



**Report of the Board of Directors
Combined General Meeting
of May 31, 2021**

1. Explanatory notes to the ordinary resolutions

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

You are being asked to approve the parent company financial statements (first resolution) and consolidated financial statements (second resolution) for the fiscal year ended December 31, 2020, and the proposed appropriation of income for this fiscal year (third resolution).

In the context of the Covid-19 sanitary crisis, the Company's parent company financial statements for the fiscal year ended December 31, 2020 show a loss of €122,782,134.88 (first resolution) and the consolidated financial statements for the same fiscal year show a loss (Group share) of €378,760,897 (second resolution).

In line with the dividend distribution policy of the Faurecia group and given the amount of retained earnings, we propose to set the dividend at one (1) euro (gross) per share, which corresponds to an overall amount of €138,035,801 (third resolution). It is specified that the dividend payment date will occur on June 7, 2021, the ex-dividend date on June 3, 2021 and the record date on June 4, 2021. When dividends are paid to individuals resident for tax purposes in France, they are subject to a single 12.8% flat-rate levy on the gross dividend (Article 200 A,1 of the French General Tax Code), or, at the express, irrevocable and overall option of the taxpayer, to income tax on a sliding scale after a 40% tax allowance (Article 200 A,2 and 158 of the French General Tax Code). Dividends are also subject to social security contributions at a rate of 17.2%. The balance of the distributable profit will be allocated to the retained earnings account (third resolution).

Finally, you are being asked to approve the total charges and expenses mentioned in paragraph 4 of Article 39 of the French General Tax Code, i.e., €159,294.79, which corresponds to the non deductible portion of the leases on passenger vehicles and the corresponding tax, which amounts to €49,381.38.

1.2. Related parties agreements (fourth resolution)

In view of the Statutory Auditors' report on related parties agreements, you are asked to note the absence of any new related parties agreements as referred to in Article L.225-38 of the French Code of commerce entered into during the fiscal year 2020.

1.3. Governance (fifth to ninth resolutions)

1.3.1. Ratification of cooptation (fifth resolution)

Following the resignation, on January 12, 2021, of the three Board members appointed on the proposal of PSA in accordance with the commitments made under the merger between PSA and FCA, the Board of Directors, on the recommendation of the Governance and Nominations Committee, decided, at its meeting of February 19, 2021, to coopt Jean-Bernard Lévy as a Board member to replace Olivia Larmaraud, with immediate effect. This cooptation is made for the remaining term of the corporate office of his predecessor, i.e. until the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended on December 31, 2023. Jean-Bernard Lévy also chairs the Governance, Nominations and Sustainability Committee. In accordance with applicable legal provisions, you are asked to ratify the cooptation of Jean-Bernard Lévy as Board member.

Jean-Bernard Lévy

Jean-Bernard Lévy, a French national, is Chairman and Chief Executive Officer of EDF. His experience as an executive officer of a listed company, together with his vision and knowledge of industrial and strategic issues, strengthens the expertise of the Board of Directors in these areas. His experience in the energy sector is also important given Faurecia's commitments in new forms of mobility, and notably hydrogen.

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

As of the date of this report, Jean-Bernard Lévy holds 500 shares of the Company.

1.3.2. Renewal of Board members (sixth to eighth resolutions)

It is proposed that the General Meeting renews the corporate offices of Board member of Patrick Koller (sixth resolution), Penelope Herscher (seventh resolution) and Valérie Landon (eighth resolution) which expire at the end of this general meeting. These renewals would be made for four years, i.e. until the end

of the Ordinary General Meeting called to approve the financial statements for the previous fiscal year in 2025.

The renewals proposed to you are in line with the Board of Directors' diversity policy described in Section 3.1.2.5. "Diversity policy within the Board of Directors" of the Universal Registration Document 2020.

Patrick Koller

Patrick Koller, a French and German national, has been Chief Executive Officer of the Company since July 1, 2016 and a Board member since May 30, 2017.

