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ORDINARY & EXTRAORDINARY SHAREHOLDERS' MEETING
27 MAY 2014

EXPLANATORY NOTES TO THE RESOLUTIONS

1- ORDINARY BUSINESS

The first three resolutions to be submitted to the vote concern the approval of the 2013 financial statements and appropriation of the net income.

The fourth resolution concerns regulated agreements and undertakings.

The purpose of the fifth resolution is to consult the shareholders and obtain their opinion, in accordance with the Afep / Medef Code, on the compensation due or granted to Mr. Yann Delabrière in respect of the 2013 financial year based on the basis of the Say on Pay principle.

The sixth and seventh resolutions concern matters of corporate governance: election of Mrs. Bernadette Spinoy as a Director pursuant to the sixth resolution and election of Mr. Carlos Tavares pursuant to the seventh resolution.

Finally, the last resolution on ordinary business concerns the share buyback program.

1.1 Approval of the financial statements and appropriation of the net income (1st to 3rd resolutions)

Approval of the 2013 statutory financial statements (1st resolution)

We are seeking your approval of these financial statements, showing a net income of € 99 066 091.75.

We are also seeking your approval of the total amount of expenses and charges referred to in Article 39-4 of the French General Tax Code, i.e. € 152 359.12, in connection with which no tax has been borne.

Approval of the 2013 consolidated financial statements (2nd resolution)

We are seeking your approval of these financial statements, showing a net income (Group share) of € 87.6 million.

Appropriation of net income (3rd resolution)

The appropriation we are proposing is in compliance with the law and our Articles of Association.

We are thus seeking your approval of the appropriation of the net income, amounting to € 99 066 091.75, as presented below:

Origin	
- Net income for the financial year	€ 99 066 091.75
- Retained earnings carried over from previous years	€ 1 023 644 455.73
Total to be allocated	**€ 1 122 710 547.48**
Appropriation	
- Statutory reserve	€ 4 953 304.59
- Dividend	€ 36 776 440.50
- Retained earnings	€ 1 080 980 802.39
Total appropriation	**€ 1 122 710 547.48**

In light of the Group's performance, the Board of Directors has decided to propose that a dividend of € 0.30 gross per share be distributed, and that the shareholders be given the possibility to opt for payment of said dividend either in cash or in new shares. For individuals domiciled in France for tax purposes, this distribution will be eligible for the 40% tax relief indicated in Article 158-3 2° of the French General Tax Code.

In the event of a change in the number of shares conferring entitlement to the dividend as compared to the 122 588 135 shares making up the registered capital as at 31 December 2013, the total amount of the dividends would be adjusted accordingly, and the amount appropriated to retained earnings would be calculated based on the dividends actually paid.

The price of the share remitted in payment will be equal to 90% of the average price quoted in the twenty trading sessions prior to the date of the Shareholders' Meeting, less the net amount of the dividend. That price will be announced at the Shareholders' Meeting.

The period during which the option can be exercised will run from 30 May to 16 June 2014 inclusive.

Any shareholder not having opted for payment of the dividend in the form of shares upon expiry of said period will be paid their dividend in cash.

Payment of the dividend in cash and delivery of the new shares will occur on the same day, i.e. on 24 June 2014. Trading ex-coupon will occur on 30 May 2014, i.e. the opening date of the option exercise period.

The shares issued in payment of the dividend will carry rights as from 1 January 2014.

Pursuant to the provisions of Article 243 *bis* of the French General Tax Code, we would remind you that the following dividends have been distributed in respect of the past three financial years:

IN RESPECT OF THE FINANCIAL YEAR	*INCOME ELIGIBLE FOR TAX RELIEF*		INCOME NOT ELIGIBLE FOR TAX RELIEF
	DIVIDENDS	OTHER INCOME DISTRIBUTED	
2010	€ 27 591 699.25* i.e. € 0.25 per share	-	-
2011	€ 38 628 920.75* i.e. € 0.35 per share	-	-
2012	-	-	-

* Including the amount of unpaid dividends on treasury shares allocated to retained earnings.

1.2 Regulated agreements and undertakings (4th resolution)

We are seeking your approval of the agreement authorized by the Board of Directors at its 11 February 2014 meeting and referred to in the Statutory Auditors' special report.

This agreement concerns Mr. Yann Delabrière's pension plan, the terms and conditions of which are set out in the explanatory note to the 5th resolution below.

As this undertaking constitutes a regulated agreement within the meaning of Article L.225-42-1 of the French Code of commerce, it therefore required the prior approval of the Board of Directors pursuant to Article L.225-38 of said same Code.

