging gains and losses are recognized on a symmetrical basis with the loss or gain on the hedged item.

NOTE 2 POST-BALANCE SHEET EVENTS

On January 1, 2015, all the assets of Financière Faurecia, a wholly owned subsidiary of Faurecia, were transferred to its sole shareholder.

NOTE 3 DEPRECIATION AND AMORTIZATION AND PROVISIONS, (NET OF REVERSALS) AND EXPENSE TRANSFERS POST-BALANCE SHEET EVENTS

(in € thousands)	2014	2013	2012
Provision reversals	1,358	2,045	370
Expense transfers*	12,111	2,934	11,483
Depreciation and amortization	(14,107)	(9,342)	(7,584)
Provisions for impairment of current assets			
Provisions for contingencies and charges	(865)	(938)	(1,052)
TOTAL	**(1,503)**	**(5,301)**	**3,217**
* *Of which: Transfer of fees included in "Outside services" relating to financings:*	*12,111*	*2,934*	*11,483*

NOTE 4 NET FINANCIAL INCOME (EXPENSE)

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2014	2013	2012
Financial income			
Income from investments in subsidiaries and affiliates (1)	123,808	108,816	147,426
Other interest and related income	85,407	71,766	63,859
Net proceeds from sales of marketable securities			
Provision reversals (2)	76,139	3,740	36,632
TOTAL	**285,354**	**184,322**	**247,917**
Financing costs			
Interest expense	119,006	120,691	120,031
Charges to provisions for impairment of investments (3)	27,749	36,800	35,000
Charges to other provisions and other financial expenses	37,386	6,732	3,715
TOTAL	**184,141**	**164,223**	**158,746**
NET FINANCIAL INCOME (EXPENSE)	**101,213**	**20,099**	**89,171**

(1) This item corresponds to dividends received from subsidiaries and affiliates:			
• Financière Faurecia	*22,770*	*31,856*	*12,650*
• Faurecia Automotive Holdings	*59,728*	*46,845*	*93,690*
• Faurecia Services Groupe	*710*	*1,838*	*1,348*
• SFEA			*109*
• Faurecia Automotive Espana	*6,372*	*3,252*	*12,796*
• Faurecia Automotive GmbH	*12,570*		*18,068*
• Faurecia Tongda Exhaust System	*12,313*	*12,442*	*8,765*
• Faurecia Honghu Exhaust Systems Shanghai	*9,345*	*12,578*	
• Faurecia Sistemas de Escape Portugal		*5*	
(2) of which:			
• reversals of provisions for Faurecia Exhaust International shares			*2,250*
• reversals of provisions for Faurecia Sistemas de Escape Argentina shares			*33,536*
• reversals of provisions for Faurecia Systèmes d'Échappement shares	*38,200*		
• reversals of provisions for Faurecia Automotive Belgium shares	*29,100*		
• reversals of provisions for EAK SAS shares	*2,420*		
• reversals of provisions for financial contingencies and charges	*6,419*	*3,740*	*845*
(3) of which:			
• Faurecia Systèmes d'Échappement shares		*3,200*	*35,000*
• EAK SNC shares	*1,949*		
• Faurecia Automotive GmbH shares	*25,800*	*33,600*	

NOTE 5 NON-RECURRING INCOME

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2014	2013	2012
Non-recurring income			
Proceeds from management activities			
Proceeds from disposals of fixed assets [1]	72,797	79,090	129,524
Provision reversals			
TOTAL	**72,797**	**79,090**	**129,524**
Extraordinary expenses			
On management transactions		28	
Carrying amount of fixed and financial assets sold [2]	111,015	20,148	159,175
Depreciation, amortization and charges to provisions	2,000		
TOTAL	**113,015**	**20,176**	**159,175**
NON-RECURRING INCOME (EXPENSE)	**(40,218)**	**58,914**	**(29,651)**

	2014	2013	2012
(1) of which:			
• *proceeds from the sale of investments in subsidiaries and affiliates:*	*72,100*	*78,301*	*129,332*
• *Faurecia Systèmes d'Échappement shares sold to Faurecia Exhaust International*	*72,100*		
• *Faurecia Emissions Control Technologies, USA shares sold to Faurecia USA Holdings Inc.*			*125,400*
• *Faurecia Exhaust Systems SRO shares sold to Faurecia Exhaust International*		*78,301*	
• *Faurecia Sistemas de Escape Argentina shares sold to Faurecia Exhaust International*			*3,900*
• *Toucan Investissement shares sold to Faurecia Automotive Holding*			*31*
• *Hennape Trois shares sold to Faurecia Investments*			*1*
(2) including:			
• *carrying amounts of investments in subsidiaries and affiliates sold or transferred:*			
• *Faurecia Systèmes d'Échappement shares sold to Faurecia Exhaust International*	*110,316*		
• *Faurecia Emissions Control Technologies, USA shares sold to Faurecia USA Holdings Inc.*			*125,400*
• *Faurecia Exhaust Systems SRO shares sold to Faurecia Exhaust International*		*19,759*	
• *Faurecia Sistemas de Escape Argentina shares sold to Faurecia Exhaust International*			*33,536*
• *Toucan Investissement shares sold to Faurecia Automotive Holding*			*40*
• *Hennape Trois shares sold to Faurecia Investments*			*1*

NOTE 6 CORPORATE INCOME TAX

Faurecia has elected to file a consolidated tax return. The resulting tax group includes the parent company and its main French subsidiaries. This system allows Faurecia to obtain group relief by offsetting any tax losses recorded by the Company and certain of its subsidiaries against the taxable income of other subsidiaries in the tax group:

(in € thousands)	2014	2013	2012
Tax benefit arising from group relief	39,647	18,185	45,272
Repayment of a carry back credit			
Other tax (expense) income (tax credit)	(3)	3	8
TOTAL	**39,644**	**18,188**	**45,280**

NOTE 7 INTANGIBLE ASSETS

This can be broken down as follows:

(in € thousands)	Concessions, patents and similar rights	Other intangible fixed assets	Total
NET AS OF JANUARY 1, 2012	**80**	**109**	**189**
Additions (including own work capital)		2	2
Disposals			0
Funding of depreciation, amortization and impairment provisions		(64)	(64)
Amortization/depreciation written off on disposals			0
Other movements			
NET AS OF DECEMBER 31, 2012	**80**	**47**	**127**
Additions (including own work capital)		4	4
Disposals			0
Funding of depreciation, amortization and impairment provisions		(36)	(36)
Amortization/depreciation written off on disposals			0
Other movements			
NET AS OF DECEMBER 31, 2013	**80**	**15**	**95**
Additions (including own work capital)		2	2
Disposals			0
Funding of depreciation, amortization and impairment provisions		(13)	(13)
Amortization/depreciation written off on disposals			0
Other movements			
NET AS OF DECEMBER 31, 2014	**80**	**4**	**84**

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

This can be broken down as follows:

	12/31/2014		12/31/2013	12/31/2012
(in € thousands)	Gross	Net	Net	Net
Land	53	53	53	53
Buildings	271	0	0	0
Other property, plant and equipment	11,322	1,268	910	356
TOTAL	**11,646**	**1,321**	**963**	**409**

(in € thousands)	Land	Buildings	Other property, plant and equipment	Total
NET AS OF JANUARY 1, 2012	**53**	**0**	**438**	**491**
Additions (including own work capital)			215	215
Disposals			(1)	(1)
Funding of depreciation, amortization and impairment provisions			(297)	(297)
Amortization/depreciation written off on disposals			1	1
NET AS OF DECEMBER 31, 2012	**53**	**0**	**356**	**409**
Additions (including own work capital)			687	687
Disposals			(330)	(330)
Funding of depreciation, amortization and impairment provisions			(133)	(133)
Amortization/depreciation written off on disposals			330	330
NET AS OF DECEMBER 31, 2013	**53**	**0**	**910**	**963**
Additions (including own work capital)			512	512
Disposals			(3)	(3)
Funding of depreciation, amortization and impairment provisions			(151)	(151)
Amortization/depreciation written off on disposals				0
NET AS OF DECEMBER 31, 2014	**53**	**0**	**1,268**	**1,321**

NOTE 9 INVESTMENTS

(in € thousands)	12/31/2014			12/31/2013	12/31/2012
	Gross	Provisions	Net	Net	Net
Equity investments	2,627,361	93,370	2,533,991	2,602,806	2,669,314
Loans to subsidiaries and affiliates			0	0	0
Other non-current securities	204		204	163	119
TOTAL	**2,627,565**	**93,370**	**2,534,195**	**2,602,969**	**2,669,433**

Movements in investments in subsidiaries and affiliates break down as follows:

(in € thousands)	Gross value	Provisions	Carrying amount
NET AS OF JANUARY 1, 2012	**2,801,430**	**99,327**	**2,702,103**
Acquisitions			0
Capital increases	125,402		125,402
Charges to and reversals of provisions		32,750	(32,750)
Sale of shares	(158,977)	(33,536)	(125,441)
NET AS OF DECEMBER 31, 2012	**2,767,855**	**98,541**	**2,669,314**
Acquisitions			0
Capital increases			0
Charges to and reversals of provisions		36,800	(36,800)
Transfer of all assets	(9,947)		(9,947)
Sale of shares	(19,761)		(19,761)
NET AS OF DECEMBER 31, 2013	**2,738,147**	**135,341**	**2,602,806**
Acquisitions			0
Capital increases	1,949		1,949
Charges to and reversals of provisions		(41,971)	41,971
Company liquidation	(2,419)		(2,419)
Sale of shares	(110,316)		(110,316)
NET AS OF DECEMBER 31, 2014	**2,627,361**	**93,370**	**2,533,991**

NOTE 10 RECEIVABLES

(in € thousands)	12/31/2014	12/31/2013	12/31/2012
Cash advances	1,994,551	1,493,308	1,310,009
Provisions against cash advances	(872)	(869)	(866)
Tax due by subsidiaries in the tax group	16,012	294	11,138
Prepaid and recoverable corporate income tax	33,392	27,186	25,818
Securitization-related deposit			
Recoverable VAT	1,536	1,497	919
Sundry receivables	2,317	219	3,304
Other		64	
TOTAL	**2,046,936**	**1,521,699**	**1,350,322**

NOTE 11 MARKETABLE SECURITIES AND EQUIVALENT RECEIVABLES

As of December 31, 2014, this item included:

- 36,266 Faurecia shares (including 13,812 shares under the liquidity agreement) with a carrying amount of €1.1 million, compared with 44,162 shares with a carrying amount of €1.2 million as of December 31, 2013.

The carrying amount of this item as of December 31, 2014 is presented net of a provision for impairment amounting to €0.6 million, identical to the amount as of December 31, 2013;

- 853 units in money market funds with a carrying amount of €2.0 million.

NOTE 12 PREPAID EXPENSES

Prepaid expenses mainly comprise:

(in € thousands)	12/31/2014	12/31/2013	12/31/2012
Premiums on currency and interest-rate instruments			
Commissions and bank charges	67	91	4
Interest on commercial paper	1,055	689	365
Rent	618	615	603
Other	118	223	100
TOTAL	**1,858**	**1,618**	**1,072**

NOTE 13 DEFERRED CHARGES

Deferred charges as of December 31, 2014 refer to financing fees.

NOTE 14 EQUITY

14.1 Change in equity

(in € thousands)	Balance at 12/31/2013	Appropriation decision at the AGM of 05/27/2014	Capital increase	Net profit or loss of the year	Balance at 12/31/2014
Capital	858,117		9,359		867,476
Additional paid-in capital	414,185		20,570		434,755
Statutory reserve	74,437	4,953			79,390
Untaxed reserves	8,939				8,939
Other reserves	0				0
Retained earnings	1,023,644	57,355			1,080,999
Recognized in income of the period	99,066	(99,066)		92,537	92,537
Untaxed provisions	0				0
TOTAL	**2,478,388**	**(36,758)**	**29,929**	**92,537**	**2,564,096**

14.2 Capital and premiums from equity issues, mergers and acquisitions

At December 31, 2014, the Company's capital was €867,476,470, divided into 123,925,210 fully paid-up shares, each of €7. At December 31, 2014, 64,195,100 registered shares received double voting rights.

Stock options granted to corporate officers and employees not yet exercised on December 31, 2014 (931,025 options at an average subscription price of €41.6) could potentially increase:

- the capital by €6.5 million (931,025 shares each of €7);
- additional paid-in capital by €32.3 million.

NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES

(in € thousands)	12/31/2014	12/31/2013	12/31/2012
Provision for contingencies			
Foreign exchange losses	23,005	6,419	3,221
Other	2,000		
SUB-TOTAL	**25,005**	**6,419**	**3,221**
Provisions for charges			
Provision for pensions and other post-employment benefits [1]	3,025	3,518	4,624
Provision for bond redemption premiums	14,013		
Other provisions for charges	5	4	4
SUB-TOTAL	**17,043**	**3,522**	**4,628**
TOTAL	**42,048**	**9,941**	**7,849**

(1) Provisions for pensions and other post-employment benefits cover the following costs payable by the Company on retirement of employees:
- *lump-sum retirement payments;*
- *supplementary pensions paid to some employees.*

For the latter, it is freed of its commitments by a capital deduction that covers the annuity for the insurance company, which is responsible for the service; the deduction is made from a fund established to cover pension benefits which are not yet fully acquired. Consequently, the Company has no further pension commitments towards former employees;
The actuarial valuation was carried out by independent actuaries. The calculations were based on a discount rate of 1.85% and an inflation rate of 1.8%.

(in € thousands)	2014	2013	2012
Projected benefit obligation	9,093	7,863	9,751
Hedging of obligations	(180)	(345)	(1,420)
Deferred items	(5,888)	(4,000)	(3,707)
ALLOWANCE	**3,025**	**3,518**	**4,624**

(in € thousands)	2014	2013	2012
Service cost	(601)	(665)	(517)
Interest cost	(274)	(316)	(388)
Expected return on plan assets	11	43	52
Curtailment and settlements			
Amortization of deferred differences			(194)
Other changes			365
TOTAL	**(864)**	**(938)**	**(682)**

Changes in provisions for liabilities and charges in 2014 were as follows:

(in € thousands)	Balance as of 12/31/2013	Additions	Expenses charged	Reversals (surplus provisions)	Payments to retirement funds	Balance at 12/31/2014
Provision for contingencies	6,419	25,005		(6,419)		25,005
Provisions for pensions and other employee obligations	3,518	864		(1,357)		3,025
Provisions for bond redemption premiums		14,013				14,013
Other provisions for charges	4	1				5
TOTAL	**9,941**	**39,883**	**0**	**(7,776)**	**0**	**42,048**

NOTE 16 DEBT

(in € thousands)	12/31/2014	12/31/2013	12/31/2012
Convertible bonds	249,990	250,000	461,280
Other bonds	740,000	740,000	740,000
Borrowings from			
credit institutions	942,450	586,284	642,992
Other	13,082	13,227	6,524
TOTAL	**1,945,522**	**1,589,511**	**1,850,796**

47.11% of the Company's debt is at variable rates. This debt is hedged using interest-rate caps as described in Note 20.1.

The breakdown of the Company's debt by maturity is as follows:

(in € thousands)	12/31/2014
Maturing in 2015	1,037,347
Maturing in 2016	586,379
Maturing in 2017	42,387
Maturing in 2018	268,607
Maturing in 2019	7,208
Maturing in 2020	3,594
TOTAL	**1,945,522**

The main financing components of the Group are described below:

2016 bonds

On November 9, 2011 Faurecia issued €350 million worth of bonds, due December 15, 2016. The bonds bear annual interest of 9.375% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.479% of the nominal value. An additional €140 million has been issued on February 21, 2012 with the same due date and same interest rate, at 107.5% of the nominal value; they are listed on the Luxembourg stock exchange. They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L over the life time of the bonds. The 2016 bonds benefit from guarantees from some Group subsidiaries.

2019 bonds

On May 3, 2012, Faurecia issued €250 million worth of bonds, due June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.974% of the nominal value and are listed on the Luxembourg stock exchange. They include the same covenants as the bonds due December 2016. They do not benefit from guarantees from Group subsidiaries. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

Faurecia announced its intention to exercise its option to call its 2019 bonds for early redemption, in June 2015, at a price equal to 106.5625% of the par value; the associated redemption premium was provisioned at December 31, 2014 in financing costs for an amount of €14.0 million.

Syndicated credit facility

Faurecia has renewed per anticipation its credit facility implemented in December 2011 and expiring in December 2016, which has enabled the Group to benefit from more favorable conditions than the previous credit facility, as well for its cost than for its covenants.

The new credit facility, signed on December 15, 2014, includes a single five-year maturity tranche, for an amount of €1,200 million.

As of December 31, 2014 this credit facility was not drawn; therefore the undrawn portion of this credit facility was €1,200 million.

This new credit facility contains a single covenant concerning compliance with consolidated financial ratios (versus two in the previous credit facility): the Net Debt*/EBITDA** ratio must be less than 2.50. The compliance with this ratio is a condition to the availability of this credit facility. As of December 31, 2014, the Group complied with this ratio.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates granting the December 2016 bonds. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

2018 OCEANE

On September 18, 2012 Faurecia issued €250 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2018. The bonds bear annual interest of 3.25% payable on January 1 each year, as from January 1, 2013. Each bond has a nominal value of €19.48.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2016, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue.

* *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

The criteria relating to their early redemption include a clause of change of control, but, unlike the 2015 convertible bonds, they do not include an ownership clause relating to PSA.

Commercial paper

A commercial paper program is active on the French domestic market for a total amount of €850 million, the liquidity of this program being guaranteed by the syndicated credit facility; a total of €738.3 million had been issued at end-2014.

NOTE 17 OPERATING PAYABLES AND OTHER PAYABLES

(in € thousands)	12/31/2014	12/31/2013	12/31/2012
Trade payables	10,717	7,056	6,225
Other operating payables	7,416	6,685	6,222
SUB-TOTAL OPERATING PAYABLES	**18,133**	**13,741**	**12,447**
Cash advances from subsidiaries	33,338	48,861	22,995
Other	1,128	1,102	1,813
SUB-TOTAL OTHER PAYABLES	**34,466**	**49,963**	**24,808**
TOTAL	**52,599**	**63,704**	**37,255**

NOTE 18 DEFERRED TAXES

Deferred taxes relate to:

- temporary differences between the recognition of income and expenses for financial reporting and tax purposes;
- tax loss carry forwards of the tax group;
- tax savings arising from the use of tax losses of subsidiaries in the tax group which will have to be restored to them if and when they return to profit.

Deferred taxes are computed-based on the tax rate for the year in which they are expected to reverse (i.e. 38% for 2014 and beyond).

Deferred taxes can be analyzed as follows:

(in € thousands)	12/31/2014	12/31/2013	12/31/2012
Deferred tax liabilities on temporary differences			
Deferred taxes relating to the tax savings arising from using losses in tax-group subsidiaries	(707,029)	(653,860)	(561,285)
SUB-TOTAL DEFERRED TAX LIABILITIES	**(707,029)**	**(653,860)**	**(561,285)**
Tax paid on taxable income that is not yet recognized	1,601	4,269	5,323
Charges recognized that are deductible for tax purposes in future years	13,120	6,235	5,339
Future tax savings on tax loss carry forwards of the tax group	544,098	530,491	445,532
SUB-TOTAL DEFERRED TAX ASSETS	**558,819**	**540,995**	**456,194**
NET DEFERRED TAX (LIABILITIES) ASSETS	**(148,210)**	**(112,865)**	**(105,091)**

NOTE 19 FINANCIAL COMMITMENTS

Endorsements, sureties and guarantees include commitments to subsidiaries and direct and indirect equity investments for an amount of €71.8 million (zero amount at December 31, 2013 and €12.9 million at December 31, 2012).

NOTE 20 FINANCIAL INSTRUMENTS USED TO HEDGE MARKET RISKS

20.1 Interest-rate hedges

The hedges arranged comprise mainly euro-denominated interest rate swaps, designed to hedge interest payable on variable rate borrowings during part of the first half of 2015.

The notional amounts of the Group's interest rate hedges break down as follows:

At 12/31, 2014 *(in € millions)*	Notional amounts by maturity		
	< 1 year	1 to 5 years	> 5 years
Variable-rate/fixed-rate swaps	470		

20.2 Currency hedges

Currency risk on inter-company loans to subsidiaries outside the eurozone that are denominated in the subsidiaries' functional currency but referenced in euros is hedged through swaps.

At December 31, 2014, the exchange-rate swaps in place involved USD 25.9 million.

NOTE 21 AVERAGE HEADCOUNT

	2014	2013	2012
Management	41	46	42
Staff	2	1	2
TOTAL	**43**	**47**	**44**

NOTE 22 COMPENSATION

In 2014, total attendance fees paid to directors amounted to €396,359 compared with €393,600 in 2013.