The presence of the Chief Executive Officer on the Board of Directors allows to benefit from his full contribution to the work of the Board, in particular as regards the definition of the Group's strategy, and his knowledge of the challenges the Group is facing in an automotive sector in full transformation. His contribution and his experience as an executive officer are also important for the Board of Directors and contribute to the balance of the composition of the Board and the complementarity of profiles, in accordance with the objectives of the diversity policy.

As of the date of this report, Patrick Koller holds 87,939 Company shares.

Penelope Herscher

Penelope Herscher, an American and British national, is a companies Board member/Chairwoman.

She has been a Board member of the Company since May 30, 2017 and a member of the Governance, Nominations and Sustainability Committee.

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

Penelope Herscher has extensive experience in the digital area acquired in Silicon Valley companies. This area has an important and growing place in the Group's strategy. Through her duties as Chairman of the Board of Directors of Lumentum Operations LLC, a listed company in the United States, and her membership on the Boards of other North American listed and unlisted companies, she also brings to the Board of Directors and the Governance, Nominations and Sustainability Committee her experience, from an Anglo-Saxon perspective, on corporate governance practices.

As of the date of this report, Penelope Herscher holds 500 shares of the Company.

Valérie Landon

Valérie Landon, a French national, is Vice-Chairman Investment Banking & Capital Markets of Credit Suisse.

She has been a Board member of the Company since October 12, 2017, and she is a member of the Audit Committee.

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

Valérie Landon has a recognized expertise in banking and financial matters acquired during her career, particularly at Credit Suisse, where she is currently Vice-Chairman Investment Banking & Capital Markets. In particular, in periods of financial uncertainties, the Board of Directors and the Audit Committee of which she is a member can rely on her expertise.

As of the date of this report, Valérie Landon holds 500 shares of the Company.

1.3.3. Appointment of a Board member (ninth resolution)

The term of office of Robert Peugeot as Board member expires at the end of this General Meeting.

In the context of the merger between PSA and FCA as well as the distribution of the Company's shares by Stellantis, the companies Peugeot Invest (formerly FFP) and Établissements Peugeot Frères carried out an internal reorganization and set up a vehicle dedicated to the automotive sector, Peugeot 1810. This company holds all of their stakes in Stellantis and Faurecia. Following the distribution of the Company's shares by Stellantis, the Peugeot family has become, through the intermediary of Peugeot 1810, one of the Company's largest shareholders (4,328,380 shares as of the date of this report, representing 3.14% of the share capital).

In line with the representation of the Peugeot family on the Board of Directors, and given its internal governance principles, which give preference to the representation of the family group within the governance bodies of its investments by legal entities, it is proposed that the General Meeting appoints Peugeot 1810 as a Board member for a period of four years. Robert Peugeot will be appointed by Peugeot 1810 as permanent representative on the Board of Directors.

Peugeot 1810, represented by Robert Peugeot

Peugeot 1810, represented by Robert Peugeot, is not considered independent within the meaning of the AFEP-MEDEF Code given the situation of Robert Peugeot (non independent).

Information about Robert Peugeot

Robert Peugeot, a French national, is Chairman of the Board of Directors of Peugeot Invest.

He has been a Board member of the Company since May 29, 2007 and a member of the Audit Committee.

The appointment of Robert Peugeot as permanent representative enables the Board of Directors to continue to include among its members a specialist in the automotive sector and in investment management. With his experience as an executive officer acquired within Peugeot Invest, a listed company, and as a non executive member of several listed and unlisted companies, he brings to the Board of Directors his experience in corporate governance practices. These roles also give him a great deal of expertise in financial matters and risk management. As such, he sits on the Audit Committee of Safran and also brings this experience to the Faurecia Audit Committee, of which he became a member on April 16, 2021.

As of the date of this report, Robert Peugeot personally holds 500 Company shares.

For more information on the careers, experience and skills of the Board members/permanent representative whose reappointment or appointment is proposed, please refer to Sections 3.1.2.2. "Board members' expertise, positions and corporate offices at the date of the 2020 Universal Registration Document" and 3.1.2.5. "Diversity policy within the Board of Directors."

