



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 1 st 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 is 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
<p>Recommendation 14, Paragraph 1: The Board members' mandate, fixed by bylaws, should not exceed four years.</p>	<p>The Board members' mandate is currently fixed at five years, according to Article 11 of the bylaws.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Faurecia does not wish to anticipate this deadline, to prevent too close mandate renewals from having negative impacts on the working of the Board.</p>

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
<p>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.</p> <p>He has been a director of Faurecia since November 18, 1996 and has been the Chairman and Chief Executive Officer since February 16, 2007.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Chairman and Chief Executive Officer of Faurecia • Member of the Strategy Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Mr. Yann Delabrière also held the following directorships and positions:</p> <ul style="list-style-type: none"> • Director of Capgemini* (France) • Director of Société Générale* (France) <p>Over the past five years, Mr. Yann Delabrière has not held any directorships and positions that he no longer holds.</p>
<p>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.</p> <p>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</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia • Member of the Audit Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Mr. Éric Bourdais de Charbonnière also held the following directorships and positions:</p> <ul style="list-style-type: none"> • Member of the Supervisory Board of ODDO et Cie (France) and member of the Audit Committee <p>Over the past five years, Mr. Éric Bourdais de Charbonnière has also held the following positions, which he no longer holds:</p> <ul style="list-style-type: none"> • 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)
<p>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.</p> <p>He is currently Chief Financial Officer of the PSA Peugeot Citroën group and a member of the Management Board of Peugeot S.A.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia • Member of the Audit Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Mr. Jean-Baptiste Chasseloup also held the following directorships and positions:</p> <ul style="list-style-type: none"> • 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) <p>Over the past five years, Mr. Jean-Baptiste Chasseloup de Chatillon has also held the following directorships and positions, which he no longer holds:</p> <ul style="list-style-type: none"> • 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
<p>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.</p> <p>He has been Chief Executive Officer of Solvay since May 8, 2012.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia • Member of the Appointments and Compensation Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Mr. Jean-Pierre Clamadieu also held the following directorships and positions:</p> <ul style="list-style-type: none"> • 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) <p>Over the past five years, Mr. Jean-Pierre Clamadieu has also held the following directorships and positions, which he no longer holds:</p> <ul style="list-style-type: none"> • 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
<p>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.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia • Member of the Strategy Committee <p>Outside Faurecia</p> <p>As of December 31, 2014, Mr. Lee Gardner also held the following directorship and positions:</p> <ul style="list-style-type: none"> • 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) <p>Over the past five years, Mr. Lee Gardner has also held the following directorships and positions, which he no longer holds:</p> <ul style="list-style-type: none"> • 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
<p>Hans-Georg HÄRTER Mr. Hans-Georg Härter spent his entire career with the ZF group, which he joined in 1973.</p> <p>He held the position of Chief Executive Officer of ZF Friedrichshafen AG from January 2007 to May 2012, when he retired.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia • Member of the Strategy Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Mr. Hans-Georg Härter also held the following directorships and positions:</p> <ul style="list-style-type: none"> • Founder of HGH Consulting (Germany) • Member of the Supervisory Board of Klingelberg 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) <p>Over the past five years, Mr. Hans-Georg Härter has also held the following directorships and positions, which he no longer holds:</p> <ul style="list-style-type: none"> • 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)
<p>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.</p> <p>She has been a director since 1998.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia • Member of the Appointments and Compensation Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Ms. Hasenfratz also held the following directorships and positions:</p> <ul style="list-style-type: none"> • 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) <p>Over the past five years, Ms. Hasenfratz has not held any directorships and positions that she no longer holds.</p>

* Listed company.

**Director****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.

Directorships/Positions**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 Vallaroché), 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 Vallaroché Conseil, Safran group
- Permanent representative on the Board of Directors of Établissements Vallaroché (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 Vallaroché)
- 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
<p>Amparo MORALEDA Ms. Amparo Moraleda is an engineering graduate from ICAI (<i>Escuela Técnica Superior de Ingeniería Industrial</i>) in Madrid and has an MBA from the Madrid IESE Business School.</p> <p>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).</p> <p>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.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia • Member of the Appointments and Compensation Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Ms. Amparo Moraleda also held the following directorships and positions:</p> <ul style="list-style-type: none"> • Member of the Board of Directors of Meliá Hotels International S.A.* (Spain) • Member of the Supervisory Board of CSIC (Consejo Superior de Investigaciones Científicas) (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 <p>Over the past five years, Ms. Amparo Moraleda has also held the following directorships and positions, which she no longer holds:</p> <ul style="list-style-type: none"> • 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.
<p>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.</p>	<p>Within Faurecia</p> <ul style="list-style-type: none"> • Director of Faurecia and Member of the Strategy Committee <p>Outside Faurecia</p> <p>At December 31, 2014, Mr. Thierry Peugeot also held the following directorships and positions:</p> <ul style="list-style-type: none"> • 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) <p>Over the past five years, Mr. Thierry Peugeot has also held the following directorships, which he no longer holds:</p> <ul style="list-style-type: none"> • 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
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.

Directorships/Positions
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 Construcción 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 <i>(gross amounts in €)</i>	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)

(gross in €)	2013		2014	
	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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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*	
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* 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)

Mr. Yann DELABRIÈRE	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	
	Yes	No	Yes	No	Yes	No	Yes	No
Position: Chairman and Chief Executive Officer								
Start of term: February 16, 2007		X	X*			X		X
End of term: Shareholders' Meeting held in 2017								

* 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 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
Éric Bertier

ERNST & YOUNG Audit
Denis Thibon