2015
REGISTRATION DOCUMENT

Technical perfection, automotive passion

faurecia

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Technical perfection, automotive passion

faurecia

Registration Document 2015

AUTORITÉ DES MARCHÉS FINANCIERS AMF

The French version of this Registration Document, including the annual financial report, was filed with the Autorité des Marchés Financiers (AMF) on April 21, 2016 pursuant to Article 212-13 of the General Regulation of the AMF. It may be used in connection with a financial transaction if accompanied by a memorandum approved by the AMF. This document has been prepared by the issuer under the responsibility of its signatories.

The English language version of this Registration Document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein the original language version of the document in French takes precedence over this translation.

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Introduction to Faurecia

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Board of Directors, Executive Committee and Auditors

Board of Directors* (as of December 31, 2015)

Chairman and Chief Executive Officer

Yann Delabrière

Directors

Éric Bourdais de Charbonnière
Jean-Baptiste Chasseloup de Chatillon
Jean-Pierre Clamadieu
Lee Gardner
Hans-Georg Härter
Linda Hasenfratz**
Ross McInnes
Amparo Moraleda
Thierry Peugeot**
Robert Peugeot
Bernadette Spinoy
Carlos Tavares

Statutory Auditors
Members of the Versailles Regional Association of Statutory Auditors

Ernst & Young Audit
Represented by Denis Thibon
Tour First
TSA 14444
92037 Paris-La Défense Cedex
France

PricewaterhouseCoopers Audit
Represented by Éric Bertier
63, rue de Villiers
92208 Neuilly-sur-Seine
France

Executive Committee

Yann Delabrière
Chairman and Chief Executive Officer

Niklas Braun
Executive Vice-President, Faurecia Automotive Exteriors

Michel Favre
Executive Vice-President, Finance

Hervé Guyot
Executive Vice-President, Strategy

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating until February 2, 2015
Deputy Chief Executive Officer and Chief Operating Officer as from February 2, 2015

Jacques Mauge
Executive Vice-President, Faurecia North America until March 2, 2015

Kate Philipps
Executive Vice-President, Communication

Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems

Christophe Schmitt
Executive Vice-President, Faurecia Emissions Control Technologies

Jean-Pierre Sounillac
Executive Vice-President, Human Resources

Mark Stidham
Executive Vice-President, Faurecia North America from March 2, 2015

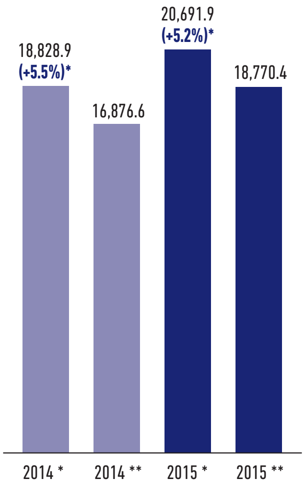
Hagen Wiesner
Executive Vice-President, Faurecia Automotive Seating from February 2, 2015

At its meeting of April 13, 2016, the Board of Directors further decided that Mr. Yann Delabrière would serve as Chairman of the Board and Mr. Patrick Koller as Chief Executive Officer as from July 1, 2016.

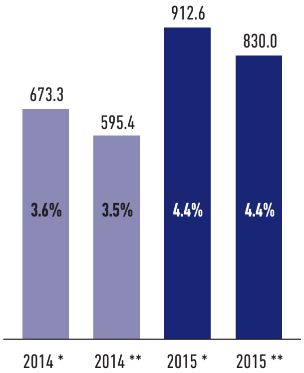
* *Corporate governance is dealt with in Chapter 8 of this Registration Document.*

** *The mandate of Ms Linda Hasenfratz will be submitted for renewal at the May 27, 2016 shareholders'meeting. The mandate of Mr. Thierry Peugeot will terminate at the close of the very same meeting.*

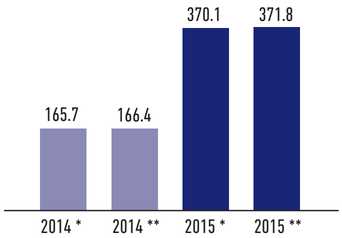
Key figures



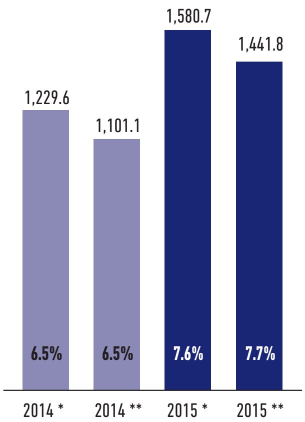
Sales *(in €m)*
** Variation on a like-for-like basis*



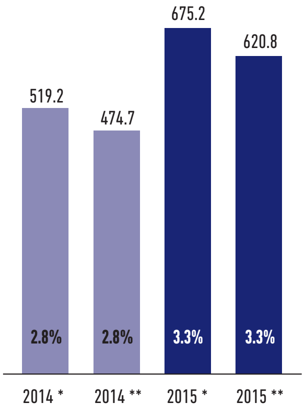
Operating income (1)
(in €m and as a % of sales)
** After IAS19 revised*



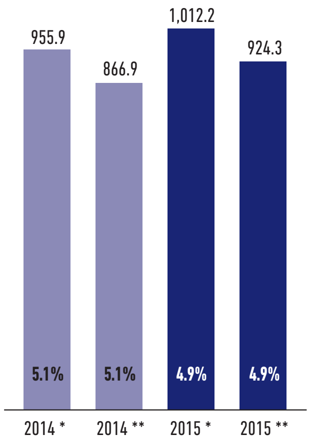
Net income/(loss) attributable to equity holders
(in €m)



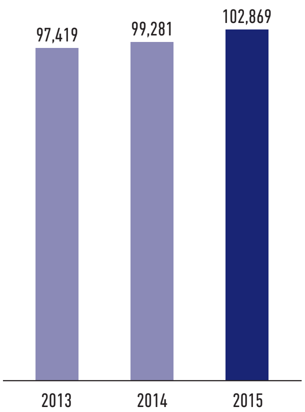
EBITDA (2)
(in €m and as a % of sales)



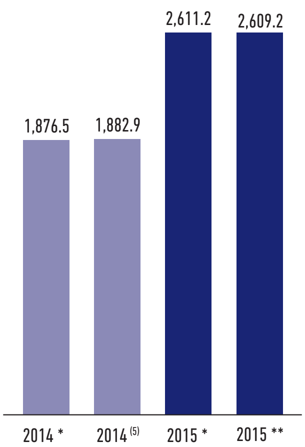
Capital expenditure
(in €m and as a % of sales)



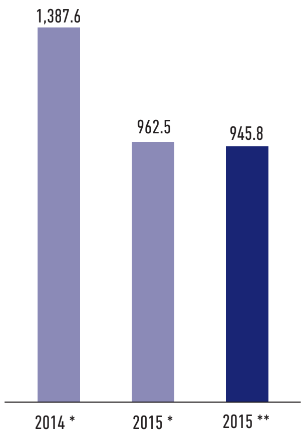
Gross R&D expenditure (3)
(in €m and as a % of sales)



Number of employees



Total equity
(in €m)



Net debt (4)
(in €m)

(1) Definition in Note 4.1 to the consolidated financial statements.

(2) Operating income plus depreciation, amortisation and provisions for impairment in value of property, plant and equipment and intangible assets (see Note 26.3 to the consolidated financial statements).

(3) Before capitalised development costs and amounts billed to customers (see Note 5.4 to the consolidated financial statements).

(4) Definition in Note 26.1 to the consolidated financial statements.

(5) Application IFRIC 21.

** Before application IFRS 5.*

*** After application IFRS 5.*

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Business review 2015

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In accordance with Article 28 of European Commission Regulation No. 809/2004, the following information is incorporated by reference in this Registration Document:

- **the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by Business Group, set out respectively on pages 141 to 208, 214 to 237, 209 and 210, 238 and 239, and 8 to 18 of the 2014 Registration Document filed with the AMF on April 22, 2015 under number D. 15.0388;**
- **the consolidated financial statements, the parent company financial statements, the corresponding Statutory Auditors' reports, the comments on the consolidated financial statements and significant events of the year by Business Group, set out respectively on pages 133 to 204, 210 to 233, 205 and 206, 234 and 235, and 8 to 17 of the 2013 Registration Document filed with the AMF on April 24, 2014 under number D. 14-040.**

This section provides a description of Faurecia's activities and results in 2015. All information concerning market positions is based on estimates made by Faurecia on the basis of information contained in the annual reports of the various actors of the market, industry publications and other market research.

2.1. The Faurecia group

2.1.1. DESCRIPTION OF THE GROUP'S ACTIVITIES

The Faurecia group is a global leader in automotive equipment. It develops, manufactures and markets original equipment through four major Business Groups: Faurecia Automotive Seating (FAS), Faurecia Emissions Control Technologies (FECT), Faurecia Interior Systems (FIS) and Faurecia Automotive Exteriors (FAE).

The Group's portfolio comprises high-quality and high-technology products based on proprietary expertise. These products have won numerous awards and accolades from customers. Faurecia has very close relationships with virtually all major global automakers. It also works closely with its customers to develop the design and functionality of the product range on offer.

Faurecia is involved in all stages of the equipment development process, from defining product specifications to initial marketing. Faurecia designs and manufactures equipment that is generally specific to each new car model or platform, and generally concludes contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). The quality of Faurecia products is widely acknowledged among automakers. It is backed up by the Group's Faurecia Excellence System (FES), a rigorous set of project management procedures and methodologies, and by the expertise of the 6,000 Faurecia engineers and technicians who design products and develop technological solutions.

Faurecia boasts a broad geographic footprint, and is one of only a handful of players with the capacity to supply automakers' global programs. The Group estimates that at least a third of the vehicles in the world were originally equipped with at least one product manufactured by one of Faurecia's Business Groups.

As of December 31, 2015, Faurecia employed approximately 103,000 people in 34 countries, spread over 330 plants including 30 research and development centers.

Faurecia analyzes its revenue primarily on the basis of product sales (shipments of parts and components to automakers). The Group also derives sales from two other sources. First, the sales of Faurecia Emissions Control Technologies include sales of monoliths, which are components used in catalytic converters for exhaust systems. Monoliths are directly managed by automakers. The Group purchases them from suppliers designated by them and invoices them to automakers on a pass-through basis. They accordingly generate no industrial value added. The Group also generates income from the sale of equipment, R&D and prototypes.

2.1.2. CHANGES IN THE GROUP'S BUSINESS

Global automotive production, which increased 1.5% in 2015, shows growth in all regions of the world with the exception of South America. Thus, light vehicle production grew in Europe (3.8%) and in North America (2.7%) and continued to grow in Asia, where production increased by 2.0%. In contrast, production fell by 20.5% in South America (source IHS Automotive January 2016).

On December 14, 2015, Faurecia signed a Memorandum of Understanding for the sale of its Automotive Exteriors business worldwide to Compagnie Plastic Omnium. The business covered by this MoU is comprised of bumpers and front end modules and had sales of €1,922 million in 2015 and employs 7,700 people in twenty-two sites. The composite business, the Faurecia plant for Smart in Hambach (France) and two joint ventures in Brazil and China are not included in the deal. The transaction is based on an enterprise value of €665 million.

Upon application of accounting rule IFRS 5, the assets and financial results corresponding to the business to be sold and the net result of these discontinued operations, have been isolated in distinct lines in the consolidated balance sheet and income statement at December 31, 2015 (Chapter 9 "Consolidated financial statements"). However, in order to make the comparison between prior years' results, the guidance for 2015 and the financial results for 2015, the following business review has been written by considering the financial position of the whole Group before classifying the activities to be sold as discontinued. The following table shows the reconciliation between the consolidated accounts under the application of IFRS 5 and the management scope that is commented here.

(in € millions)	Full-year 2014 published in February 2015	IFRIC 21 impact	IFRS 5 impact	Full-year 2014 restated	Year 2015 before IFRS 5 impact	IFRS 5 impact	Year 2015
Sales	18,828.9	0.0	(1,952.3)	16,876.6	20,691.9	(1,921.5)	18,770.4
Operating income	673.3	0.7	(78.6)	595.4	912.6	(82.6)	830.0
Net income Group share	165.7	0.7	0.0	166.4	370.1	1.7	371.8

In this context, Faurecia's consolidated sales for 2015 totaled €20,691.9 million, compared to €18,828.9 million in 2014. Faurecia's consolidated sales grew 9.9% on a reported basis between 2015 and 2014. On a like-for-like basis, sales increased 5.2% compared to 2014, with an increase of 6.3% in the first half of 2015 and growth of 4.1% in the second half of 2015.

Sales of products (parts and components delivered to manufacturers) were €15,948.6 million compared to €14,089.3 million in 2014. This represented a gain of 13.2% on a reported basis and an increase of 6.0% on a like-for-like basis, from an increase of 6.2% in the first half of the year followed by an increase of 5.9% in the second half of 2015, on a like-for-like basis.

Sales of tooling, R&D, prototypes and other services totaled €1,438.9 million in 2015 compared to €1,637.7 million during 2014. This represented a drop of 12.1% on a reported basis. On a like-for-like basis, sales were down by 15.6%.

Catalytic converter monolith [1] sales reached €3,304.4 million during 2015 compared to €3,101.9 million for 2014. They were up 6.5% on a reported basis and increased by 12.4% on a like-for-like basis, an increase of 15.8% in the first half of 2015 followed by growth of 9.1% in the second half of the year.

Total sales excluding monoliths were €17,387.5 million in 2015 compared to €15,727.0 million in 2014, showing an increase of 10.6% compared to 2014. On a like-for-like basis, total sales excluding monoliths were up 3.8% when compared to 2014, with an increase of 4.5% in the first half of the year and an increase of 3.1% in the second half of 2015.

BREAKDOWN OF TOTAL SALES

(in € millions)	Product sales	Catalytic Converter Monolith sales	Development, Tooling, Prototypes and Other Services	Total sales
Automotive Seating	5,826.4		361.8	6,188.2
Emissions Control Technologies	3,844.7	3,304.4	300.9	7,450.0
Interior Systems	4,452.0		566.6	5,018.6
Automotive Exteriors	1,825.5		209.6	2,035.1
TOTAL	**15,948.6**	**3,304.4**	**1,438.9**	**20,691.9**

(in € millions)	H2 2015	H2 2014	Var. *(%)* published	Var. *(%)* *	2015	2014	Var. *(%)* published	Var. *(%)* *
Sales	**10,184.8**	**9,500.6**	**7.2%**	**4.1%**	**20,691.9**	**18,828.9**	**9.9%**	**5.2%**
Automotive Seating	3,084.9	2,678.5	15.2%	9.5%	6,188.2	5,309.1	16.6%	9.4%
Emissions Control Technologies	3,657.3	3,418.8	7.0%	6.3%	7,450.0	6,747.4	10.4%	7.6%
Interior Systems	2,484.1	2,341.3	6.1%	1.1%	5,018.6	4,709.3	6.6%	0.2%
Automotive Exteriors	958.5	1,062.0	-9.7%	-10.0%	2,035.1	2,063.1	-1.4%	-2.1%
Product Sales	**7,802.0**	**6,999.8**	**11.5%**	**5.9%**	**15,948.6**	**14,089.3**	**13.2%**	**6.0%**
Automotive Seating	2,888.3	2,472.2	16.8%	11.0%	5,826.4	4,938.9	18.0%	10.6%
Emissions Control Technologies	1,887.1	1,717.9	9.9%	2.1%	3,844.7	3,433.0	12.0%	1.6%
Interior Systems	2,165.3	1,975.5	9.6%	4.2%	4,452.0	3,996.5	11.4%	4.5%
Automotive Exteriors	861.3	834.2	3.2%	2.8%	1,825.5	1,720.9	6.1%	5.1%

* *Like-for-like comparison.*

(1) Precious metals and ceramics used in emission control systems.