Consequently, at the end of this General Meeting, your Company's Board of Directors will continue to have 13 members, including two Board members representing employees. Excluding the Board members representing employees, the Board will include (i) 82% of independent Board members, illustrating the strong independence of the composition of the Board of Directors and (ii) 46% of women, which is higher than the applicable legal provisions.

1.4. Approval of the compensation for corporate officers (tenth resolution)

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

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

This information appears in Chapter 3 "Corporate Governance", Sections 3.3.1 "Compensation of executive and non-executive corporate officers for fiscal years 2019 and 2020" and 3.3.2 "Board members' compensation in respect of the 2019 and 2020 fiscal years" of the 2020 Universal Registration Document.

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

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

Ex-post vote on the compensation of the Chairman of the Board of Directors (eleventh resolution)

The elements of compensation awarded or paid in 2020 to Michel de Rosen comply with the 2020 compensation policy for the Chairman of the Board of Directors, approved by 99.99% of the votes cast at the General Meeting of June 26, 2020, under the fifteenth resolution, as implemented by the Board of Directors.

These components of compensation are described in Chapter 3 "Corporate Governance", Sections 3.3.1.1 "Compensation of the Chairman of the Board of Directors" and 3.3.1.4.1 "Summary of the components of compensation paid to the Chairman of the Board of Directors during fiscal year 2020 or awarded in respect of this same fiscal year" of the 2020 Universal Registration Document.

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

The elements of compensation awarded or paid in 2020 to Patrick Koller comply with the 2020 compensation policy for the Chief Executive Officer, which was approved by 96.69% of the votes cast at the General Meeting of June 26, 2020, under the sixteenth resolution, as implemented by the Board of Directors, in 2020.

The 2020 fiscal year was affected by the historic crisis related to the Covid-19 pandemic. The automotive sector, as well as most industrial sectors, was deeply impacted by this crisis, especially during the first half of 2020. The evolution of the compensation of the Chief Executive Officer in 2020, a significant portion of which is based on the Group's performance, reflects the gravity of this crisis.

In addition to the significant commitments made by the Chief Executive Officer in the context of the Covid-19 sanitary crisis (waiver of the increases in fixed compensation and the allocation cap on performance shares for 2020 and 20% reduction in monthly fixed compensation payments for the whole of the second quarter of 2020), the annual variable compensation for 2020 has declined sharply compared to the previous year (-79% versus 2019). As a result of the commitments made and the Covid-19 sanitary crisis, the overall level of his compensation for the fiscal year 2020 is significantly lower than that for the fiscal year 2019.

The Board of Directors did not wish to make changes or adjustments in the compensation policy for 2020 in consideration of the Covid-19 sanitary crisis, when implemented, so that the Chief Executive Officer's compensation reflects, without any cushioning, the impact of the crisis as for all stakeholders and in particular on the Group's shareholders and employees.

The Chief Executive Officer's compensation in 2020 is described in Chapter 3 "Corporate Governance", Sections 3.3.1.2 "Compensation of the Chief Executive Officer" and 3.3.1.4.2 "Summary of the components of compensation paid to the Chief Executive Officer during fiscal year 2020 or awarded in respect of this same fiscal year" of the 2020 Universal Registration Document.

1.6. Approval of the compensation policy for corporate officers (thirteenth to fifteenth resolutions)

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

The compensation policies for corporate officers are set out in Chapter 3 "Corporate governance", Section 3.3.4.1 "Compensation policy for corporate officers" of the Universal Registration Document 2020¹.

In particular, please note that:

- The compensation policies for the Chairman of the Board of Directors and Board members remain stable compared to 2020.
- The compensation policy for the Chief Executive Officer is in line with the previous compensation policy approved in 2020. An additional item was included to provide for a non-recurring, long-term variable compensation intended to support the retention of the Management team and to encourage a market performance above the median of a panel of comparable companies (Executive Super Performance Initiative), after the distribution of the Company's shares by Stellantis.