Aside from this agreement, no other new agreements were entered into during the past closed financial year or at the start of the current financial year, nor have any such agreements been renewed by tacit agreement during said same period.

1.3 Say on Pay (5th resolution)

The compensation components due or granted to Mr. Yann Delabrière for the financial year closed on 31 December 2013 in respect of which the shareholders are consulted in order to issue their opinion thereon are as set out in the table below:

Compensation components due or granted in respect of the financial year closed on 31 December 2013	Amounts or accounting valuation subject to a vote by the shareholders	Presentation
Fixed compensation	**€ 700 000.08** **(amount paid)**	Mr. Yann Delabrière's fixed compensation has remained the same since the 2011 financial year.
Annual variable compensation	**€ 700 000** **(amount paid)**	The targets were fixed at the Board meeting held on 11 February 2013, and are in relation with the operating margin, the free cash flow, and qualitative objectives. The contribution of each of the targets thus fixed has been drawn up by the Board of Directors as follows: • operating margin: 20% • free cash flow: 50% • qualitative objectives: 30% The expected levels of achievement in respect of the quantitative criteria have been fixed by the Board at the level of the budget as approved by the Board for the operating margin, and above said same budget for the free cash flow. The qualitative objectives concern the organization and management of Faurecia's operations in North America, the drawing up and implementation of the succession plans for the Executive Committee, and implementation of the policies and operations approved by the Board as regards generation of the Group's cash. On the recommendation of the Appointments & Compensation Committee at its 10 February 2014 meeting, the Board of Directors, at its 11 February 2014 meeting, fixed Mr. Yann Delabrière's variable compensation for 2013 at € 700 000, as certain targets had been met, others exceeded and, finally, others insufficiently achieved.
Deferred variable compensation	**NA**	There is no deferred variable compensation.
Multi-annual variable compensation	**NA**	There is no multi-annual variable compensation.
Exceptional compensation	**NA**	There is no exceptional compensation.
Stock options, performance shares or any other long-term compensation components	**Options = NA** **Performance shares = € 1 386 456** **(accounting valuation)**	There are no stock subscription or purchase options. Pursuant to the authorization granted at the Shareholders' Meeting held on 30 May 2013 (in the fifteenth resolution ruling on extraordinary business), the Board, in a decision made on 24 July 2013, allotted a maximum of 71 500 shares to Mr. Yann Delabrière within the framework of the free performance share allocation plan n° 5. Those 71 500 shares represented 0.06% of the registered capital as at 31 December 2013.

Compensation components due or granted in respect of the financial year closed on 31 December 2013	Amounts or accounting valuation subject to a vote by the shareholders	Presentation
		The related performance conditions are as follows: - net income before tax – Group as at 31 December 2015 before taking into account capital gains on sales of assets and changes in the scope of consolidation, and - comparison between the growth in net income per share in the Company as measured between on the one hand the 2012 financial year and the 2015 financial year and, on the other hand, the average growth for a reference group made up of automotive equipment manufacturers worldwide. If the performance conditions of plan n° 5 have been reached at their maximum level at the close of the financial year 2015, then Mr. Yann Delabrière will be allotted a maximum number of 71 500 shares.
	Other components **= NA**	
Attendance fees	**NA**	Mr. Yann Delabrière is not paid attendance fees.
Valuation of benefits (all types)	**€ 7 371,60 (accounting valuation)**	Car
Compensation components due or granted in respect of the financial year closed on 31 December 2013 which require or have required a vote by the shareholders pursuant to the procedure for regulated agreements and undertakings	**Amounts subject to a vote by the shareholders**	**Presentation**
Severance pay	**NA**	There is no severance pay.
Non-compete indemnity	**NA**	There is no non-compete clause.

Compensation components due or granted in respect of the financial year closed on 31 December 2013 which require or have required a vote by the shareholders pursuant to the procedure for regulated agreements and undertakings	Amounts subject to a vote by the shareholders	Presentation
Supplementary pension scheme	**No payment during closed financial year**	<u>Description of the defined benefits scheme</u>: - minimum seniority: 5 years of seniority at the time of retirement; - progressiveness of the increase in potential rights in relation to seniority and remuneration: the potential rights increase each year by 1% of bracket C; - reference period taken into account for computing benefits: seniority starting from 1st March 1990; - reference income and maximum percentage of said income to which the supplementary retirement scheme gives a right: the reference income taken into account is the average of the annual remunerations collected during the last three years; benefits are computed on bracket C only (between 4 and 8 times the annual Social Security ceiling); the potential rights opened individually come to an annual pension of €33,350 (value at 31 December 2013), or 3% of the reference revenue. <u>Description of the defined contributions scheme</u>: - a scheme with contributions defined on brackets A and B for an amount of 1% on bracket A and 6% on bracket B of remuneration without participation by the beneficiary; - contributions paid by the company in 2013: €7,036 These two schemes are still open to all executives of the group having less than five years of seniority at the time of retirement. This scheme as described above for Mr. Yann Delabrière was authorized by the Board of Directors at its 11 February 2014 meeting, and will be put to the vote by the shareholders at the Shareholders' Meeting to be held on 27 May 2014.