(in € millions)	2014	Currencies	Scope	Organic*	2015 before IFRS 5
Product sales	14,089.3	1,009.9	0.0	849.4	15,948.6
Var. in %		7.2%	0.0%	6.0%	13.2%
Total sales	18,828.9	1,285.4	(400.4)	978.0	20,691.9
Var. in %		6.8%	-2.1%	5.2%	9.9%

* *Like-for-like comparison.*

(in € millions)	H2 2014 Reported	Currencies	Scope	Organic*	H2 2015 before IFRS 5
Product sales	6,999.8	389.6	0.0	412.6	7,802.0
Var. in %		5.6%	0.0%	5.9%	11.5%
Total sales	9,500.6	497.3	(202.1)	389.0	10,184.8
Var. in %		5.2%	-2.1%	4.1%	7.2%

* *Like-for-like comparison.*

Faurecia has decided to harmonize how monoliths are accounted for and has revised its contracts for the Emissions Control Technologies business. In South Korea, South Korean customers buy directly monoliths from their suppliers. Upon delivery of the exhaust systems by Faurecia, the South Korean customer sells the monoliths to Faurecia which are immediately invoiced at the same price, as an integral part of the complete exhaust system.

Thereby, Faurecia never owns the monoliths. As a consequence, since January 1, 2015, monoliths have been excluded from Faurecia sales in South Korea and have been accounted for as a cost reduction of monoliths. The 2015 impact on sales was €400.4 million with an impact on sales of €202.1 million in the second half of 2015. The impact of this accounting harmonization is not significant. Therefore it has not been retroactively applied to 2014 accounts presented in the 2015 consolidated accounts. This has no impact on operating income.

Product sales by geographic region for 2015 were as follows:

- in Europe, product sales totaled €8,556.8 million (53.7% of total product sales), compared to €7,873.1 million for 2014. Product sales were up 8.7% on a reported basis when compared to 2014 the same as on a like-for-like basis. In this same period, car manufacturers increased production in Europe by 3.8% in 2015 (source: IHS Automotive January 2016). After strong growth in the first half of 2015 (+7.7% on a like-for-like basis for automotive production of 3.0%, source: IHS Automotive January 2016) sales continued to grow in the second half of the year (+9.7% like-for-like basis, where automotive production increased 4.7%, source: IHS Automotive January 2016);
- in North America, product sales grew 25.9% on a reported basis, to €4,400.2 million (27.6% of total product sales), compared to €3,495.8 million for 2014. On a like-for-like basis, product sales rose 5.2% compared to an increase in production of 2.7% (source IHS Automotive January 2016). In the first half of the year, product sales in Asia increased 6.2% on a like-for-like basis (automotive production +2.1%, source: IHS Automotive January 2016). In the second half of the year, sales grew by 4.3% on a like-for-like basis (automotive production: 3.4%, source: IHS Automotive January 2016);
- in South America, product sales totaled €449.7 million (2.8% of the total product sales), compared to €550.4 million in 2014. On a reported basis, they were down by 18.3%. On a like-for-like basis the drop in product sales was 9.0%, with lower sales to all main customers with the exception of Toyota and Hyundai, where sales grew 8.4% and 12.9% respectively on a like-for-like basis. This drop in sales is compared to a fall in automotive production levels of 20.5% in this region in 2015 (source: IHS Automotive January 2016). In the first half of the year, sales fell 7.4% on a like-for-like basis (automotive production: -15.7%, source: IHS Automotive January 2016) and the reduction in activity continued in the second half of the year with sales falling 10.6% on a like-for-like basis (automotive production: -25.2%, source: IHS Automotive January 2016);
- in Asia, product sales rose 16.9% on a reported basis to €2,371.4 million (14.9% of total product sales), compared to €2,029.4 million in 2014. On a like-for-like basis, product sales

rose 0.3%, with a decrease of 1.8% in China – where 2015 product sales reached €1,945.6 million – but an increase of 9.8% in Korea with 2015 product sales at €245.3 million. This is compared to an increase in production of +2.0% in Asia and of +4.9% in China (source HIS: Automotive January 2016). In the first half of the year, product sales in Asia increased 2.3% on a like-for-like basis (automotive production +1.4%, source: IHS Automotive January 2016). In contrast, in the second half of the year, sales fell by 1.4% on a like-for-like basis (automotive production: +2.5%, source: IHS Automotive January 2016). The evolution of the performance in China is linked principally to the change in mix between international and domestic customers. Growth of sales to Chinese OEMs was 46% and Faurecia's sales to Chinese customers increased from 6% to 9% although this remains below the market share of these manufacturers. Lastly, we note that sales in the fourth quarter in China recovered to reach growth of 6.2%;

- in other countries, product sales amounted to €170.5 million. Product sales were hence up 21.3% on a reported basis and up 18.8% on a like-for-like basis. Product sales in other countries are primarily from South Africa.

SALES BY REGION

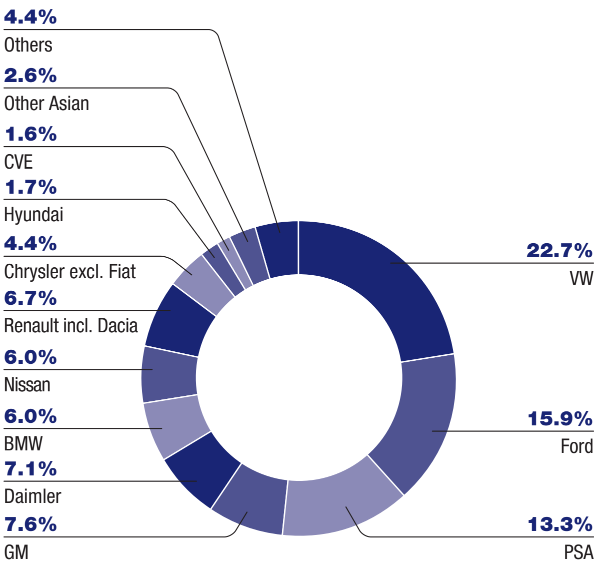
(in € millions)	2015	2014	Var. *(in %)* Reported	Like-for-like	LV production*
Total sales					
Europe	11,256.3	10,390.8	8.3%	8.4%	
North America	5,543.6	4,515.5	22.8%	2.6%	
South America	551.3	677.7	-18.7%	-9.0%	
Asia	3,101.9	3,007.7	3.1%	1.8%	
Other countries	238.8	237.2	0.7%	-1.3%	
TOTAL	**20,691.9**	**18,828.9**	**9.9%**	**5.2%**	
Product sales					
Europe	8,556.8	7,873.1	8.7%	8.7%	3.8%
North America	4,400.2	3,495.8	25.9%	5.2%	2.7%
South America	449.7	550.4	-18.3%	-9.0%	-20.5%
Asia	2,371.4	2,029.4	16.9%	0.3%	2.0%
Other countries	170.5	140.5	21.3%	18.8%	1.1%
TOTAL	**15,948.6**	**14,089.3**	**13.2%**	**6.0%**	**1.5%**

* *Source: IHS estimates, January 2016.*

(in € millions)	H2 2015	H2 2014	Var. *(in %)* Reported	Var. *(in %)* Like-for-like	Var. *(in %)* LV production*
Total sales					
Europe	5,488.6	5,115.3	7.3%	7.4%	
North America	2,748.2	2,295.7	19.7%	2.6%	
South America	249.4	346.4	-28.0%	-11.0%	
Asia	1,587.1	1,620.2	-2.0%	-0.4%	
Other countries	111.5	123.0	-9.3%	-3.4%	
TOTAL	**10,184.8**	**9,500.6**	**7.2%**	**4.1%**	
Product sales					
Europe	4,116.2	3,755.8	9.6%	9.7%	4.7%
North America	2,182.5	1,793.8	21.7%	4.3%	3.4%
South America	203.2	279.6	-27.3%	-10.6%	-25.2%
Asia	1,214.6	1,096.0	10.8%	-1.4%	2.5%
Other countries	85.5	74.6	14.6%	20.6%	-11.5%
TOTAL	**7,802.0**	**6,999.8**	**11.5%**	**5.9%**	**1.6%**

* *Source: IHS estimates, January 2016.*

PRODUCT SALES IN 2015 BY CUSTOMER *(%)*



Product sales to the Volkswagen group totaled €3,626.4 million during 2015, up 4.7% when compared to 2014 on a reported basis and up 1.6% on a like-for-like basis. Product sales to Volkswagen group accounted for 22.7% of Faurecia's total product sales.

Product sales to the Ford group accounted for 15.9% of Faurecia's product sales, totaling €2,539.7 million for 2015. Compared to 2014, product sales increased on a reported basis by 23.3% and were up 12.0% on a like-for-like basis.

Product sales to the PSA Peugeot Citroën group totaled €2,116.9 million during 2015, up 9.4% on a reported basis and up 7.3% on a like-for-like basis. They accounted for 13.3% of Faurecia's total product sales.

Product sales to the Renault-Nissan group represented 12.7% of Faurecia's total product sales. Product sales were up 30.0% when compared to 2014 on a reported basis and grew 23.8% on a like-for-like basis, to total €2,023.4 million. Product sales to Renault were up strongly, +29.3% on a like-for-like basis whereas product sales to Nissan increased 22.6% like-for-like, with strong growth in Europe (+26.9%), North America (+28.4%) and in Asia (+16.3%).

Product sales to General Motors in 2015 grew on a reported basis by 6.2% but were down by 7.5% on a like-for-like basis, reaching €1,217.2 million (7.6% of total product sales).

Product sales to the Daimler group totaled €1,129.0 million (7.1% of Faurecia group's total product sales). Product sales were up 9.7% on a reported basis and grew by 2.5% on a like-for-like basis.

Product sales to the BMW group were €960.3 million (6.0% of total product sales). This was up 12.9% on a reported basis and up 4.2% on a like-for-like basis.

In 2015, product sales increased 15.0% with Hyundai/Kia (4.2% like-for-like) and by 14.7% with Geely-Volvo (10.2% like-for-like) and 7.2% with Toyota (5.5% like-for-like). They were up 14.8% with Fiat-Chrysler (but -0.3% like-for-like).

Faurecia's five main customers represented 72.2% of product sales: VW 22.7%, Ford 15.9%, PSA 13.3%, Renault-Nissan 12.7% and GM 7.6%.

2.2. Evolution of the Group's activities and sales

2.2.1. FAURECIA AUTOMOTIVE SEATING

Sales *(in € millions)*	**Headcount**	**Sites**	**Country**	**R&D and design and development centers**
6,188.2	37,400	74	24	19

Faurecia is the third-largest supplier of seat systems, and the leading supplier of frames and mechanisms worldwide. It designs and manufactures seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and tires. During the manufacturing process, Faurecia assembles the various components to create complete systems – front seats and rear seats – delivered on a just-in-time basis to its customers' plants. Faurecia is highly experienced in the development and design of automotive seating. The Group develops solutions with an emphasis on safety, comfort, perceived quality, versatility and use of natural/recycled materials.

The Automotive Seating business generated €6,188.2 million in sales in 2015, up 16.6% when compared to 2014 on a reported basis. Sales showed an increase compared to 2014 of 9.4% on a like-for-like basis.

Product sales totaled €5,826.4 million compared to €4,938.9 million in 2014, an increase of 18.0% on a reported basis and an increase of 10.6% like-for-like. The second half of the year saw a 16.8% increase on a reported basis and an 11.0% increase on a like-for-like basis.

In Europe, product sales were at €3,147.1 million, up 15.6% compared to 2014 on a reported basis (16.1% like-for-like). Second half sales showed strong growth of 19.2% on a like-for-like basis.

With product sales totaling €1,568.5 million, North America recorded strong growth of 31.9% compared to 2014. The rise in sales on a like-for-like basis was 10.5%. Second half sales continued to grow at 24.0% on a reported basis and an increase of 6.5% on a like-for-like basis.

In South America, product sales fell 17.5% compared to 2014 on a reported basis (-8.1% on a like-for-like basis). In the second half of the year, sales were down 24.3% on a reported basis (-7.4% on a like-for-like basis).

In Asia, product sales totaled €941.2 million, up 12.8% on a reported basis. However, product sales were down 3.7% like-for-like with +8.3% in the second half of the year (and -4.4% on a like-for-like basis).

2015 was marked by the start of series production of a record number of projects: 13 for the production of seat systems with all or part of the components, ten for seat structures, and 17 for components such as seat covers, foam, headrests and air-suspension comfort modules. A growing number of these projects were carried out as part of the global deployment of Faurecia customers' platforms.

Europe accounted for a third of the production rollouts. The region saw the launch of seat systems for Renault's new middle- and high-end models (the Espace, Talisman, Kadjar and Mégane) in France and Portugal, the Audi A4 and Audi Q7 in Germany and Slovakia, the BMW Series 2 Gran Tourer in the Czech Republic, the Mini Clubman in the UK, and the 4x4 Renault Duster in Russia, of rear seat systems for the Ford S-Max and Galaxy minivans, and of seat structures of the Renault-Nissan CMF1 platform in Poland.

Another third of the production rollouts occurred in Asia. China launched the production of seat systems for the Citroën C4 sedan, seat structures for the Shanghai-Volkswagen's MQB2 platform, front seat structures for the Golf+ Sportsvan and the 4x4 high-end Haval range launched by the Chinese manufacturer Great Wall, seat structures for the Nissan Lannia's CMF1 platform, and rear seat structures with motorized kinematics for the 4x4 Ford Edge. The South Korean teams made their first deliveries to Hyundai, including seat structures for the new Equus. India started the production of seat structures for the Ford Figo.

North America began delivering the first seat systems for the Nissan Titan pickup truck, 4x4 Mercedes MLC and Cadillac CT6 high-end sedan.

The production of seat systems for the Renault Oroch pickup truck started in Brazil.