Indeed, after more than 20 years with a majority controlling shareholder, the Company underwent a transformative change at the end of March 2021 with the distribution of the Faurecia shares held by Stellantis, its main shareholder, to its own shareholders. While the distribution of the Faurecia shares was contemplated since the first announcement on the PSA/FCA merger dated October 31, 2019, the timing of such distribution changed: the Faurecia shares have been distributed after the closing of the merger (and not prior as initially contemplated), and consequently, to all Stellantis shareholders and not only to PSA shareholders. This change has a significant impact on the

¹ The corporate officers are also beneficiaries of the Faurecia's group savings plan and may, if they wish so, make voluntary contributions as part of the employees shareholding plan Faur'ESO.

shareholding base of the Company, with a larger number of Anglo-Saxon investors, especially coming from the FCA shareholding.

During interactions with future investors prior to the distribution, a certain number of these new investors expressed their concern about the retention of Executive Committee members following completion of this transaction, at a time when management stability is crucial.

In addition, the distribution of Faurecia shares increases the Company's visibility on the market as well as the attractiveness of its pool of leaders, reinforced by their capacity to overdeliver as demonstrated by the Group's resilience in recent years.

Consequently, in the interests of shareholders and future shareholders, the Board of Directors deemed it necessary to strengthen the retention of the Executive Committee team. Collectively recognized as a key factor in the Group's long-term success, over a sufficient period of time, the Executive Committee will ensure implementation of the Company's performance and growth strategy, aiming to create long term value the best interests of all stakeholders.

In order to achieve this primary objective, the Board of Directors intends to implement in 2021 a one-off long-term performance shares plan, known as the "Executive Super Performance Initiative" (ESPI).

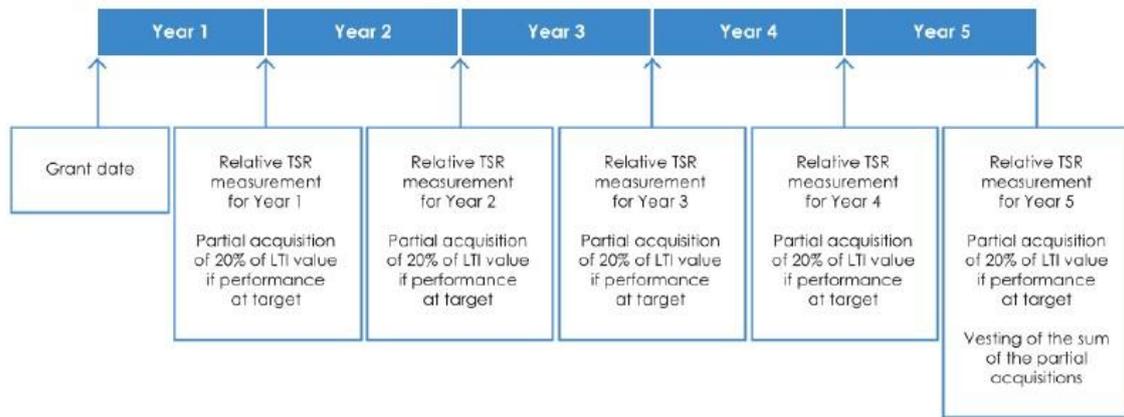
The main characteristics of this plan, which is not a recurring one, are different from those of existing performance share plans regularly put in place by Faurecia and are as follows:

- Beneficiaries: the plan will be applicable to all the members of the Executive Committee, including the Chief Executive Officer;
- Duration: the vesting period will be five years, with no holding period. This five-year term is typically used for major transformational journeys and aims at ensuring the stability in the strategic post distribution of shares period. The beneficiaries will be required to be present for the full vesting period, except in usual derogation cases (death, disability), it being noted that retirement can only be recognized as a derogation at the discretion of the Board of Directors, after three years of vesting at least and subject to proratisation of the acquisition rights;
- Maximum total pay-out: the maximum amount of the grant for each beneficiary may not represent, on grant date, more than 300% of his/her fixed annual compensation, with total payout capped at €2,000,000 (which will be the case for the Chief Executive Officer, who will therefore only be able to benefit from a maximum of 200% of his fixed annual compensation);
- Performance: the performance will be assessed by a unique condition, the Total Shareholder Return (TSR). This condition, whose very demanding objectives are described below, is in line with standard market practices and rewards the creation of long-term value. As such, it feeds the alignment of the plan with the interests of the shareholders. Performance evaluation will be carried out throughout the five-year vesting period:
 - Compared to the TSR of a peer group, which will be the same as that used to assess the net earnings per share growth condition used in the context of Faurecia's regular free share plans. The value used to calculate the TSR will be the average of the share price over the year preceding the valuation.
 - The level of achievement of the performance condition is recorded each year. The global amount of the final grant will be known at the end of the five-year period and will be equal to the sum of the five years of partial vesting. This mechanism is intended to reward the creation of value for shareholders over the entire period, year after year, and to avoid the impact of potential market volatility not representative of the performance over the whole period (an assessment over a short window at the end of the period that may result in a vesting that is not representative of performance over the entire period).

The percentage of the partial acquisition for year N is determined by measuring the percentile position of Faurecia's TSR against that of the peer group for the same period:

- if the TSR performance is at the 50th percentile (triggering threshold), the number of shares granted for year N is equal to 50% of the tranche for year N,
- if the TSR performance is \geq to the 75th percentile (target), the number of shares granted for year N is equal to 100% of the tranche for year N,
- between the threshold and the target, the grant is linearly interpolated.

Vesting schedule



1.7. Share buy-back program (sixteenth resolution)

You are asked to renew the authorization granted by the General Meeting of June 26, 2020 under its seventeenth resolution to the Board of Directors for the purpose of transacting in the Company's shares under the conditions described below.

Share buybacks in your Company would be carried out to:

- hedge stock option plans and/or free share allocation plans (or similar plans) to the benefit of employees and/or Group corporate officers, as well as all allocations of shares as part of a group or company savings plan (or similar plan), under a profit-sharing plan and/or any other form of allocation of shares to the benefit of the Group employees and/or corporate officers;
- hedge the commitments made by the Company under financial contracts or options with payment in cash granted to the Group's employees and/or corporate officers;
- hedge securities giving access to the allocation of Company shares;
- retain the shares purchased and use these shares for exchange or payment at a later stage, as part of any possible external growth transactions;
- cancel shares;
- support the secondary market or the liquidity of Faurecia shares, through an investment service provider under a liquidity contract in accordance with the practices permitted by the *Autorité des Marchés Financiers*.

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

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

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

- the maximum number of shares that may be purchased may never exceed 10% of the total number of shares comprising the capital stock (i.e., 13,803,580 shares as of December 31, 2020);
- the maximum purchase price would be €110 per share (excluding acquisition costs) - price unchanged compared to the previous resolution;
- the theoretical maximum purchase amount of the program (excluding acquisition costs) would be €1,518,393,800.

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

- enable the Company to meet commitments made prior to the opening of the offer period;

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

The authorization would be granted for a period of 18 months and end the authorization granted by the General Meeting of June 26, 2020, under the seventeenth resolution.

2. Explanatory Notes to the extraordinary resolutions

2.1. Financial authorizations and delegations (seventeenth to twenty-first resolutions)

As in 2019 and 2020, you are being asked to renew the financial authorizations and delegations of authority that were granted to the Board of Directors by the General Meeting. These authorizations and delegations of authority, whether they maintain, remove or do not carry preferential subscription rights, will enable your Company to enact financial transactions based on market conditions and quickly gather the resources needed to implement the Group's growth and consolidation strategy.

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

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

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

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

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

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

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

- capital ceiling: €290 million, which represented 30.01% of the Company's capital as of December 31, 2020. This is a total ceiling for all capital increases (issuances under the seventeenth, eighteenth, nineteenth and twenty-first resolutions) (excluding performance shares and capital increases reserved for employees shareholding plans);
- debt ceiling: €1 billion. This is a total ceiling for all the issues of debt securities (issuances under the seventeenth, eighteenth, nineteenth and twenty-first resolutions), excluding issuances reserved for employees shareholding plans.