NOTE 23 RELATED-PARTY TRANSACTIONS

(in € thousands)	12/31/2014	12/31/2013	12/31/2012
In the income statement			
• Services invoiced to subsidiaries	238,534	227,963	216,369
• Income from subsidiaries and affiliates	181,192	149,109	167,740
• Interest income	19,757	27,812	35,734
• Services invoiced by subsidiaries	(192,464)	(181,077)	(173,387)
• Interest expense			(235)
In the balance sheet			
• Loans to subsidiaries and affiliates	0	0	0
• Trade and other receivables	2,014,019	1,495,526	1,321,961
• Supplier and other payables	33,517	49,061	23,182

Related companies: companies fully consolidated in the Faurecia group consolidated financial statements.

NOTE 24 IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS

Peugeot S.A. – 75 avenue de la Grande-Armée – 75116 Paris – France

10.1.2.5. Five-year financial summary

	2014 (in €)	2013 (in €)	2012 (in €)	2011 (in €)	2010 (in €)
1 – Share capital at end of period					
a) Share capital	867,476,470	858,116,945	775,836,215	772,578,415	772,567,096
b) Number of ordinary shares outstanding	123,925,210	122,588,135	110,833,745	110,368,345	110,366,728
c) Maximum number of future shares to be created: by exercising stock options	931,025	1,113,600	1,126,725	1,475,348	1,523,998
2 – Operations and results					
a) Net sales	213,600,660	203,477,926	191,915,579	171,388,534	140,574,549
b) Income before tax, employee profit-sharing and depreciation and provisions	57,503,003	128,905,888	72,402,124	(71,657,003)	19,110,764
c) Corporate income tax [(1)]	(39,644,632)	(18,187,531)	(45,279,780)	32,198,556	(7,988,370)
d) Employee profit-sharing	0	0	0	0	0
e) Income after tax, employee profit-sharing and depreciation and provisions	92,537,243	99,066,092	107,332,169	250,171,226	556,538,732
f) Total dividend [(2) (3)]	43,373,824	36,776,441	0	38,628,921	27,591,682
3 – Earnings per share					
a) Income after tax, employee profit-sharing, but before depreciation and provisions	0.78	1.20	1.06	(0.36)	0.25
b) Income after tax, employee profit-sharing and depreciation and provisions	0.75	0.81	0.97	2.27	5.04
c) Net dividend per share	0.35	0.30	0.00	0.35	0.25
4 – Staff					
a) Average number of employees	47	47	44	42	41
b) Total payroll	12,193,239	9,374,348	8,939,563	9,242,938	10,214,816
c) Total benefits paid for the financial year (social security, other social benefits, etc.)	7,210,631	8,045,296	4,455,472	4,799,326	4,234,177

(1) Amounts in parentheses represent tax benefits arising from group relief.
(2) The 2014 net dividend is pending approval by the AGM of profit distribution for the year.
(3) The part of the 2014 dividend corresponding to shares that the Company holds on its own behalf at the payment date will be allocated to "Retained earnings".

10.1.3. APPROPRIATION OF NET INCOME

(in €)	
Net income (loss) for the period:	92,537,243
Recommended appropriation:	
1 – Source	
Retained earnings carried forward from prior years	1,080,998,788
Recognized in income of the period	92,537,243
	1,173,536,031
2 – Appropriation	
Statutory reserve	4,626,862
Dividend (1)	43,373,824
Additional paid-in capital	-
Retained earnings	1,125,535,345
	1,173,536,031

(1) The part of the dividend corresponding to shares that the Company holds on its own behalf at the payment date will be allocated to "Retained earnings".

Dividends for the last three years were as follows:

Financial Year	**Number of shares**	**Dividend distributed** *(in €)*
2011	110,368,345	0.350
2012	110,833,745	-
2013	122,588,135	0.300
Recommended for 2014	**123,925,210**	**0.350**

10.1.4. SECURITIES PORTFOLIO AS OF DECEMBER 31, 2014

(in € thousands)	Quantity	Type and nominal amount	Carrying amount *(in € thousands)*
1 – MAIN SECURITIES			
a) Investments in subsidiaries and affiliates			
Faurecia Investments	5,044,004	Shares – €15	452,488
Faurecia USA Holdings Inc.	4,321	Shares – USD 0.001	600,699
Faurecia Automotive Belgium	9,999,999	Shares	29,100
Faurecia Automotive Espana S.L.	126,859	Shares – €6	76,449
Financière Faurecia	2,200,000	Shares – €15	53,841
Faurecia Magyarorszag Kipufogo-Rendszer Kft	24,900,000	Shares – HUF 1	0
Faurecia Tongda Exhaust System (Wuhan) Co., Ltd	1	Equities	2,217
EAK Composants pour l'Automobile SNC	51,510	Equity share – €15	0
Faurecia Honghu Exhaust Systems Shanghai Co., Ltd	1	Equities	1,212
Faurecia Automotive Holdings	23,422,557	Shares – €1	918,260
Faurecia Automotive GmbH	1	Equities	165,784
Faurecia Services Groupe	2,500	Shares – €16	0
Faurecia Exhaust International	1,932,750	Shares – €15	29,301
ET Dutch Holdings Coorperatie U.A		Contribution of €204,600 thousand	204,600
Hennape Un SA	3,694	Shares – €10	37
Hennape Deux SAS	100	Shares – €10	1
Hennape Quatre SAS	100	Shares – €10	1
Hennape Cinq SAS	100	Shares – €10	1
TOTAL SHARES			**2,533,991**
2. MARKETABLE SECURITIES AND EQUIVALENT RECEIVABLES			
Faurecia	36,266	Shares – €7	1,106
BNP	853	Equities	1,966
TOTAL MARKETABLE SECURITIES			**3,072**

TOTAL	**2,537,063**

10.1.5. SUBSIDIARIES AND AFFILIATES AS OF DECEMBER 31, 2014

(in € thousands)	Capital	Reserves and retained earnings before appropriation of profit	Share of capital owned (as a %)	Gross book value of investment
I – Detailed information				
A. Subsidiaries (at least 50% of capital owned by the Company)				
Faurecia Investments	75,660	25,648	100	452,488
Financière Faurecia	33,000	49,487	100	53,841
Faurecia Automotive Belgium	10,000	(980)	100	60,196
Faurecia USA Holdings Inc.	641,261	(28,176)	85	600,699
ET Dutch Holdings BV	18	(22,289)	100	204,600
Faurecia Automotive Holdings	23,423	75,424	100	918,260
Faurecia Exhaust International	7,301	(53,299)	100	29,302
B. Affiliates (10%-50% of capital owned by the Company)				
Faurecia Automotive Espana S.L.	7,138	438,488	11	76,449
Faurecia Automotive GmbH	196,420	107,984	26	225,184
Faurecia ADP Holding	10,430	(10)	0	0
Faurecia Tongda Exhaust System (Wuhan) Co., Ltd	6,051	60,085	50	2,217
II – Summarized information				
Subsidiaries and affiliates not included in Section A				4,126
Subsidiaries and affiliates not included in Section B				0
TOTAL				**2,627,361**

Carrying amount of investment	Outstanding loans and advances granted by the Company and not yet paid	Amounts of guarantees and securities given by the Company	Sales excluding sales tax from the last fiscal year	Profit or loss (-) from the previous year-end	Dividends received or to be received by the Company	Exchange rates used for non-French subsidiaries and affiliates
452,488	0	0	(18)	(21,767)	0	
53,841	1.768.591	0	0	19,042	22,770	
29,100	0	0	11,509	(2,129)	0	
600,699	0	0	66,343	19,346	0	EUR1 = USD1.2141
204,600	0	0	0	(104,536)	0	
918,260	0	0	190,444	(134,125)	59,728	
29,302	0	0	0	(53,268)	0	
76,449	0	0	188,537	24,670	6,373	
165,784	0	0	3,973	(54,011)	12,570	
0	0	0	0	(11)	0	
2,217	0	0	177,403	29,151	12,313	EUR1 = CNY7.5358
1,252	796				10,055	
0					0	
2,533,991	**1,769,386**				**123,808**	

10.2. Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Faurecia;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter(s):

Note 1.2 to the financial statements presents the accounting rules and methods applied to investments. A provision for impairment is set aside if the value in use of an investment falls below its gross value. Value in use is based on the subsidiary's revaluated net assets, profitability and future outlook. As part of our assessment of the accounting principles and methods applied by your company, we have verified the appropriateness of the above-mentioned accounting methods and examined the application methods and the assumptions used by your company.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, 20 April 2015
The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Eric Bertier	Denis Thibon

10.3. Capital and share performance

10.3.1. FAURECIA AND ITS SHAREHOLDERS

2015 FINANCIAL CALENDAR

February 12, 2015	10:30 am	2014 yearly earnings announced
April 15, 2015	After market hours	First-quarter 2015 sales announced
May 27, 2015	10:00 am	Annual Shareholders' Meeting
July 24, 2015	Before market hours	First-quarter 2015 interim results announced
October 14, 2015	After market hours	Third-quarter 2015 sales announced

The relationship between Faurecia and its shareholders is described in Section 7.2 (Subsection 7.2.2.1).

10.3.2. FAURECIA'S CAPITAL

No shares have been issued that do not represent the Company's capital.

As of December 31, 2014, the Company's capital amounted to €867,476,470, divided into 123,925,210 fully paid-up shares with a par value of €7 each, all in the same class.

The distribution of Faurecia's capital and voting rights at December 31, 2014 is shown in the following table. For the purposes of this Registration Document and in compliance with AMF Recommendation No. 2009-16 (amended on December 17, 2013), it shows the total number of theoretical voting rights, excluding shares (such as treasury shares) with no such rights, and the total number of votes that may be cast in the General Meeting.

Shareholders	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable at the AGM*	% voting rights exercisable at the AGM
Peugeot S.A.	63,380,509	51.14	126,698,459	67.35	126,698,459	67.36
Faurecia Actionnariat Corporate Mutual fund	316,482	0.26	586,797	0.31	586,797	0.31
Board members	60,552	0.05	105,793	0.06	105,793	0.06
Treasury stock	*36,266*	*0.03*	*36,266*	*0.02*	*0*	*0.00*
o/w liquidity contract	*13,812*	*0.01*	*13,812*	*0.00*	*0*	*0.00*
Other shareholders (registered and bearer)	60,131,401	48.52%	60,692,995	32.26%	60,692,995	32.27%
TOTAL	**123,925,210**	**100%**	**188,120,310**	**100%**	**188,084,044**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2014.*

In addition, in 2014 the following declarations were made, reporting that thresholds in the bylaws had been crossed:

Shareholder name	Date crossed	Upwards/ downwards	Threshold	Number of shares afterwards	% capital afterwards	% voting rights afterwards
Financière de l'Échiquier	May 15, 2014	Upwards	2% of voting rights	3,755,020	3.06%	2.01%
PSA	June 24, 2014	Downwards	2% of voting rights	64,089,197	51.76%	67.73%

No legal thresholds were reported crossed during 2014.

To the best of the Company's knowledge and as of the date of drafting of this Registration Document, no other shareholder directly or indirectly, individually or in concert, owned more than 2% of the Company's capital or voting rights.

To the best of the Company's knowledge, no shareholder made a pledge on the Faurecia securities that he/she/it holds.

Changes in ownership structure over the last three years are presented in Subsection 10.4.2.2.

The directors hold approximately 0.05% of the Company's capital and 0.06% of its theoretical and exercisable voting rights.

10.3.3. CHANGE IN FAURECIA'S SHARE PRICE

Faurecia shares are traded on Euronext Paris (compartment A) of NYSE Euronext.

In 2014, Faurecia's share price recorded a rise of 11.6%. It closed 2014 at €30.92, compared with €27.71 at end-2013.

Faurecia's average share price in 2014 was €28.55 with a high of €33.21 on April 24, 2014 and a low of €21.74 on October 16, 2014.

The average monthly trading volume in 2014 was 7.51 million shares and €213.90 million.

10.3.3.1. Share price and trading volumes (source: Euronext)

	Price *(in €)*				Trading volume	
Share price and trading volume	**High**	**Average**	**Low**	**Close**	**Shares**	**Value** *(in € thousands)*
2014						
January	29.80	28.56	26.61	29.27	9,700,995	276,386
February	32.34	30.32	27.21	32.28	9,841,865	296,880
March	33.18	31.09	28.65	30.68	7,859,235	242,693
April	33.21	31.54	29.47	32.40	7,719,972	242,319
May	32.43	29.83	26.42	30.17	7,822,911	229,305
June	32.57	30.27	27.42	27.56	6,398,799	193,011
July	29.84	28.49	26.25	26.47	6,092,233	172,456
August	26.81	25.65	23.52	25.61	6,261,141	159,413
September	27.84	26.15	24.70	25.32	6,111,226	159,417
October	26.80	24.41	21.74	25.79	9,471,602	228,615
November	29.56	27.13	25.55	29.38	5,871,444	158,977
December	31.54	30,02	28.52	30.92	6,743,696	202,094

	Price *(in €)*				Trading volume	
Share price and trading volume	**High**	**Average**	**Low**	**Close**	**Shares**	**Value** *(in € thousands)*
2013						
January	14.43	13.33	11.95	12.99	12,087,953	160,730
February	15.19	13.64	12.68	13.70	10,783,126	147,920
March	14.73	13.54	12.37	12.40	9,927,203	135,290
April	14.23	12.54	11.57	14.10	10,262,392	129,890
May	17.50	15.40	13.50	17.40	11,395,072	176,240
June	18.20	17.20	15.82	17.01	9,744,155	168,210
July	21.00	19.45	16.93	19.85	11,852,286	230,490
August	20.68	19.75	18.55	19.25	6,711,719	132,200
September	22.67	21.40	19.32	21.40	6,896,724	151,090
October	23.64	22.02	20.96	21.54	9,094,970	201,100
November	25.95	23.49	21.24	24.80	11,771,637	281,810
December	27.95	25.89	23.25	27.71	11,399,130	289,030

10.3.3.2. Stock market data

	12/31/2014	12/31/2013
Stock market capitalization at year-end *(in € millions)*	3,831.8	3,072.2
Share price *(in €)*		
• High	33.21	27.95
• Low	21.74	11.57
Share price at year end *(in €)*	30.92	27.71
Shareholders' equity per share *(in €)*	13.85	12.25

10.3.3.3. Dividends

Financial Year	Number of shares carrying dividend rights	Dividends paid
2011	110,368,345	€0.30 per share
2012	110,833,745	-
2013	122,588,135	€0.30 per share
2014	123,925,210	€0.35 per share

10.3.3.4. Dividend payment policy

The Company pays dividends in line with the practices of other similar companies, based on the Group's results for the year.

10.3.3.5. Per share data

(in €)	12/31/2014	12/31/2013
Diluted earnings per share – Attributable to equity holders of the parent	1.34	0.79
Cash flow per share from operating activities	8.42	8.37

The method used to calculate the weighted average number of shares after dilution to determine per share data is explained in Note 9 to the consolidated financial statements.

10.4. Additional information on Faurecia

10.4.1. BACKGROUND

Origins

1891. The first automobiles, in the modern sense, are made, powered by gasoline engines. The first steel tubes follow, patented by Peugeot. They are produced mainly at Audincourt, in the Doubs region of eastern France.

1914. Bertrand Faure opens his first workshop, making seats for Paris trams and underground trains, at Levallois-Perret.

1929. Bertrand Faure acquired the license for the Epeda process, enabling the Company to improve its seats for the automotive industry and develop a new product, the spring mattress. Both businesses took off significantly after the Second World War. Bertrand Faure clients include Renault, Peugeot, Citroën, Talbot, Panhard-Levassor, Berliet and Simca.

1950. Bernard Deconinck, son-in-law of Allibert, founder of the Allibert company in Isère (eastern France) in 1910, decided to invest in a huge injection press, imported from the USA: it was able to mold large plastic parts in a single piece. He changed his customer base from refrigerator manufacturers to the automotive industry.

1955. The Frères Peugeot company, with subsidiaries including Peugeot et Cie, started producing automotive equipment. The companies diversified over the years, making seats, exhaust systems, and steering columns. They extended operations outside France, dropping some products to concentrate on new lines.

1972. François Sommer, grandson of Alfred Sommer, merged his automotive floor coverings company with that of Bernard Deconinck's company, Allibert.

They combined their know-how in textiles and plastics to found the Sommer Allibert group. In the early 1980s, Sommer Allibert invested heavily to meet the needs of the automotive industry and became a leading specialist in interior vehicle fittings for all of the major car makers. International expansion followed, with the acquisition of Spain-based Lignotock, and an extended presence in Germany from 1993.

1987. Cycles Peugeot merged with Aciers & Outillages Peugeot to form Ecia (Équipements et Composants pour l'Industrie Automobile), the PSA Peugeot Citroën group's specialist automotive equipment subsidiary. Over the next ten years, Ecia underwent concentrated industrial and geographical development.

1990. The Epeda Bertrand Faure company, which started out manufacturing seats for transport vehicles such as cars, railways, tramways, etc., gradually diversified into various business segments: first of all, bedding with the Epeda and Mérinos brands, then luggage with Delsey in 1982, and lastly aeronautics with Ratier-Figeac in 1987. Nevertheless, its core business was still manufacturing components for car seats, particularly for the French market. From 1977, it acquired businesses in Portugal, Spain and Canada and gained a toehold in Germany, but the Company's international expansion entered a new phase in 1990 when it acquired the Rentrop group in Germany. Epeda Bertrand Faure then became the European leader in automotive seating. Throughout the 1990s until 1998, the Company concentrated its expertise in automotive equipment, selling off its other businesses in bedding (Epeda and Mérinos), aeronautics (Ratier-Figeac) and luggage (Delsey).

1992. Ecia sold its cycle business, then its tool business the following year and made significant acquisitions in companies specializing in exhaust, with Tubauto and Eli Échappement in France, Leistritz Abgastechnik in Germany and Silenciadores PCG in Spain. Ecia then became the European leader in exhaust systems. At the same time, its Automotive Seating Division joined forces with the Spanish automotive equipment supplier Irausa to form Ardasa. The Company supplied exhaust systems, seats, interior fittings and front ends to Volkswagen, Renault, Daimler Chrysler, Opel, Honda and Mitsubishi.

December 11, 1997. Ecia made a friendly takeover bid for Bertrand Faure, bringing its direct and indirect stake in the Group to 99%. While Bertrand Faure sold its luggage (Delsey) and aeronautics (Ratier-Figeac) businesses, Ecia sold its motorcycle business (Peugeot Motocycles) to the PSA Peugeot Citroën group in 1998.

June 1, 1999. Ecia and Bertrand Faure merged giving birth to the Faurecia company, resulting in the PSA Peugeot Citroën group holding a 52.6% stake in Faurecia by the end of 1999. Faurecia then reported sales of over €4 billion, with a workforce of 32,000. Apart from boosting its size and its global position in automotive seating, Bertrand Faure also provided Ecia with a broader geographical and commercial presence, especially in Germany, where the Company had strong links with manufacturers such as Volkswagen and BMW.

Late 1999. The Faurecia group developed its exhaust systems business in North America by acquiring the US company AP Automotive Systems.

October 2000. Faurecia purchased Sommer Allibert. The PSA Peugeot Citroën group financed the transaction, thus increasing its shareholding in Faurecia to 71.5%. Well established in Germany and Spain, the Group commanded a significant European market share for vehicle interior fittings, especially door and instrument panels and acoustic modules.

2001. The acquisition of Sommer Allibert was completed with a public offer to buy out Sommer Allibert's minority shareholders. The resulting Group has a turnover of €9.6 billion. Faurecia then bought out the remaining minority shares held by external shareholders in Sommer Allibert's German subsidiary SAI Automotive AG.

2002. The Faurecia group acquired 49% of the South Korean catalytic converter maker Daeki Industrial, number two in its market. The same year, Faurecia formed a joint venture with the Taiwanese automotive equipment company GSK, with a view to making seats at Wuhan, in China.

2003. Faurecia followed up these acquisitions by buying the South Korean exhaust systems company Chang Heung Precision, which had market share of over 20%. This gave Faurecia's Exhaust Systems business a manufacturing presence in all continents. In Europe, the Group signed an agreement with Siemens-VDO, which enabled their joint venture (SAS) to be strengthened and expanded: this company assembles cockpits for BMW, Daimler Chrysler, the Ford group, Renault-Nissan and the Volkswagen group.

2005. The Group strengthened its presence in Korea by increasing its shareholding in Daeki (specializing in exhaust systems for Hyundai) to 100%, and signed a joint-venture agreement with the South Korean company Kwang Jin Sang Gong (specializing in door modules for Hyundai Motors and Kia Motors).

2007. The Group took over the bumper activity of Cadence Innovation France, thus strengthening its market position in this sector in France.

2009. Faurecia acquired Emcon Technologies (formerly Arvin Industries), and became the world leader in exhaust systems. This business combination strengthens Faurecia's position with automakers in Germany (as Arvin Industries acquired Zeuna Stärker in 1998), the USA (particularly Ford), South America, India and Thailand. It gave Faurecia a route into the niche commercial-vehicles market (trucks and off road). With this all-equity acquisition, One Equity Partners, (JP Morgan Chase & Co.'s private equity arm) held a 17.3% stake in Faurecia and PSA Peugeot Citroën's interest was reduced to 57.4%.