1.4 *Corporate governance (6th and 7th resolutions)*

It is proposed that you elect Mrs. Bernadette Spinoy as a Director.

Mrs. Bernadette Spinoy will take the seat vacated by Mr. Jean-Claude Hanus following the Board meeting held on 16 April 2014.

Mrs. Bernadette Spinoy will hold office for a term of 5 years, i.e. until the Shareholders' Meeting to be held in 2019 for purposes of ruling on the financial statements for the past financial year.

The Board of Directors ruled that Mrs. Bernadette Spinoy is considered to be an independent director from the standpoint of the independence criteria set out in the AFEP-MEDEF corporate governance code for listed companies used by Faurecia as its reference code for corporate governance matters.

It is also proposed that you elect Mr. Carlos Tavares as a Director.

Mr. Carlos Tavares will take the seat vacated by Mr. Philippe Varin following the Board meeting held on 16 April 2014.

Mr. Carlos Tavares will hold office for a term of 5 years, i.e. until the Shareholders' Meeting to be held in 2019 for purposes of ruling on the financial statements for the past financial year.

The Board of Directors ruled that Mr Carlos Tavares is not considered to be an independent director from the standpoint of the independence criteria set out in the AFEP-MEDEF corporate governance code for listed companies used by Faurecia as its reference code for corporate governance matters, given his functions within Faurecia's main shareholder.

1.5 *Share buyback program (8th resolution)*

This resolution will authorize the Board of Directors to purchase shares of the Company for the following purposes:

- to maintain a liquid market for the Company's shares through an independent investment services provider acting under a liquidity agreement,
- to keep the shares for tendering at a later date within the framework of external growth operations,
- to allot shares to employees and corporate officer managers of the Company or related companies, under stock option and free share plans, either as part of their compensation or in respect of their profit sharing entitlement,
- to allot shares upon the exercise of rights attached to securities conferring an entitlement to the allotment of shares of the Company, and
- to cancel shares.

These shares may be purchased by any means, including through block purchases of shares, and at times deemed appropriate by the Board of Directors.

These transactions may in particular be carried out during a public tender in compliance with the regulations in force.

The Company reserves the right to use options or derivatives within the framework of applicable regulations.

The authorization to be granted to the Board of Directors includes a maximum purchase price of (€ 50), a maximum limit on the overall amount which may be allocated to the buyback program (€ 610 732 550), and a maximum limit on the number of shares which may be purchased (10% of the Company's capital on the date of purchase).

This authorization is sought for a period of 18 months, and will terminate that granted to the Board of Directors by the shareholders in the seventh resolution ruling on ordinary business at the Shareholders' Meeting held on 30 May 2013.

2- EXTRAORDINARY BUSINESS

The 9th resolution will enable the Board of Directors to reduce the share capital by cancelling treasury shares held.

The 10th resolution relates to amendments to be made to the Articles of Association.

2.1 Cancellation of treasury shares held (9th resolution)

This resolution will authorize the Board of Directors to cancel shares of the Company purchased pursuant to the 8th resolution or under previously authorized share buyback programs, up to a maximum limit of 10% of the share capital, and to reduce the share capital accordingly.

This authorization is sought for a period of 18 months.

2.2 Amendments to the Articles of Association (10th resolution)

The amendments to be submitted to the vote aim at increasing the maximum age limit for holding office of the corporate officers (non-executive Chairman, General Manager, Deputy General Manager) so as to enable Mr. Yann Delabrière to remain in office as Chairman & Chief Executive Officer until the end of his term of office which will expire at the Shareholders' Meeting to be held in 2017. These amendments will also give Faurecia the requisite flexibility in which to organize the succession plan for Mr. Yann Delabrière.

Consequently, Articles 16, 18 and 20 of the Articles of Association will be amended, with the maximum age limit being increased from 65 to 70.

Finally, the **11th resolution** concerns the granting of powers to carry out the formalities required after the Shareholders' Meeting, and in particular the filing and publication formalities.