

*The English language of this document is a free translation of an extract of the notice published in the French "Bulletin des Annonces Légales Obligatoires" of 20<sup>th</sup> April 2018. The original language of the notice in French takes precedence over this translation.*

## **FAURECIA**

Société anonyme (joint-stock corporation) with €966,250,607 in capital stock  
Registered office: 2, rue Hennape, 92000 Nanterre  
Nanterre Trade and Companies Register n° 542 005 376

### **COMBINED GENERAL MEETING OF MAY 29, 2018**

#### **AGENDA**

##### **Ordinary resolutions:**

**Resolution one** - Approval of the financial statements for the fiscal year ending December 31, 2017 – Approval of non-tax-deductible expenses and costs,

**Resolution two** - Approval of the consolidated financial statements for the fiscal year ending December 31, 2017,

**Resolution three** - Appropriation of income for the fiscal year, dividend,

**Resolution four** - Statutory Auditors' special report on related-party agreements and undertakings - Statement of absence of new agreement,

**Resolution five** - Ratification of the temporary appointment of Valérie LANDON as Board member,

**Resolution six** - Amount of attendance fees allocated to the members of the Board of Directors,

**Resolution seven** - Approval of the principles and criteria used to determine, allocate and award the compensation of the Chairman of the Board of Directors,

**Resolution eight** - Approval of the principles and criteria used to determine, allocate and award the compensation of the Chief Executive Officer,

**Resolution nine** - Approval of the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for past fiscal year to Yann DELABRIERE, Chairman of the Board of Directors until May 30, 2017,

**Resolution ten** - Approval of the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for past fiscal year to Michel de ROSEN, Chairman of the Board of Directors since May 30, 2017,

**Resolution eleven** - Approval of the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for past fiscal year to Patrick KOLLER, Chief Executive Officer,

**Resolution twelve** - Authorization to the Board of Directors aiming to allow the Company to buy back its own shares pursuant to Article L. 225-209 of the French Code of Commerce, duration of authorization, purposes, terms and conditions, ceiling, suspension during public offerings,

**Extraordinary resolutions:**

**Resolution thirteen** - Authorization to the Board of Directors in order to cancel the shares bought back by the Company pursuant to Article L. 225-209 of the French Code of Commerce, duration of authorization, ceiling,

**Resolution fourteen** - Authorization to the Board of Directors in order to grant for free existing and/or future shares to employees and/or certain corporate officers of the Company or affiliated companies, waiver by the shareholders of their preferential subscription right, duration of the authorization, ceiling, duration of the vesting period, particularly in the event of disability,

**Resolution fifteen** - Extension of the duration of the Company and modification of the bylaws accordingly,

**Resolution sixteen** - Approval of the conversion of the Company into a European company with a Board of Directors,

**Resolution seventeen** - Adoption of the Company's bylaws in its new legal form of European company,

**Resolution eighteen** - Powers for formalities.

## TEXT OF THE RESOLUTIONS

### Ordinary resolutions:

#### **Resolution one - Approval of the financial statements for the fiscal year ending December 31, 2017 – Approval of non-tax-deductible expenses and costs,**

The General Meeting, after having read the reports by the Board of Directors and by the Statutory Auditors on the parent company financial statements as at December 31, 2017, approves these financial statements, as presented which show a profit of € 94,364,262.41.

The General Meeting particularly approves the total amount of € 136,282.35 for expenses and costs listed in 4 of Article 39 of the French General Tax Code, which corresponds to the non-deductible portion of the leases of passenger vehicles, and the corresponding tax which amounted to €46,922.01

#### **Resolution two - Approval of the consolidated financial statements for the fiscal year ending December 31, 2017**

The General Meeting, after having read the reports by the Board of Directors and by the Statutory Auditors on the consolidated financial statements as at December 31, 2017, approves these financial statements, as presented, with a net profit (Group share) of € 610.2 million.