Faurecia bought out its joint-venture partner Tata to become the sole owner of Taco Faurecia Design Center. The Company was renamed Faurecia Automotive Engineering India and became Faurecia's development center in India.

2010. Faurecia became the European leader in automotive exterior parts by acquiring the German activities of Plastal, and subsequently Plastal Espagne S.A. As a result, Faurecia Automotive Exteriors enlarged its customer base (for instance with Ford and the four main German brands), upgraded its product range and strengthened its industrial presence and its R&D capacity. It was able to expand internationally, setting up a joint venture in China with Huaxiang, supplier of exterior parts to FAW-Volkswagen.

An 18.75% equity investment in the share capital of Xuyang group, in China, allowed the Group to expand the range of products and services supplied in the following strategic fields: complete seats, interior systems, acoustic modules and interior upholstery. A strategic alliance with the Geely and Limin groups marks a significant new development stage for Faurecia Interior Systems and Faurecia Automotive Exteriors in China.

In the fourth quarter of 2010, Faurecia Automotive Seating bought the "seat comfort technology" business of the German company Hoerbiger Automotive Komfortsysteme GmbH, and diversified its technological offer in seating systems.

Finally, to strengthen the technological prowess of Faurecia Interior Systems, the Group acquired Angell-Demmel Europe GmbH, the world leader in decorative metal parts for automobile interiors.

2011. In January, Faurecia took a 21.2% stake in the Danish company, Amminex A/S, thus strengthening its technology towards diesel-emission control.

Faurecia also reinforced its presence in China by signing, in January, a new joint venture agreement with Ningbo Huazhong Plastic Products Co. Ltd to make exterior automobile parts; and, in June, by enlarging the scope of its cooperation with the Changchun Xuyang group. This allowed it to develop locally, specifically with the FAW group. In July, it signed an agreement with the Economic and Technological Development Zone of Yancheng for an investment project allowing Faurecia to develop its seat-mechanism activity.

In November, Faurecia launched a €350 million bond issue maturing in December 2016. (The issue was supplemented by another €140 million issue in February 2012 with the same maturity date.) It arranged another syndicated line of credit for €1,150 billion, in two tranches: A (€690 million) and B (€460 million), maturing in November 2014 and November 2016 respectively.

2012. On May 3, Faurecia announced its acquisition of the Ford ACH interior components plant in Saline, Michigan (USA). This plant supplied cockpit modules, instrument panels, door panels and central consoles for twelve automotive programs assembled in eight Ford plants across North America.

In parallel with this acquisition, Faurecia signed a joint venture agreement with Rush group Ltd, a Rush group company. The joint venture, called Detroit Manufacturing Systems (DMS), took over activities such as the assembly and sequencing of interior parts at a new plant in Detroit.

On February 14, Faurecia announced that in addition to its €350 million bond issue in November 2011, it had placed another issue with a nominal value of €140 million.

On April 27, Faurecia announced that it had placed a new bond issue with a nominal value of €250 million, maturing in June 2019.

On August 30, Faurecia announced that with effect from that date, it had acquired Plastal France (Plastal SAS), a supplier of plastic body parts for Smart branded vehicles (Daimler group). The transaction followed the previous acquisitions of Plastal Allemagne and Plastal Espagne in 2010, and included the manufacturing and assembly plant and the operational headquarters in Hambach (France).

On September 10, Faurecia issued convertible bonds (OCEANE), maturing on January 1, 2018. After exercising an over-allotment option on September 12, 2012, it raised €249,999,989.00 (12,833,675 bonds).

On November 29, Faurecia launched a level 1 ADR program listed on the "over-the-counter" (OTC) market in the USA. Each Faurecia ordinary share (listed on the NYSE Euronext Paris market) comprised two ADR shares.

2013. On April 10, Faurecia Interior Systems signed a joint venture agreement with the Thai component manufacturer Summit Auto Seats to support Ford in its development in South-East Asia, particularly in Thailand.

On April 22, Faurecia and Chang'an Automobile group, one of the largest car manufacturers in China, signed a joint-venture agreement.

On November 19, Faurecia and Magneti Marelli announced their agreement to cooperate in designing, developing and manufacturing HMI products for vehicle interiors. The agreement will enhance the added value of interior solutions for the vehicles that Faurecia and Magneti Marelli supply to car manufacturers and end customers.

On December 30, Faurecia redeemed early the OCEANE bonds maturing on January 1, 2015 (ISIN FR0010827055). Bond-holders opted virtually unanimously to convert their bonds into Faurecia shares: 11,284,793 shares (99.83% of the total outstanding) were converted into 11,736,190 new Faurecia shares.

2014. On January 29, Faurecia announced the establishment, with the Japanese automotive equipment manufacturer Howa, of a joint venture called Faurecia Howa Interiors, for the production in Mexico of interior systems for Renault-Nissan. The agreement signed opens up new commercial prospects for Faurecia: with Nissan in Mexico, Thailand, Spain, Brazil and in South Africa.

On October 3, Faurecia announced the establishment of 50:50 joint venture with Interval, a major French agricultural cooperative.

This agreement resulted in the establishment of Automotive Performance Materials (APM), which aims to develop and produce biosourced raw materials in order to continue Faurecia's drive to reduce vehicle weight while respecting the environment.

Note that in 2014 Faurecia celebrated twenty years of presence in China. It was also the year in which Faurecia returned to the Paris Motor Show after an absence of 12 years.

10.4.2. LEGAL INFORMATION ABOUT FAURECIA

10.4.2.1. General information about Faurecia

COMPANY NAME AND HEADQUARTERS

Company name: Faurecia

Head office: 2, rue Hennape – 92000 Nanterre – France

Tel.: +33 (0)1 72 36 70 00

Fax: +33 (0)1 72 36 70 07

www.faurecia.com

LEGAL FORM

Faurecia is a *société anonyme* (joint-stock corporation) listed on NYSE Euronext Paris governed by the French Commercial Code and the related implementing regulations. It complies with generally accepted corporate governance principles for companies in France, notably the AFEP/MEDEF Corporate Governance Code of Listed Corporations.

Faurecia abides by the legal and regulatory provisions that apply to the governing bodies of listed companies and reports in this Registration Document on the application of the recommendations made in relation to said Code.

STATUTORY AUDITORS

The Company's financial statements are audited by two Statutory Auditors appointed in accordance with Article L. 225-228 of the French Commercial Code.

DATE OF INCORPORATION AND TERM

Incorporated on July 1, 1929.

Term expires on December 31, 2027.

INCORPORATION DETAILS

The Company is registered with the Nanterre Trade and Companies Registry under number 542 005 376.

APE (Business Identifier Code) is: 7010Z.

CONSULTATION OF CORPORATE DOCUMENTS

During the period of validity of this Registration Document, the following documents (or copies thereof) can be consulted at the Company's headquarters:

a. the Company's articles of incorporation and bylaws;

b. historical financial information about Faurecia S.A. and its subsidiaries for each of the two financial years preceding the publication of the Registration Document.

CONTACT DETAILS

Faurecia

Direction des Affaires Juridiques

2, rue Hennape

92000 Nanterre

The documents may also be viewed on the Company's website at www.faurecia.com.

CORPORATE PURPOSE

The Company's purpose, as set out in Article 3 of the bylaws, is summarized below:

- to establish, acquire, operate directly or indirectly or invest in any and all industrial, trading or service companies in France or abroad;
- to provide administrative, financial and technical assistance to subsidiaries and affiliates;
- to manufacture and sell any and all products, accessories or equipment for the automotive and other industries, and generally to conduct any and all related commercial, industrial, real estate and other transactions.

ROLE OF THE COMPANY IN RELATION TO ITS SUBSIDIARIES

Faurecia is a holding company, whose assets are primarily made up of investments in subsidiaries and affiliates. The Group's industrial assets are held by the operating subsidiaries.

Faurecia provides direct and indirect financial, accounting, management, administrative and other services to Group companies.

The list of consolidated companies at December 31, 2014 is provided in Chapter 9. This information is usefully supplemented by a simplified organization chart of the operational companies in the Faurecia group, provided in Subsection 10.4.2.3 of this Registration Document.

Group subsidiaries are financed on a centralized basis, primarily through Faurecia and its subsidiary Financière Faurecia, which performs a cash pooling role. This way of functioning enables the subsidiaries to benefit from the favorable market conditions obtained from lenders by Faurecia and compensates for the borrowing and lending positions of the different entities.

At December 31, 2014, Faurecia had positive net cash and cash equivalents of €34.9 million, taking into account its gross debt, net of available funds, marketable securities and advances net of intra-group cash and loans, compared with consolidated net Faurecia group debt of €1,387.6 million.

FISCAL YEAR

The Company's fiscal year covers the 12-month period from January 1 to December 31.

DISTRIBUTION OF PROFITS

Income available for distribution corresponds to net income for the year, less any losses carried forward from prior years and any amounts appropriated to reserves in compliance with the law or the bylaws, plus any retained earnings.

Out of this income, the Shareholders' Meeting determines the portion attributed to shareholders in the form of dividends and deducts the amounts it considers appropriate to allocate to any reserve funds or to carry forward.

However, except in the case of a capital reduction, no distributions may be made to shareholders if the Company's shareholders' equity represents – or would represent after the planned distribution – less than its capital stock plus any reserves which, according to the law or the bylaws, are not available for distribution.

The Shareholders' Meeting may also decide to distribute amounts deducted from optional reserves in order to pay or increase a dividend or pay a special dividend.

The Company's bylaws provide that the Ordinary Shareholders' Meeting approving the financial statements for the year may also decide to offer each shareholder the option between the payment of the dividend or the interim dividend in cash or in shares.

DIVIDENDS – STATUTE OF LIMITATIONS

Dividends not collected within five years of the payment date will be time-barred and paid over to the French Treasury.

REGISTRAR AND PAYING AGENT

The registrar and paying agent for Faurecia shares is Caceis Corporate Trust, 14 rue Rouget-de-Lisle, 92862 Issy-les-Moulineaux Cedex 9, France.

STOCK MARKET DATA

Faurecia shares are listed on Euronext Paris (compartment A) of NYSE Euronext under ISIN code FR 0000121147.

They are included in the SBF 80, MID & SMALL 190 and NEXT 150 indexes.

They are eligible for inclusion in personal equity plans (PEA) and the deferred settlement service (SRD).

ANNUAL SHAREHOLDERS' MEETINGS

The particular rules governing the participation of shareholders in General Meetings are described in Article 22 and 23 of the Company's bylaws, and may be consulted at www.faurecia.com.

Shareholders' Meetings are held at the Company's headquarters or at any other venue specified in the notice of meeting.

Holders of registered shares are notified by mail; the other shareholders are notified via the relevant banks and brokers through the financial notices provided for by the applicable regulations.

A continually updated schedule of all of the Group's financial events, including the date of the Shareholders' Meeting, is available on Faurecia's website at www.faurecia.com.

The right to participate in General Meetings shall be substantiated in accordance with the current statutory provisions.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

VOTING RIGHTS

The Company's bylaws do not provide for any restrictions on voting rights. Voting rights at Ordinary, Extraordinary and Special Shareholders' Meetings are exercisable by the beneficial owner of the shares.

DOUBLE VOTING RIGHTS

The Articles of Association assign double voting rights to all fully paid-up shares that have been registered in the name of the same holder for at least two (2) years. In the case of a bonus share issue paid up by capitalizing retained earnings, income or additional paid-in capital, the bonus shares allotted in respect of registered shares carrying double voting rights will also carry double voting rights as from the date of issue. This double voting right may be canceled following a decision of the Extraordinary Shareholders' Meeting and after having informed a special meeting of the beneficiary shareholders.

Shares that are transferred or converted to bearer form are stripped of double voting rights. However, double voting rights are not lost and the above-mentioned two-year period continues to run when shares are transferred following the liquidation of a marital estate, or by way of an inheritance or in the form of an inter vivos gift to a spouse or a relative in the direct line of succession.

EQUITY THRESHOLDS THAT MUST BE DISCLOSED TO THE COMPANY

Under Article 29 of the bylaws, when any natural person or legal entity, acting alone or with others as defined in Article L. 233-10 of the French Commercial Code, owns or ceases to own a number of shares so that the share capital or voting rights held cross a threshold of 2% or any multiple of 2% (or when the holding crosses the thresholds defined in the law and regulation), that person must notify the Company by registered letter with acknowledgement of receipt of the total number of shares and voting rights he or she holds, within four (4) trading days of the threshold being crossed. This applies in addition to the obligations relating to crossing legally-defined thresholds.

In the case of failure to comply, at the request of one or several shareholders present or represented at the meeting with combined holdings representing at least 2% of the capital or voting rights, the undisclosed shares will be stripped of voting rights. Said request must be recorded in the minutes of the Shareholders' Meeting.

This provision supplements the statutory requirements concerning disclosure thresholds in Article L. 233-7 of the French Commercial Code.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

AGREEMENT THAT, IF IMPLEMENTED, COULD CHANGE THE CONTROL OF THE COMPANY OR THAT COULD DELAY, POSTPONE, DEFER OR PREVENT A CHANGE IN CONTROL

To the best of the Company's knowledge there are no arrangements in place whose operation could result in a change in control of the Company at a future date.

There are currently no deeds, articles of incorporation, charters, regulations or provisions in place that could delay, postpone or prevent such a change in control.

AGREEMENTS ENTERED INTO BY THE COMPANY WHICH ARE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE IN CONTROL OF THE COMPANY

The syndicated loan agreement entered into by the Company on December 15, 2014 includes an acceleration clause under which – subject to certain conditions – each bank may require immediate payment of outstanding sums in the event of a change of ownership of the Company.

The convertible bond issued on September 18, 2012, as well as the bonds issued on November 9, 2011 and on May 3, 2012, provide acceleration criteria, including a change of ownership clause.

None of the above transactions include a minimum PSA shareholding clause.

MEASURES TAKEN BY THE COMPANY TO ENSURE THAT CONTROL IS NOT EXERCISED IN AN ABUSIVE MANNER

The Company is controlled in the sense of Article L. 233-3 of the French Commercial Code, as shown in the table breaking down ownership in Section 10.3.2.

The measures taken by the Company to avoid abuse of control are described in this Registration Document:

- section 8.4 of the Registration Document: internal control;
- section 8.1.1 of the Registration Document: existence of independent directors on the Board of Directors and specialized committees;
- subsection 8.1.2.1: conflicts of interest.

MAJOR CONTRACTS

To date, Faurecia has not entered into any major contracts that would entail a significant obligation or commitment for the Group, other than those that fall within the ordinary course of business.

DEPENDENCE

Faurecia is not currently dependent on any patents or manufacturing processes owned by third parties or on any specific supply contracts to conduct its business.

In the automotive-industry sector in which Faurecia operates, subcontractors do not generally define the technical specifications for subcontracted parts. When on rare occasions subcontractors are in a position to do this, the Group's policy is to contractually arrange for the subcontractor concerned to transfer the relevant design work in order for it to be used in conjunction with other services.

SIGNIFICANT PROPERTY, PLANT AND EQUIPMENT

The Group's 330 manufacturing sites, including 30 research and development centers spanning 34 countries worldwide, enable it to maximize its local presence and implement its just-in-time delivery strategy. None of its manufacturing equipment taken on an individual basis represents a material value in relation to the property, plant and equipment of the Group as a whole. They are mostly dedicated to client programs. As a result, utilization rates are largely dependent on business levels. With very few exceptions, utilization rates for equipment and facilities are not monitored centrally or systematically.

Note 12 to the consolidated financial statements provides further information on the Group's property, plant and equipment.

FACTORS THAT COULD IMPACT A PUBLIC OFFERING

The information provided by Article L. 225-100-3 of the French Commercial Code is mentioned in Sections 8.1.1, 10.3.2, and Subsections 10.4.2.1 and 10.4.2.2 of this Registration Document.

10.4.2.2. Additional information on the Company's capital

As of December 31, 2014, the Company's capital amounted to €867,476,470, divided into 123,925,210 fully paid-up shares with a par value of €7 each, all of the same class. Excluding shares with no voting rights, they represented 188,120,310 theoretical voting rights and 188,084,044 exercisable voting rights. No shares have been issued that do not represent the Company's capital.

AUTHORIZED CAPITAL

The table below summarizes the status of the current financial authorizations, as voted by the General Meeting on May 30, 2013, and how they were used during 2014.

Type of authorization	Amount in €/par value	Term	Use in 2014
Ninth resolution Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company, with pre-emptive subscription rights for existing shareholders, including capital increases by capitalization of earnings, premiums or reserves	• €300 million (ceiling common to this Resolution and to Resolutions 10-13 of this same Meeting) • €1 billion for debt securities (ceiling common to this Resolution and to Resolutions 10 and 11 of this same Meeting)	26 months	No
Tenth resolution Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company, without pre-emptive subscription rights for existing shareholders, through a public offering	• €110 million • €1 billion in debt securities	26 months	No
Eleventh resolution Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company or to debt securities, as part of a private placement, without pre-emptive subscription rights for existing shareholders	• €110 million • €1 billion in debt securities	26 months	No
Twelfth resolution Authorization for the Board of Directors to set the issue price on the issuance of ordinary shares and/or securities carrying rights to shares without pre-emptive subscription rights for existing shareholders, subject to the conditions set by the Shareholders' Meeting and a ceiling of 10% of the Company's capital	Up to the statutory ceiling of 10% of the share capital per 12-month period	26 months	No
Thirteenth resolution Authorization for the Board of Directors to increase the number of securities to be issued as part of a capital increase – either with or without pre-emptive subscription rights for existing shareholders – in order to grant a greenshoe option	Up to a limit of 15% of the initial issue and at the same price as that for the initial issue	26 months	No
Fourteenth resolution Delegation of authority to be given to the Board of Directors in order to decide on a share capital increase reserved for Company employees under the conditions provided for in Article L. 3332-19 of the French Labor Code by issuing stock and/or marketable securities providing access to the Company share capital	3% of the Company's capital at the date on which the Board of Directors decides to use the authority	26 months	No

Type of authorization	Amount in €/par value	Term	Use in 2014
Fifteenth resolution Authorization to be given to the Board of Directors to grant free shares	Up to a maximum limit of 2.5 million shares on the day the Board takes its decision	26 months	Yes. On July 28, 2014 the Board of Directors allotted performance shares (maximum of 957,125 shares)

POTENTIAL CAPITAL

The potential share capital comprises stock options, performance shares and convertible or exchangeable bonds (OCEANEs).

Stock options

As of December 31, 2014, a total of 931,025 employee stock options were outstanding.

As an indication, and based on the share capital existing at December 31, 2014, if all options were exercised, they would represent 0.74% of the Company's share capital.

Please see the table below and also Note 22.2 of the consolidated financial statements for details of the stock option plans approved as of December 31, 2014.

Following the capital increase for cash with pre-emptive subscription rights carried out in April/May 2009, the exercise price and number of shares under option were adjusted for stock option plans in order to preserve the rights of beneficiaries under existing plans. These adjustments were calculated in accordance with Articles L. 228-99 and R. 228-91 of the French Commercial Code.

ALLOCATION HISTORY FOR STOCK SUBSCRIPTION AND PURCHASE PLANS

TABLE N° 8 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

Information on the stock subscription options	Plan No. 15	Plan No. 16	Plan No. 17	Plan No. 18
Date of Shareholders' Meeting (SM)/Board meeting (BM)	SM, May 25, 2004 BM, April 19, 2005	SM, May 23, 2005 BM, April 13, 2006	SM, May 23, 2005 BM, April 16, 2007	SM, May 29, 2007 BM, April 10, 2008
Adjusted total number of shares available for subscription	321,750	340,800	346,200	357,000
Adjusted total number of shares for which Mr. DELABRIÈRE may subscribe	-	-	48,000	60,000
Earliest exercise date	April 19, 2009	April 13, 2010	April 17, 2011	April 10, 2012
Last exercise date	April 18, 2015	April 12, 2016	April 16, 2017	April 9, 2016
Adjusted exercise price	€54.45	€45.20	€44.69	€28.38
Exercise conditions (where the plan includes more than one tranche)*	-	-	-	-
Number of shares purchased on exercise of stock options as of December 31, 2014	**0**	**0**	**0**	**13,300**
Accumulated number of stock options cancelled or forfeited	**131,625**	**144,600**	**95,400**	**49,800**
Stock options outstanding at the end of 2014	**190,125**	**196,200**	**250,800**	**293,900**

* *None of these plans has performance conditions.*

Historical data in respect of stock subscription or purchase is provided in Note 22.2 to the consolidated financial statements.

STOCK OPTIONS GRANTED TO/EXERCISED BY THE TEN EMPLOYEES WHO RECEIVED THE HIGHEST NUMBER OF OPTIONS

TABLE N° 9 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

Stock options granted to/exercised by the ten employees who received the highest number of options	Total number of options granted/ shares subscribed or purchased	Weighted average price *(in €)*
Options granted during 2014 by the issuer or any other company entitled to grant the options to the ten employees of those companies who were allocated the highest number of options. *(Total)*	0	0
Options previously granted by the issuer and the companies defined above that were exercised during 2014 by the ten employees of those companies who bought or subscribed for the highest number of options. *(Total)*	1,200	28.38

No stock purchase or subscription options were granted in 2014.