Faurecia Automotive Seating continued to grow by developing several of its sites:

- in Morocco, the seat cover manufacturing plant in Kenitra was expanded to meet a rapidly growing demand; the construction of a second seat cover manufacturing plant was launched in Sale;
- in Romania, the construction began on a second seat cover manufacturing plant in Valcea, with production scheduled to start in March 2016;
- in France, the Covertech skill center opened its doors in Brières-les-Scellés. It is dedicated to promoting innovation in all stages of the design, development and manufacture of seat covers;
- in Mexico, the San Luis Potosi site extended its range of locally-produced mechanisms;
- in South Korea, construction work began on the future headquarters of Faurecia in the heart of the Gwan-Gyo Technology Park, which will bring together Automotive Seating, Interior Systems and Emissions Control Technologies activities.

2015 saw a great number of new generations of components going into production:

- the new Modul T track: the lightest on the market, it generates seat sliding of unparalleled perceived quality;
- the Nano2.0 manual seat elevation: more compact, it is fully interchangeable with the E-Pump power elevation;
- the RC70 backrest adjustment mechanism: light and of very high perceived quality;
- the Sculpted Light Back Panel seat back cover: manufactured using the proprietary Cover Carving Technology, it is light and of high perceived quality. Renault Talisman was the world's first to be equipped with this seat back cover.

Faurecia Automotive Seating's manufacturing excellence earned the Business Group numerous customer awards, as indicated in Chapter 5.

Faurecia Automotive Seating unveiled several innovations at the Motor Shows in Detroit (January 2015), Shanghai (April 2015) and Paris (October 2015):

- the Lightweight and Roominess seat: this seat made use of all the mature technologies able to quickly make a seat system lighter. Total weight saving is 2.3 kg per seat and rear passengers have 3 cm more space. The weight was reduced by 1.6 kg compared with the Global & Modular front seat structure that is mass-produced, with no compromises in comfort or safety thanks to the redesigning of all components and mechanisms. This offer may immediately be applied to all Faurecia Automotive Seating production lines.
- the Active Wellness® seat: a seat equipped with invisible sensors that detects when the driver is stressed or sleepy and proposes appropriate relaxation or stimulation therapies. It foreshadows the key role of the seat in the future autonomous, connected vehicles. At the auto show in Los Angeles held in November 2015, Faurecia announced its partnership with the Center for Design Research at Stanford University, a cooperation initiative intended to respond to the technological challenges faced by the occupants of autonomous, connected vehicles.

The innovations presented recently were well received, particularly in Germany:

- in April 2015, the jury of PWC Automotive Innovations Awards handed out Faurecia the most innovative supplier award, for the seat of the Renault Eolab concept car that burns up 1 liter per 100 km. This seat offers a saving of 4 kg thanks by using new materials and an optimized architecture, and 3 cm of additional space for rear passengers thanks to the carved backrest that uses the Cover Carving Technology;
- in June 2015, the jury of the Automotive Interior Expo Awards handed out the best interior concept award to the Less is More prototype, which had been shown at *Mondial de l'Automobile* in Paris in October 2014, and specifically lauded the seat of the Renault Eolab concept car;
- in September 2015, Volkswagen selected Faurecia Automotive Seating as a strategic partner for the development of future seat structures for its platform;
- in October 2015, the jury of the Automotive Brand Contest singled out Faurecia Automotive Seating in the "Components and Accessories" category, for its automatic retraction solution for the rear seats of the new Renault Espace.

2.2.2. FAURECIA EMISSIONS CONTROL TECHNOLOGIES

Sales *(in € millions)*	**Headcounts**	**Sites**	**Country**	**R&D and design and development centers**
7,450.0	21,200	78	25	7

Faurecia is the world leader in the emissions control market, developing and producing complete exhaust systems, including all components helping reduce emissions as well as components for exhaust system acoustics.

The Emissions Control Technologies business generated total sales of €7,450.0 million in 2015, up 10.4% on a reported basis. On a like-for-like-basis (scope and exchange rates), sales were up 7.6%.

Product sales (excluding sales of catalytic converter monoliths) reached €3,844.7 million in 2015, an increase of 12.0% on a reported basis and an increase of 1.6% on a like-for-like basis. In the second half of 2015, product sales increased 9.9% on a reported basis and by 2.1% on a like-for-like basis.

Geographically, product sales excluding monoliths showed an increase in Europe of 9.9% to €1,291.0 million (+9.8% like-for-like). Product sales excluding monoliths were up 17.0% in North America to €1,343.5 million (but down 2.3% like-for-like) and product sales were also down 25.4% in South America to €121.2 million (-16.3% like-for-like). In Asia, product sales excluding monoliths increased 14.7% on a reported basis but dropped 1.1% like-for-like to €1,054.7 million.

In the second half of 2015 product sales in Europe demonstrated strong growth (+14.4% reported and +14.1% like-for-like). In North America product sales were up 15.0% on a reported basis, but down on a like-for-like basis (-1.5%). In South America product sales were down 34.3% and down 17.5% on a like-for-like basis. In Asia, product sales grew by 6.7% but dropped 4.3% on a like-for-like basis.

Faurecia Emissions Control Technologies held onto its position as world market leader, with 130 launches in 2015.

In Europe the figure was 59, with the launch in Russia of the cold end component programs for the Ford Ecosport, Kuga, Escape and Fiesta at the Togliatti plant, and the hot end component programs for the PSA DV6€6, Opel Mokka, Volvo VEA, and VW Caddy diesel and gasoline engines at the Pisek and Bakov plants.

Faurecia Emissions Control Technologies also opened a second site in Bragança (Spain) to support the launch of the hot end components of the PSA and Renault-Nissan programs and accommodate the increased volumes of the Jaguar XE, Ford S-Max, Edge, Galaxy and Transit Connect programs.

In Asia, Faurecia Emissions Control Technologies confirmed its position with 38 launches backed by the opening of new just-in-time assembly plants and sites, such as Ningbo Beilun (China) for the Gleagle, Borui, Haoqing, Boyue and Geely EX7 Sport Utility Vehicle and Nanchang (China) for the JMC N800 and Ford Everest. Other noteworthy events in China included the expansion of the Nanjing site to support launches with local automakers such as SAIC, CMA, BAIC, ZNA and Chery and of the Beijing site for the development of new technologies with its partner Cummins Emissions Solutions and to launch a new program for Great Wall. In Malaysia, the Tanjung Malin site was expanded for the first launch with automaker Proton.

The Chennai plant in India installed its first GBD canning line for the manufacture of hot end components for the Ford Eco Sport, Ford Figo Aspire and Dacia Duster programs.

There were 25 launches in North America. Of particular note was the extension of the Toledo (United States) just-in-time site for the GM Camaro and Chrysler Town & Country programs. To accommodate the launch of the Audi Q5 in Mexico, Faurecia Emissions Control Technologies expanded its Queretaro site and opened a new just-in-time site in San Jose Chiappa. The Toyota Hilux launch will take place at the new site in Cordoba (Argentina).

For its commercial vehicles activity, Faurecia Emissions Control Technologies was involved in the launch of the hot end components of the exhaust system for the Nissan Titan, produced at its Gladstone plant in the United States.

Finally, construction began on a new plant in Columbus (United States) to accommodate the launch of the Cummins Emissions Solutions (CES) Nitro program in 2017.

Faurecia Emissions Control Technologies also equipped the global platforms of its customers and backed the launch of the VW MQB platform programs (Audi Q3 PA, VW Yeti and Tiguan, SUV Skoda Snowman) in Europe, Brazil and China. Likewise for the Ford CD4.2 (S-Max, Edge, Galaxy) and CD4.3 (Taurus, MKZ, etc.) platform in Europe, China and North America.

In 2015, Faurecia Emissions Control Technologies confirmed its position as world market leader, with over 108 new programs won. These program gains show the capacity of Faurecia Emissions Control Technologies to support its international customers with their regional partners on new markets and also acquire new strategic programs.

Faurecia Emissions Control Technologies is present in all automotive markets worldwide, with an overall manufacturing presence covering 78 sites and 7 research and development centers.

Faurecia Emissions Control Technologies continues to play an active role in the compliance with environmental standards worldwide and pursued the initiative it began in China in 2014 with the signature of a three-year collaboration agreement with the NGO Clean Air Asia. This agreement is testimony to Faurecia's wish to support the Chinese government in the implementation of an emission control policy.

In 2015, Faurecia Emissions Control Technologies consolidated its position as market leader in Selective Catalytic Reduction (SCR) systems for cutting the emissions of nitrous oxides (NOx) on diesel engines. Its SCR BlueBox® innovation, an SCR mixing system in the same space, was adopted in its U-shape version by a major Asian automakers and the axial version was adopted by two American automakers, with production due to begin in 2018 and 2019. This technology will allow the 2017 Euro 6.c and 2020 Euro 6 d. European standards to be met. Positioned upstream of an SCR impregnated particulate filter, this system cuts up to 90% of the nitrous oxides emitted by the engine under optimal economic conditions.

In 2015, an American automaker adopted Faurecia Emissions Control Technologies' particulate filter for gasoline engines, confirming its leading position for this technology. Production will begin in 2018. This technology meets the 2017 Euro 6.c standard for vehicles with direct fuel injection gasoline engines by ensuring the particles are collected permanently and are eliminated during the passive regeneration of the filter. The gasoline particulate filter offers the fuel savings of direct injection engines while removing the particles they emit.

Exhaust energy recovery is an important aspect of Faurecia Emissions Control Technologies' product development, considering its potential in reducing CO_2 emissions and fuel consumption. In an internal combustion engine, about a third of the energy contained in the fuel is lost in the exhaust system in the form of heat. Faurecia Emissions Control Technologies continues to develop technologies that allow the recovery of a part of this available thermal energy.

The EHRS (Exhaust Heat Recovery System) developed by Faurecia Emissions Control Technologies enables the recovery of up to 60% of the energy lost via the exhaust in order to heat up the motor and cabin faster. The EHRS can reduce the CO_2 emissions of a hybrid vehicle by three grams per kilometer and fuel consumption by up to 7%. The EHRS Compact will be fitted in a first mass-produced hybrid vehicle from the first quarter of 2016.

Faurecia Emissions Control Technologies is also developing second generation exhaust heat recovery systems in the form of the EHPG (Exhaust Heat Power Generation) which will recover the heat from gas lost through the exhaust and turn it into usable energy through the Rankine cycle. The EHPG can reduce a truck's CO_2 emissions by 45 g/km, i.e. by 50 tons over its full life cycle. Its fuel consumption will fall by 5%, which equates to 20,000 liters over its full life cycle. The EHPG will be popular with fleet managers whose fuel costs are very high. The technology will be ready for market launch in 2020. but automakers have already shown an interest in the system.

Acknowledged for its expertise in the acoustic treatment of exhaust systems, Faurecia Emissions Control Technologies held onto its position as market leader in acoustic valves for exhaust systems.

Having been adopted by two new customers, the self-piloted Adaptive Valve™ technology continues to break into the North American pick-up and Sports Utility Vehicle market. It can reduce muffler volume by half and thus significantly lighten (by about 20%) the exhaust system without compromising motor performance. It also simplifies the internal architecture of the mufflers and streamlines the exhaust production lines, which represents significant savings for automakers. Particularly suited to gasoline engines with cylinder deactivation, Faurecia Emissions Control Technologies is currently studying its potential application to other vehicle segments with several automakers.

Faurecia Emissions Control Technologies now equips the Ford Mustang Shelby GT350 and FIAT-Chrysler's sports models (SRT) with electrically controlled acoustic valves. The technology has also been fitted in the sports AMG version of the Mercedes-Benz S Class coupé with a V8 biturbo engine (585 hp) to provide the perfect acoustic signature.

To offer innovative acoustic signatures personalization options for its vehicles, over the last few years Faurecia Emissions Control Technologies has been developing Exhaust Dynamic Sound Technologies. These give high-power diesel and gasoline motors the acoustic signature of a sports car.

To help automakers meet their fuel consumption and CO_2 reduction targets, Faurecia Emissions Control Technologies continues to develop innovative solutions to reduce the weight of the cold end components of the exhaust system. Cold end components with a thickness of less than 1.0 mm can be assembled using Faurecia's proprietary nickel brazing technology. Its innovation portfolio also includes "Resonance Free Technology™" which can simplify the architecture of a cold end component to make it lighter. The wall thickness of some mufflers has been reduced to make them lighter and innovative solutions are being developed to maintain the sound absorption properties of the lighter-weight models.

2.2.3. FAURECIA INTERIOR SYSTEMS

Sales *(in € millions)*	Headcounts	Sites	Country	R&D and design and development centers
5,018.6	33,600	78	23	28

Faurecia is one of the two global leaders in interior systems. The Group manufactures cockpit modules (instrument panels and central consoles), doors panels, modules and door systems, acoustic modules, as well as decorative parts (Faurecia Angell Demmel).

During 2015, the Interior Systems business generated sales of €5,018.6 million, showing an increase on a reported basis of 6.6% compared to 2014. Sales were stable (+0.2%) on a like-for-like basis.

Product sales totaled €4,452.0 million compared to €3,996.5 million for 2014, an increase of 11.4% on a reported basis and of 4.5% like-for-like. In the second half of 2015, product sales grew by 9.6% on a reported basis (+4.2% on a like-for-like basis).

In Europe, product sales totaled €2,520.1 million, up 3.2% compared to 2014 on a reported basis (2.7% like-for-like). In the second half of 2015, product sales were stable, showing an increase of only 0.8% on a like-for-like basis.

In North America, product sales were €1,372.7 million, up 28.7% on a reported basis when compared to 2014 and up 7.5% like-for-like. Second half sales were up 11.7% on a like-for-like basis.

In South America, product sales totaled €129.4 million for 2015 and showed a sharp decrease of 21.8% when compared to 2014 on a reported basis (-12.2% like-for-like). For the second half of 2015, product sales were down 19.4% on a like-for-like basis.

In Asia, Interior Systems generated product sales of €375.6 million, an increase of 36.6% on a reported basis and an increase of 17.4% like-for-like. Sales increased 16.3% in the second half on a like-for-like basis.

2015 was a particularly eventful year in terms of launches. Highlights include, in Europe the production launch in early 2015 at Henin-Beaumont (France) of three Renault Espace modules (instrument panel, door panels and central console), the launch of the instrument panel for the new Renault Megane, the Alfa Romeo Giulia launch covering a wide range of products, with the instrument panel (part of its structure being made from NAFILean hemp fiber materials incorporating DecoDisplay innovation developed in conjunction with Magneti Marelli), the central console incorporating a wide variety of trims (Ligneos real wood, aluminium and carbon parts) and acoustics modules; in Peine (Germany), production began on the instrument panel and door panels for the Volkswagen Transporter; finally, in Tarazona (Spain), production of the Opel Mokka door panels. In South America, production of the interior of the Jeep Renegade began in a new plant in Brazil. In Asia, production began on the instrument panel and door panels for the Ford Ranger/Everest in Rayong (Thailand) and there were three production launches in China: the instrument panels, central consoles and door panels for the Ford Edge and Geely Borui and the instrument panel for the Peugeot 308S.

