

Nanterre, 27 July 2016

**Compensation of Patrick Koller, Chief Executive Officer  
by decisions by the Board of Directors of 25 July 2016**  
(Articles L.255-42-1 and R.225-34-1 of the French Commercial Code)

**Severance payment**

The Board of Directors of 25 July 2016, on proposal by the Appointments and Compensation Committee of 20 July 2016, authorizes in accordance with Article L.225-38 and seq. of the French Commercial Code the principle of a severance payment under the following conditions:

- ✓ it will be applicable in case of termination of Patrick Koller's mandate as CEO at the Company's initiative except in case of serious misconduct of Patrick Koller ("*faute grave ou lourde*");
- ✓ it will not be applicable in case of resignation or retirement;
- ✓ the severance payment is subject to the achievement of the following performance conditions:
  - achieve a positive operational margin during each of the three last years of Patrick Koller's mandate as CEO;
  - achieve a positive net cash flow during each of the three last years of Patrick Koller's mandate as CEO.
- ✓ the severance payment will amount to 24 months of reference salary (base + short term incentive at target) in case the two criteria would be achieved for each of the three years, which means the six performance measurement points would be achieved;
- ✓ in case one of the six performance measurement points would be missed, the severance payment would be reduced by 1/6 down to zero in case none of the performance measurement points would be achieved.
- ✓ in case the CEO mandate would last less than three years the severance payment calculation will be based on the same approach but adapting the number of performance measurement points to the duration of the mandate.

This regime, which has performance conditions attached, is intended to develop long-standing loyalty relationship with the CEO and to involve him further in the Group's results.

By virtue of the procedure laid down in Articles L.225-42-1 of the French Commercial Code, this authorization as well as the decision of the Board of Directors assessing, when the time comes, the achievement of the performance conditions will be made public in accordance with the modalities and time frame as provided by applicable regulations.

This authorization will also be subject to a shareholders' vote during the next shareholders' meeting under a specific resolution for Patrick Koller.

## Pension plans

i- The Board of Directors of 25 July 2016 recalls that Patrick Koller is the beneficiary of pension plans set up by Faurecia, made of a defined contribution plan (Article 83 of the General French Tax Code) and a defined benefit plan (Article 39 of the General French Tax Code) and confirms that Patrick Koller, though his employment contract is now terminated, will continue to be a beneficiary of these two plans as CEO.

In accordance with Article L.225-42-1 of the French Commercial Code in its version as modified by the Macron Act of 6 August 2016, the Board of Directors of 25 July 2016, on proposal by the Appointments and Compensation Committee of 20 July 2016, decides that the benefit of the defined benefit plan (Article 39 of the General French Tax Code) for Patrick Koller will be subject to the following performance condition related to his variable annual compensation:

- ✓ in case the variable compensation objectives are achieved at 80% or above, a 1% accrual (solely on tranche C of the compensation) will be built for this year to cover future pension rights;
- ✓ in case the variable compensation objectives are achieved below 80%, the accrual will be reduced proportionally (e.g.: 30% achievement will lead to a 0.30% accrual).

This regime, which has performance conditions attached, is intended to develop long-standing loyalty relationship with the CEO and to involve him further in the Group's results.

By virtue of the procedure laid down in articles L.225-42-1 of the French Commercial Code, this authorization as well as the decision of the Board of Directors assessing, when the time comes, the achievement of the performance conditions will be made public in accordance with the modalities and time frame as provided by applicable regulations.

This authorization will also be subject to a shareholders' vote during the next shareholders' meeting under a specific resolution for Patrick Koller.

ii- Furthermore, Patrick Koller is also the beneficiary of a performance additive pension plan.

This plan, authorized by the Board of Directors of 11 February 2015, as modified by an Unilateral Decision by the CEO dated 4 July 2016, is applicable to the members of the Executive Committee who hold a current or suspended employment contract or a corporate office mandate in France and who are members of the Executive Committee for a minimum consecutive period of three civil years from the introduction of this regime or the entry into the Executive Committee.

It is reminded that Faurecia guarantees beneficiaries an annual pension determined according to the Company's operating income and budget approved by the Board of Directors according to the following formula:

$$\sum X_i * R$$

R = annual reference compensation

X<sub>i</sub> = entitlement for each year of seniority (i) equal to:

- 3% if the Operating Income for the year is strictly more than 105% of the budgeted Operating Income
- 2% if the Operating Income for the year is between 95% and 105% of the budgeted Operating Income
- 1% if the Operating Income for the year is strictly less than 95% of the budgeted Operating Income

The Operating Income for year N is defined based on the income statement as of 12/31/N approved by the Board of Directors in year N+1 and the initial budget for year N approved by the Board of Directors in year N-1.

Each year, the Board of Directors therefore decides how much should be granted, following approval of the financial statements.

This regime, which has performance conditions attached, is intended to develop long-standing loyalty relationship with executive managers and to involve them further in the Group's results.

By virtue of the procedure laid down in articles L. 225-42-1 of the French Commercial Code, this authorization as well as the decision of the Board of Directors assessing, when the time comes, the achievement of the performance conditions will be made public in accordance with the modalities and time frame as provided by applicable regulations.

This authorization will also be subject to a shareholder vote during the next shareholders' meeting under a specific resolution for Patrick Koller.