Performance shares

Further to the authorization granted at the Shareholders' Meeting of May 30, 2013 to the Board of Directors to award performance shares, on July 28, 2014 the Board of Directors of Faurecia adopted the rules for performance share plan No. 6 and decided on the list of 289 beneficiaries eligible to receive, subject to achieving the plan's attendance conditions and performance targets, a maximum of 957,125 Faurecia shares.

ALLOCATION HISTORY FOR PERFORMANCE SHARES

TABLE N° 10 (NUMBERING COMPLIES WITH AMF'S RECOMMENDATION NO. 2009-16, AS AMENDED ON DECEMBER 17, 2013)

Information on the allocation of performance shares	Plan No. 1 of June 23, 2010	Plan No. 2 of July 21, 2010	Plan No. 3 of July 25, 2011	Plan No. 4 of July 23, 2012	Plan No. 5 of July 24, 2013	Plan No. 6 of July 28, 2014
Date of Shareholders' Meeting (SM)/Board meeting (BM)	• SM, February 8, 2010 • BM, June 23, 2010	• SM, February 8, 2010 • BM, July 21, 2010	• SM, May 26, 2011 • BM, July 25, 2011	• SM, May 26, 2011 • BM, July 23, 2012	• SM, May 30, 2013 • BM, July 24, 2013	• SM, May 30, 2013 • BM, July 28, 2014
Max. number of shares granted during the relevant period	860,600	887,250	933,400	1,049,100	1,215,500	957,125
Total maximum number of shares that may be allotted to Mr. DELABRIÈRE	37,050	37,050	52,000	52,000	71,500	68,900
Target number of shares granted during the relevant period	662,000	682,500	718,000	807,000	935,000	736,250
Grant date	June 23, 2012 for beneficiaries working and tax resident in France/ June 23, 2014 for others	July 21, 2013 for beneficiaries working and tax resident in France/ July 21, 2014 for others	July 25, 2014 for beneficiaries working and tax resident in France/ July 25, 2015 for others	July 23, 2015 for beneficiaries working and tax resident in France/ July 23, 2016 for others	July 24, 2017 for all plan beneficiaries, working and tax resident in France or abroad	July 28, 2018 for all plan beneficiaries, working and tax resident in France or abroad
Vesting date	June 23, 2014 for all plan beneficiaries, working and tax resident in France or abroad	July 21, 2015 for beneficiaries working and tax resident in France/ July 21, 2014 for others	July 25, 2016 for beneficiaries working and tax resident in France/ July 25, 2015 for others	July 23, 2017 for beneficiaries working and tax resident in France/ July 23, 2016 for others	July 24, 2017 for all plan beneficiaries, working and tax resident in France or abroad	July 28, 2018 for all plan beneficiaries, working and tax resident in France or abroad
Performance condition	The Group's pretax net income at December 31, 2011 before gains on disposals of assets and changes in the scope of consolidation	The Group's pretax net income at December 31, 2012 before gains on asset disposals and change in the scope of consolidation	The Group's pretax net income at December 31, 2013 before gains on asset disposals and change in the scope of consolidation	The Group's pretax net income at December 31, 2014 before gains on asset disposals and change in the scope of consolidation; and A comparison between the growth between 2011 and 2014 in the Company's net earnings per share, and the average growth of a reference group of international automotive suppliers.	The Group's pretax net income at December 31, 2015 before gains on asset disposals and change in the scope of consolidation; and A comparison between the growth between 2012 and 2015 in the Company's net earnings per share, and the average growth of a reference group of international automotive suppliers.	The Group's pretax net income at December 31, 2016, before gains on asset disposals and change in the scope of consolidation; and A comparison between the growth between 2013 and 2016 in the Company's net earnings per share, and the average growth of a reference group of international automotive suppliers.
Number of shares acquired at December 31, 2014	**707,200**	**0**	**0**	**-**	**-**	**-**
Accumulated number of shares cancelled or forfeited at December 31, 2014*	**153,400**	**682,500**	**718,000**	**125,000**	**83,000**	**17,900**
Shares allocated free of charge remaining at the end of the period*	**0**	**0****	**0*****	**682,000**	**852,000**	**718,350**

* *The maximum performance condition for Plan No. 1 was fulfilled, so the plan is based on the maximum number of shares. The other Plans are based on the target number.*
** *The performance condition for Plan No. 2 was not reached: no share was acquired by any of the beneficiaries under this plan.*
*** *The performance condition for Plan No. 3 was not reached: no share was acquired by any of the beneficiaries under this plan.*

All shares allocated free of charge remaining at December 31, 2014 (2,252,350 shares) represent 1.82% of the Company's share capital at this date.

Convertible or exchangeable bonds (OCEANE)

On September 18, 2012, based on the authority given to the Board of Directors by the Shareholders' Meeting on May 23, 2012, the Board's decision on August 31, 2012, and subsequent decisions by the Chairman and Chief Executive Officer on September 10 and 12, 2012, Faurecia issued 12,833,675 bonds maturing on January 1, 2018 (gross issue value €249,999,989).

Each bond has a nominal value of €19.48. The bonds bear annual interest of 3.25% (i.e. €0.63 per bond) payable on January 1, each year, as from January 1, 2013.

The bonds will be reimbursed at par on January 1, 2018.

They are convertible into and/or exchangeable for new or existing Faurecia shares on a one-for-one basis, subject to future adjustments. Faurecia may redeem the bonds early, provided certain conditions are met.

At December 31, 2014, 537 bonds had been converted into an identical number of shares.

TRADING BY THE COMPANY IN ITS OWN SHARES DURING 2014 (ARTICLE L. 225-211 OF THE FRENCH COMMERCIAL CODE)

The Shareholders' Meeting on May 27, 2014 authorized the implementation of a share-buyback program, superseding that authorized in the tenth Resolution of the Shareholders' Meeting on May 30, 2013.

TREASURY STOCK (EXCLUDING THE LIQUIDITY AGREEMENT)

At December 31, 2014 the Company held 22,454 shares in treasury (see Note 11 in the Appendix to the parent company financial statements).

Outside the scope of the liquidity agreement, the Company did not trade in its own shares.

LIQUIDITY AGREEMENT

Since April 27, 2009, Faurecia has set up a liquidity agreement that complies with the AMAFI Code of Ethics. This agreement is valid for one year and is automatically renewable. Share buybacks are used for a number of reasons, including to maintain a liquid market for the Company's shares and to purchase shares for allocation to employees or corporate officers, notably under stock option or share grant plans.

The maximum amount that may be invested by the Company in a share buyback program may not exceed 10% of the Company's capital. The maximum authorized may not exceed 10% of the Company's share capital and the per-share purchase price may not exceed €50.

In accordance with the law, when treasury shares are purchased in order to maintain a liquid market, the calculation of the above-mentioned 10% ceiling is based on the number of shares purchased less the number of shares sold during the term of the buyback program.

As required under Article L. 225-210 of the French Commercial Code, the value of all the Company's treasury shares does not exceed the amount of its available reserves, excluding the legal reserve, as shown in the parent company financial statements for the year ended December 31, 2014.

In 2014, a total of 1,015,795 shares were purchased in relation to the liquidity agreement, (0.82% of the capital stock, cost €29,116,696.86) and 1,016,860 shares were sold for €29,200,462.25.

On December 31, 2014, assets in the liquidity account relating to the liquidity agreement comprised 13,812 shares (valued at €426,997.98), and €1,968,047 in cash.

In 2014, the capital gain relating to the liquidity agreement was €53,299, and the return on cash was €1,681.63. Management fees under the liquidity agreement came to €64,000 (excluding VAT) in 2014.

DESCRIPTION OF THE BUY-BACK PROGRAM

(defined according to Article 241-2 of the AMF's General Regulation)

A new share buyback authorization will be submitted to the Shareholders' Meeting of May 27, 2015, with the following terms and conditions:

Sixth resolution – Authorization to be granted to the Board of Directors to purchase shares of the Company within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code

The shareholders, after having considered the Board of Directors' report, authorize the Board, for a period of 18 months in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to purchase shares in the Company, on one or more occasions and at times to be fixed by it, up to a maximum limit of 10% of the total number of shares comprising the share capital, as adjusted if applicable to take into account any increases or reductions in the capital which may occur during the term of the program.

This authorization terminates that granted to the Board of Directors by the shareholders in the eighth resolution ruling on ordinary business at the Combined Shareholders' Meeting held on May 27, 2014.

The purchases may be made with a view to:

- maintaining a liquid market for Faurecia's shares through an investment services provider acting under a liquidity contract which complies with the AMAFI Code of Ethics approved by the AMF;
- keeping the shares thus purchased for tendering at a later date in exchange or as consideration for external growth operations, it being stipulated that the shares acquired for such purpose may not exceed 5% of the Company's capital;
- covering stock option plans and/or plans for the granting of free shares (or similar plans) for the benefit of employees and/

or corporate officers of the Group, as well as all allotments of shares within the framework of a Company or Group savings plan (or similar plan) in respect of the profit-sharing entitlement and/or all other forms of allotments of shares to employees and/or corporate officers of the Group;

- covering securities giving an entitlement to the allotment of shares in the Company within the framework of current regulations;
- possibly canceling the shares purchased, subject to the authorization to be granted by this Shareholders' Meeting in its thirteenth resolution ruling on extraordinary business.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

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

The Company reserves the right to use options or derivatives within the framework of applicable regulations.

The purchase price may not exceed €60 per share. In the event of a transaction involving the share capital, and in particular a stock-split or a reverse stock-split or a free allocation of shares, the above amount will be adjusted in the same proportions (the multiplier being equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares thereafter).

In this manner, and to serve as a guideline, the maximum amount which the Company would be likely to pay in the hypothesis of a purchase at the maximum price of €60 would be €741,375,300 on the basis of the registered capital as at December 31, 2014 (made up of 123,925,210 shares) and taking into account the 36,266 treasury shares held on that date.

The shareholders grant full powers to the Board of Directors, which may be sub-delegated as provided for by law, to carry out these transactions, to set the practical terms and conditions thereof, and to enter into all agreements and carry out all formalities.

CHANGE IN FAURECIA'S SHARE CAPITAL OVER THE LAST FIVE YEARS

	Capital increase/reduction in share capital *(in €)*				
Year and type of transaction	**Nominal amount**	**Premium**	**New capital stock** *(in €)*	**Resulting share premium** *(in €)*	**New number of shares**
02/2010 Share capital increased by issuing 20,918,224 new shares for a gross amount of €146,427,568	146,427,568	-	772,567,096	742,080,152.44	110,366,728
02/2011 Share capital increased by 69 new shares following bond conversions	483	806.61	772,567,579	742,080,959.10	110,366,797
04/2011 Share capital increased by 1,006 new shares following bond conversions	7,042	11,760.14	772,574,621	742,092,719.20	110,367,803
07/2011 Share capital increased by 300 new shares following bond conversions	2,100	3,507	772,576,721	742,096,226.20	110,368,103
02/2012 Share capital increased by 242 new shares following bond conversions	1,694	2,828.98	772,578,415	742,099,055.18	110,368,345

Year and type of transaction	Capital increase/reduction in share capital (in €) Nominal amount	Premium	New capital stock (in €)	Resulting share premium (in €)	New number of shares
06/2012 Share capital increased by creating 465,400 shares under performance-share Plan No. 1	3,257,800	-	775,836,215	-	110,833,745
03/2013 Share capital increased by creating 5,200 shares under performance-share Plan No. 1	36,400	-	775,872,615	-	110,838,945
08/2013 Share capital increased by creating 7,800 shares under performance-share Plan No. 1	54,600	-	775,927,215	-	110,846,745
09/2013 Share capital increased by creating 5,200 shares under performance-share Plan No. 1	36,400	-	775,963,615	-	110,851,945
12/2013 Share capital increased by 11,736,190 new shares following the early redemption of the OCEANE maturing on January 1, 2015	82,153,330	128,759,451.17	858,116,945	870,858,506.35	122,588,135
06/2014 Share capital increased by creating 1,102,775 shares as part of the 2013 dividend payment in shares, creating 221,000 shares under performance-share Plan No. 1 and creating 13,300 shares under Plan No. 18	9,359,525	22,152,382.25	867,476,470	893,010,888.86	123,925,210

CHANGE IN SHAREHOLDER STRUCTURE OVER THE LAST THREE YEARS

Shareholders at December 31, 2014	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the General Meeting
Peugeot S.A.	63,380,509	51.14	126,698,459	67.35	126,698,459	67.36
Faurecia Actionnariat Corporate Mutual fund	316,482	0.26	586,797	0.31	586,797	0.31
Board members	60,552	0.05	105,793	0.06	105,793	0.06
Treasury stock	36,266	0.03	36,266	0.02	0	0.00
o/w liquidity contract	*13,812*	*0.01*	*13,812*	*0.00*	*0*	*0.00*
Other shareholders (registered and bearer)	60,131,401	48.52%	60,692,995	32.26%	60,692,995	32.27%
TOTAL	**123,925,210**	**100%**	**188,120,310**	**100%**	**188,084,044**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2014.*

Shareholders at December 31, 2013	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the General Meeting
Peugeot S.A.	63,380,509	51.70	126,761,018	68.00	126,761,018	68.02
Faurecia Actionnariat Corporate Mutual fund	302,053	0.25	510,299	0.27	510,299	0.27
Board members	47,196	0.04	55,387	0.03	55,387	0.03
Treasury stock	44,162	0.04	44,162	0.02	0	0.00
o/w liquidity contract	*13,371*	*0.01*	*13,371*	*0.00*	*0*	*0.00*
Other (registered and bearer)	58,814,215	47.98%	59,025,237	31.67%	59,025,237	31.67%
TOTAL	**122,588,135**	**100%**	**186,396,103**	**100%**	**186,351,941**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2013.*

Shareholders at December 31, 2012	Shares	% share capital	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the General Meeting
Peugeot S.A.	63,380,509	57.18	126,761,018	72.60	126,761,018	72.61
Faurecia Actionnariat Corporate Mutual fund	270,315	0.24	438,235	0.25	438,235	0.25
Board members	73,906	0.07	82,097	0.05	82,097	0.05
Treasury stock	41,979	0.04	41,979	0.02	0	0
o/w liquidity contract	*16,229*	*0.01*	*16,229*	*0.00*	*0*	*0*
Other (registered and bearer)	47,067,036	42.47%	47,287,692	27.08%	47,287,692	27.09%
TOTAL	**110,833,745**	**100%**	**174,611,021**	**100%**	**174,569,042**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2012.*

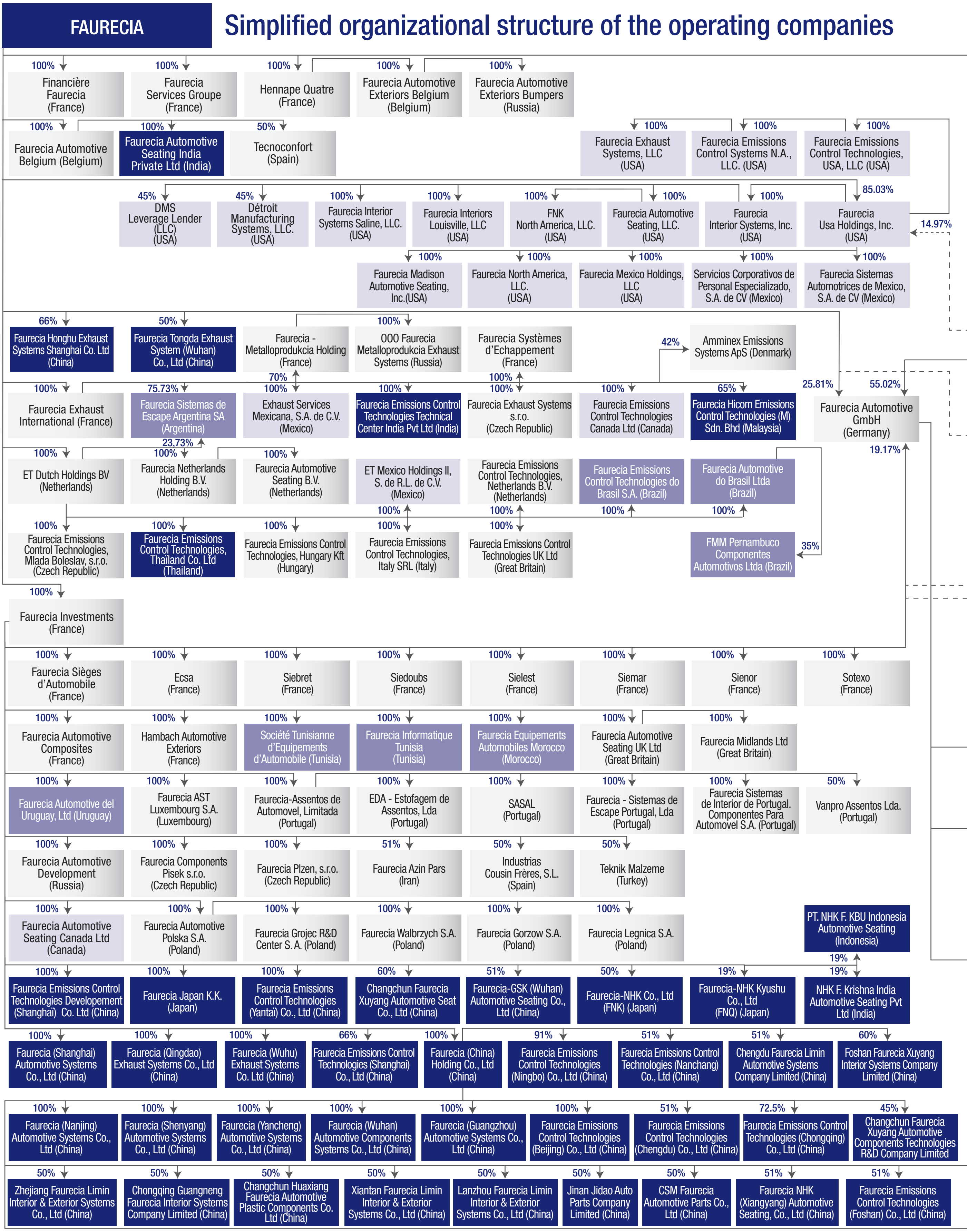
MAJORITY SHAREHOLDER

As of December 31, 2014, Peugeot S.A. owned 51.14% of the share capital of Faurecia.

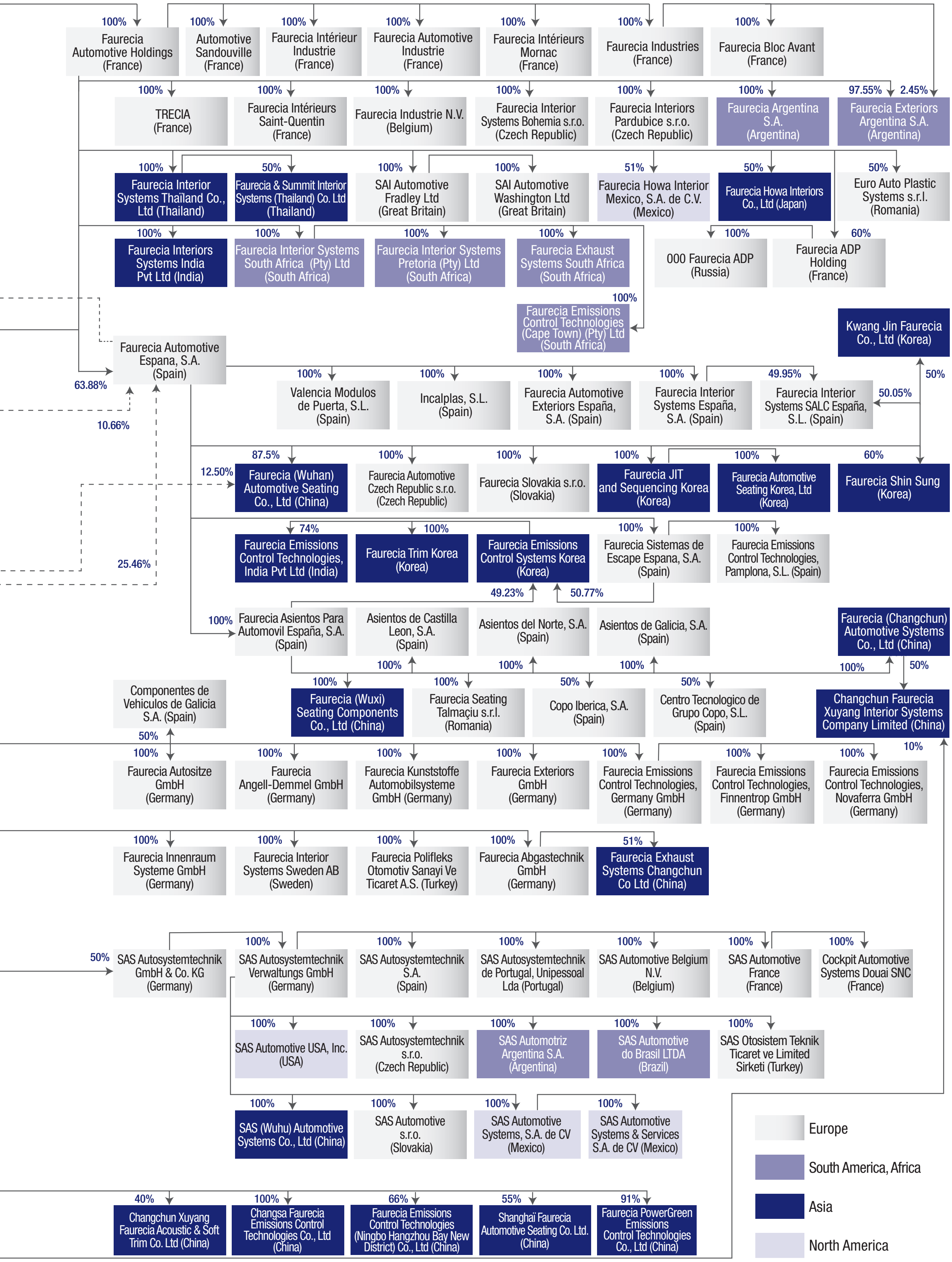
IDENTIFICATION OF SHAREHOLDERS

The Company is entitled to ask the central depository at any time for the names of holders of securities carrying immediate or future voting rights at Shareholders' Meetings, the number of securities held by each, plus details of any restrictions applicable to the securities.