#### **Resolution three - Appropriation of income for the fiscal year, dividend**

The General Meeting, on proposal of the Board of Directors, decides to appropriate the income for the fiscal year ending December 31, 2017 as follows:

##### **Origin**

- Profit for the fiscal year	€ 94,364,262.41
- Retained earnings	€ 1,227,485,803.32
<b>Total to be appropriated</b>	<b>€1,321,850,065.73</b>

##### **Appropriation**

- Dividends	€ 151,839,381.10
- Retained earnings	€ 1,170,010,684.63
<b>Total appropriated</b>	<b>€1,321,850,065.73</b>

The General Meeting acknowledges that the total gross dividend per share is set as € 1.10

When dividends are paid to private 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 of the French General Tax Code), or, optionally, to income tax on a sliding scale after a 40% tax allowance (Article 200 A,2. and 158-3 1° of the French General Tax Code). This option must be exercised when the income tax return is filed and, at the latest, before the deadline for the filing of said return. Dividends are also subject to social security contributions at a rate of 17.2%.

If the number of shares giving rights to dividend varies from the 138,035,801 shares representing the capital stock on December 31, 2017, the total amount of the dividend will be adjusted accordingly and the amount of the retained earnings account will be set on the basis of the dividend actually payable.

The dividend will be paid out on June 5, 2018.

The ex-coupon date will be June 1, 2018.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the General Meeting acknowledges that it was reminded that over the last three fiscal years, dividends and income were distributed as follows:

FOR THE FISCAL YEAR	INCOME ELIGIBLE FOR REDUCTION		INCOME NOT ELIGIBLE FOR REDUCTION
	DIVIDENDS	OTHER DISTRIBUTED INCOME	
2014	€43,406,583.50* i.e., €0.35 per share	-	-
2015	€89,274,690.70* i.e., €0.65 per share	-	-
2016	€124,232,220.90* i.e., €0.90 per share	-	-

\* This amount includes the amount of the dividend corresponding to treasury shares held by the Company not paid and allocated to the retained earnings account.

#### **Resolution four - Statutory Auditors' special report on related-party agreements and undertakings - Statement of absence of new agreement**

The General Meeting, after having read the Statutory Auditors' special report stating that there was no new agreement like those referred to in Articles L. 225-38 et seq. of the French Code of Commerce, unconditionally acknowledges this point.

#### **Resolution five - Ratification of the temporary appointment of Valérie LANDON as Board member**

The General Meeting ratifies the appointment, which was made on a temporary basis by the Board of Directors at its meeting of October 12, 2017, of Valérie LANDON as Board member to replace Amparo MORALEDA, who resigned.

Consequently, Valérie LANDON shall exercise her duties for the remainder of the term of Amparo MORALEDA's corporate office, i.e., until the end of the meeting convened in 2021 to approve the financial statements for the past fiscal year.

#### **Resolution six - Amount of attendance fees allocated to the members of the Board of Directors**

The General Meeting decides to increase the annual total attendance fees allocated to the Board of Directors from €600,000 to €700,000.

This decision, which applies to the fiscal year in progress, shall be maintained until a new decision is made.

**Resolution seven - Approval of the principles and criteria used to determine, allocate and award the compensation of the Chairman of the Board of Directors**

The General Meeting, which was consulted in accordance with Article L. 225-37-2 of the French Code of Commerce, approves the principles and criteria used to determine, allocate and award the elements of the total compensation and benefits that may be awarded to the Chairman of the Board of Directors on account of his corporate office, as detailed in the report stipulated in the last paragraph of Article L. 225-37 of the French Code of Commerce, presented in the explanatory notes to the resolutions.

**Resolution eight - Approval of the principles and criteria used to determine, allocate and award the compensation of the Chief Executive Officer**

The General Meeting, consulted in accordance with Article L. 225-37-2 of the French Code of Commerce, approves the principles and criteria used to determine, allocate and award the elements of the total compensation and benefits that may be awarded to the Chief Executive Officer on account of his corporate office, as detailed in the report stipulated in the last paragraph of Article L. 225-37 of the French Code of Commerce, presented in the explanatory notes to the resolutions.

**Resolution nine - Approval of the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for past fiscal year to Yann DELABRIERE, Chairman of the Board of Directors until May 30, 2017**

The General Meeting, acting in accordance with Article L. 225-100, paragraph II of the French Code of Commerce, approves the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for the past fiscal year on account of his corporate office to Yann DELABRIERE, Chairman of the Board of Directors until May 30, 2017, as presented in the explanatory notes to the resolutions.