Faurecia Interior Systems also opened and commissioned a number of new plants in 2015. In Poland, the Gorzow and Legnica plants were extended and production began on the wooden trim activity in Legnica. In South America, the new Goiana plant in the Brazilian state of Pernambuco began deliveries of complete interior systems for Jeep vehicles of FCA, Brazil's number one automaker; the San Luis Potosi plant (Mexico) was also commissioned for deliveries to General Motors and other companies. In China, the Foshan plant was extended and two new plants will deliver to DongFeng Motors: Chengdu, which has been commissioned, and Wuhan on which building has commenced.

In March 2015, Faurecia Interior Systems entered into a partnership with DongFeng to create the Dongfeng Faurecia Automotive Interior Co. Ltd joint venture; the agreement covers instrument panels, door panels and Acoustic & Soft Trim modules. A new plant and development center will be built in Wuhan for the joint venture, which will deliver the seven DongFeng brands, including PSA programs, mainly in China. A joint venture has also been entered into with Beijing WKW Automotive Parts Co. Ltd in Peking to supply aluminium trims to Audi, VW and Volvo for the Chinese market. Finally, a partnership was signed with Philips in the spring of 2015 to supply onboard air purification solutions.

In 2015, Faurecia Interior Systems stepped up its innovative capacity with 1,800 engineers in the R&D centers across the world, including 750 engineers in Asia. The engineering business covered 140 programs in the development phase.

Faurecia Interior Systems demonstrated the value of its innovation portfolio with:

- the launch of the mass production of its wooden trims (Ligneos innovation);
- a surge in Human-Machine Interface (HMI) expertise which has become a reality: DecoDisplay technology, jointly developed with Magneti-Marelli, is being incorporated as standard

into the Alfa Romeo Giulia. More and more demonstrators and prototypes incorporate the next generations of these technologies: touch screens, HMI being incorporated in the trims, haptic feedback on all types of hardware;

- the start of mass production of high-performance materials such as the NAFILean hemp fiber material and Slushlite 3 (PVC-free) skins for instrument panels, offering a 25% weight reduction for two of the Group's customers.

In 2015, the program acquisition policy of Faurecia Interior Systems was marked by three aspects:

- ensuring vehicle renewals;
- being selective regarding the acquisition of new programs;
- confirming the long-term growth approach by, on the one hand, expanding the customer portfolio – with the inclusion of two new premium customers – and, on the other, ensuring continuity with strategic customers such as Ford, Renault-Nissan, the Volkswagen Group and Fiat Chrysler Automobiles, by supporting their worldwide deployment (India, Thailand, China, Brazil).

The Faurecia group was also present at a number of major international motor shows. At the Detroit Motor Show in January 2015, Faurecia Interior Systems presented the Ford Mustang instrument panel with its Active Glove Box, new lighter-weight wooden surface trunk floor and also a number of biomaterial innovations. At the April 2015 Shanghai Motor Show, Faurecia Interior Systems presented a number of different products, including instrument panels which were developed and produced in China for the DS6, the Peugeot 408 (DPCA) and the Geely Emgrand; the air purification system was demonstrated on the stand. At the Frankfurt Motor Show (IAA) in September 2015, the new Intuition demonstrator presented Faurecia's vision of an innovative, connected vehicle interior. A "Bio Garden" combining living plants and real parts proved to be an effective way of representing Faurecia Interior Systems' biomaterials expertise which goes back more than 20 years. The stand also showcased Faurecia Interior Systems' Human-Machine interface (HMI) advances with the spotlight falling on the Alfa Romeo Giulia instrument panel and its integrated DecoDisplay screen.

Faurecia Interior Systems received a number of awards and prizes from its customers in 2015: the Ford F150, the best-selling pick-up in the United States, received a number of awards including "North American Truck/Utility of the Year". The Volkswagen Passat, for which Faurecia supplies the instrument panel, was voted Car of the Year at the Geneva Motor Show in March 2015. In China, Faurecia Interior Systems received an "Excellence Supplier Award" from its customer Geely and a Quality Award from FAW-VW. Ford awarded Q1 certification to the Chennai plant in India and the Fraser plant in the United States. Faurecia Interior Systems was the first automotive equipment supplier in its field to receive "FAST" certification from Volkswagen, and Jaguar Land-Rover also gave Faurecia Interior Systems the "Supplier League" award. Finally, in late 2015 Volvo Cars gave Faurecia Interior Systems the "Award of Excellence" for cost competitiveness.

Innovations and vehicle contributions were also awarded: the flaxpreg, a trunk floor made from linen fiber, received the JEC Europe innovation award. NAFI*Lean*, a composite material made from flax fibers, received a *Janus des Composants et Matériaux* composites and materials award, an Altair Enlighten prize, an award from the European Automobile Association (CLEPA) and the SPE TPO (Society of Plastic Engineers) prize in the United States. Faurecia Interior Systems was a finalist in the PACE Awards in the spring for the Ford Mustang Active Glove Box. Finally, the DecoControl Alu innovation received an Engineers' Design Trophy from the *L'Usine Nouvelle* publication.

2.2.4. FAURECIA AUTOMOTIVE EXTERIORS

Sales *(in € millions)*	**Headcounts**	**Sites**	**Country**	**R&D and design and development centers**
2,035.1	8,300	32	9	9

Faurecia is one of the world's leading manufacturers of exterior plastic parts for automobiles.

The Group has a presence in three product lines:

- painted exterior body parts: bumpers, side skirts, fenders, spoilers, tailgates, etc.;
- composite parts: external parts such as fenders, roofs and doors, as well as semi-structural parts such as a spare wheel compartment, and structural parts for truck cabins;
- front-end modules (technical/structural front-ends, fan units, etc.).

The Automotive Exteriors business generated sales of €2,035.1 million in 2015, a decrease of 1.4% compared to 2014 on a reported basis and a decrease of 2.1% like-for-like.

2015 Product sales totaled €1,825.5 million. On a reported basis, they were up by 6.1%. On a like-for-like basis, product sales rose 5.1% compared to 2014.

In the second half of 2015, product sales increased 3.2% on a reported basis and by 2.8% like-for-like, when compared to the same period of 2014.

Bolstered by its position as European leader, Faurecia Automotive Exteriors continued to expand internationally, specifically in South America and China. Its presence on the Brazilian market was strengthened by a joint-venture agreement signed between Faurecia and Magneti Marelli in 2013. Locating the Faurecia plant in the heart of the customers' supplier park has strengthened its special ties with the automaker. This new plant also marks Faurecia's first partnership with Fiat Chrysler Automobiles for the manufacture of passenger car bumpers.

In China, Faurecia Automotive Exteriors maintained its position in Changchun in the northeastern region with the launch of a new NewTech line and signed a joint venture agreement with the Chinese Automaker Dongfeng to supply the new Donfeng-Peugeot Citroen (DPCA) plant in Chengdu (Sichuan Province). Production will begin at this new plant at the end of 2016.

This international exposure is based on flexible and modular painting standards, enabling markedly different high quality products and services, combined with optimized economic performance, to be introduced to these growth areas. Faurecia Automotive Exteriors NewTech facilities grew from six in 2014 to ten in 2015, with the opening of four new lines in Spain (two lines in Valencia), China (Changchun) and Brazil (Pernambuco).

Following its strategic decision to become one of the major composites players with the creation of Faurecia Automotive Composites in 2012, Faurecia's plan to offer innovative weight reduction solutions came to fruition with the launch of the mass production of a composite spare wheel compartment, the first composite structural part for a generalist automaker. This launch was a further step forward in Faurecia's initiative to help automakers reach their weight reduction targets in response to the CO_2 emission limits which are expected to be introduced in 2021.

Faurecia continues to work with Technological Research Institutes and different industry players to develop the potential of composite technologies. This approach is completed by working closely with automakers very early on, with Faurecia working on co-innovations, which would enhance its offer and may result in order intakes over the next few years, both in Europe and internationally.

Finally, Faurecia Automotive Exteriors has expanded its range and product communication for external body parts. As part of a collaborative project involving different Group divisions and entities, the "Urban Liftgate" concept was presented at the Frankfurt International Motor Show in September 2015 to illustrate the Business Group's portfolio of technologies and innovations. The concept, using an actual-size full rear section of a vehicle, showcases the whole range of trims with the different paint finishes, materials, illuminated signage and composites, with an emphasis on diversification and personalization. Faurecia Automotive Exteriors also presented its longer term vision with an innovative tailgate opening system and its objective to reduce the automotive industry's carbon footprint by combining weight reduction (composites) with materials and innovative solutions which improve aerodynamic flow.

Faurecia Automotive Exteriors recorded 25 orders in 2015 for an amount of €2 billion. Furthermore, 19 new programs were also launched in 2015, with, in particular, the launch in Europe of the Ford S-Max and Galaxy (Spain), the Audi A4 & A5 and the Volkswagen Touran (Germany), the McLaren P13 and Renault Mégane (France), and in South America the first two FCA programs with the Jeep Renegade & Ranger (Brazil).

A plant in Pernambuco (Brazil), located in the supplier park of the new FCA plant, began production in 2015, to complete the list of Faurecia's many local sites, set up to provide its customers with the best possible service. Research and development and innovation facilities are still organized on the same industrial park basis as in 2014 (four specialist Faurecia Automotive Exteriors centers, supplemented by skills centers shared with other Faurecia group businesses such as the ones in Pune, in India, and Shanghai, in China).

2.3. Recent events

On December 7, 2015, Faurecia announced the early redemption of the OCEANE bonds convertible into or exchangeable for new or existing shares issued on September 18, 2012 (ISIN FR0011321363).

Until January 6, 2016 inclusive, holders of OCEANE bonds had the option of either converting them into shares, at the rate of 1.02 Faurecia shares (ISIN FR0000121147) for each OCEANE redeemed, or receiving a cash payment, on January 15, 2016, of €19.504 per OCEANE including accrued interest.

Within this early redemption procedure, bond-holders opted virtually unanimously to convert their OCEANE bonds into Faurecia shares: 8,454,791 OCEANE bonds (99.83% of the total outstanding) were converted into 8,623,867 new Faurecia shares.

On March 16, 2016, Faurecia issued Senior Notes due 2023 at 3.625% for a nominal amount of €700 million and it also redeemed in full, on April 12, 2016, the €490 million of 9.375% Senior Notes due 2016 at a redemption price of 100% of the principal amount of these notes, plus the Applicable Premium and accrued interest up to April 12, 2016.

On March 24, 2016, two class actions were filed in the United States District Court for the Eastern District of Michigan against several suppliers of emissions control systems, alleging anticompetitive practices in regard to Exhaust Systems, and seeking unspecified amounts of civil damages. Faurecia Emissions Control Technologies US, LLC, is one of the companies named as defendants, and Faurecia SA has been named as an additional defendant.

On April 19, 2016, Faurecia announced the signature of the definitive agreement (Sales and Purchase Agreement) for the sale of its Automotive Exteriors Business to Plastic Omnium following the completion of the information and consultation procedures with the relevant employee representatives. The appropriate filings will be made by Plastic Omnium with the relevant antitrust authorities and the transaction is due to close during 2016.

3

Results of operations and financing

CONTENTS

3.1. Results of operations

3.1.1. OPERATING INCOME

Operating income [1] for 2015 was €912.6 million (4.4% of total sales), compared to €674.0 million for 2014 i.e. 3.6% of total sales (see Chapter 9 "Consolidated Financial Statements").

In the second half of 2015, operating income totaled €488.7 million (4.8% of total sales). In the second half of 2014, operating income was €371.8 million (3.9% of total sales).

The €116.9 million improvement in operating income in the second half of 2015 as compared to the same period of 2014 is best understood on a regional basis:

- in Europe, operating income improved by €25.1 million to 4.1% of total sales compared to 3.9% of total sales for the second half of 2014. The margin on products improved thanks to good leverage on higher sales (€93 million). Tooling sales fell due to the cycle of product launches and both R&D and SG&A costs increased in relation to the high level of orders won in 2015;
- the upturn in product sales helped the North American activities significantly improve operating income in the second half of 2015, to 5.1% of sales compared to 1.8% for the same period of 2014;
- in South America, falling sales and a difficult economic environment led to a decrease in the income of €8.3 million despite a reduction in structure costs;
- in Asia, lower sales impacted operating income which fell by €3.1 million despite a reduction in costs, for 9.3% of sales, the same level as for the same period of 2014;
- other countries, primarily South Africa, showed an increase of €3.4 million in operating income.

The €238.6 million improvement in operating income over the full-year compared to 2014 was attributable to the same factors:

- in Europe, the increased sales allowed for an improvement in operating income of €75.7 million, bringing operating income to 4.0% of total sales;
- in North America, higher sales and improved operational efficiency lead to strong growth in operating income of €140.8 million. Operating income stood at 3.9% of total sales, up strongly compared to 1.7% in 2014;
- with a decrease in sales of 9.0% like-for-like and a difficult economic and financial environment, South America finished with a decrease of €4.7 million in operating income leading to an operating loss of €54.1 million;
- in Asia, despite a slow-down in the second half of 2015, operating income continued to increase and contributed an additional €24.2 million. Operating income was €292.6 million or 9.4% of total sales compared to 2014 figures of €268.4 million or 8.9% of total sales;
- other countries, primarily South Africa, showed an increase of €2.7 million in operating income.

The trend for individual business segments was as follows (see Note 4.2 to the consolidated financial statements):

- operating income for Automotive Seating in 2015 was €305.6 million, or 4.9% of total sales compared to €234.4 million for 2014, or 4.4% of total sales;
- operating income for Emissions Control Technologies for 2015 was €359.9 million, or 4.8% of total sales compared to €256.7 million for 2014, or 3.8% of total sales;

(1) Operating income is the Faurecia group's principal performance indicator. It corresponds to net income of fully consolidated companies before:

- *other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;*
- *income on loans, cash investments and marketable securities;*
- *finance costs;*
- *other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IAS 39, and gains and losses on sales of shares in subsidiaries;*
- *taxes.*

- operating income for Interior Systems reached €197.7 million in 2015, or 3.9% of total sales compared to €129.2 million, or 2.7% of total sales in 2014;
- operating income for Automotive Exteriors was €49.3 million, or 2.4% of total sales compared to €53.7 million in 2014, or 2.6% of total sales.

Gross expenditures for R&D in 2015 were €1,012.2 million, or 4.9% of total sales, compared to €955.9 million, 5.1% of total sales in 2014. The portion of R&D expenditure capitalised under IFRS in 2015 totaled €317.9 million, compared to €317.0 million for 2014. In 2015, this represented 31.4% of total R&D expenditure, compared to 33.2% in 2014.

Taken together, these items resulted in a net R&D cost for 2015 of €296.7 million, up from €235.5 million in 2014.

Selling and administrative expenses amounted to €706.2 million (3.4% of total sales), compared to €648.3 million (3.4% of total sales) for 2014.