10.4.2.3. Organizational chart of Faurecia group companies



as of december 31, 2014 (direct or indirect shareholding)



10.4.2.4. Additional information on the audit of the financial statements

A. THE AUDIT OF THE FINANCIAL STATEMENTS

In accordance with French company law, Faurecia's Statutory Auditors certify the parent company and Group financial statements and review the situation of its fully consolidated subsidiaries through members of their networks.

In 2014, ERNST & YOUNG Audit and PricewaterhouseCoopers Audit received €4.4 million and €3.1 million respectively for their audit assignments.

The table in Note 33 of the Appendix to the consolidated financial statements shows the fees that Faurecia and its fully consolidated subsidiaries recorded in their 2014 financial statements for work assigned to the Statutory Auditors.

B. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

	Date of first appointment	Expiry of current term
STATUTORY AUDITORS		
ERNST & YOUNG Audit represented by Mr. Denis THIBON (Member of the Versailles Regional Association of Statutory Auditors) Tour First TSA 14444 92037 Paris – La Défense Cedex France	June 17, 1983	2019 AGM
PricewaterhouseCoopers Audit represented by Mr. Éric BERTIER (Member of the Versailles Regional Association of Statutory Auditors) 63, rue de Villiers 92208 Neuilly-sur-Seine France	May 27, 2003	2019 AGM
ALTERNATE STATUTORY AUDITORS		
Auditex	May 27, 2003	2019 AGM
Mr. Étienne BORIS	May 23, 2005	2019 AGM

11

Combined Shareholders' Meeting of May 27, 2015

CONTENTS

11.1. Agenda

ORDINARY BUSINESS

First resolution – Approval of the statutory financial statements for the financial year ended on December 31, 2014 – Approval of non-tax-deductible expenses and charges.

Second resolution – Approval of the consolidated financial statements for the financial year ended on December 31, 2014.

Third resolution – Appropriation of net income for the financial year and setting of dividend – Option for payment of the dividend in cash or in shares, issue price of the shares to be issued, fractional shares and option periods.

Fourth resolution – Statutory Auditors' special report on regulated agreements and undertakings, and acknowledgement of the absence of any new agreement.

Fifth resolution – Advisory opinion on the compensation components due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, for the financial year ended December 31, 2014.

Sixth resolution – Authorization to be granted to the Board of Directors to purchase shares of the Company within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code, duration of the authorization, purposes, procedures and ceiling.

Seventh resolution – Amount of attendance fees allocated to Board members.

Eighth resolution – Renewal of the term of office of Mr. Éric Bourdais de Charbonnière as Director.

Ninth resolution – Renewal of the term of office of Mr. Lee Gardner as Director.

Tenth resolution – Renewal of the term of office of Mr. Hans-Georg Härter as Director.

EXTRAORDINARY BUSINESS

Eleventh resolution – Modification of Article 11 of the bylaws on the reduction of the Board members' mandate to four years.

Twelfth resolution – Harmonization of Article 22 of the bylaws.

Thirteenth resolution – Authorization to be granted to the Board of Directors to cancel shares of the Company purchased within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code, duration of the authorization and ceiling.

Fourteenth resolution – Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access, if necessary, to some ordinary shares, or allotment of debt securities (from the Company or of any direct or indirect subsidiary), and/or securities giving access to ordinary shares to be issued (by the Company or any direct or indirect subsidiary) with maintenance of pre-emptive subscription right, or to increase the share capital by integrating reserves, profits and/or premiums, duration of the delegation, maximum nominal amount of capital increase, outcome of fractional shares, power to limit the issue to the subscription amount and to offer unsubscribed securities to the general public, suspension during takeover bids.

Fifteenth resolution – Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access, if necessary, to some ordinary shares, or allotment of debt securities (from the Company or from any direct or indirect subsidiary), and/or securities giving access to ordinary shares to be issued (by the Company or any direct or indirect subsidiary) with cancellation of pre-emptive subscription right through public offering, duration of the delegation, maximum nominal amount of capital increase, issue price, power to limit the issue to the subscription amount or to distribute unsubscribed securities, suspension during takeover bids.

Sixteenth resolution – Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access, if necessary, to some ordinary shares, or allotment of debt securities (from the Company or from any direct or indirect subsidiary), and/or securities giving access to ordinary shares to be issued (by the Company or any direct or indirect subsidiary) with cancellation of pre-emptive subscription right through an offer in accordance with Article L.411-2 of the French Monetary and Financial Code, duration of the delegation, maximum nominal amount of capital increase, issue price, power to limit the issue to the subscription amount or to distribute unsubscribed securities, suspension during takeover bids.

Seventeenth resolution – Authorization, in the event of issuance without pre-emptive subscription right, to set the issue price under the conditions set by the shareholders, up to a maximum limit of 10% of the capital stock per year, suspension during takeover bids.

Eighteenth resolution – Authorization to increase the size of the issues in the event of oversubscriptions, suspension during takeover bids.

Nineteenth resolution – Delegation of authority to be granted to the Board of Directors to increase the capital stock through the issue of ordinary shares and/or securities conferring an entitlement to shares, without pre-emptive subscription right, for the benefit of members of a company savings plan in application of Articles L. 3332-18 et seq. of the French Labor Code, duration of the delegation of authority, maximum nominal value of the capital increase, issue price, option to grant free shares in accordance with Article L. 3332-21 of the French Labor Code.

Twentieth resolution – Authorization to be granted to the Board of Directors to award existing and/or new shares for free to employees and/or certain corporate officers of the Company or of affiliated companies, and waiver by the shareholders of their pre-emptive subscription right, duration of the authorization, ceiling, duration of vesting periods in particular regarding invalidity and lock-up, and performance conditions.

Twenty first resolution – Powers to carry out formalities.

11.2. Explanatory notes to the resolutions

1. EXPLANATORY NOTES TO THE ORDINARY RESOLUTIONS

The first three resolutions to be submitted to your vote concern the approval of the 2014 financial statements and appropriation of net income.

The fourth resolution concerns regulated agreements and undertakings.

The fifth resolution intends, in accordance with the AFEP/MEDEF Code, to gather the advisory opinion of the shareholders on the remuneration due or allocated to Mr. Yann Delabrière for the 2014 financial year according to the "Say on Pay" principle.

Resolution six is in respect of the share buyback program.

Resolutions seven to ten deal with governance:

- the seventh resolution seeks to increase the envelope dedicated to attendance fees;
- the mandates of MM. Éric Bourdais de Charbonnière, Lee Gardner and Hans-Georg Härter as Board members are to be renewed under resolutions eight to ten.

1.1 Approval of the financial statements and appropriation of net income (1st to 3rd resolutions)

APPROVAL OF THE 2014 STATUTORY FINANCIAL STATEMENTS (1ST RESOLUTION)

We are seeking your approval of these statutory financial statements, which show a net income of €92,537,242.98.

We are also seeking your approval of the overall expenses and charges referred to in 4° of Article 39 of the French General Tax Code, i.e. the sum of €142,244.41 it being understood that no tax has been incurred on these expenses and charges.

APPROVAL OF THE 2014 CONSOLIDATED FINANCIAL STATEMENTS (2ND RESOLUTION)

We are seeking your approval of these financial statements, showing a net income (Group share) of €165.7 million.

APPROPRIATION OF NET INCOME (3RD RESOLUTION)

The appropriation of net income that we suggest is in accordance with the law and our bylaws.

Thus, we are seeking your approval to appropriate the net income, which is presented below, for the 2014 financial year, which amounts to €92,537,242.98:

Origin

• Net income for the financial year	€92,537,242.98
• Retained earnings carried forward from prior years	€1,080,998,788.59
Total to be appropriated	**€1,173,536,031.57**

Appropriation

• Legal reserves	€4,626,862.15
• Dividend	€43,373,823.50
• Retained earnings	€1,125,535,345.92
Total appropriation	**€1,173,536,031.57**

Taking into account the Group's performance, the Board of Directors has decided to suggest payment of a gross dividend of €0.35 per share and to offer shareholders the option to receive this dividend as a cash payment or in the form of new shares. Individuals resident for tax purposes in France are eligible for this distribution, with 40% tax relief as provided for by Article 158-3 2° of the French General Tax Code.

In the event of a change in the number of shares carrying entitlement to dividends in relation to the 123,925,210 shares which make up the capital stock at December 31, 2014, the overall amount of dividends would be adjusted and the amount allocated to retained earnings would be determined based on the dividends actually paid.

The price of the share paid out will be 90% of the average price quoted on the twenty trading days prior to the date of the meeting, less the net amount of the dividend. This price will be announced during the Annual Meeting.

The option exercise period will be from June 1 to June 16, 2015 inclusive.

It should be noted that, if the net dividend for which the shareholder has exercised the option does not correspond to a full number of shares, the shareholder may:

- either receive the next-lowest full number of shares, with the difference made up in cash on the date the option is exercised; or
- receive the next-highest full number of shares by paying the difference in cash.

Shareholders who have not opted to have their dividend paid out in shares at the end of this period will receive their dividend in cash.

Cash dividends will be paid out and new share dividends will be issued on the same day, i.e. June 24, 2015. The ex-dividend date will be June 1, 2015, the first day of the option exercise period.

The shares issued as dividend payments will carry dividend rights as of January 1, 2015.

In accordance with the provisions of Article 243 bis of the French General Tax Code, we would like to point out that, over the last three financial years, the share distributions were as follows:

	Income eligible for tax relief		
In respect of the financial year	**Dividends**	**Other income distributed**	**Income not eligible for tax relief**
2011	€38,628,920.75* i.e. €0.35 per share	-	-
2012	-	-	-
2013	€36,780,430.50* i.e. €0.30 per share	-	-

* *Includes the dividend from unpaid treasury stock allocated to the retained earnings account.*

1.2 Regulated agreements and undertakings (4th resolution)

You are asked, in view of the Statutory Auditors' report on related party agreements and commitments, to acknowledge the absence of any new related party agreement during the past financial year which has not yet been approved.

1.3 Say on Pay (5th resolution)

The compensation components owed or allocated in respect of the financial year ended December 31, 2014 to Mr. Yann Delabrière which are submitted to the advisory opinion of the shareholders are shown in the table below:

Payments due or made for the business year ending on December 31, 2014	Amounts or accounts valuation subject to a vote	Presentation
Fixed remuneration	€700,000.08 (amount paid)	Mr Yann Delabrière's fixed remuneration had been fixed at €700,000 as from 2011 by the Board decision of February 7, 2011 and had remained unchanged since then. It was increased to €800,000 as from 2015 by the Board decision of February 11, 2015. This increase was decided upon by the Board of Directors on the following grounds: • a close look at the situation of a representative selection of listed industrial companies comparable to Faurecias shows a significant difference (more than 10%) compared to Mr Yann Delabrière's fixed remuneration; • Mr Yann Delabrière's fixed remuneration had remained unchanged since 2011; • the financial results for the 2014 business year are the proof of the adoption of a mid-term and long-term strategy for Faurecia, and of an organisation suited to this strategy.

Payments due or made for the business year ending on December 31, 2014	Amounts or accounts valuation subject to a vote	Presentation
Annual variable remuneration	€889,787 (amount paid in respect of 2014)	The Board meeting of February 11, 2014 fixed the modalities for determining Mr Yann Delabrière's variable remuneration for 2014. This variable remuneration is determined according to the achievement of quantitative targets, which give right to a variable remuneration ranging from 0 to150% of the fixed remuneration. Some qualitative targets were defined in addition to these targets. Once all or part of the quantitative targets are achieved, the level of achievement of the qualitative targets determines a possible multiplier effect of the achievement of 0.70 to 1.20 of the quantitative targets. Thus, if the quantitative targets are equal to 0, the multiplier effect of the qualitative targets do not play any role. All in all, Mr Yann Delabrière's variable remuneration may range from 0 to 180% of his annual fixed remuneration. The quantitative targets fixed at the Board meeting of February 11, 2014 were linked to the operating profit and to free cash flow. Moreover, the contribution to the variable remuneration of each of them was calculated as follows at this same Board meeting: • operating profit: 40% of the variable remuneration; • free cash flow: 60% of the variable remuneration. The expected levels of achievement of the quantitative criteria have been fixed in reference with the budget adopted by the Board, but they have not been made public for reasons of confidentiality. The qualitative targets fixed by this same Board of Directors concerned: • continued modification of the organisation and management of Faurecia in North America, with a view to creating a high-level management team made up almost entirely of American citizens before the end of 2014/beginning of 2015 and realisation of the budget in this area (this criterion has a 40% impact); • the deployment of the new Being *Faurecia culture* (this criterion has a 30% impact); and • the management of internal control and information systems issues through full deployment of the SAP system (this criterion has a 30% impact). On the recommendation of the Appointments and Compensation Committee of February 9, 2015, the Board meeting of February 11, 2015 examined the level of achievement of the quantitative criteria: • concerning the operating profit criterion, the Board noticed a 116.7% achievement; • concerning the free cash *flow criterion*, the Board noticed that this second quantitative target had been attained by 150%.

Payments due or made for the business year ending on December 31, 2014	Amounts or accounts valuation subject to a vote	Presentation
Annual variable remuneration		These two achievements amount to a 136.7% achievement level on the scale adopted by the Board of Directors: considering the weight of this indicator, this gives right to a variable quantitative remuneration of 956,900 €. The Board of Directors then examined the achievement of each of the three qualitative targets described above: • concerning the continued modifications of the organisation and management of Faurecia in North America, the Board of Directors thinks that 95% of this criterion has been met; • concerning the new "Being Faurecia" culture, the Board of Directors thinks that this criterion has been fully met; • concerning the management of internal control and information system issues through full deployment of the SAP system, the Board of Directors thinks that 83% of this criterion has been met. Therefore, the Board of Directors thinks that the level of achievement of the quality of implementation of these three qualitative targets is such that the multiplier effect of the achievement of the two quantitative targets is 0.93. Based on this, the Board of Directors adopted for 2014 a variable remuneration for Mr Yann Delabrière equal to 136.7% x 0.93, i.e. 127.1% of the fixed remuneration for 2014, amounting to 889,787 €.
Deferred variable remuneration	Not applicable	No deferred variable remuneration
Multi-annual variable remuneration	Not applicable	No multi-annual variable remuneration
Exceptional remuneration	Not applicable	No exceptional remuneration
Share option, performance shares or any other long-term pay element	Options = not applicable	No granting of share subscription or acquisition options
	Performance shares = €1,808,900 (accounting valuation)	Maximum 68,900 shares were granted to Mr Yann Delabrière by the Board of Directors' decision of July 28, 2014 within the framework of free granting of performance shares No. 6, based on the general assembly authorisation of May 30, 2013 (fifth extraordinary resolution). These 68,900 shares correspond to 0.05% of the share capital as of December 31, 2014. The Board of Directors subjected the definitive acquisition of these shares: • to 60% to an internal condition of performance, i.e. the Group's pre-tax income on December 31, 2016, before taking into account the capital gains from asset disposals and changes in scope; • to 40% to an internal condition of performance based on the comparison between the growth of the Company's net income per share, measured between the 2013 and 2016 business years, on the one hand, and the average growth of a reference Group made up of worldwide automotive suppliers, on the other hand. If these conditions of performance of plan No. 6 are met to the maximum by the end of the 2016 business year, Mr Yann Delabrière shall be granted a maximum of 68,900 shares.
	Other element = not applicable	
Attendance fees	Not applicable	Mr Yann Delabrière does not receive any attendance fees.
Evaluation of benefits of all kinds	€7,371.60 (accounting valuation)	Car

Payments due or made for the business year ending on 31 December 2014 voted by the general assembly within the framework of the regulated agreement and commitment procedure	Amounts subjected to a vote	Presentation
Severance package	Not applicable	No severance package
Non-competition payment	Not applicable	No non-competition clause
Supplementary pension scheme	No payment during the business year	Description of the defined benefit scheme: • minimum seniority: 5 years while going on retirement; • progressive increase in potential rights with regard to seniority and pay: the potential rights increase every year by 1% in the C bracket; • reference period used to calculate the benefits: seniority starting from March 1, 1990; • reference income and maximum percentage of said income accessible via the supplementary pension scheme: the reference income taken into account is the average annual pay received in the last 3 years, the benefits are calculated on the basis of the C bracket only (between 4 and 8 times the annual social security ceiling), the individual potential rights amount to a €35,505 annuity (value as of December 31, 2014), i.e. 3% of the reference income. Description of the defined contribution scheme: • defined contribution scheme on the A and B brackets, amounting to 1% for the A bracket and 6% for the B bracket of the pay without the beneficiary's participation; • contributions paid by the Company in 2014: €7,134. These two schemes are always open to all the Group executives with at least 5 years seniority by the time they are going on retirement, for the defined benefit scheme, and at least 1 year seniority, for the defined contribution scheme. Mr Yann Delabrière's scheme, as described above, was approved by the Board meeting of February 11, 2014 and by the general assembly of May 27, 2014 (4the ordinary resolution).

1.4 Share buyback program (6th resolution)

This resolution will authorize the Board of Directors to purchase shares of the Company for the following purposes:

- to maintain a liquid market for the Company's shares through an independent investment services provider acting under a liquidity agreement;
- to keep the shares for tendering at a later date within the framework of external growth operations;
- to allot shares to employees and corporate officer managers of the Company or related companies, under stock option and free share plans, either as part of their compensation or in respect of their profit sharing entitlement;
- to allot shares upon the exercise of rights attached to securities conferring an entitlement to the allotment of shares of the Company; and
- to cancel shares.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

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

The Company reserves the right to use options or derivatives within the framework of applicable regulations.

The authorization to be granted to the Board of Directors includes a maximum purchase price (€60), a maximum limit on the overall amount which may be allocated to the buyback program (€741,375,300), and a maximum limit on the number of shares which may be purchased (10% of the Company's capital on the date of purchase).

This authorization is sought for a period of 18 months and would bring an end to the authorization granted to the Board of Directors by the General Meeting on May 27, 2014 in its eighth ordinary resolution.

1.5 Governance (7th to 10th resolutions)

You are asked to bring the yearly attendance fees allocated to Board members from €400,000 to €600,000. This decision would be applicable to the current financial year and would remain in force until a new decision is taken. It is reminded that the €400,000 amount was fixed by the May 27, 2003 General Meeting and is unchanged since that date.

It is also reminded that the Board of Directors is currently made up of 13 members and that the Chairman and Chief Executive Officer and members of the Board of Directors holding executive management in a company that is a shareholder of the Group do not receive any attendance fees. In practice only 10 Board members are paid attendance fees.

In this respect, your attention is drawn to the fact that the Company proceeds every year to a review of the attendance fees paid to its Board members with those paid by comparable companies (industrial companies of the SBF 120 index). The benchmarking done for the last years revealed that the average attendance fees paid by the Company was slightly below the average attendance fees paid by the reference companies.

We also propose the renewal of the mandates of MM. Éric Bourdais de Charbonnière, Lee Gardner and Hans-Georg Härter as Board members.

Each of them terminates a five-year duration mandate during which Faurecia benefited from their great professional experience acquired in the world of automotive industry and in the financial field for two of them.

Their expertise and career are described in Section 11.4.

Subject to the adoption of the 11th extraordinary resolution of the present meeting of which purpose is to reduce the duration of Board members' mandates from 5 to 4 years, they will hold their mandates for a period of four years expiring at the end of the 2019 Shareholders' Meeting called to decide on the accounts of the preceding year.

The Board of Directors considered that MM. Éric Bourdais de Charbonnière, Lee Gardner and Hans-Georg Härter are as independent directors as regards the independence criteria of the AFEP/MEDEF Corporate Governance Code for listed companies, chosen by Faurecia as the reference Corporate Governance Code.