**Resolution ten - Approval of the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for past fiscal year to Michel de ROSEN, Chairman of the Board of Directors since May 30, 2017**

The General Meeting, acting in accordance with Article L. 225-100, paragraph II of the French Code of Commerce, approves the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for the past fiscal year on account of his corporate office to Michel de ROSEN, Chairman of the Board of Directors since May 30, 2017, as presented in the explanatory notes to the resolutions.

**Resolution eleven - Approval of the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for past fiscal year to Patrick KOLLER, Chief Executive Officer**

The General Meeting, acting in accordance with Article L. 225-100, paragraph II of the French Code of Commerce, approves the fixed, variable and exceptional elements comprising the total compensation and all benefits paid or granted for the past fiscal year on account of his corporate office to Patrick KOLLER, Chief Executive Officer, as presented in the explanatory notes to the resolutions.

**Resolution twelve - Authorization to the Board of Directors aiming to allow the Company to buy back its own shares pursuant to Article L. 225-209 of the French Code of Commerce, duration of authorization, purposes, terms and conditions, ceiling, suspension during public offerings**

The General Meeting, after having read the report by the Board of Directors, authorizes the latter, for a period of eighteen months, in accordance with Articles L. 225-209 et seq. of the French Code of Commerce, to purchase company shares, in one or several installments, at such times that it deems appropriate, capped at 10% of the total number of shares in the

Company's capital stock, adjusted to take into account any possible increase or decrease in the share capital that may occur during the program.

This authorization terminates the authorization granted to the Board of Directors by the General Meeting of May 30, 2017 (ordinary resolution eighteen).

Acquisitions are authorized in order to:

- support the secondary market or the liquidity of Faurecia shares, through an investment service provider under a liquidity contract, in accordance with the AMAFI (French association of stock markets) Code of Ethics, as allowed by regulations, with the stipulation that in this context, the number of shares used to calculate the aforementioned cap corresponds to the number of shares purchased, less the number of shares resold;
- retain the shares purchased and use these shares for exchange or payment at a later stage, as part of any possible external growth transactions;
- hedge stock option plans and/or free grant of shares 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 securities giving access to the allocation of Company shares subject to the regulations in force;
- cancel the shares acquired, if applicable, in accordance with the current or future authorization of an Extraordinary General Meeting.

Such shares may be purchased by any means, including by acquiring blocks of shares, and at such times deemed appropriate by the Board of Directors.

The Board of Directors may not, without the prior authorization of the General Meeting, use this authorization during a public offering launched by a third party, involving company shares, until the end of the offering.

The Company reserves the right to use optional mechanisms or derivatives subject to the applicable regulations.

The maximum purchase price per share is set at €110 (one hundred and ten). In the event of transactions affecting the capital stock, in particular a division of shares, a reverse stock split or allocation of free shares, the aforementioned amount will be adjusted in the same proportions (multiplication coefficient equal to the ratio of the number of company shares prior to the transaction to the number of shares after the transaction).

On this basis, and for information only, the maximum amount, which the Company would pay, assuming a maximum purchase price of €110 (one hundred and ten), would amount to €1,428,818,600 on the basis of the capital stock on December 31, 2017 (consisting of 138,035,801 shares), taking into account the 814,320 company treasury shares on this date.

The General Meeting grants full powers to the Board of Directors, with a sub-delegation option in accordance with legal provisions, to carry out these transactions, set the conditions and procedures thereof, enter into all agreements and carry out all of the required formalities.