EBITDA – which represents operating income plus depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditures – stood at €1,580.7 million (7.6% of total sales) in 2015, compared to €1,229.6 million (6.5% of total sales) in 2014.

SALES AND OPERATING INCOME BY REGION

	H2 2015			H2 2014			2015			2014		
(in € millions)	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%
Europe	5,488.6	224.5	4.1%	5,115.3	199.4	3.9%	11,256.3	447.9	4.0%	10,390.8	372.2	3.6%
North America	2,748.2	140.1	5.1%	2,295.7	40.3	1.8%	5,543.6	218.3	3.9%	4,515.5	77.5	1.7%
South America	249.4	(27.7)	-11.1%	346.4	(19.4)	-5.6%	551.3	(54.1)	-9.8%	677.7	(49.4)	-7.3%
Asia	1,587.1	146.9	9.3%	1,620.2	150.0	9.3%	3,101.9	292.6	9.4%	3,007.7	268.4	8.9%
Other countries	111.5	4.9	4.4%	123.0	1.5	1.2%	238.8	8.0	3.4%	237.2	5.3	2.2%
TOTAL	**10,184.8**	**488.7**	**4.8%**	**9,500.6**	**371.8**	**3.9%**	**20,691.9**	**912.6**	**4.4%**	**18,828.9**	**674.0**	**3.6%**

SALES AND OPERATING INCOME BY BUSINESS

	H2 2015			H2 2014			2015			2014		
(in € millions)	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%	Sales	Operating income	%
Automotive Seating	3,084.9	166.0	5.4%	2,678.5	129.7	4.8%	6,188.2	305.6	4.9%	5,309.1	234.4	4.4%
Emissions Control Technologies	3,657.3	188.2	5.1%	3,418.8	136.3	4.0%	7,450.0	359.9	4.8%	6,747.4	256.7	3.8%
Interior Systems	2,484.1	108.4	4.4%	2,341.3	69.3	3.0%	5,018.6	197.7	3.9%	4,709.3	129.2	2.7%
Automotive Exteriors	958.5	26.1	2.7%	1,062.0	36.5	3.4%	2,035.1	49.3	2.4%	2,063.1	53.7	2.6%
TOTAL	**10,184.8**	**488.7**	**4.8%**	**9,500.6**	**371.8**	**3.9%**	**20,691.9**	**912.6**	**4.4%**	**18,828.9**	**674.0**	**3.6%**

3.1.2. NET INCOME

The “Other income and expenses” item totaled €66.0 million, down from €86.5 million in 2014 (see Note 6 to the consolidated financial statements). This item included €57.4 million in restructuring charges compared to €76.7 million in 2014. These costs mainly pertained to the restructuring of operations in France (€27.7 million) and in Germany (€21.2 million), in South America (€6.2 million) and in North America (€3.3 million). These charges stemmed from restructuring plans implemented with a view to bringing costs in line with market realities. These costs include expenses related to the downsizing of 1,472 employees.

Financial income totaled €12.3 million compared to €8.0 million in 2014. Finance costs totaled €177.4 million compared to €191.1 million in 2014.

The “Other financial income and expenses” item totaled an expense of €45.6 million, compared to €60.5 million in 2014 (see Note 7 to the consolidated financial statements). This item includes €8.2 million from present discounting pension liabilities, €8.2 million of fees for syndicated debt and €8.4 million linked to the amortisation of borrowing costs.

The tax expense for the fiscal year (see Note 8 to the consolidated financial statements) was €203.3 million, compared to €115.1 million in 2014, representing an average tax rate of 32.0% in 2015, compared with an average tax rate of 33.5% in 2014.

The share of net income of associates (see Note 13 to the consolidated financial statements) totaled €11.6 million, compared to €0.8 million in 2014. The difference stemmed largely from higher volumes in certain joint ventures.

Net of net income attributable to minority interests (totalling €74.1 million in 2015 and mainly consisting of net income accruing to investors in Chinese companies in which Faurecia is not the sole shareholder), net income for the year totaled €370.1 million, compared to €166.4 million in 2014.

Basic earnings per share (see Note 9 to the consolidated financial statements) totaled €2.98 (diluted earnings per share of €2.97), compared with €1.35 in 2014 (diluted earnings per share of €1.35).

3.2. Financial structure and net debt

Net cash flow, corresponding to the cash provided by operating and investing activities restated for the acquisitions of investments and business (-€30.9 million), and changes in other investing activities and non-current assets (-€25.1 million), showed a net positive balance of €302.5 million, including €309.8 million positive in the first half-year and €7.3 million negative in the second half. This compares to a positive net cash flow of €216.1 million in 2014.

The €302.5 million of net cash inflow (see Note 21 of the consolidated financial statements) over the year was attributable to the following:

- EBITDA totaled €1,580.7 million in 2015 compared to €1,229.6 million in 2014 due to the increase in operating income and from the increase in depreciation and amortizations (+€112.5 million);
- the change in working capital requirements, including the sale of unconsolidated trade receivables, represented a positive €177.7 million compared to €263.2 million in 2014. This decrease consisted in part of an increase in inventories of €141.7 million, a net increase in trade receivables of €12.3 million (including an increase from the sale of unconsolidated trade receivables of €217.0 million, as detailed in Note 18 to the consolidated financial statements), offset by an increase in trade payables of €269.2 million. The evolution of these balance sheet positions was impacted by exchange rate changes;
- restructuring represented cash outflows of €78.2 million compared to €95.5 million in 2014;
- net financial costs represented cash outflows of €169.8 million compared to €180.2 million in 2014;
- capital expenditures and increases in intangible assets represented cash outflows of €677.5 million compared to €521.0 million in 2014.

Disclosures relative to major investments by business segment and region are provided in Note 4 to the consolidated financial statements for the 2015 fiscal year (4.2 "Key figures by operating segment"; 4.4 "Key figures by geographic region").

Disclosures relative to key ongoing investments and firm orders for property, plant and equipment and intangible assets are provided in Note 32 "Commitments given and potential liabilities" to the consolidated financial statements for 2015:

- capitalized development costs represented cash outflows of €321.4 million compared to €321.6 million in 2014;
- income taxes represented cash outflows of €243.2 million compared to €154.9 million in 2014;
- finally, other cash flow items represented €34.2 million in inflows, compared to €3.0 million in outflows in 2014.

For the 2015 fiscal year, the other items contributing to change in net debt besides net restated cash flows were as follows:

- the acquisition of new companies and investments in unconsolidated companies represented €30.9 million in net cash outflows;
- dividends paid to minority shareholders represented €64.5 million in cash outflows compared to €49.8 million in 2014;
- the other factors consist of a positive exchange effect in the amount of €20.0 million compared to a negative €41.5 million in 2014.

Net debt thus stood at €962.5 million at year-end 2015, compared to €1,387.6 million at year-end 2014.

The Group's shareholders' equity rose from €1,882.9 million at year-end 2014 to €2,611.2 million at year-end 2015, mainly driven by net income for the year.

The main elements of Faurecia's long term financial resources are the syndicated credit facility of €1,200 million signed in December 2014 and coming to term in December 2019 and which was not drawn upon as of December 31, 2015, the €490 million of bonds with maturity in December 2016, the €700 million of bonds maturing in June 2022, issued in March and April 2015.

As announced in 2014, Faurecia repaid by anticipation in April 2015 €250 million of bonds issued in May 2012 and due June 19, 2019. In addition to this, it announced on December 7, 2015 its intention to repay by anticipation, on January 15, 2016, €250 million of convertible bonds issued in September 2012 and due January 1, 2018. As a consequence, around 95% of these bonds had been converted into shares as at December 31, 2015 and 99.9% of the bonds had been converted before the repayment date.

3.3. Outlook

After a 2015 year of strong volume growth in its three key automotive markets (Europe, North America and China), Faurecia expects, for 2016, very moderate growth of worldwide automotive production.

In addition, in 2016 Faurecia should close the sale of its Automotive Exteriors activity, as announced mid-December 2015. Under these conditions, the Automotive Exteriors activity will be posted in the books in 2016 according to the IFRS 5 accounting standard.

Within this context, Faurecia forecasts for 2016:

- a growth in sales between 1 and 3% (at constant scope and exchange rates);
  (Total sales for continued operations in 2015: €18.77 billion)
- an improvement in the operating margin between 20 and 60 base points, representing an operating margin between 4.6% and 5.0% of the total sales;
  (Operating income from continued operations in 2015 of €830 million)
- net cash flow of around €300 million;
  (Net cash flow in 2015: €303 million)

These operating income and net cash flow objectives are in line with the mid-term objectives announced by Faurecia in November 2013.

3.4. Risk factors

The Group takes care to monitor and control risks that may affect the achievement of its objectives. The Board of Directors is accordingly kept informed by the Audit Committee of the main measures taken to watch and monitor risks, the Committee itself being kept informed by the Head of Internal Audit, who is required to provide information on Group-wide risks, the nature and individual monitoring of which are described below, at least once a year.

Generally speaking, all the risks identified within the Group are reviewed and discussed by specific bodies and are consolidated by the Group Executive Committee. The executive team of each Business Group is responsible for identifying and managing operational risks inherent to its business which are reviewed every month by its Operations Committee. Financial risks for all Group companies are managed at Group level by the Group Finance department and are reviewed by a special committee as well as locally managed in regional Finance departments via the quarterly review of the accounts for each of the sites in the scope.

Some operational risks identified as Group-wide are subject to additional review by the Operational Risk Committee.

These risks are associated with safety to persons, quality, program management, liquidity risk, electronic data risk, the reliability of supplies, asset protection and fire risk, exposure of industrial sites to certain types of natural disasters, international exposure of employees to health and safety risks, the reliability of financial information, compliance, the environment. For the purposes of procedure progress and improvement, the relevance of this list is regularly reviewed by the Operational Risk Committee and the inclusion of new Group-wide risks is submitted to the Audit Committee.

Participants in internal control procedures and their organization are described in greater detail in Section 8.4.3 of the Registration Document.

Faurecia has reviewed its risk and considers that it is not currently exposed to any material risks other than those described below.

3.4.1. OPERATIONAL RISKS

3.4.1.1. Risk of dependence on the automotive sector

IDENTIFICATION OF RISK

Specializing in the manufacture of original equipment for its automaker customers, the Faurecia group's business is directly related to the vehicle production levels of these customers in their markets. The cyclical nature that characterizes its customers' business can have a significant impact on the Group's sales and results. The level of sales and automobile output for each of Faurecia's customers depends on numerous parameters, notably the general level of consumption of goods and services in a given market; confidence levels of economic players in that market; buyers' availability to access credit for vehicle purchases; and in some cases governmental aid programs (such as the recent financial support provided to the automotive sector and incentives introduced for the purchase of vehicles).

As such, the Group's sales and net operating income are directly linked to the performance of the automotive industry in the major geographic areas where Faurecia and its customers do business (see Note 4.3 to the consolidated financial statements), especially in Europe (53.7% of total product sales in 2015) in North America (27.6% of total product sales in 2015) and in Asia (14.9% of total product sales in 2015).

Faurecia's risk is also tied to the commercial success of the models for which it produces components and modules. At the end of a model's life cycle, the risk is also linked to the uncertainty of whether its products will be taken up again for the replacement model. In addition, the orders placed with the Group are binding supply contracts for open orders without any guarantees in terms of volume, that is to say with no guarantee of minimum volume. They are generally based on the life of the vehicle model concerned.

RISK MANAGEMENT

As Faurecia's customers include the majority of the world's major automakers, it is totally dependent on developments in the global automotive industry. However, the Group's exposure to customer risk is naturally attenuated by its market share and its diversified international presence.

3.4.1.2. Customer risk

IDENTIFICATION OF RISK

Changes in the automotive sector could accelerate the concentration of automakers, ultimately resulting in the disappearance of certain brands or vehicle models for which the Group produces equipment. The occurrence of one or more of these events could have a significant impact on the Faurecia group's sales, results and future prospects.

RISK MANAGEMENT

Faurecia is seeking to optimize the quality and diversity of its customer portfolio.

In 2015, Faurecia's five largest automaker customers accounted for 72.2% of product sales (VW 22.7%; Ford 15.9%; PSA 13.3%; Renault-Nissan 12.7% and GM 7.6%).

3.4.1.3. Customer credit risk

IDENTIFICATION OF RISK

In view of the economic context in the automotive sector, Faurecia cannot rule out the possibility that one or more of its customers may not be able to honor certain contracts or suffer financial difficulties.

RISK MANAGEMENT

As of December 31, 2015, late payments represented €121.4 million or 0.6% of consolidated sales for the year.

Details of trade accounts receivable and other receivables are provided in Note 18 to the consolidated financial statements.

3.4.1.4. Supplier risk

IDENTIFICATION OF RISK

If one or more of the Group's main suppliers were to go bankrupt, or experience an unforeseen stock-out, quality problems, a strike or any other incident disrupting its supplies for which it were liable, this could impact Faurecia's production output or lead to additional costs that would affect the Group's sales, results and overall financial position.

RISK MANAGEMENT

The Group uses a large number of suppliers based in different countries for its raw materials and basic parts supplies.

In 2015, out of a total of approximately €9,727 million in purchases (production and indirect purchases) from approximately 5,400 main suppliers, the ten biggest suppliers together accounted for 28% of the Business Groups' combined purchases and 15% of the total consolidated sales.

Purchases from the five biggest suppliers of each of the Business Groups together accounted for 19% of total purchases and 10% of total consolidated sales.

In this same year, purchases from the biggest supplier of each of the Business Groups together accounted for 7% of total purchases and 3% of total consolidated sales.

Faurecia closely monitors the quality and reliability of suppliers' production operations as well as their credit status and sustainability in order to ensure that the Group's supply chain is secure.

3.4.1.5. Risk related to order volumes

IDENTIFICATION OF RISK

As a components producer and components and systems assembler for the automotive industry, and given the high volumes that its customers order, Faurecia constantly has to adapt its business activity to its customers' demands in terms of their supply chain, production operations, services and R&D. Should the Group, or one of its suppliers or service providers, default at any stage of the manufacturing process, the Group could be held liable for failure to fulfill its contractual obligations or for technical problems.

The Group could also be required to make certain investments which may not be offset by customer order volumes.

RISK MANAGEMENT

To minimize this risk the Faurecia group's purchasing policy is based on a regularly reviewed panel of suppliers. Suppliers' operational and financial performance is monitored on an ongoing basis so that any restructuring and protection measures that may prove to be required in order to achieve security of supply (quantities and costs) can be successfully taken. Within this context, Faurecia's purchasing teams help suppliers to expand and to reduce their risks on both an industrial and a financial level, in particular, by providing operational support to improve their efficiency, quality, logistics, and cost control by means of specialist teams working with suppliers on their own premises. These teams also support suppliers in their international expansion. In addition, any new order placed with a supplier is the result of a Sourcing Committee decision following an investigation which includes an assessment of the risks associated with said supplier and supplier panel policy is, furthermore, monitored by a specialist product family purchasing organization.