2. EXPLANATORY NOTES TO THE EXTRAORDINARY RESOLUTIONS

The 11th and 12th resolutions relates to amendments to be made to the bylaws.

The 13th resolution will enable the Board of Directors to reduce the capital stock by cancelling treasury shares held.

The 14th to 18th resolutions to be submitted to your vote concern financial delegations of authority and authorizations to be granted to the Board of Directors.

The Shareholders' Meeting of May 30, 2013 granted to the Board of Directors, to meet the Group's financing needs, delegations of authority and authorizations which are due to lapse during this financial year.

In 2014, with the exception of the resolution authorizing the granting of performance shares, none of these delegations of authority and authorizations as voted by the Shareholders' Meeting of May 30, 2013 was used by the Board of Directors.

In accordance with Article L. 225-100 par. 7 of the French Commercial Code, the Board of Directors has also reported on its use of these delegated authorities and authorizations in the 2014 financial year in its management report.

Consequently, under the 14th to 18th resolutions, you are asked to renew these delegations of authority and authorizations under the terms as described below.

This will enable the Board of Directors to issue ordinary shares giving access, if necessary, to ordinary shares, or allotment of debt securities (from the Company or from any direct or indirect subsidiary), and/or securities giving access to ordinary shares to be issued (by the Company or any direct or indirect subsidiary) with or without pre-emptive subscription right. This will enable the Company to carry out financial transactions as and when market conditions permit, and quickly raise the capital needed to implement the Group's growth and consolidation strategy.

The aim of the 19th resolution is to involve Group employees in its expansion, in particular through a capital increase reserved for employees.

Finally, the 20th extraordinary resolution will renew upon its expiry the authorization granted by the Shareholders' Meeting held on May 30, 2013. This will enable the Board of Directors to grant free performance shares to employees and corporate officers of the Group.

The Shareholders' Meeting held on May 30, 2013 authorized your Board of Directors to grant a maximum number of 2,500,000 shares. The Board of Directors used this authorization in 2013 and in 2014:

- by a decision dated July 24, 2013, it granted a maximum number of 1,215,500 shares;
- by a decision dated July 28, 2014, it granted a maximum number of 957,125 shares.

The authorization of the Shareholders' Meeting held on May 30, 2013 was then used up to an amount of 2,172,625 shares.

From a general point of view, and with the exception of two plans which were granted in 2010, one performance shares plan is granted by the Board of Directors every year. Up to date, six plans were granted on the basis of the authorizations voted by the Shareholders' Meetings:

- two plans in 2010;
- one plan in 2011;
- one plan in 2012;
- one plan in 2013;
- one plan in 2014.

In practice, the condition for the first plan of 2010 was reached and the maximum number of shares was acquired by the beneficiaries under this plan.

This was not the case for the second plan of 2010, nor for the plans of 2011 and 2012: because the performance conditions as set up by the Board of Directors were not reached, no share was acquired by any of the beneficiaries under any of these three plans.

The plans granted in 2013 and 2014 are currently under way.

2.1 Statutory changes (11th and 12th resolutions)

The purpose of the 11th resolution is to make the Company compliant with the recommendations of the AFEP/MEDEF Code and reduce from 5 to 4 years the Board members' mandates subject to renewal, starting from the present General Meeting, as well the mandate of any Board member appointed by a future General Meeting.

Therefore, Section 3, Article 11, of the bylaws, currently drafted as follows:

"The duration of the Board members' mandate shall be five years. They may always be re-elected."

would henceforth be drafted as follows (the other part of the article shall remain unchanged):

"The duration of the Board members' mandate shall be four years. They may always be re-elected."

However, the Board members' mandate as of May 27, 2015, which are not subject to renewal during this same meeting, shall not be affected by this statutory change. Therefore, they shall exercise their mandate until the end of the five years initially fixed when they were appointed.

The changes you are being asked to vote on under the 12th resolution seek to reflect the new wording of Article R. 225-85 of the French Commercial Code, resulting from Decree 2014-1466 of December 8, 2014 which amended the registration conditions required to take part in the vote at the General Meetings of companies whose shares are accepted for trading on a regulated market.

The right to take part in these meetings by registering shares in an account on the second working day prior to the meeting at *at zero (0) hours Paris time*, is now substantiated.

The third paragraph of Article 22 of the Company bylaws currently reads as follows:

"All shareholders of record at zero (0) hours Paris time on the third business day preceding the date of the Meeting, as evidenced by their registration either on the shareholders' register kept by the Company in the case of registered shares or in a securities account held by an authorized intermediary in the case of bearer shares, are entitled to take part in Shareholders' Meetings."

will now read as follows, with the rest of the article remaining unchanged:

"The right to participate in General Meetings shall be substantiated in accordance with applicable regulations."

2.2 Cancellation of treasury shares held (13th resolution)

This resolution will authorize the Board of Directors to cancel shares of the Company purchased pursuant to the 6th resolution or under previously authorized share buyback programs, up to a maximum limit of 10% of the capital stock, and to reduce the capital stock accordingly.

This authorization would be granted for 18 months.

2.3 Financial delegations of authority and authorizations (14th to 18th resolutions)

Delegation of authority to increase the capital stock while maintaining the pre-emptive subscription right (14th resolution)

The operations carried out under this resolution would be reserved for Company shareholders only. They concern the issuing of ordinary shares giving access, if necessary, to ordinary shares, or allotment of debt securities and/or securities giving access to ordinary shares to be issued.

In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may confer an entitlement to ordinary shares in any company in which the Company directly or indirectly holds more than half of the capital.

This delegation will also enable the capital to be increased through capitalization of premiums, reserves, profits or other, either in the form of allotments of free shares, or by increasing the par value of existing shares.

The capital increases performed under this delegation may not exceed an aggregate par value of €400,000,000 (four hundred million euros). Issues of debt securities may not exceed an aggregate par value of €1,000,000,000 (one billion euros).

These amounts are the ceilings against which all of the capital increases and issues of debt instruments carried out with or without pre-emptive subscription right will be charged based on the 15th to 18th resolutions.

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

If the aggregate amount of subscriptions as of right and for excess shares or securities have not absorbed all of an issue, the Board of Directors may use, in the order it determines, all or some of the following faculties:

- cap the amount of the issue at the amount of the subscriptions received, subject to any regulatory restrictions;
- freely allocate all or some of the unsubscribed securities;
- offer all or some of the unsubscribed securities to the public.

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

This delegation of authority is sought for a period of 26 months.

Delegation of authority for the purposes of increasing the capital stock with removal of the pre-emptive subscription right, by way of a public offering (15th resolution)

Transactions carried out pursuant to this resolution will be open to the public. They concern the issuing of ordinary shares giving access, if necessary, to ordinary shares, or allotment of debt securities and/or securities giving access to ordinary shares to be issued.

In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may confer an entitlement to ordinary shares in any company in which the Company directly or indirectly holds more than half of the capital.

Capital stock increases performed using this delegation may not exceed an aggregate par value of €110,000,000 (one hundred and ten million euros). Issues of debt securities may not exceed an aggregate par value of €1,000,000,000 (one billion euros). These limits also cover issues made pursuant to the 16th resolution, and will be charged against the respective aggregate ceilings set in the 14th resolution described above.

The issue price of shares issued pursuant to this delegation of authority will 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 issue pricing date, with a potential discount of up to 5%.

If the subscriptions do not absorb all of the issue, the Board of Directors may do the following:

- cap the amount of the issue at the amount of the subscriptions received, subject to any regulatory restrictions;
- freely allocate all or some of the unsubscribed securities;

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

This delegation of authority is sought for a period of 26 months.

Delegation of authority for the purpose of increasing the capital stock with removal of the pre-emptive subscription right, by offer referred to in Article L. 411-2 II of the French Monetary and Financial Code (16th resolution)

This resolution is in addition to the 15th resolution to enable shareholders to vote separately on this matter as recommended by the Autorité des Marchés Financiers. It concerns private placements with persons providing a portfolio management service for third parties, qualified investors, or a restricted circle of investors, on condition that the last two categories act for their own account. They concern the issuing of ordinary shares giving access, if necessary, to ordinary shares, or allotment of debt securities and/or securities giving access to ordinary shares to be issued.

In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may confer an entitlement to ordinary shares in any company in which the Company directly or indirectly holds more than half of the capital.

The capital increases performed under this delegation may not exceed an aggregate par value of €110,000,000 (one hundred and ten million euros). Issues of debt securities may not exceed an aggregate par value of €1,000,000,000 (one billion euros). These limits also cover issues made pursuant to the 15th resolution, and will be charged against the respective aggregate ceilings set in the 14th resolution.

In addition, these issues may not exceed the limits set out in the regulations applicable on the date of issue which, at present, is 20% of the Company's capital stock in any one year.

Like the 15th resolution, the subscription price of new shares issued pursuant to this delegation of authority will 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 issue pricing date, with a potential discount of up to 5%.

If the subscriptions do not absorb all of the issue, the Board of Directors may do the following:

- cap the amount of the issue at the amount of the subscriptions received, subject to any regulatory restrictions;
- freely allocate all or some of the unsubscribed securities.

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

This delegation of authority is sought for a period of 26 months.

Permission to set the share issue price (17th resolution)

This resolution will authorize the Board of Directors to derogate from the conditions for setting the price provided for in the 15th and 16th resolutions for issues made without pre-emptive subscription rights.

The issue price of shares may not be less than the closing price on the trading day immediately preceding the issue pricing date, with a potential discount of up to 10%. The Board of Directors may use this facility up to a limit of 10% of the capital stock in any one year.

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

This authorization is sought for a period of 26 months.

Authorization to increase the amount of the initial issues decided upon with or without pre-emptive subscription right, in the event of oversubscriptions (18th resolution)

This authorization would allow the Company to satisfy excess demand for rights issues made to existing shareholders (14th resolution) via public offerings (15th resolution) or the private placements referred to in the 16th resolution.

Transactions carried out pursuant to this delegation of authority may not exceed the legal ceiling of 15% of the initial issue, and will be charged against the maximum limit applicable to the initial issue and the aggregate ceiling set in the 14th resolution.

The subscription price of ordinary shares or securities issued must be the same as the initial issue price set pursuant to the 14th, 15th and 16th resolutions described above.

The Board of Directors may use this authorization during a period of 30 days as from the close of the subscription period.

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

This authorization is sought for a period of 26 months.

2.4 Employee and corporate officer share ownership (19th and 20th resolutions)

Delegation of authority to increase the capital stock with removal of the pre-emptive subscription right to members of a Company savings plan (19th resolution)

Pursuant to the 19th resolution, the Board of Directors is authorized to increase the capital stock by issuing shares or securities giving access, immediately or after a given period, to the Company's capital without pre-emptive subscription rights to Group employees who are members of a company or Group savings plan.

This authorization will be limited to 3% of the capital stock, and will not be charged against the aggregate ceiling set in the 14th resolution.

The subscription price may not be higher than the average of the opening share prices quoted on the twenty trading days preceding the date of the decision setting the opening date of the subscription period. Furthermore, it may not be more than 20% lower than that average, nor may it be 30% lower if the lock-up period provided for in the savings plan is more than or equal to ten years.

The Board of Directors may also decide to award new or existing shares or other securities conferring an entitlement 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.

This delegation of authority is sought for a period of 26 months.

Authorization for the free granting of performance shares to employees and/or some corporate officers (20th resolution)

The 20th resolution aims to authorize the Board of Directors to award existing and/or new shares of the Company for free to employees and/or corporate officers of the Company and/or of companies or groups which are directly or indirectly linked thereto under to the conditions set out in Article L. 225-197-2 of the French Commercial Code.

The definitive attribution of these shares will be subject to achievement of performance conditions as defined in this resolution, namely:

- the pre-tax net income of the Group before taking into account exceptional items in the fiscal year preceding the acquisition date of the shares as fixed by the Board of Directors assessed against this income for the same fiscal year as forecast in the Group's Mid-Term Plan reviewed by the Board of Directors on the date when the shares are allocated;
- the growth in net earnings per Faurecia share assessed between the last fiscal year on the date when the shares are allocated and the last fiscal year on the date when the shares are acquired, compared with the average growth of a peer group comprising worldwide automotive suppliers over the same period.

The number of shares which may be awarded for free may not exceed 2,000,000 shares (two millions shares) on the date on which the Board uses this authorization, it being agreed that this number constitutes a maximum number of shares that can be attributed during the whole duration of this authorization.

The aggregate number of free shares that may be awarded to corporate officers may not exceed 15% of the overall allocation set out above on the date on which the Board uses this authorization.

The allocation of the shares to the beneficiaries will become definitive at the end of a vesting period, the length of which is to be set by the Board of Directors, subject to compliance with the minimum legal requirement. Where applicable, the beneficiaries shall hold said shares for a period set by the Board of Directors, in keeping with any minimum legal requirement. The combined duration of the vesting and lock-up periods may not be less than the minimum legal requirement, if any.

This authorization is sought for a period of 26 months.

Finally, the **21st resolution** concerns the granting of powers to carry out the formalities required after a Shareholders' Meeting, and in particular filing and publication formalities.

11.3. Resolutions

ORDINARY BUSINESS

FIRST RESOLUTION

Approval of the statutory financial statements for the financial year ended on December 31, 2014 – Approval of non-tax-deductible expenses and charges

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report on the statutory financial statements as at December 31, 2014, approve said statutory financial statements as presented, showing a net income of €92,537,242.98.

The shareholders in particular approve the total amount of expenses and charges referred to in Article 39-4 of the French General Tax Code, i.e. €142,244.41, corresponding to non-deductible lease payments for passenger vehicles, with the understanding that no tax was paid in respect of those expenses and charges.

SECOND RESOLUTION

Approval of the consolidated financial statements for the financial year ended on December 31, 2014

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report on the consolidated financial statements as at December 31, 2014, approve said consolidated financial statements as presented, showing a net income (Group share) of €165.7 million.

THIRD RESOLUTION

Appropriation of net income for the financial year and setting of dividend – Option for payment of the dividend in cash or in shares, issue price of the shares to be issued, fractional shares and option periods

On the recommendation of the Board of Directors, the shareholders resolve to allocate the net income for the financial year closed on December 31, 2014 as follows:

Origin

• Net income for the financial year	€92,537,242.98
• Retained earnings carried forward from prior years	€1,080,998,788.59
Total to be appropriated	**€1,173,536,031.57**

Appropriation

• Legal reserves	€4,626,862.15
• Dividend	€43,373,823.50
• Retained earnings	€1,125,535,345.92
Total appropriation	**€1,173,536,031.57**

The shareholders formally acknowledge that the total gross dividend per share is fixed at €0.35.

Said dividend is eligible in full for the 40% tax relief indicated in Article 158-3-2° of the French General Tax Code.

In the event of a change in the number of shares carrying entitlement to dividends in relation to the 123,925,210 shares which make up the capital stock at December 31, 2014, the overall amount of the dividend would be adjusted and the amount allocated to retained earnings would be determined based on the dividend actually paid.

The dividend will be paid on June 24, 2015.

Trading ex-coupon will occur on June 1, 2015.

In accordance with Articles L. 232-18 et seq. of the French Commercial Code and Article 25 of the Company's bylaws, and after having established that the registered capital had been fully paid up, the shareholders resolve to offer each shareholder, with regard to the total amount of the dividend net of all mandatory deductions in relation to the shares owned by said shareholder, an option to have said dividend paid in cash or in the form of new shares.

Pursuant to the provisions of Article L. 232-19 of the French Commercial Code, the price of the share remitted in payment of the dividend will be equal to 90% of the average price quoted in the 20 trading sessions prior to the date of this General Meeting, less the net amount of the dividend. This issue price may be rounded upward to two decimal places.

Each shareholder will have the possibility of opting for either method of payment of the dividend, but the option thus chosen will apply to the total amount of the dividend in respect of which the option is offered to the shareholder.

Shareholders wishing to opt for payment of the dividend in the form of shares will have from June 1 and June 16, 2015 inclusive in which to make their request known to the financial intermediaries authorized to pay the dividend. Accordingly, any shareholders who have not opted to have their dividend paid out in shares at the end of this period will receive their dividend in cash.

If the net dividend for which the shareholder has exercised the option does not correspond to a full number of shares, the shareholder may:

- either obtain the next-lowest full number of shares, with the difference made up in cash on the date the option is exercised;
- or obtain the next-highest full number of shares by paying the difference in cash.

For shareholders opting for a cash payment, the amounts due to them will be paid on June 24, 2015. Delivery of the new shares to those shareholders having opted for payment of the dividend in the form of shares will occur on the day of payment of the dividend in cash, i.e. on June 24, 2015.

The shares issued as dividend payments will carry dividend rights as of January 1, 2015.

The shareholders grant full powers to the Board of Directors, which may be sub-delegated, for purposes of implementing this resolution, establishing completion of the capital increase resulting from the exercising of the option to receive payment of the dividend in the form of shares, amending the bylaws and, as a consequence thereof, carrying out all publication formalities.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the shareholders formally acknowledge that they have been reminded of the following distributions of dividends and income made in respect of the past three financial years:

	Income eligible for tax relief		Income not eligible for tax relief
In respect of the financial year	**Dividends**	**Other income distributed**	
2011	€38,628,920.75* i.e. €0.35 per share	-	-
2012	-	-	-
2013	€36,780,430.50* i.e. €0.30 per share	-	-

* *Includes the dividend from unpaid treasury stock allocated to the retained earnings account.*

FOURTH RESOLUTION

Statutory Auditors' special report on regulated agreements and undertakings and acknowledgement of the absence of any new agreement

The shareholders, having considered the Statutory Auditors' special report mentioning the absence of any new agreement coming under Articles L. 225-38 et seq. of the French Commercial Code, simply acknowledge this fact.

FIFTH RESOLUTION

Advisory opinion on the compensation components due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, in respect of the financial year ended on December 31, 2014

The shareholders, consulted in application of the recommendation contained in Section 24.3 of the AFEP/MEDEF Corporate Governance Code of June 2013, same constituting the Company's reference Code in application of Article L. 225-37 of the French Commercial Code, issues a favorable opinion on the compensation components due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, in respect of the financial year ended on December 31, 2014, as set out in the reasons for the proposed resolutions.

SIXTH RESOLUTION

Authorization to be granted to the Board of Directors to purchase shares of the Company within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code

The shareholders, after having considered the Board of Directors' report, authorize the Board, for a period of 18 months in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to purchase shares in the Company, on one or more occasions and at times to be fixed by it, up to a maximum limit of 10% of the total number of shares comprising the capital stock, as adjusted if applicable to take into account any increases or reductions in the capital which may occur during the term of the program.

This authorization terminates that granted to the Board of Directors by the shareholders in the eighth resolution ruling on ordinary business at the Combined Shareholders' Meeting held on May 27, 2014.

The purchases may be made with a view to:

- maintaining a liquid market for Faurecia's shares through an investment services provider acting under a liquidity contract which complies with the AMAFI Code of Ethics approved by the AMF;
- keeping the shares thus purchased for tendering at a later date in exchange or as consideration for external growth operations, it being stipulated that the shares acquired for such purpose may not exceed 5% of the Company's capital;
- covering stock option plans and/or plans for the granting of free shares (or similar plans) for the benefit of employees and/or corporate officers of the Group, as well as all allotments of shares within the framework of a Company or Group savings plan (or similar plan) in respect of the profit-sharing entitlement and/or all other forms of allotments of shares to employees and/or corporate officers of the Group;
- covering securities giving an entitlement to the allotment of shares in the Company within the framework of current regulations;

- possibly canceling the shares purchased, subject to the authorization to be granted by this Shareholders' Meeting in its thirteenth resolution ruling on extraordinary business.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

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

The Company reserves the right to use options or derivatives within the framework of applicable regulations.

The purchase price may not exceed €60 per share. In the event of a transaction involving the capital stock, and in particular a stock-split or a reverse stock-split or a free allocation of shares, the above amount will be adjusted in the same proportions (the multiplier being equal to the ratio between the number of shares making up the capital stock before the transaction and the number of shares thereafter).

In this manner, and to serve as a guideline, the maximum amount which the Company would be likely to pay in the hypothesis of a purchase at the maximum price of €60 would be €741,375,300 on the basis of the registered capital as at December 31, 2014 (made of 123,925,210 shares) and taking into account the 36,266 treasury shares held on that date.

The shareholders grant full powers to the Board of Directors, which may be sub-delegated as provided for by law, to carry out these transactions, to set the practical terms and conditions thereof, and to enter into all agreements and carry out all formalities.

SEVENTH RESOLUTION

Amount of attendance fees allocated to Board members

The shareholders resolve to modify the total amount of the attendance fees granted to the Board of Directors from €400,000, as this amount was fixed by the May 27, 2003 General Meeting, to €600,000.

This decision is applicable to the current financial year and will remain in force until a new decision is made.