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

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

This delegation of authority, which would be granted for a period of 26 months, would invalidate the delegation of authority granted by the General Meeting of June 26, 2020, under its eighteenth resolution.

2.1.2. Delegation of authority for the purpose of increasing the capital stock with removal of preferential subscription rights, by way of (i) public offerings (eighteenth resolution), and (ii) a private placement (nineteenth resolution)

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

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

The issuances may be carried out (i) by way of public offerings (with the exception of issuances referred to in (ii) below) with, however, the option for the Board of Directors to institute a non-negotiable right of priority for shareholders (eighteenth resolution), or (ii) by way of an offering solely for a limited group of investors acting on their own behalf or for qualified investors (nineteenth resolution). Please note that if the subscriptions would not absorb all of an issuance, the Board of Directors may decide to limit the amount of the issuance to the amount of subscriptions, provided that this amount reaches three-quarters of the issuance, and/or the Board may decide to freely distribute all or part of the unsubscribed securities.

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

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

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

- capital ceiling: €95 million, which represented 9.83% of the Company's capital as of December 31, 2020. This is a ceiling shared by both of these resolutions (eighteenth and nineteenth resolutions) and the twenty-first resolution (in-kind contributions of securities), it being understood that this amount is deducted from the total ceiling of €290 million. Please note that regarding the issuances under the nineteenth resolution, the ceiling is significantly lower than the legal limit of 20% of the capital per year;
- debt ceiling: €1 billion for each of the eighteenth and nineteenth resolutions, it being understood that this amount is deducted from the total ceiling of €1 billion.

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

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

These delegations of authority, which would be granted for a period of 26 months, would invalidate the delegations granted by the General Meeting of May 26, 2020, under the nineteenth and twentieth resolutions.

2.1.3. Authorization for the purpose of increasing the amount of the initial issues provided for by the seventeenth to nineteenth resolutions (twentieth resolution)

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

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

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

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

This authorization, which would be granted for a period of 26 months, would invalidate the authorization granted by the General Meeting of June 26, 2020, under the twenty-first resolution.

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

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

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

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

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

- capital ceiling: €95 million, which represented 9.83% of the Company's capital as of December 31, 2020 (which is lower than the legal ceiling of 10%). This is a ceiling shared by this resolution and the two resolutions with removal of preferential subscription rights (eighteenth and nineteenth resolutions), it being understood that this amount is deducted from the total ceiling of €290 million;
- debt ceiling: €1 billion, it being understood that this amount is deducted from the total ceiling of €1 billion.

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

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

This delegation, which would be granted for a period of 26 months, would invalidate the delegation granted by the General Meeting of May 26, 2020, under the twenty-second resolution.

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

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

Use of the authorization of June 26, 2020

The General Meeting of June 26, 2020, under its twenty-third resolution, authorized your Board of Directors to grant a maximum of 2,000,000 performance shares, the total number of shares awarded to corporate officers not exceeding 10% of this amount. The Board of Directors used this authorization in fiscal year 2020: based on the decision of October 22, 2020, it granted a maximum of 1,384,630 shares, including a maximum of 61,140 shares to the Chief Executive Officer.

All or part of the available balance may be used to grant performance shares under the specific long-term variable compensation scheme intended to support the retention of the Management team (Executive Super Performance Initiative), subject to, for the Chief Executive Officer, the approval of his compensation policy for 2021 by your General Meeting.

Number of performance share plans

Generally speaking, and not including two plans which were both granted in 2010, a performance share plan has been granted by your Board of Directors every year. To date, 12 plans have been granted on the basis of authorizations given by the General Meeting.

Review of previous plans – achievement of performance conditions

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

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

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

- plan no. 7: overall achievement rate of 116.5 % (107.5% for the internal condition linked to net income (loss) after tax and 130% for the external condition linked to the weighted growth of earnings per share, which is, for information, the maximum achievable). The shares were delivered to their beneficiaries in July 2019;
- plan no. 8: overall rate of achievement of 108% (93% for the internal condition linked to net income (loss) after tax and 130% for the external condition linked to the weighted growth of earnings per share, which is, for information, the maximum achievable). The shares were delivered to their beneficiaries in July 2020;
- plan no. 9: overall rate of achievement of 89% (62% for the internal condition linked to net income (loss) after tax and 130% for the external condition linked to the weighted growth of the earnings per share, which constitutes, for information, the maximum achievable). Subject to the achievement of the presence condition at the end of the vesting period, the shares will be delivered to their beneficiaries in July 2021.