## **Extraordinary resolutions:**

### **Resolution thirteen - Authorization to the Board of Directors in order to cancel the shares bought back by the Company pursuant to Article L. 225-209 of the French Code of Commerce, duration of authorization, ceiling,**

After having read the report by the Board of Directors and the Statutory Auditors' report, the General Meeting:

- 1) Authorizes the Board of Directors to cancel, according to its own decisions, in one or more transactions, and capped at 10% of the capital stock calculated on the date of cancellation decision, less any shares canceled during the previous 24 months, shares held by the Company, or which the Company may hold further to buy back transactions carried out pursuant to Article L. 225-209 of the French Code of Commerce, and to reduce the capital stock in accordance with the applicable laws and regulations.
- 2) Sets the validity of this authorization as eighteen months from this General Meeting.
- 3) Grants full powers to the Board of Directors, with a sub-delegation option in accordance with legal provisions, to carry out all transactions required for such cancellation and the corresponding reductions in the share capital, amend the bylaws of the Company accordingly and carry out all of the required formalities.

### **Resolution fourteen - Authorization to the Board of Directors in order to grant for free existing and/or future shares to employees and/or certain corporate officers of the Company or affiliated companies, waiver by the shareholders of their preferential subscription right, duration of the authorization, ceiling, duration of the vesting period, particularly in the event of disability,**

After having read the report by the Board of Directors and the Statutory Auditors' special report, the General Meeting authorizes the Board of Directors to grant, in one or more transactions and pursuant to Articles L. 225-197-1 and L. 225-197-2 of the French Code of Commerce, existing or future ordinary company shares to:

- employees of the Company or companies that are directly or indirectly affiliated with it within the meaning of Article L. 225-197-2 of the French Code of Commerce;
- and/or corporate officers who meet the criteria set by Article L. 225-197-1 of the French Code of Commerce.

The total number of shares granted for free may not exceed 2,000,000 (two million) shares.

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

The free share grant to the beneficiaries shall become permanent at the end of a vesting period whose length shall be set by the Board of Directors and that may not be shorter than three years. The General Meeting authorizes the Board of Directors to decide if it wishes to stipulate a lock-up obligation at the end of the vesting period.

Notwithstanding, the permanent share grant shall occur before the end of the vesting period in case of disability of the beneficiary corresponding to the classification in the second and third categories stipulated in Article L. 341-4 of the French Social Security Code.

The permanent share grant by virtue of this authorization will necessarily be subject to the fulfillment of one or several performance conditions that the Board of Directors will determine.

All powers are granted to the Board of Directors for the purposes of:

- setting the terms and conditions that apply to the grants, especially the performance conditions, recording their fulfillment;
- determining the identity of the beneficiaries and the number of shares granted to each of them;
- where applicable:
  - recording the existence of sufficient reserves and upon each grant transferring to the unavailable reserve account the sums needed to pay up the new shares that are to be granted;
  - when the time comes, recording the capital increase(s) through capitalization of reserves, premiums or profits resulting from the issue of new shares that are permanently granted, setting the dividend date of the future shares, amending the bylaws accordingly, and, more broadly, carrying out all the required actions and formalities;
  - acquiring the shares needed as part of the share buy-back program and allocating them to the share grant plan applying to existing shares;
  - determining the repercussions for the beneficiaries' rights of transactions changing the capital stock performed during the vesting period and if necessary, adjusting the beneficiaries' rights;
  - deciding whether to set a lock-up obligation at the end of the vesting period and, where applicable, setting its duration and taking all steps needed to ensure that the beneficiaries abide by it;
  - and more broadly, acting within the law to take all actions that the implementation of this authorization requires.

This authorization automatically constitutes a waiver by the shareholders of their preferential subscription right to new shares issued through capitalization of reserves, premiums or profits.

It is granted for a period of twenty-six months as of the date of this Meeting. Where applicable, it automatically invalidates any prior authorization with the same purpose, in the amount of the unused portion.

**Resolution fifteen - Extension of the duration of the Company and modification of the bylaws accordingly**

The General Meeting, after having read the report by the Board of Directors, decides to extend the duration of the Company for a duration of 99 years starting from the present General Meeting, until 28 May 2117, except in the event of early dissolution or extension decided by a shareholders' extraordinary general meeting and to add accordingly a second paragraph to Article 5 of the bylaws drafted as follows, the rest of the Article remaining unchanged:

*"The duration of the Company was extended until 28 May 2117 by the extraordinary general meeting dated 29 May 2018."*

**Resolution sixteen - Approval of the conversion of the Company into a European company with a Board of Directors**

The General Meeting, after having read:

- the treaty to convert the Company into a European company drafted by the Board of Directors and dated 15 February 2018, and filed at the Registry of the Nanterre Commercial Court on 12 March 2018;
- the report by the Board of Directors in the form of explanatory notes to the resolutions explaining and justifying the legal and economic aspects of the conversion and outlining the consequences for the shareholders and employees of the adoption of the form of a European company;



- the report by Ledouble firm, auditor of the conversion, appointed by order of the President of the Nanterre Commercial Court dated 16 March 2018.