EIGHT RESOLUTION

Renewal of the term of office of Mr. Éric Bourdais de Charbonnière as Director

The shareholders resolve to renew Mr Éric Bourdais de Charbonnière's mandate as Director for a period of four years expiring at the end of the 2019 Shareholders' Meeting called to decide on the accounts of the preceding year, subject to the adoption of the 11th extraordinary resolution of the present meeting.

NINTH RESOLUTION

Renewal of the term of office of Mr. Lee Gardner as Director

The shareholders resolve to renew Mr Lee Gardner's mandate as Director for a period of four years expiring at the end of the 2019 Shareholders' Meeting called to decide on the accounts of the preceding year, subject to the adoption of the 11th extraordinary resolution of the present meeting.

TENTH RESOLUTION

Renewal of the term of office of Mr. Hans-Georg Härter as Director

The shareholders resolve to renew Mr Hans-Georg Härter's mandate as Director for a period of four years expiring at the end of the 2019 Shareholders' Meeting called to decide on the accounts of the preceding year, subject to the adoption of the 11th extraordinary resolution of the present meeting.

EXTRAORDINARY BUSINESS

ELEVENTH RESOLUTION

Modification of Article 11 of the bylaws on the reduction of the Board members' mandate to four years

The shareholders, having considered Board of Directors' report, resolve:

- to reduce from five to four years the statutory mandate of Board members appointed as from the present Shareholders' Meeting; the ongoing mandates shall end on the initial expiry date;
- to modify accordingly Article 11, Section 3 of the bylaws, while the rest of the article remains unchanged:

"The duration of the Board members' mandate shall be four years. They may always be re-elected."

TWELFTH RESOLUTION

Harmonization of Article 22 of the bylaws

The shareholders, having considered the Board of Directors' report, resolve to harmonize the bylaws with Article R. 225-85 of the French Commercial Code, as amended by Decree 2014-1466 of December 8, 2014, and to thus modify the third paragraph of Article 22 of the bylaws as set out below, while the rest of the Article remains unchanged:

"The right to participate in General Meetings shall be substantiated in accordance with applicable regulations."

THIRTEENTH RESOLUTION

Authorization to be granted to the Board of Directors to cancel shares of the Company purchased within the framework of the mechanism set out in Article L. 225-209 of the French Commercial Code

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' report:

- authorize the Board of Directors to cancel, at its sole discretion, on one or more occasions and up to a maximum limit of 10% of the capital stock, calculated as of the date on which the cancellation decision is made, and after deduction of any shares which may have been cancelled during the previous 24 months, shares held by the Company or which it may hold following the purchases made within the framework of Article L. 225-209 of the French Commercial Code, as well as to reduce the registered capital by the same amount in accordance with the legal and regulatory provisions in force;
- resolve that this authorization is granted for a period of 18 months as from the date of this Shareholders' Meeting;
- grant the Board of Directors full powers, which may be sub-delegated as provided for by law, to carry out the transactions required in connection with said cancellations and the related reductions in the capital stock, to amend the Company's bylaws as a consequence thereof, and to carry out all requisite formalities.

FOURTEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access, if necessary, to some ordinary shares, or allotment of debt securities (from the Company or from any direct or indirect subsidiary), and/or securities giving access to ordinary shares to be issued (by the Company or any direct or indirect subsidiary) with maintenance of pre-emptive subscription right, or to increase the share capital by integrating reserves, profits and/or premiums

The shareholders, having considered the Board of Director's report and the Statutory Auditors' special report, and ruling in accordance with the provisions of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-130, L. 228-92 and L. 225-132 et seq.:

1. Delegate authority to the Board of Directors to:

a/ issue, on one or more occasions, in the proportions and at the times it shall deem appropriate, on the French and or international market, either in euros or in other currencies, or in any other monetary unit based on a series of currencies:

- ordinary shares,
- and/or ordinary shares giving an entitlement to the allotment of other ordinary shares or debt securities,
- and/or securities giving an entitlement to the allotment of ordinary shares to be issued by the Company.

In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may give an entitlement to ordinary shares to be issued by any Company of which the Company directly or indirectly owns more than half of the capital;

b/ increase the capital stock, on one or more occasions, in the proportions and at the times it shall deem appropriate, through the capitalization of premiums, reserves, profits or other capitalizable amounts, by way of the issue or award of free shares, or increase in the par value of existing share, or combination thereof.

2. Resolve that, should the Board of Directors use this delegation of authority within the framework of para. 1b/ above in accordance with the provisions of Article L. 225-130 of the French Commercial Code in the event of a capital increase in the form of an allotment of free shares, fractional entitlements will not be negotiable or transferable, and the corresponding shares will be sold. The sales proceeds will be allocated among the rights holders within the period provided by regulations for such purpose.

3. Set the period of validity of this delegation at 26 months as from the date of this Shareholders' Meeting.
4. Resolve to set, as indicated below, the ceilings on the amounts of the issues authorized in the event of the Board of Directors using this delegation of authority:

- the aggregate par value of the shares which may be issued pursuant to this delegation of authority may not exceed €400,000,000 (four hundred million euros), it being stipulated that the overall nominal value of the capital increases liable to be implemented under this resolution and the fifteenth, sixteenth, seventeenth and eighteenth resolutions shall count towards this ceiling.

  If required, the par value of the new ordinary shares to be issued will be added to this ceiling in order to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events;
- the par value of debt securities over the Company which may be issued pursuant to this delegation of authority may not exceed €1,000,000,000 (one billion euros) or the equivalent in any other currency at the date of issue, it being stipulated that:
  - this amount is an aggregate ceiling which applies to all debt securities which may be issued pursuant to this resolution and the fifteenth and sixteenth resolutions submitted to this Shareholders' Meeting,
  - this ceiling will be increased, if needed, by any redemption premiums, and
  - this ceiling shall not include any issuance of debt securities decided or authorized by the Board of Directors in accordance with Article L. 228-40 of the French Commercial Code.

5. If the Board of Directors uses this delegation of authority within the framework of the issues referred to in para. 1a/ above:

a/ resolve that the issue(s) of ordinary shares or securities conferring an entitlement to shares in the Company will be reserved in priority for shareholders with priority rights;

b/ resolve that if the aggregate amount of subscriptions as of right and for excess shares or securities, if applicable, does not take up the entire issue referred to in para. 1a/, the Board of Directors, in whatever order it deems appropriate, may opt for the following alternatives or some of them:

- cap the amount of the issue at the amount of the subscriptions received, subject to any regulatory restrictions,
- freely allocate all or some of the unsubscribed securities,
- offer all or some of the unsubscribed securities to the public.

6. Resolve that the Board of Directors, with the ability to sub-delegate as provided for by law, will have, subject to the limitations set out above, the requisite powers, in particular to set the terms and conditions of the issue(s), as the case may be, duly place the capital increases resulting therefrom on record, make the corresponding amendments to the bylaws, deduct, at its sole discretion, all expenses related to the capital increases from the corresponding share premium as well as the sums required to bring the statutory reserve up to one-tenth of the new capital after each increase and, more generally, do everything necessary in this regard.
7. Formally acknowledge that this delegation of authority will cancel any previous delegation granted for the same purpose.

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

FIFTEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access, if necessary, to some ordinary shares, or allotment of debt securities (from the Company or from any direct or indirect subsidiary), and/or securities giving access to ordinary shares to be issued (by the Company or any direct or indirect subsidiary) with cancellation of pre-emptive subscription right through public offering

The shareholders, having considered the Board of Director's report and the Statutory Auditors' special report, and ruling in accordance with the provisions of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-136 and L. 228-92:

1. Delegate authority to the Board of Directors to issue, on one or more occasions, in the proportions and at the times it shall deem appropriate, on the French and/or international market, via an offering to the public, either in euros or in other currencies, or in any other monetary unit based on a series of currencies:

- ordinary shares;
- and/or ordinary shares giving an entitlement to the allotment of other ordinary shares or debt securities;
- and/or securities giving an entitlement to the allotment of ordinary shares to be issued by the Company.

  In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may give an entitlement to ordinary shares to be issued by any company of which the Company directly or indirectly holds more than half of the capital.

2. Set the period of validity of this delegation at 26 months as from the date of this Shareholders' Meeting.
3. The aggregate par value of the ordinary shares which may be issued pursuant to this delegation of authority may not exceed €110,000,000 (one hundred and ten million euros), it being stipulated that:

- this limit will include the aggregate par value of any immediate and/or future capital increases which may be made pursuant to the sixteenth resolution below;
- furthermore, independently of this limit, the aggregate par value of any capital increases which may be carried out pursuant to this resolution, the fourteenth, sixteenth, seventeenth and eighteenth resolutions will count towards the aggregate ceiling of €400,000,000 (four hundred million euros) set in par. 4 of the fourteenth resolution above.

  If required, the par value of the new ordinary shares to be issued will be added to these ceilings in order to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events.

  The par value of debt securities over the Company which may be issued pursuant to this delegation of authority may not exceed €1,000,000,000 (one billion euros) or the equivalent in any other currency at the date of issue, it being stipulated that:

- this amount will count towards the aggregate ceiling of €1,000,000,000 (one billion euros) for issues of debt securities as stipulated in par. 4 of the fourteenth resolution above;
- this ceiling will be increased, if needed, by any redemption premiums, and
- this ceiling shall not include any issuance of debt securities decided or authorized by the Board of Directors in accordance with Article L. 228-40 of the French Commercial Code.

4. Resolve to cancel the pre-emptive subscription right of the shareholders in respect of ordinary shares and debt securities conferring an entitlement to the shares of the Company and/or to the debt securities which are the subject matter of this resolution, but nonetheless leave the possibility for the Board of Directors to grant a right of priority to the shareholders in accordance with the law.
5. Resolve that the amount received or to be received by the Company for each ordinary share issued pursuant to this delegation of authority, after taking into account the issue price of any autonomous equity warrants issued, will be at least equal to the minimum set by the legal and regulatory provisions applicable at the time this delegation of authority is implemented by the Board of Directors.
6. Resolve that if the subscriptions do not take up the entire issue referred to in par. 1/, the Board of Directors may opt for the following alternatives:

- cap the amount of the issue at the amount of the subscriptions received, subject to any regulatory restrictions;
- freely allocate all or some of the unsubscribed securities.

7. Resolve that the Board of Directors, with the ability to sub-delegate as provided for by law, will have, subject to the limitations set out above, the requisite powers, in particular to set the terms and conditions of the issue(s), as the case may be, duly place the capital increases resulting therefrom on record, make the corresponding amendments to the bylaws, deduct, at its sole discretion, all expenses related to the capital increases from the corresponding share premium as well as the sums required to bring the statutory reserve up to one-tenth of the new capital after each increase and, more generally, do everything necessary in this regard.
8. Formally acknowledge that this delegation of authority will cancel any previous delegation granted for the same purpose.

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

SIXTEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to issue ordinary shares giving access, if necessary, to some ordinary shares, or allotment of debt securities (from the Company or from any direct or indirect subsidiary), and/or securities giving access to ordinary shares to be issued (by the Company or any direct or indirect subsidiary) with cancellation of pre-emptive subscription right through an offer in accordance with Article L.411-2 of the French Monetary and Financial Code

The shareholders, having considered the Board of Director's report and the Statutory Auditors' special report, and ruling in accordance with the provisions of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-136 and L. 228-92:

1. Delegate their authority to the Board of Directors to issue, on one or more occasions, in the proportions and at the times it shall deem appropriate, on the French and/or international market, through a private placement governed by Article L. 411-2 II of the French Monetary and Financial Code, either in euros or in other currencies, or in any other monetary unit based on a series of currencies:

- ordinary shares;
- and/or ordinary shares giving an entitlement to the allotment of other ordinary shares or debt securities;
- and/or securities giving an entitlement to the allotment of ordinary shares to be issued by the Company.

  In accordance with Article L. 228-93 of the French Commercial Code, the securities to be issued may give an entitlement to ordinary shares to be issued by any company of which the Company directly or indirectly holds more than half of the capital.

2. Set the period of validity of this delegation at 26 months as from the date of this Shareholders' Meeting.
3. The aggregate par value of the ordinary shares which may be issued pursuant to this delegation of authority may not

exceed €110,000,000 (one hundred and ten million euros), it being stipulated that it will be capped at 20% of the capital per year (this ceiling being calculated on the date of the Board's decision to make use of this delegation of authority), and that:

- this amount falls under the common ceiling set in par. 3 of the fifteenth resolution and will count towards that ceiling;
- furthermore, independently of this limit, the aggregate par value of any capital increases which may be carried out pursuant to this resolution, the fourteenth, fifteenth, seventeenth and eighteenth resolutions will count towards the aggregate ceiling of €400,000,000 (four hundred million euros) set in par. 4 of the fourteenth resolution above.

  If required, the par value of the new ordinary shares to be issued will be added to these ceilings in order to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events.

  The par value of debt securities which may be issued pursuant to this delegation of authority may not exceed €1,000,000,000 (one billion euros), it being stipulated that:

- this amount will count towards the aggregate ceiling of €1,000,000,000 (one billion euros) for issues of debt securities as stipulated in par. 4 of the fourteenth resolution above;
- this ceiling will be increased, if needed, by any redemption premiums; and
- this ceiling shall not include any issuance of debt securities decided or authorized by the Board of Directors in accordance with Article L. 228-40 of the French Commercial Code.

4. Resolve to cancel the pre-emptive subscription right of the shareholders in respect of ordinary shares and debt instruments conferring an entitlement to the shares of the Company and/or the debt securities which are the subject matter of this resolution.
5. Resolve that the amount received or to be received by the Company for each ordinary share issued pursuant to this delegation of authority, after taking into account the issue price of any autonomous equity warrants issued, will be at least equal to the minimum set by the legal and regulatory provisions applicable at the time this delegation of authority is implemented by the Board of Directors.
6. Resolve that if the subscriptions do not take up the entire issue referred to in par. 1/, the Board of Directors may opt for the following alternatives:

- cap the amount of the issue at the amount of the subscriptions received, subject to any regulatory restrictions;
- freely allocate all or some of the unsubscribed securities.

7. Resolve that the Board of Directors, with the ability to sub-delegate as provided for by law, will have, subject to the limitations set out above, the requisite powers, in particular to set the terms and conditions of the issue(s), as the case may be, duly place the capital increases resulting therefrom on record, make the corresponding amendments to the bylaws, deduct, at its sole discretion, all expenses related to the capital increases from the corresponding share premium as well as the sums required to bring the statutory reserve up to one-tenth of the new capital after each increase and, more generally, do everything necessary in this regard.
8. Formally acknowledge that this delegation of authority will cancel any previous delegation granted for the same purpose.

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

SEVENTEENTH RESOLUTION

Authorization, in the case of an issue without pre-emptive subscription right, to set the issue price under the conditions fixed by the Shareholders' Meeting, up to a maximum limit of 10% of the capital stock in any one year

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, and ruling in accordance with par. 2 of Article L. 225-136-1° of the French Commercial Code:

- authorize the Board of Directors, deciding to proceed with an issue of ordinary shares or securities conferring an entitlement to shares in the capital pursuant to the fifteenth and sixteenth resolutions to derogate, up to a limit of 10% of the capital stock per year, from the conditions for setting the price provided for in the above-mentioned resolutions;
- resolve in this connection that the issue price of the securities to be issued immediately or at a later date may not be less than the closing price on the trading day immediately before the price is set, possibly with a discount of up to 10%.

The shareholders set the period of validity of this authorization at 26 months as from the date of this Shareholders' Meeting.

The shareholders resolve that this authorization will cancel any previous authorization granted for the same purpose.

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

EIGHTEENTH RESOLUTION

Authorization to increase the number of shares to be issued in the event of oversubscription

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report decide in respect of each of the issues of ordinary shares or securities conferring an entitlement to shares of the Company resolved upon in application of the fourteenth to sixteenth resolutions, in the event of the Board of Directors establishing that there has been an oversubscription, that the number of shares to be issued may be increased by the Board of Directors, under the conditions set by Article L. 225-135-1 and R. 225-118 of the French Commercial Code, up to the limits set by the shareholders.

The shareholders resolve that the par value of any capital increases which may be carried out pursuant to this resolution will count towards the aggregate ceiling of €400,000,000 (four hundred million euros) set in par. 4 of the fourteenth resolution above.

The shareholders set the period of validity of this delegation at 26 months as from the date of this Shareholders' Meeting.

The shareholders resolve that this delegation of authority will cancel any previous delegation granted for the same purpose.

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

NINETEENTH RESOLUTION

Delegation of authority to be granted to the Board of Directors to increase the capital stock through an issue of shares without pre-emptive subscription rights for the benefit of members of a company savings plan in application of Articles L. 3332-18 et seq. of the French Labor Code

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, and ruling in application of the provisions of Articles L. 225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code:

1. Authorize the Board of Directors, if it deems it appropriate and at its sole discretion, to increase the capital stock on one or more occasions by issuing ordinary shares or securities conferring an entitlement to shares of the Company for the benefit of members of one or more Company or Group savings plans established by the Company and/or French or foreign companies related to it under the conditions stipulated in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code.
2. Cancel in favor of said persons the pre-emptive right to subscribe to the shares which may be issued pursuant to this delegation of authority.
3. Set the period of validity of this delegation of authority at twenty-six months as from the date of this Shareholders' Meeting.
4. Resolve that the aggregate par value of the capital increase(s) to be carried out pursuant to this delegation of authority may not exceed 3% of the capital stock as of the date of the Board's decision to carry out said increase, said amount being independent of any other ceiling provided for in respect of delegations concerning capital increases. This amount does not include the additional amount of any ordinary shares to be issued to protect the rights of holders of securities conferring an entitlement to shares of the Company in accordance with the law or any contractual provisions stipulating other adjustment events.
5. Resolve that the issue price of the new shares to be issued pursuant to par. 1/of this delegation of authority may not be more than 20% lower, or 30% lower if the lock-up period provided for by the plan in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labor Code is more than or equal to ten years, than the average of the opening share prices quoted on the 20 trading days preceding the date of the Board's decision relating to the capital increase and the corresponding issue of shares, or higher than that average.
6. Resolve that, in accordance with the provisions of Article L. 3332-21 of the French Labor Code, the Board of Directors may decide to award, without consideration, new or existing shares or other securities conferring an entitlement to new or existing shares of the Company, to the beneficiaries defined in the first paragraph above in respect of (i) matching contributions which may be made pursuant to the regulations of the Company or Group savings plans, and/or (ii) the discount, where applicable.
7. Formally acknowledge that this delegation of authority will cancel any previous delegation granted for the same purpose.

The Board of Directors, which may sub-delegate its powers as provided for by law, may implement this delegation of authority or not, take all measures, and carry out all requisite formalities.

TWENTIETH RESOLUTION

Authorization to be granted to the Board of Directors to award free shares to employees and/or certain corporate officers

The shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, authorize the Board of Directors to award new or existing ordinary shares of the Company on one or more occasions in accordance with Article L. 225-197-1 and L. 225-197-2 of the French Commercial Code:

- to employees of the Company or of companies which are directly or indirectly linked thereto within the meaning of Article L. 225-197-2 of the French Commercial Code;
- and/or to corporate officers meeting the conditions set by Article L. 225-197-1 of the French Commercial Code.

The aggregate number of free shares thus awarded may not exceed 2,000,000 shares on the date of the Board decision to award them.

The aggregate number of free shares that may be awarded to corporate officers may not exceed 15% of the overall allocation set out above on the date of the Board decision awarding these shares.

The allocation of the shares to the beneficiaries will become definitive at the end of a vesting period, the length of which is to be set by the Board of Directors, subject to compliance with the minimum legal requirement. Where applicable, the beneficiaries shall hold said shares for a period set by the Board of Directors, in keeping with any minimum legal requirement. The combined duration of the vesting and lock-up periods may not be less than the minimum legal requirement, if any.

As an exception, the shares will be deemed definitively awarded before the expiry of the vesting period in the event of invalidity of the beneficiary classified in the second and third of the categories provided for in Article L. 341-4 of the French Social Security Code.

The definitive award of these shares will be subject to achievement of the following performance conditions as decided by the Board of Directors:

- the pre-tax net income of the Group before taking into account exceptional items in the fiscal year preceding the acquisition date of the shares as fixed by the Board of Directors assessed against this income for the same fiscal year as forecast in the Group's Mid-Term Plan reviewed by the Board of Directors on the date when the shares are allocated;
- the growth in net earnings per Faurecia share assessed between the last fiscal year on the date when the shares are allocated and the last fiscal year on the date when the shares are acquired, compared with the average growth of a peer group comprising worldwide automotive suppliers over the same period.

The Board of Directors shall have full powers, which may be sub-delegated under the conditions provided for by law, to:

- acknowledge the fulfillment of the performance conditions as defined above, and generally set the conditions and criteria for the award;
- determine the identity of the beneficiaries as well as the number of shares awarded to each of them;
- where applicable:
  - place on record the existence of sufficient reserves and transfer to an unavailable reserve account at the time of each award of shares the amounts required to pay up the new shares to be awarded,
  - decide, when the time comes, to carry out the capital increase(s) through capitalization of reserves, premiums or profits corresponding to the issue of the new shares awarded for free,
  - purchase the requisite number of shares within the framework of the share buy-back program and allocate same to the share award plan,
  - determine the impact on the rights of the beneficiaries of operations modifying the capital stock or likely to affect the value of the shares awarded and carried out during the vesting and lock-up periods and, as a consequence, modify or adjust, if necessary, the number of shares awarded in order to preserve the rights of the beneficiaries,
  - take all necessary steps to ensure compliance by the beneficiaries with the lock-up obligation;
  - and, in general, do all that is required to implement this authorization in accordance with current legislation.