Quality is also subject to specific management and related risks are assessed using specific indicators covered in monthly reports and improvement plans as described in Section 8.4.5.2 of this Registration Document.

The Group also uses a forward management method (five-year plan, yearly and half-yearly budget, monthly reviews) which enables it to fine-tune its means of production.

The variety of its customer and product mix and the diversification of its geographic locations is also a significant means of moderating this risk.

3.4.1.6. Risk related to the Company's external growth strategy

IDENTIFICATION OF RISK

As part of its external growth policy, Faurecia has made, and may make in the future, acquisitions of varying sizes, some of which have been and may be significant on a Group-wide scale.

These acquisitions entail risks, such as:

- the assumptions of the Business Plans on which valuations are made may prove incorrect, especially in respect of synergies and assessments of market demand;
- Faurecia may not succeed in integrating the acquired companies, their technologies, product ranges and employees;
- Faurecia may not be in a position to retain some key employees, customers or suppliers of the acquired companies;
- Faurecia may be forced or decide to terminate pre-existing contractual relationships with costly and/or unfavorable financial conditions; and
- Faurecia may increase its debt with a view to financing these acquisitions or refinancing the debt of the acquired companies.

As a result, the benefits expected from future acquisitions or those already made may not be confirmed within the expected time frames and/or levels and, consequently, may affect the Faurecia group's financial position.

The main acquisitions made by the Group over the last few years are described in Section 10.4 of this Registration Document.

RISK MANAGEMENT

The Board of Directors determines the Group's overall strategy. The Executive Management oversees this strategy and allocates the resources required for its implementation.

The team responsible for Business Development, which reports to the Group's Executive Vice-Chairman responsible for strategy is very closely involved in the life of the entities resulting from growth operations (joint-ventures, acquisitions) and so takes part in decision-making bodies.

Faurecia also sets aside any provisions that may prove to be required under applicable accounting standards, in particular, for the depreciation of assets.

3.4.1.7. International nature of business activities

IDENTIFICATION OF RISK

Due to the international nature of its business activities, Faurecia is exposed to economic, political, fiscal, legal and other types of risks.

The Group's sales are mostly generated in Europe, North America and Asia. The geographic breakdown of sales is provided in Note 4.3 to the consolidated financial statements.

The Group's activities are exposed to certain risks, including:

- any potential changes to laws or regulations, or to the commercial, monetary or fiscal policies;
- customs regulations, foreign exchange controls, investment restrictions or requirements or any other constraint such as levies or other forms of taxation on settlements and other payment; and
- difficulties in enforcing agreements, collecting payments due and protecting property through foreign legal systems, in particular, where intellectual property protection is less stringent.

RISK MANAGEMENT

The Group relies on the expertise of its Legal, Tax and Finance departments which permanently monitor legislation and regulations in France and abroad via local intermediaries (employees, networks of lawyers, tax specialists, etc.).

3.4.1.8. Competitiveness

IDENTIFICATION OF RISK

The global automotive supply sector is highly competitive. Competition is based mainly on price, technology, quality, delivery and customer service as a whole. There are no guarantees that Faurecia products will be able to compete successfully with those of its competitors. Supply contracts are mostly awarded through competitive bids which take the form of Requests for Quotation (RFQ), and are often subject to renewed bidding when their terms expire.

Without prejudice to Faurecia's ranking, the three main competitors by Business Group are as follows:

- **Faurecia Automotive Seating:**
  - Johnson Controls International (United States), a listed company in the US;
  - Lear Corp. (United States), a listed company in the US;
  - Magna International Inc. (Canada), a listed company in the US and Canada.
- **Faurecia Interior Systems:**
  - Yanfeng Automotive Interiors (YFAI), (China);
  - IAC (International Automotive Components) (United States);
  - Grupo Antolin (Spain).
- **Faurecia Automotive Exteriors:**
  - Plastic Omnium (France), a listed company in France;
  - Magna International Inc. (Canada), a listed company in the US and Canada;
  - SMP – Samvardhana Motherson Peguform (Germany/India).
- **Faurecia Emissions Control Technologies:**
  - Tenneco (United States), a listed company in the US;
  - Eberspächer (Germany);
  - Boysen (Germany).

RISK MANAGEMENT

Innovation and product development represent major challenges for Faurecia and enable it to remain competitive. As a result, gross R&D expenditures totaled €1,012 million in 2015 (4.89% of net sales). €105 million of this was spent on innovation over the same period. More than 6,000 engineers and technicians based in 30 centers represent the Group's global R&D community. 489 patents were filed in 2015.

In addition, each Business Group monitors the competition on an ongoing basis so that it can respond in the best possible way to calls to tender from automakers and, in particular, to their specific demands for the supply of complex equipment.

3.4.2. FINANCIAL AND MARKET RISKS

Given its level of debt, the Group is exposed to significant risks related to liquidity and changes in interest rates. It is also exposed to currency risks as its production sites are located in a large number of countries outside of the euro zone. Faurecia's counterparty risk in relation to its derivatives is not significant as the majority of its derivatives are set up with leading banks with strong ratings that form part of its banking pool. The Group Finance and Treasury department authorizes any new banking relations and the opening of accounts.

Generally, interest rate and currency risks are managed centrally for the Group as a whole by the Group Finance department.

3.4.2.1. Interest rate risk

IDENTIFICATION OF RISK

Rate risk results from interest rate changes, particularly the impact of a rate hike on the variable portion of the debt which would be reflected by a rise in finance costs.

RISK MANAGEMENT

Faurecia manages the hedging of interest rate risks on a central basis. This management is implemented through the Group Finance and Treasury department, which reports to Group Executive Management. Hedging decisions are made by a Finance Committee that meets on a monthly basis.

As a significant part of the borrowings (syndicated credit loan (when drawn), short-term loans, commercial paper) are at variable rates, the aim of the Group's interest rate hedging policy is to reduce the impact on earnings of changes in short-term rates. The hedges arranged comprise mainly euro denominated interest rate swaps. These hedges protect some of the interest payable in 2016 and 2017, against a rise in rates. The Group's interest rate position based on the nature of the instruments used and the sensitivity of interest expense to short-term rates are disclosed in Note 30.2 to the consolidated financial statements.

Before taking into account the impact of interest rate hedges, 28.1% of the Group's borrowings were at variable rates as of the end of December 2015, compared with 52.0% as of year-end 2014. The variable-rate debt primarily consists of short-term debt and any drawdowns on the €1,200 million syndicated bank credit facility signed in December 2014.

The main components of fixed-rate debt are:

- bonds maturing in December 2016, issued in November 2011 and February 2012, for a total amount of €490 million;
- bonds maturing in June 2022, issued in March and April 2015 for a total amount of €700 million.

3.4.2.2. Foreign exchange risk

IDENTIFICATION OF RISK

Faurecia is exposed to risks arising from fluctuations in the exchange rates of certain currencies, particularly due to the location of some of its production sites, as well as the fact that certain subsidiaries purchase raw materials and other supplies or sell their products in a currency other than their functional currency.

RISK MANAGEMENT

Note 30.1 to the consolidated financial statements gives the description of the underlying currency positions and the derivative instruments hedging them, as well as the sensitivity of the Group's net income and shareholders' equity to fluctuations against the euro of the various currencies to which it is exposed.

3.4.2.3. Liquidity risk

IDENTIFICATION OF RISK

To finance its investments and its other cash requirements, Faurecia is obliged to access finance sourced from both financial institutions and on the financial markets.

RISK MANAGEMENT

During the 2015 fiscal year, Faurecia continued to reinforce the financial solidity and financing sources.

At December 15, 2014, Faurecia has renewed per anticipation its credit facility implemented in December 2011 and expiring in December 2016, which has enabled the Group to benefit from more favorable conditions than the previous credit facility, as well for its cost than for its covenants.

The new credit facility includes a single five-year maturity tranche, for an amount of €1,200 million.

As of December 31, 2015 this credit facility was not drawn.

This credit facility includes only one covenant, concerning compliance with consolidated financial ratios (instead of two in the previous credit facility): Net Debt*/EBITDA** must be less than 2.50. The compliance with this ratio is a condition to the availability of this credit facility.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates granting the bonds issued on November 9, 2011 maturing December 2016, bearing 9.375% interest. Accordingly, these guarantees will disappear automatically as soon as the 2016 bonds are fully reimbursed.

Faurecia issued bonds, due June 15, 2022, bearing annual interest of 3.125%, payable on June 15 and December 15 each year, as from June 15, 2015.

A first part of these bonds was issued on March 17, 2015 for €500 million. An additional €200 million bond was issued on April 9, 2015, with the same due date and same interest, at 100.25% of the nominal value. The bonds of the second tranche issued on May 19, had exactly the same characteristics as those issued on March 17.

They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than two times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan.

They are listed on the Irish Stock Exchange (Global Exchange Market). The bonds benefit from guarantees from some Group affiliates; the entities providing these guarantees are the same as those that guarantee the bonds due December 2016. Accordingly, these guarantees will disappear automatically as soon as the 2016 bonds are fully reimbursed.

On April 17, 2014, Faurecia exercised its early redemption option on its €250 million in bonds maturing 2019, for a price of 107.93 of the par value. A provision and a financial expense for part of the corresponding redemption premium (€19.8 million) had been recorded as of December 31, 2014 in the amount of €16.4 million, while the principal was reclassified under current financial liabilities.

Lastly, on December 7, 2015, Faurecia announced its intention to reimburse at par value on January 15, 2016, the 2018 OCEANE convertible bonds issued in September 2012 for €250 million, maturing on January 1, 2018. Following the announcement of such operation, 94.5% of the OCEANE bonds have been converted as of December 31, 2015, and the nominal of remaining bonds in life at this date amounted €13.7 million. As of January 15, 2016, almost the entire amount has been converted and the residual nominal of €0.2 million has been reimbursed.

The various components of Faurecia's long-term debt and the maturities of the Group's liquidities are described in Notes 26.2 and 26.3 to the consolidated financial statements.

* *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

As is noted in Note 26.3 of the consolidated financial statements, as of December 31, 2015, Faurecia was compliant with the financial ratio required by the syndicated credit facility:

Ratio	Limit	Carrying amount as of 12/31/2015
Net debt*/EBITDA**	< 2.50	0.61

In addition to the above-described bank and bond debt, part of Faurecia's liquidity requirements is met through receivables sale programs. Cash from receivables sold came to €867.3 million as of December 31, 2015 (see Note 18 to the consolidated financial statements), including €840.4 million from receivables that were sold and derecognized (see Note 18 to the consolidated financial statements).

Lastly, Faurecia regularly issues commercial paper to investors, mainly in France.

On February 24, 2015, Moody's raised Faurecia's rating by one notch from B1 to Ba3, maintaining a stable outlook. On December 17, 2015, Moody's gave Faurecia a positive outlook.

In addition, on November 10, 2014, Fitch Ratings assigned Faurecia a BB- long-term credit rating with stable outlook.

As of December 31, 2015, Faurecia had diversified funds with staggered maturities until 2022. On that date, the average weighted maturity of the Group's main long-term financial resources (the bonds maturing in 2022, the syndicated credit facility and the other main long-term borrowings), is 4.7 years.

Thus, in view of the Group's current situation, and notwithstanding the possible future consequences of any deterioration in its operations or outlook, Faurecia does not believe itself to be exposed to significant liquidity risk.

3.4.2.4. Risks associated with raw materials

IDENTIFICATION OF RISK

The Group is exposed to commodity risk via its direct raw materials purchases or indirectly through components purchased from its suppliers.

The Group's operating and net income can be adversely affected by changes in the prices of the raw materials it uses, notably steel and plastics.

In 2015, plastics and steel accounted for approximately 8.3% of the Group's total purchases.

To the extent that the Group's sales contracts with customers do not include systematic price indexation clauses linked to the price of its raw materials, Faurecia is exposed to risks related to unfavorable fluctuations in commodity prices.

RISK MANAGEMENT

Efforts are made to reduce this exposure by continually negotiating conditions with customers and strictly managing inventories. Faurecia does not use derivatives to hedge its purchases of raw materials or energy.

Faurecia still has a low level of exposure to this risk however, since a large proportion of the commodity price fluctuation is passed on to customers on a "pass through basis". Faurecia's remaining exposure is, therefore, around 30% of the total commodities exposure.

A 10% fluctuation in the price of raw materials, not including component purchases, would have a 0.2% impact on operating income (expressed as a percentage of total sales).

* *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

3.4.3. LEGAL RISKS

3.4.3.1. Litigation

IDENTIFICATION OF RISK

Except for the Competition Authorities' procedure referred to in Note 24.2 to the consolidated financial statements and any resulting claims (in this respect, especially refer to the actions initiated in March 2016 against some entities of the Faurecia group as described in Section 2.3 of the present Registration Document), as of the date of this Registration Document there were no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group was aware) likely to have, or have had a significant impact on the Group's financial position or profitability in the past twelve months.

In its decision of December 18, 2014, the Sanctions Committee of the French Financial Markets Authority (AMF) considered that Faurecia SA and its Chairman and CEO, Mr. Yann Delabrière, had failed to meet certain obligations defined in Articles 223-1, 223-2 and 223-10-1 of the AMF General Regulation on information related to the Company's objectives for 2012. On the basis of Articles L. 621-15 (paragraphs II (c) and III (c)) of the French Monetary and Financial Code, the AMF fined Faurecia SA and its Chairman and CEO, Mr. Yann Delabrière, €2 million and €0.1 million, respectively. On February 26, 2015, Faurecia SA and Mr. Yann Delabrière, supported by the Board of Directors of the Company, lodged an appeal against this decision with the Paris Court of Appeal, which will assess in fact and in law the merits of the evidence and substantive arguments presented by the Company and Mr. Yann Delabrière who believe that the offending acts have not occurred.

Faurecia believes that, in view of the nature and amounts of the claims and litigation that were known or in process at the date of this Registration Document, such disputes would not materially affect its consolidated financial position in the event of an unfavorable outcome.

However, Faurecia cannot guarantee that in the future Group's subsidiaries will not be involved in legal, administrative, or regulatory proceedings, particularly in view of the complex regulatory requirements applicable to the Group; technical failures, or breaches of contract by customers, suppliers or partners.

Situations such as those described above could have a significant unfavorable impact on the Group's operations and/or financial position.

RISK MANAGEMENT

Litigation is monitored through quarterly reports prepared by the Legal department.

Adequate provisions have been set aside to cover litigation facing the Group, in accordance with the facts and information available at the balance sheet date. Note 24.2 to the 2015 consolidated financial statements gives a description of claims and litigation currently in process and indicates the total amount of provisions for litigation.

Moreover, Faurecia benefited in France from the specific regime of tax credits based on research and development activity conducted in that country. Faurecia cannot be sure that such tax provisions will be maintained in the future.

3.4.3.2. Industrial Property Risks

IDENTIFICATION OF RISK

The Group cannot rule out the risk that its third-party intellectual and/or industrial property rights may not be published or identified to date, or may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside France the Group ensures that it holds or obtains intellectual and industrial property rights offering the same level of protection as those in France. The same holds true regarding respecting the intellectual and industrial property rights of third parties.