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

The rate of achievement of the performance conditions of plans no. 11 and no. 12, respectively granted in 2019 and in 2020, are not yet known.

Detailed information on the performance share plans expired or in force during the fiscal year 2020 is shown in the Universal Registration Document in Section 5.2.2 "Potential capital"¹.

New authorization

Under the terms of the new authorization which is submitted to your vote, the total number of free shares thus granted may not exceed, as in the previous authorization, 2,000,000 shares². It is specified, as necessary, that the rights to shares that would lapse due to non-compliance with the conditions pursuant to the performance share plan in question may be regranted, provided that the number of shares vested does not exceed the aforementioned ceiling of 2,000,000 shares.

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

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

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

- an internal condition related to the Group net income before or after tax before taking into account any exceptional events. This internal condition is assessed by comparing the net income (loss) of the third fiscal year after the grant date of the performance shares to that forecast for the same fiscal year in the strategic plan reviewed and approved by the Board of Directors;
- an internal condition related to gender diversity within the Group's "Managers and Professionals" category. This internal condition is assessed by comparing the effective percentage of women in

¹ Plans No. 1 to No. 7, which have expired, have not been included in this 2020 Universal Registration Document. For more information on these plans (including performance conditions, objectives set and achievements of these objectives), please refer to the 2018 Registration Document of the Company, page 209, and to the 2019 Universal Registration Document, page 330.

² It is reminded that, according to the provisions of the law, the total number of shares attributed can't exceed 10% of the share capital as of the date of the attribution decision.

the Managers and Professionals category in the third fiscal year after the grant date of the performance shares to the target percentage set by the Board of Directors;

- an external condition related to the growth of your Company's net earnings per share assessed between the last fiscal year before the grant date of the shares and the third fiscal year ended after the grant date of the shares. This condition is assessed against the weighted growth of a reference group made up of twelve comparable international automotive suppliers over the same period.

For each performance condition referred to here above:

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

Between these thresholds, the progression is linear.

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

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

This authorization, which would be granted for a period of 26 months, would come into force on July 31, 2021 and would supersede, from that date, the authorization granted by the General Meeting of June 26, 2020 pursuant to its twenty-third resolution.

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

Operation Faur'ESO

As announced at its Capital Markets Day of February 22, 2021 and in its press release dated March 16, 2021, the Company wished to implement a non-dilutive employee shareholding plan following the distribution of the Faurecia shares held by Stellantis. This plan, called "Faur'ESO" (Faurecia Employee Share Ownership), aims to strengthen the existing bond with employees by involving them closely in the Group's development and performance. This first transaction concerns a maximum of 2% of the Company's share capital and will be rolled out in 15 countries to involve 90% of the Group's employees (including the corporate officers).

This transaction, which is completed through a capital increase, implements the twenty-fourth resolution of the General Meeting of June 26, 2020 on capital increases reserved for employees. It should be noted, as necessary, that (i) this resolution has already been approved by the shareholders in 2020 and (ii) in order to neutralize the dilutive effect of Faur'ESO, the Board of Directors authorized a share buyback program up to a limit of 2% of the capital.

Delegation of authority to increase the share capital, without preferential subscription rights, in favor of a category of beneficiaries (twenty-fourth resolution)

Given the structure of the Faur'ESO offer, the resolution of the General Meeting of June 26, 2020 used as part of Faur'ESO does not allow the offer to be rolled out in all countries under identical conditions. In order to offer similar economic profiles to the beneficiaries concerned, the shareholders are asked to grant the Board of Directors a delegation of authority to increase the share capital, without preferential subscription rights, to a category of beneficiaries (twenty-fourth resolution).