This authorization will automatically entail the waiver by the shareholders of their pre-emptive right to subscribe to the new shares issued through capitalization of reserves, premiums and profits.

It is granted for a period of 26 months as from the date of this Shareholders' Meeting.

It cancels any previous authorization on the same subject.

TWENTY FIRST RESOLUTION

Powers to carry out formalities

The shareholders grant full powers to the bearer of a copy of or an excerpt from these minutes to carry out all filing and publication formalities required by law.

11.4. Details concerning directors who are proposed for re-election

ÉRIC BOURDAIS DE CHARBONNIÈRE

Mr. Éric Bourdais de Charbonnière joined JP Morgan in 1965, and went on to hold various positions within it. From 1987 to 1990 he was the Executive Vice-President, Head of Europe.

In 1990, he joined Michelin as Chief Financial Officer, and subsequently became a member of the Group Executive Council. He was Chairman of the Supervisory Board from September 2000 until May 17, 2013.

A French national, Mr. Bourdais de Charbonnière will have reached the age of 75 on May 27, 2015, the date of the Shareholders' Meeting.

Mr. Bourdais de Charbonnière's business address is that of the Company.

Main function currently held:

- Member of the Supervisory Board of ODDO et Cie (France) and member of the Audit Committee

Other current appointments and positions:

None

Functions and mandates held within the five past years and which have expired:

- Chairman of the Supervisory Board of Michelin (France) and member of the Audit Committee
- Vice-Chairman of the Supervisory Board of ING Group
- Member of the Board of Directors of Thomson S.A. (France)

Mr. Éric Bourdais de Charbonnière currently holds 100 Faurecia shares.

LEE GARDNER

In 2001, Lee Gardner joined One Equity Partners (OEP), which at that time was the private investment arm of JP Morgan Chase & Co. Following a spin-off in January 2015, OEP is now an independent investment management firm called OEP Capital Advisors, L.P., where Mr. Gardner is a Managing Director.

An American national, Mr. Gardner will have reached the age of 68 on May 27, 2015, the date of the Shareholders' Meeting.

Mr. Gardner's business address is that of the Company.

Main function currently held:

- CEO of OEP Capital Advisors, L.P. (USA)

Other current functions and mandates:

- Director and Chairman of the Board of Directors of Strike LLC (USA)
- Director of OEP East Balt I LP (USA)
- Member of the Supervisory Board and President of Smartrac N.V. (Netherlands)

Functions and mandates held within the five past years and which have expired:

- Director and Chairman and Chief Executive Officer of Emcon Technologies (USA)
- Director of OEP Precision Holdings LLC (USA)
- Director of Polaroid Inc. (USA)
- Director of Mauser – Werke GmbH (Germany)
- Director and Chairman of Progress Rail (USA)
- Director of Precision Gear Holdings (USA)

Mr. Lee Gardner currently holds 100 Faurecia shares.

HANS-GEORG HÄRTER

Mr. Hans-Georg Härter spent his entire career with the ZF Group, which he joined in 1973.

He held the position of Chief Executive Officer of ZF Friedrichshafen AG from January 2007 to May 2012, when he retired.

A German national, Mr. Härter will have reached the age of 70 on May 27, 2015, the date of the Shareholders' Meeting.

Mr. Härter's business address is that of the Company.

Main function currently held:

- Founder of HGH Consulting (Germany)

Other current functions and mandates:

- Member of the Supervisory Board of Klingelnberg AG (Germany)
- Member of the Board of the Zeppelin University Friedrichshafen Foundation (Germany)
- Member of the Board of Association Deutsche Wissenschaft e.G. (Germany)
- Member of Institut Deutsche Wissenschaft (Germany)
- Member of the Advisory Committee of Unterfränkische Überlandzentrale e.G. (Germany)
- Director of Axega GmbH (Germany)
- Director of Altran S.A. (France)
- Member of the Supervisory Board of Kiekert AG (Germany)
- Member of the Supervisory Board of Knorr-Bremse AG (Germany)

Functions and mandates held within the five past years and which have expired:

- Chief Executive Officer of ZF Friedrichshafen AG (Germany)
- Member of the Supervisory Board of ZF Getriebe GmbH, Saarbrücken (Germany)
- Member of the Supervisory Board of ZF Lemförder GmbH, Lemförde (Germany)
- Member of the Supervisory Board of ZF Passau GmbH, Passau (Germany)
- Member of the Supervisory Board of ZF Sachs AG, Schweinfurt (Germany)
- Member of the Supervisory Board of Verband der Automobilindustrie (VDA) (Germany)

Mr. Hans-Georg Härter currently holds 726 Faurecia shares.

11.5. Reports

11.5.1. REPORTS OF THE STATUTORY AUDITORS

11.5.1.1. Statutory Auditors' report on related party agreements and commitments

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

We hereby inform you that we have not been advised of any agreements or commitments authorized in the course of the year to be submitted to the General Meeting of Shareholders for approval in accordance with Article L. 225-38 of the French Commercial Code *(Code de commerce)*.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS.

In accordance with R. 225-30 of the French Commercial Code *(Code de commerce)*, we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

Agreement concluded with Mr. Yann Delabrière, Chief Executive Officer of your company

Nature and purpose

Since 2008, Mr. Yann Delabrière is a member of the supplementary pension plan set up by your company, which comprises:

- a defined contribution plan relating to salary tranches A and B with total contributions representing 1% on the tranche A and 6% on the tranche B of the compensation without the beneficiary's contribution;
- a defined benefit plan relating to salary tranche C whose contribution rate corresponds to 1% of salary tranche C multiplied by the beneficiary's years of seniority within the Company.

Conditions

During the year ended December 31, 2014, your company paid €7,134 in respect of the pension contributions.

No payment has been made to the beneficiary under these plans for fiscal year 2014.

Neuilly-sur-Seine and Paris-La Défense, April 20, 2015

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.1.2. Statutory Auditors' report on the capital reduction

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2015 -THIRTEENTH RESOLUTION)

To the Shareholders,

In our capacity at Statutory Auditors of your Company and in compliance with Article L. 225-209 of the French Commercial Code *(Code de Commerce)* on capital reductions by means of cancellation of own shares purchased, we have prepared this report with the aim of informing you of our assessment of the reasons for, and terms and conditions of, the proposed capital reduction.

Your Board of Directors is proposing that it should be invested, for a period of 18 months from the date of this Shareholders' Meeting, with full authority, to cancel shares purchased by virtue of your Company's authorization to purchase its own shares within the context of the provisions of the aforementioned article, up to a maximum of 10% of its capital stock per 24 month period.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body *(Compagnie nationale des commissaires aux comptes)* for this type of assignment. These procedures led us to examine whether the reasons for, and terms and conditions of, the proposed capital reduction, which is not likely to affect shareholder equality, are in order.

We have no matters to report as to the reasons for, and terms and conditions of, the proposed capital reduction.

Neuilly-sur-Seine and Paris-La Défense, April 20, 2015

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.1.3. Statutory Auditors' report on the issue of shares and/or securities with or without pre-emptive subscription rights

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2015 – FOURTEENTH, FIFTEENTH, SIXTEENTH, SEVENTEENTH AND EIGHTEENTH RESOLUTIONS)

To the Shareholders,

In our capacity as Statutory Auditors of Faurecia S.A., and in accordance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code *(Code de commerce)*, we hereby report to you on the proposed delegations of authority to the Board of Directors to issue ordinary shares and/or securities, which are submitted to you for approval.

On the basis of the Board of Directors' report, the shareholders are requested to:

- delegate to the Board for a 26-month period, the authority to carry out the following operations and determine the final terms and conditions of the related issues and, if necessary, to waive their pre-emptive subscription rights for:
  - the issue, with pre-emptive subscription rights (fourteenth resolution) (i) of ordinary shares and/or (ii) ordinary shares carrying rights to the allocation of other ordinary shares or debt securities and/or (iii) securities carrying rights to the Company's ordinary shares to be issued. It is specified that in accordance with Article L. 228-93 of the French Commercial Code, securities to be issued can carry rights to ordinary shares to be issued by any company in which the Company holds, directly or indirectly, more than half of the share capital,
  - the issue, without pre-emptive subscription rights, of (i) ordinary shares and/or (ii) ordinary shares carrying rights to the allocation of other ordinary shares or debt securities and/or (iii) securities carrying rights to the Company's ordinary shares to be issued by way of a public offering (fifteenth resolution). It is specified that in accordance with Article L. 228-93 of the French Commercial Code, securities to be issued can carry rights to ordinary shares to be issued by any company in which the Company holds, directly or indirectly, more than half of the share capital,
  - the issue, without pre-emptive subscription rights, of (i) ordinary shares and/or (ii) ordinary shares carrying rights to the allocation of other ordinary shares or debt securities and/or (iii) securities carrying rights to the Company's ordinary shares to be issued, by way of an offer referred to in Article L. 411-2, paragraph II of the French Monetary and Financial Code *(Code monétaire et financier)* and within the annual limit of 20% of the share capital (sixteenth resolution). It is specified that in accordance with Article L. 228-93 of the French Commercial Code, securities to be issued can carry rights to ordinary shares to be issued by any company in which the Company holds, directly or indirectly, more than half of the share capital;
- authorize the Board, pursuant to the seventeenth resolution, within the framework of the delegation of authority conferred in the fifteenth and sixteenth resolutions, to set the issue price within the annual limit of 10% of share capital.

The aggregate nominal amount of the share capital increases that may be carried out, either immediately or in the future may not exceed:

- 400 million pursuant to the fourteenth resolution, it being specified that the aggregate nominal amount of the share capital increases that may be carried out pursuant to the fourteenth and to the fifteenth to eighteenth resolutions shall count towards this ceiling;
- 110 million pursuant to the fifteenth resolution, it being specified that the aggregate nominal amount of the share capital increases that may be carried out pursuant to the sixteenth resolutions shall count towards this ceiling;

The aggregate nominal amount of the debt securities that may be issued pursuant to the fourteenth, fifteenth and sixteenth resolutions may not exceed €1 billion.

These limits take into account the additional securities to be issued pursuant to the delegations of authority under the fourteenth to sixteenth resolutions in accordance with Article L. 225-135-1 of the French Commercial Code, in the event the shareholders adopt the eighteenth resolution.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancellation of pre-emptive subscription rights and on other information relating to these operations, which is presented in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the Board of Directors' report pertaining to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of any proposed issue, we have no matters to report as regards the methods used to set the issue price of the securities to be issued given in the Board of Directors' report pursuant to the fifteenth, sixteenth and seventeenth resolutions.

In addition, as this report does not stipulate the methods used to set the issue price in the event that securities are issued pursuant to the implementation of the fourteenth resolution, we do not express an opinion on the components used to calculate the issue price.

We do not express an opinion on the final terms and conditions of the issues because they have not been set, or consequently, on the proposed cancellation of the pre-emptive subscription rights proposed to the shareholders in the fifteenth and sixteenth resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare an additional report if and when the Board of Directors uses its delegations of authority to issue securities carrying rights to other shares or the allocation of debt securities, to issue securities carrying rights to shares to be issued and to issue shares without pre-emptive subscription rights.

Neuilly-sur-Seine and Paris-La Défense, April 20, 2015

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.1.4. Statutory Auditors' report on the issue of ordinary shares and/or securities carrying rights to capital stock and reserved for members of a company savings scheme

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2015 – NINTEETH RESOLUTION)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code *(Code de commerce)*, we hereby report on the proposal to authorize the Board of Directors to carry out a capital increase by means of the issue of ordinary shares and/or securities carrying rights to capital stock, with no pre-emptive subscription rights for existing shareholders, reserved for members of one or more company savings schemes or Group savings schemes set up jointly by your Company and the French or foreign companies bound by the terms of Articles L. 225-180 of the French Commercial Code *(Code de commerce)* and L. 3344-1 of the French Labor Code *(Code du travail)*, up to a maximum of 3% of the Company's capital stock on the date on which the Board of Directors decides on the issue, for which your approval is required.

This capital increase is subject to your approval pursuant to the provisions of Articles L. 225-129-6 of the French Commercial Code *(Code de commerce)* and L. 3332-18 et seq. of the French Labor Code *(Code du travail)*.

Your Board of Directors asks, on the basis of its report, that you invest it, for a period of 26 months, with the power to issue securities and to waive your pre-emptive subscription rights to securities issued. Where necessary, it shall be responsible for setting the terms and conditions of said issues.

The Board of Directors is responsible for preparing a report pursuant to Articles R. 225-113 et seq. of the French Commercial Code *(Code de commerce)*. Our responsibility is to give our opinion on the accuracy of the figures taken from the accounts, on the proposal to withdraw pre-emptive subscription rights from existing shareholders and on certain other items of information relating to the issue and appearing in this report.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body *(Compagnie nationale des commissaires aux comptes)* for this type of assignment. These procedures consist mainly in verifying the content of the Board of Director's report on this transaction and procedures for calculating the issue price of the equity securities to be issued.

Subject to further examination of the terms and conditions of the prospective issue, we have no observations to make on the means of calculating the issue price of the equity securities to be issued, as shown in the Board of Director's report.

Since the final terms and conditions of the issue have not been set, we are unable to express an opinion on them and, consequently, on the proposal to remove pre-emptive subscription rights from existing shareholders.

Pursuant to Article R. 225-116 of the French Commercial Code *(Code de commerce)*, we will prepare an additional report, where applicable, when this authorization is exercised by your Board of Directors.

Neuilly-sur-Seine and Paris-La Défense, April 20, 2015

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.1.5. Statutory Auditors' report on the authorization of grants of free shares, existing or new

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2015 – TWENTIETH RESOLUTION)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to Article L. 225-197-1 of the French Commercial Code *(Code de commerce)*, we hereby report on the proposed authorization of the attribution of free shares, existing or new, in favor of (i) the employees of your Company or companies that are directly or indirectly related to it within the meaning of Article L. 225-197-2 of the French Commercial Code *(Code de commerce)* and/or (ii) officers who meet the conditions laid down by Article L. 225-197-1 of the French Commercial Code *(Code de commerce)*, for which your approval is required.

Your Board of Directors asks, on the basis of its report, that you invest it, for a period of 26 months, with the power to grant free shares, existing or new.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to be authorized to make. Our responsibility is to give you our observations, if any, on the information and data provided to you in respect of the proposed transaction.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body *(Compagnie nationale des commissaires aux comptes)* for this type of assignment. These procedures consist mainly in verifying that the proposed terms and conditions contained in the report of the Board of Directors were within the framework of applicable legal provisions.

We have no comments to make on the information given in the report of the Board of Directors on the proposed authorization to grant free shares.

Neuilly-sur-Seine and Paris-La Défense, April 20, 2015

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.2. INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC [(1)], under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the company Faurecia, we present our report on the consolidated social, environmental and societal information established for the year ended on the December 31, 2014, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the Article L. 225-102-1 of the French Commercial Code *(Code de commerce)*.

Responsibility of the Company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*, in accordance with the protocols used by the Company (hereafter referred to as the "Criteria"), and available on request at the Company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the Article L. 822-11 of the French Commercial Code *(Code de commerce)*. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code *(Code de commerce)* (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work was undertaken by a team of 5 people between September 9, 2014 and our report's signature date, for an estimated duration of 6 weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000 [(2)].

1. ATTESTATION OF PRESENCE OF CSR INFORMATION

Interviews with the management of relevant departments allowed us to obtain an understanding of the Company's strategy on sustainable development based on the social and environmental consequences linked to the Company's activities and related to its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial Code *(Code de commerce)*.

(1) Scope available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

We verified that the CSR information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 of the French Commercial Code *(Code de commerce)* and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial Code *(Code de commerce)* with the limitations specified in the management report.

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. LIMITED ASSURANCE ON CSR INFORMATION

Nature and scope of the work

We undertook around 10 interviews with the people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process – Human resources, Committee on legal affairs, Quality, Health, Safety & Environment department (HSE) – in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important [(1)]:

- at the level of the parent company, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of the representative selection of entities that we selected [(2)], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 14% of the total workforce and between 13 and 18% of the quantitative environmental information.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the Company.

Eventually, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

(1) **Environmental and societal information:** *general environmental policy and organization, approaches to evaluation and certification (environmental certification rate), waste generation prevention, waste recycling and disposal (quantity of wastes produced and their distribution by disposal type), measures undertaken to improve energy efficiency (energy consumption, use of renewable energy), GHG emissions, raw materials consumption and measures undertaken to enhance resource efficiency (consumption of recycled plastic), importance of subcontracting and the consideration of environmental and social issues in the purchasing policies and the relations with suppliers and subcontractors.*

Social information: *employment (total headcount and breakdown by contract, gender and geography, hiring and terminations), absenteeism (absenteeism rate), labour relations, health and safety, work accidents (particularly their frequency and their gravity), total number of trainings, measures undertaken to improve gender equality.*

(2) *BG FAS: China division, including the sites of Wuhan FGW and Anting Frames; BG FIS: North Europe Division including the sites of Hlohovec (Czech Republic) and Kosice (Slovakia); BG FAE: site of Pappenheim (Germany); BG FECT: site of Augsburg (Germany).*

Observation

Without qualifying our conclusion above, we draw your attention to the following points:

- the reporting protocol does not define estimation methods that shall be used in the absence of waste weighting, which leads to heterogeneous practices among the sites;
- during the internal controls, errors have been introduced in the data of some sites belonging to Business Groups FECT (non-hazardous wastes and metallic wastes) and FIS (non-hazardous and hazardous wastes). These errors do not put into question the consolidated information published.

Paris-La Défense, April 15, 2015

French original signed by
Independent Verifier

Ernst & Young et Associés

Éric Mugnier	Bruno Perrin
Associé développement durable	Associé

Appendices

CONTENTS

Declaration by the person responsible for the Registration Document and by the Information Officer

Person responsible for the Registration Document

Mr. Yann Delabrière
Chairman and Chief Executive Officer

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the results of the Company and the consolidated companies making up the Group, and that the management report, the contents of which are shown on page 297, provides a fair view of the business, results and financial position of the Company and its consolidated companies, as well as a description of the main risks and uncertainties they face.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

The Statutory Auditors issued a report on the consolidated financial statements for the year ended December 31, 2013, included in the 2014 Registration Document filed with the *Autorité des Marchés Financiers* (AMF, the French securities regulator) on April 24, 2014, which contains an observation shown on page 205 of said document.

Mr. Yann Delabrière

Nanterre, April 22, 2015

Information Officer

Mr. Michel Favre
Executive Vice-President, Group Chief Financial Officer

Faurecia
2, rue Hennape
92000 Nanterre
France
Tel.: +33 (0) 1 72 36 70 00
Fax: +33 (0) 1 72 36 70 07

Cross-reference table on information required in the annual financial report

For easier reading, the cross-reference table identifies information in this Registration Document that also appears in the annual financial report that listed companies are required to publish under Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulation.

Cross-reference table with Annex I of Commission Regulation (EC) No. 809/2004 of April 29, 2004

In order to make this Registration Document easier to understand, the cross-reference table below makes it possible to identify the key items of information required by Annex I of European Regulation No. 809/2004 of April 29, 2004.

Cross-reference table for information required under French Decree 2012-557 dated April 24, 2012 on business's transparency obligations in social and environmental matters (Article R. 225-105-1 of the French Commercial Code)

NOTE ON METHODOLOGY RELATING TO REPORTING ON SOCIAL AND ENVIRONMENTAL INDICATORS

Social and environmental indicators are reported following the guidance in the relevant Faurecia Core Procedure (FCP). The procedures form part of the Faurecia Excellence System (FES), which defines the working methods for Group employees worldwide and underpins the Group's identity.

The aim of the FCP covering environmental reporting is to organize the annual collection, compilation and communication of data in this area via a Group software operated by Tennaxia. The scope of reporting covers Group sites identified by the HSE managers in each Business Group (sites with a low environmental impact are excluded).

The Group software rolled out at the relevant sites describes, among other things, the list of indicators being reported, the checks, in particular consistency, carried out throughout the reporting process as well as the instructions for use.

The data, duly collected, checked and input into the software is approved at division, Business Group and Group level before being consolidated.

The FCPs covering employee-related matters notably define the reporting standards as regards headcount and other key employee data within the Group. All Faurecia group sites are covered. These procedures are based on monthly reporting via the Metis_HR software, which is then used to consolidate the data. Checks are carried out throughout the data reporting process, and at the end of this process the data are analyzed by the Group Human Resources department.

The environmental and social data in this Registration Document are independently audited by Ernst & Young et Associés. The opinion given in subsection 11.5.2 summarizes their conclusions from their work.

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