RISK MANAGEMENT

Faurecia's proactive research and development policy allows the Group to be at the root of its own innovations and control the patents protecting them. Where possible and when justified by strategic technological considerations, Faurecia registers patents to protect the intellectual property relating to innovations and developments from Group's research.

Faurecia also considers that its products, modules or systems face a limited and perfectly reasonable risk concerning third-party intellectual and industrial property rights. This is primarily due to the Company's policy aimed at obtaining industrial property rights, its specialized services, and its network of experts. No technological dependence was identified. Faurecia uses third-party patents under license in the normal course of business. None of these licenses represent a major industrial or financial risk.

Faurecia considers that it either owns or may validly use all the intellectual and industrial property rights required for its business operations and that it has taken all reasonable measures to protect its rights or obtain guarantees from the owners of third-party rights.

3.4.4. INDUSTRIAL AND ENVIRONMENTAL RISKS

IDENTIFICATION OF RISKS

As with any industrial activity, the Group's sites are exposed to various risks: fire, explosion, natural disaster, systems failure, pollution, non-compliance with regulations or stricter regulations applicable or other factors. These types of events may result in the Group incurring additional costs and/or capital expenditure to remedy the situation, to comply with regulations and/or as a result of any fines.

RISK MANAGEMENT

Environmental risk management

The Group is focused on managing the environmental impact of all its sites, from the planning phase right through to day-to-day on-site operations.

Human resources

Environmental policies are defined and deployed by the HSE (Health, Safety and Environment) Directorates for each Business Group. To accomplish their mission, these departments have established a network of HSE Managers for each Division (mainly on a geographical basis), along with HSE coordinators within each Faurecia site. These coordinators bring their expertise to the factory management team, are responsible for implementing procedures, and ensure compliance with regulations and Faurecia standards. This organization also enables good practice to be applied across all sites within a single Business Group and/or across the four Business Groups. In some cases, this feedback can lead to Group regulations.

Financial resources

The amount of investment in environmental protection, noise reduction and equipment upgrades reported by establishments is available in Section 7.1.2.1.

Methodology

Environmental risk analysis and control are based on ISO 14001. Figures for ISO 14001 certified sites are available in Section 7.1.2.1 of this Registration Document. Regular audits by the Internal Auditors and accredited testing laboratories, such as SGS, provide assurance that the environmental management system is properly applied.

On account of their industrial nature, the Group's sites and operations are subject to environmental and safety laws and regulations, as well as to the possible interpretation of such laws and regulations by various authorities and jurisdictions, in the various countries where it operates. Such authorities and jurisdictions are imposing increasingly stringent obligations, restrictions and protective measures in relation, amongst other things, to atmospheric emissions, waste water, the use and handling of hazardous products, waste disposal and pollution control. Each site has to obtain permits, licenses and/or authorizations or provide prior notifications (for example, in France, in application of legislation on classified installations for environmental protection).

Faurecia's installations must comply with such permits, licenses or authorizations and are subject to regular inspections by the relevant authorities. Fines and litigation are described in Section 7.1.2.1 of this Registration Document.

In terms of its greenhouse gas emissions (GHGE), pursuant to Article 75 of Law No. 2010-788 of July 12, 2010, four years ago, the Group's French entities initiated a carbon account approach measuring emissions associated with energy consumption by buildings and machines, as well as consumption generated by cooling and air conditioning systems. On the 2015 scope, 23 sites are required to publish the Greenhouse Gas report available for the public on the www.faurecia.fr website.

In addition, pursuant to European Directive 2000/53/EC of September 18, 2000 on end-of-life vehicles, the Group is also taking action to reduce the mass and volume of its products, thereby contributing to reducing vehicle weight and fuel consumption (and, as a result, greenhouse gas emissions). This directive stipulates, inter alia, that such vehicles will have to be 95% recoverable by weight, of which 85% will have to be actually recyclable or reusable by January 1, 2015. This point is further dealt with in Section 6.2.2.

To contribute to the reduction commitment of 20% of the energy consumption within the European Community by 2020 and pursuant to Directive 2012/27/EU of October 25, 2015 concerning energy efficiency and its transpositions in the national laws of member states, 27 Faurecia sites have implemented energy audits over the reporting period by approved qualified experts. These audits are the first steps in energy consumption management. This point is further dealt with in Section 7.1.2.3.

With regard to the environmental risks associated with chemicals, the Group more than complies with regulatory requirements, in particular, with regard to the handling, storage, use and removal of the products in question. Under the new EU regulatory framework for the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which came into effect on June 1, 2007, the Group is principally a "downstream user". It works in conjunction with automotive industry subcontractors within federations or associations such as the European Association of Automotive Suppliers (CLEPA) or the French Alliance of Automotive Suppliers (FIEV). This point is further dealt with in Section 7.1.1. "Faurecia's products and the environment".

Industrial risk management

Faurecia conducts surveillance and monitoring of its environmental risks as described in Section 8.4 of this Registration Document.

As Faurecia does not have any captive insurance entities, its system for safeguarding assets is based on the implementation and ongoing adaptation of its risk prevention policy and, as described in Section 3.4.5, its strategy of transferring its principal risks to the insurance market.

FIRE RISK

Faurecia's industrial risk prevention policy aims to reduce accidents caused by fire and to encourage Group sites to achieve excellence in fire safety by obtaining the Highly Protected Risk (HPR) label from Faurecia's insurer.

The HPR policy is based on the following priorities:

- fire safety audits conducted by the Group's insurer on an annual basis; 88 sites were audited in 2015, 22 of which were new sites. 89% of active sites have already been subject to an audit. The sites that have not yet been audited are recent sites that will be audited in 2016. 52% of the Group's sites are classified as HPR or pre-HPR;
- incorporating fire safety factors into the early stages of any plant design or major refurbishing of existing sites, through fire partitioning and ensuring that adequate fire safety equipment, such as extinguishers, is available;
- analysis and assessment of feedback, fires or simple outbreaks of fire are systematically analyzed and the results of this analysis shared with the plants' HSE network;
- an intranet-based fire safety management system, through which the HPR policy is relayed to the entire Group by placing technical specifications, experience-based information and best practices online;
- a single data platform to manage all audit reports, action plans for improvement, and the audit program in the same place.

NATURAL RISK (FLOODS, EARTHQUAKES, HURRICANES, TORNADOES, SNOW DAMAGE, ETC.)

2015 was marked by greater acknowledgment of sites' exposure to natural risk by:

- systematic checking of the exposure of industrial projects, this being one of the criteria used to select future sites;
- exposure diagnosis conducted across existing industrial facilities with technical support from the Group's insurers and reinsurers.

In 2015, these initiatives were supplemented by specific technical audits on seismic risk sites and flood risk sites, the promotion of natural risk emergency plans for exposed sites, and raising technical requirements for new industrial projects exposed to natural risk.

3.4.5. INSURANCE AND COVERAGE OF RISKS

Fire, property damage and business interruption insurance

Faurecia has taken out a fire, property damage and business interruption insurance policy with a co-insurance group of major insurers led by Allianz. Despite the high level of claims for 2011, a tender for the renewal of this policy launched in July 2011 resulted in a significant reduction in the premium. At July 1, 2015, there was a new 5% drop in rates and conditions were extended until July 1, 2017. In 2015, the Group paid approximately €8 million (inclusive of all tax) for property and casualty and business interruption insurance.

The coverage for buildings and equipment is based on replacement value. Coverage is organized around a Master policy, which includes direct coverage for the freedom of services area, with local policies for subsidiaries in countries located outside this area. Special coverage has been set up to cover specific risks in certain countries.

Since July 2010, the premiums applicable to the capital at risk (direct loss and annual gross margin) are directly dependent on the HPR classification given to the site following an audit by the insurance company.

There were no significant claims in 2012, 2013 and 2014. In 2015, several moderately serious claims were filed and are currently being handled for an estimated total of around €3.2 million: fire and machinery breakdown in an American factory, a client default claim due to flooding in Chennai in December.

Damage insurance is supplemented by builder's risk insurance and insurance covering the transportation of goods or equipment and political risk.

Liability insurance

Since January 1, 2013, the AXA group has been Faurecia's primary liability insurer. Liability insurance covers operating liability, product liability after delivery, including the risk of product recall. Liability insurance takes the form of a "Master" policy combined with local policies taken out in countries where Faurecia has subsidiaries.

Several claims were filed in the United States in 2014. These claims, which are still being examined, will impact the terms of the liability insurance program as of January 1, 2016.

The Groups' liability insurance schedule also includes specific policies such as environmental liability insurance and coverage of liability for damages resulting from accidents caused by employees' occupational illnesses.

In 2015, the Group paid approximately €6.3 million (inclusive of all tax) in premiums for its civil liability policies.

4

The Group's human resources policy and social policy

CONTENTS

4.1. Safety in the workplace

Safety in the workplace is one of the key elements of the excellence initiative embodied by the Faurecia Excellence System (FES). It forms part of the personal respect requirement which every facility must satisfy. Faurecia's policy on health and safety in the workplace is based on two main objectives: safeguarding the health of its employees and improving their safety while at their place of work.

Thanks to our constant commitment to enhancing occupational safety and working conditions, we have consistently reduced the number of work-related accidents since 2003. To speed up this change, in 2010, Faurecia launched a breakthrough safety plan which, in two years, enabled it to achieve its highly ambitious objective of reducing the frequency of work-related accidents with lost time per million working hours by two thirds.

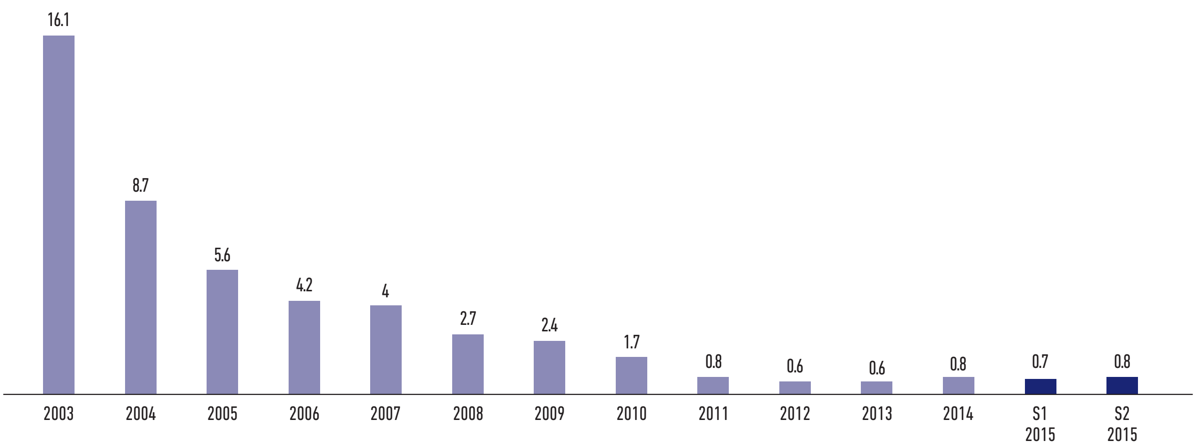
4.1.1. WORKPLACE SAFETY INDICATORS

The change in the frequency rate of work-related injuries is analyzed in order to measure the effectiveness of actions carried out in this area. To guarantee the same level of workplace safety for all employees, temporary workers are included in the same manner as permanent staff in the following indicators:

- The Group's excellence indicators are FR0t and FR1t. FR0t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with lost time, per million hours worked. FR1t measures the number of work-related accidents involving a Faurecia employee or temporary worker, with or without lost time, per million hours worked across the Group. Both indicators are calculated on a rolling six-month basis.

After each FR0t and FR1t accident, a QRCI (Quick Response Continuous Improvement) analysis is performed using a problem solving method based on quality problem solving best practices to ensure that the root causes of the accident are understood, that corrective actions have been effective and that preventative measures are implemented and shared across the various sites.

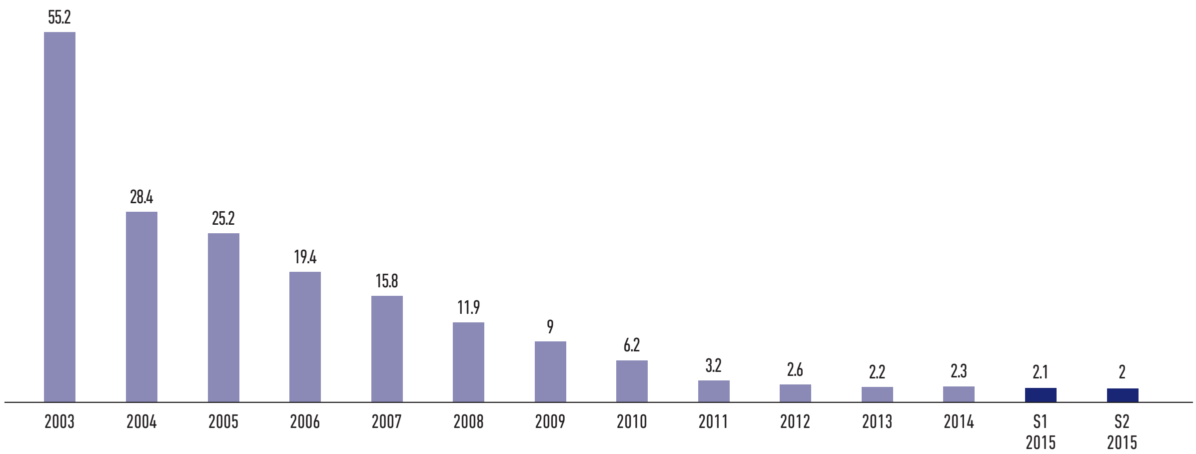
NUMBER OF ACCIDENTS RESULTING IN LOST TIME PER MILLION HOURS WORKED (FR0T)



The rates shown above, calculated on a rolling six-month basis, indicate the accident incidence rates approved as of the end of each fiscal year. For 2015, the results for the first and second half of the year are shown separately.

In 2015, the Faurecia group achieved its objectives in terms of accidents with lost time (FR0t of 0.8), with indicators reduced by two-thirds since 2009. This result shows Faurecia to be among the best industrial companies worldwide.

NUMBER OF ACCIDENTS WITH, OR WITHOUT LOST TIME PER MILLION HOURS WORKED (FR1T)



An FR1t of 2 was obtained in 2015, representing an improvement of more than 70% since 2009.

The rates shown above, calculated on a rolling six-month basis, indicate the accident incidence rates approved as of the end of each fiscal year. For 2015, the results for the first and second half of the year are shown separately.