The maximum nominal amount of the capital increases completed under this resolution would be 0.6%, it being specified that this amount would be deducted from the ceiling provided for in the twenty-fourth resolution of the General Meeting of June 26, 2020, i.e. 2% of the capital (or any resolution that may be substituted for it at a later date).

The price would be equal to an average of the share prices listed during the 20 trading days preceding the date of the decision setting the opening date of the subscription, less a discount not exceeding 30% or alternatively at the price set by the Board of Directors or the Chief Executive Officer upon sub-delegation in the context of a concurrent transaction completed under the twenty-fourth resolution adopted at the General Meeting of June 26, 2020 (or any resolution that may subsequently be substituted for it).

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

This delegation would be granted for a period of 18 months from the date of the General Meeting.

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

In addition, insofar as (i) the Faur'ESO offer makes use of the twenty-fourth resolution adopted at the General Meeting of June 26, 2020 and (ii) a capital increase reserved for employees should be proposed to the shareholders each time a delegation to increase the share capital is requested from the shareholders, it is proposed to grant the Board of Directors a delegation of authority to issue shares and/or securities giving access to the share capital, without preferential subscription rights, for the benefit of the members of a Company savings plan.

The price of the shares or securities giving access to the capital that may be issued under this delegation may not be more than 30% lower (or 40% lower when the lock-up period in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is greater than or equal to 10 years) than the average of the listed share price during the 20 trading sessions prior to the date of the decision setting the opening date of the subscription, nor higher than this average.

The capital and debt ceilings set for this delegation would be the same as those of the previous resolution used for Faur'ESO:

- capital stock ceiling: 2% of the capital stock on the day of this General Meeting;
- debt ceiling: €1 billion.

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

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

This delegation would be effective as of July 31, 2021 and would supersede, as of this date, for the unused portion, the delegation granted to the Board of Directors by the General Meeting of June 26, 2020 under the terms of its twenty-fourth resolution. This delayed effective date is intended to allow to finalize the Faur'ESO transaction implemented on the basis of the twenty-fourth resolution granted by the General Meeting of June 26, 2020.

2.4. Cancellation of treasury shares (twenty-fifth resolution)

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

This authorization, which would be granted for a period of 26 months, would invalidate the authorization granted by the General Meeting of June 26, 2020, under its twenty-fifth resolution.

2.5. Amendments to the bylaws (twenty-sixth and twenty-seventh resolutions)

2.5.1. Amendment of Article 30 of the bylaws relating to threshold crossings in order to simplify the notification procedures (twenty-sixth resolution)

In the context of the Covid-19 sanitary crisis, it was noted that the modalities for notifying statutory thresholds were no longer adapted to the new environment. Shareholders are therefore asked to simplify them by providing that notifications must henceforth be made in writing (e.g. by e-mail), and no longer mandatorily by registered letter with acknowledgment of receipt.

2.5.2. Compliance with legal provisions (twenty-seventh resolution)

Shareholders are asked to bring the bylaws into compliance with the applicable legal provisions and to amend to this effect:

- Article 16 of the bylaws relating to the compensation of Board members in order to expressly state that the breakdown of Board members' compensation is made according to the terms and conditions provided for by the regulations, which must in fact be carried out in accordance with the Board members' compensation policy;
- Article 23 of the bylaws relating to regulated agreements in order to modify the textual reference indicated in the bylaws and replace it with the one from Order No. 2020-1142 of September 16, 2020, which created a new section in the French Code of commerce for listed companies.

3. Explanatory notes to the ordinary resolutions

3.1. Powers (twenty-eighth resolution)

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

4. Information relating to ongoing business since the beginning of fiscal year 2021

Information relating to the 2020 fiscal year, to the events that have occurred since the beginning of the fiscal year 2021 and to the Group's outlook are available in the 2020 Universal Registration Document of the Company accessible on the Company's website (www.faurecia.com) and the *Autorité des Marchés Financiers*' website (www.amf-france.org).

The press release relating to the first quarter of 2021 sales, available on the Company's website (www.faurecia.com), completes this information.