After noting that the Company has fulfilled the criteria set forth in the provisions of Council Regulation (EC) No. 2157/2001 of October 8, 2001, on the Statute for a European company, and particularly those referred to in Articles 2§4 and 37 of said regulation, and the criteria of Article L. 225-245-1 of the French Code of Commerce on the conversion of a public limited company into a European Company.

And after noting and confirming as appropriate:

- that the Company's conversion into a European company shall result in neither the winding up of the Company nor the creation of a new legal entity;
- that the Company name after the conversion shall be followed by the words "Societas Europaea" or the abbreviation "SE";
- that the duration of the Company, its purpose and its registered office shall not change;
- that the Company's capital stock, number of shares comprising it and their par value shall not change; that the Company's shares shall continue to be admitted to trading on the Euronext Paris regulated market;
- that the length of the fiscal year in progress shall not change due to the adoption of the form of European company and that the financial statements of this fiscal year shall be prepared, presented and audited in accordance with the bylaws of the Company in its new form and the provisions of the French Code of Commerce on European companies;
- that the terms of office of the Board members, Statutory Auditors and Alternate Statutory Auditors in progress at the time of the Company's conversion into a European company shall continue until they are scheduled to end;
- that all the authorizations and delegations of authority and powers that have been and will be granted to the Board of Directors in its form of *société anonyme* (joint-stock corporation) by all Company General Meetings and that are in force on the date on which the conversion of the Company into a European company is completed shall be, on said date, automatically transferred to the Board of Directors of the Company in its form of European company.

After having noted that, pursuant to Article 12§2 of the aforementioned regulation, the Company will not be registered as a European company until the procedure regarding employee involvement, as stipulated in Articles L. 2351-1 et seq. of the French Labor Code, can be completed, and that these negotiations may result in (i) a written agreement setting the terms and conditions of employee involvement in the European company, or (ii) the enforcement of additional provisions on the European company works council stipulated in Articles L. 2353-1 et seq. of the French Labor Code when, at the end of the negotiation period stipulated in Article L. 2352-9 of said code, no agreement has been established,

Approves the conversion of the Company's corporate form into a European company with a Board of Directors, approves the terms and conditions of the Company's conversion plan adopted by the Board of Directors, and notes that this conversion shall take effect upon registration of the Company in its new form in the Nanterre Trade and Companies Register, which shall occur following negotiations on employee involvement in the European company.

The General Meeting grants all powers to the Board of Directors to (i) acknowledge the completion of negotiations on the terms and conditions of employee involvement in the European company and to acknowledge, where applicable, of the signature of an agreement for that purpose, (ii) consequently note that the prerequisite to registering the Company in its new form that is contingent on the completion of said negotiations has been

fulfilled, and (iii) carry out the formalities required for registering the Company in the form of a European company.

**Resolution seventeen - Adoption of the Company's bylaws in its new legal form of European company**

After having read the conversion treaty, the report by the Board of Directors in the form of explanatory notes to the resolutions and the draft bylaws of the Company in the form of a European company, the General Meeting, subject to the adoption of the previous resolution, adopts article by article and then in its entirety the text of the bylaws of the Company in its new form of European company.

These bylaws, a copy of which is appended to the minutes of this meeting, shall take effect upon the permanent conversion of the Company into a European company, that is, upon Faurecia's registration as a European company in the Nanterre Trade and Companies Register.

**Resolution eighteen - Powers for formalities**

The General Meeting grants full powers to the holder of an original version, copy or extract of this report in order to carry out all disclosure or submission formalities required by law.