- In its plants, Faurecia also monitors the FR2t indicator. This indicator measures the number of first aid procedures performed following an incident per million hours worked. This monitoring enables plants that have few accidents, with or without lost time, to identify their prevention priorities and to focus on accident prevention.
- In 2015, the Group did not report an accident severity indicator because its priority was accident prevention.
- First aid procedures are now monitored in all autonomous production units using the Faurecia Quick Response Continuous Improvement (QRCI) method of problem resolution. This has enabled production managers to take greater responsibility for accident investigations and to increase their responsiveness.

4.1.2. SAFETY INITIATIVES FOR SAFER OPERATIONS

Faurecia has fully integrated specific measures from its 2010 breakthrough safety plan into its practices.

It offers its employee network (including temporary staff) HSE training in the thirteen mandatory HSE rules and the thirteen HSE logistics recommendations within a special company training school. The training includes well-targeted theory and practice modules with practical scenarios which allow employees to learn or improve their knowledge of the HSE rules.

As a reminder, the purpose of the Breakthrough Safety Plan is to reduce the number of work-related accidents and serious Health, Safety, Environment (HSE) alerts following work-related accidents by providing training in the Group's various mandatory HSE rules as well as in monitoring the application of these rules.

Faurecia has defined thirteen mandatory personal safety-related HSE rules. These rules have been deployed at all Faurecia sites.

Any plant reporting a serious HSE alert or an abnormally high work-related accident rate was audited by the Group's Quality department. An unsatisfactory audit result (level D) systematically results in a report being sent to the Group's Chairman. No site has been on level D since the end of 2011. Faurecia ensures that these rules are applied at all the other sites by means of FES production audits.

Applying these thirteen rules has made it possible to significantly reduce the number of serious HSE alerts and to achieve our FR0t objective.

In addition to the thirteen mandatory HSE rules, Faurecia defined three rules on personal protection equipment (3PPE) for all Group sites. The application of these rules and their monitoring via FES production audits is speeding up the rate of reduction of work-related accidents not resulting in lost time (FR1t).

A film has been made about the thirteen mandatory HSE and the three PPE rules so as to raise their profile among Faurecia employees. This film, with the help of practical scenarios demonstrating the different rules, is also intended for FES training for managers and was notably used in Europe, North and South America and Asia. In particular, these training courses focused on learning about HSE QRCI.

Three mandatory HSE rules apply to the control of non-production operational risks. The first two cover consignment operations (stopping processes, locking and draining energy and blocking gravitational energy), the third requires the application of a "Personal ID" label when working with equipment. This prevents machines being restarted by others, the owner of the personal ID label being the only person entitled to remove it from the machine.

Four rules apply to the protection of personnel during production operations. They cover protection against access to moving parts of machines through the establishment of protective devices such as light curtains, safety mats, radars and fixed barriers. The plant must ensure that the failure of one component of the safety loop will stop the machine automatically. Protective equipment is tested before production begins. If the protective equipment has any faults, the machine must not be used.

The other rules focus on the prevention of falls, finger pinch point injuries, traffic accidents, the bursting of hydraulic circuits, and fires and explosions.

The three rules related to protective equipment require the wearing of helmets during maintenance operations, gloves and cut-resistant sleeves when using cutting elements or handling metal, and thermal protection when working with hot materials. These rules also make it mandatory to wear ear protectors in noisy environments.

Furthermore, each Faurecia plant defines, on an individual basis, the personal protection equipment to be used by its employees or visitors. Faurecia safety footwear and clothing is mandatory in nearly all the plants. Ear protectors are mandatory in plants with high noise levels, as well as, in most cases, safety glasses.

Faurecia further pursues its fire safety initiatives, particularly with the installation of sprinklers. In doing that, the Group not only ensures the safety of its staff, but also reduces the risk of production downtime due to fire.

The analysis of accidents has shown that many are related to work outside the standard production process. For this reason, the plants will now systematically review potential risks for this type of work.

The analysis has also shown a relative weakness in logistics. As a result, Faurecia developed thirteen strict HSE recommendations. Five of these relate to plant safety, four to the safety of machine operators, two to vehicles and the last two relate to pedestrians. The Faurecia group has been monitoring the application of these thirteen rules in all of its plants.

The safety of contractors (including subcontractors) working at high levels has been identified as an area for improvement. The contractor and subcontractor requirement levels have been raised and now require risk assessment, training and verification. A risk assessment is conducted with the contractor in order to detect all risks and devise preventive measures. Contractors are asked to guarantee that all employees (including temporary staff) carrying out tasks at high levels have been trained and are fully qualified. Each contractor must appoint a security manager who will guarantee that all measures devised during the risk assessment are applied and adhered to. As a result, only the contractors who have followed this process are authorized to work on the roofs at Faurecia plants.

4.1.3. ERGONOMICS AND WORKING CONDITIONS

Most occupational illnesses reported by employees involve musculoskeletal disorders. To reduce this, Faurecia has taken steps for several years to take the strain caused by workstations into greater consideration and to remedy the situation as much as possible.

Ergonomic reviews of workstations form part of the Faurecia Excellence System and the Group systematically carries out audits at each of its manufacturing sites on an annual basis.

As a result of these reviews, a variety of solutions have been implemented for manufacturing workstations. The reviews are also used to prepare a list of recommendations that are systematically taken into account during the design of products and manufacturing tools. A number of recommendations from professional ergonomists and Group HSE coordinators are being factored into the Program Management System (PMS).

All of the Group's operations managers and plant managers have been given training in ergonomics as part of the acceleration of the deployment of the Faurecia Excellence System, which was launched by the Chairman during the second half of 2009 and continued in subsequent years. The goal of this program is to ensure that these managers play a real leadership role in the continuous improvement process, notably for ergonomics-related issues.

An "Ergonomics" memorandum is available to all Group process engineers and managers in charge of efficiency in manufacturing systems, to provide additional information on analyzing workloads and how to take into consideration the ergonomic constraints of workstations. This memorandum is aimed at providing basic training in this area for people such as members of Health and Safety Committees, who are involved in organizing work schedules or designing workstations.

Since 2012, Faurecia Automotive Exteriors has developed and implemented a new production standard known as NewTech, a bumper manufacturing process which incorporates all the different manufacturing stages from injection molding to assembly of the finished product.

Particular attention was paid to occupational ergonomics within the context of the implementation of this process, from three specific perspectives:

- optimization of parts loading/unloading stations with conveyer height adjusted in accordance with ergonomic ranges;
- optimization of paint drum handling processes, introduction of roller benches, compliance with working heights, compliance with storage heights;
- optimization of design of inspection and touch up workstations.

4.2. Skills development

Faurecia's employees progress within a meritocratic environment where their advancement is dependent on their potential and performance. The Group's growth and development is directly dependent on the commitment levels and skills of its teams and its capacity to set up the best teams of managers and experts, on a global level. Effective management of human resources is, therefore, right at the heart of Faurecia group strategy and is based on three principles: involvement, performance and development. Internal promotion is a key priority. It is based on individual development and makes it possible to capitalize on automotive know-how, expertise and a high level of customer insight.

4.2.1. BEING FAURECIA

Faurecia has inherited a long tradition of technological innovation and manufacturing excellence, although it was created in 1997. Since then, the Group has grown rapidly both organically and through major acquisitions. It is now one of the top global automotive suppliers and employs more than 100,000 people in 34 countries.

During this first phase of its history, the Group has focused on developing systems and processes necessary to ensure that it provides the same level of quality and operating performance to all of its customers around the world.

The Group has now entered a new phase of development, characterized by steadier growth and a greater emphasis on value creation.

With this in mind, in 2015 the Faurecia group continued to deploy its cultural transformation program known as "Being Faurecia", launched in 2014, which aims to redefine the corporate culture and management model. The program seeks to create an environment that promotes an entrepreneurial spirit and autonomous operating teams. Furthermore, Faurecia has redefined its Human Resources development strategy, by revising and improving most of the HR development processes, while continuing to give priority to internal mobility.

Faurecia is positioning itself as a company that is focused on creating value, is customer-oriented, innovative and has management principles based on self-control, the pursuit of excellence and entrepreneurship.

In this context, the corporate values were redefined. They are now broken down into managerial values (entrepreneurship, autonomy and accountability) and behavioral values (respect, exemplarity and energy). The Group developed a Code of Management to encourage exemplary behavior within the organization. Relying on practical situations that managers face during their daily activities, this management guide defines the exemplary behavior that is expected from managers.

It has reinforced the decentralized organizational principles. It has also systematically reviewed the decision-making processes, significantly reduced their number and simplified their content in order to effectively increase the teams' self-sufficiency at various levels of the organization.

In 2015, new "Being Faurecia" initiatives were launched aimed at improving gender diversity within the Company and speeding up the recruitment of young graduates. Working groups were created for these initiatives and have come up with proposed actions which will be implemented in 2016.

The first anniversary of "Being Faurecia" was celebrated at all Group sites. They have encouraged all staff to take on board the Group values and bear witness to the Group's strong commitment to the success of its cultural transformation.

Finally, in May 2015, a survey of all management teams revealed that employees understood "Being Faurecia" and were fully behind the initiative: 74% understand the fundamentals of this cultural change and 68% think that it is heading in the right direction.

4.2.2. TRAINING POLICY

4.2.2.1. Principles

Within the Group, training is considered a strategic investment.

It is a key tool in the implementation of genuine continuous improvement, backed by the Faurecia Excellence System (FES). Training plans are focused on improving results. Training actions are favored, as is internal training.

Training is a development tool. Specific actions are implemented to encourage individual development and to increase team effectiveness.

Training also facilitates the development of the organizational structure and operational principles prevailing within the Group. In this context, the changes induced by the "Being Faurecia" strategy are gradually incorporated into the Group's training programs.

Lastly, training is a management tool. It is the responsibility of supervisors (identification of needs, communication with interested parties) and is implemented with the support of the human resources network.

4.2.2.2. Priorities

The priorities identified in training plans are used to achieve the goals set for different business units. They are structured around the following themes:

- improving plant performance (safety, quality, costs and deadlines) and ensuring optimal production start-up;
- enhancing the attractiveness of customer offerings;
- increasing technological expertise in products and processes;
- increasing the professional qualifications of staff, fostering their career development and enhancing their employability;
- developing managerial skills in line with Faurecia's Leadership Competency Model;
- anticipating and managing identified skills requirements over the medium term;
- strengthening a shared culture focusing on value creation and entrepreneurial spirit;
- ensuring the use of common working methods to increase efficiency;
- developing people's ability to work in an international context.

4.2.2.3. 2015 Key figures

During 2015, the training provided throughout Faurecia represented over 1.7 million hours.

4.2.2.4. Focus on Faurecia University

2015 was a transitional year for Faurecia University. The Group acquired a new campus in greater Paris. Its mission is to provide top management training on a global basis as well as other corporate training at the European level. The Regional Universities (North America and Asia) have fulfilled their missions of providing corporate training and creating specific programs addressing regional issues. They have dedicated teams and premises in Auburn Hills (Michigan) and Shanghai (China). The creation of regional governing bodies has enabled the Group to put down local roots and reinforce the involvement of management.

1. Role and responsibilities of Faurecia University

   Faurecia University aims to assist with management development and offer a firm foundation for the cultural transformation the Company has embarked upon.

   To this effect, Faurecia University assists managers throughout their careers by:

   - ensuring their integration within the Group;

- helping them to acquire functional skills necessary for their professional growth;
- offering training to help them acquire and improve managerial skills;
- preparing them for key positions (plant manager, program manager, R&D manager);
- preparing them in advance for taking on leadership responsibilities.

2. Mode of governance

   Faurecia University has been equipped with a governing body, the Advisory Board, made up of members of the Executive Committee. The Advisory Board met three times in 2015. In addition to these plenary meetings, the members of the Advisory Board have been closely involved in the development of the new programs, and more specifically the Leadership Development program.

   During 2015, three key projects were initiated by the Advisory Board and developed in the course of the year:

   - a Leadership Development modular program. This is a tool for managing talent and individual skills, it helps managers acquire the leadership skills required at each level of management. This customizable program is personalized to meet the needs expressed in the individual development plans. It comprises nine multi-modal training courses aimed at managers and experienced managers. Pilots were run in the last quarter of 2015 and will be completed by two digital-only training modules. It is significant to note that four of the nine programs were piloted in the regional universities. In order to finalize the full training program, Faurecia University launched an invitation to tender for senior directors;
   - the PC&L School Master Class Program: this program combines external qualification, plant workshops and individual coaching. It targets key logistics personnel. In 2015, the program was deployed in Europe, North America and Asia;
   - Faurecia University Campus: In response to the wishes of the Advisory Board, the Executive Committee decided to invest in a new high-tech space close to Faurecia headquarters exclusively for training. The campus opened on November 16, 2015. It comprises five classrooms and each day can accommodate up to 90 trainees at the same time. Faurecia University Campus was therefore able to host the pilots of the leadership development programs in addition to other courses. The campus, which plays an important role in promoting the Group's image and values, will be the venue for all classroom training courses. It will be an open learning area for all forms of training, thus serving as a base for the "Being Faurecia" initiative. With this new addition to the Faurecia University campus portfolio, it now has one in each of the three main geographical regions (Asia, North America and Europe).

3. Enhanced training offer

   Two new corporate programs were developed in 2015:

   - Purchasing programs: three programs (Acquisition & Programs Purchasing, Commodities Purchasing, Direct Material Purchasing), combining different training methods, were launched, developed and piloted in 2015. The Direct Material program was rolled out in Europe and the US. The Commodities and Acquisition programs were piloted in Europe and will be developed further in 2016.
   - Advanced Finance Training for Finance managers. This is a six-month training program for a team of finance division managers which sets them the task of working on a current high-stakes issue facing the Group. Outside consultants and coaches are brought in to support the trainees and offer their technological and methodical expertise. At the same time, the course is designed to develop the participants' inter-personal skills.

About 4,900 participants attended the Faurecia University programs in 2015, as compared to 4,500 in 2014.

Faurecia Automotive Seating, Faurecia Interior Systems and Faurecia Emissions Control Technologies have rolled out training courses in technical academies dedicated to their specific products and processes.

4.2.3. EMPLOYEE EMPOWERMENT

The Group's success is closely bound up with its capacity to actively involve all its employees in their work on a day-to-day basis and to create effective and autonomous teams. Employee accountability is one of Faurecia's key performance levers and is also one of the mainstays of the Faurecia Excellence System.

Group employees follow development programs so as to be able to meet their responsibilities. Staff benefit from development opportunities enabling them to increase their level of responsibility, the aim being to constantly improve team skills.

Employees are also encouraged to make an active contribution to continuous improvement. Managers are trained in team leadership so as to be able to effectively support operational efficiency and individual employee development.

Plant Management Committees are key participants in industrial progress. On this basis, they help to make employee empowerment an operational reality and to assist in the deployment of FES tools in plants.

In 2015, Faurecia continued to support the deployment of employee empowerment by continuing to offer the training programs launched in 2014:

- the seven basic principles of employee empowerment: this module is designed for Plant Management Committees. It aims to develop their role in the day-to-day management of teams using the FES and the seven basic principles. More than 500 people benefited from this training in 2015;
- employee empowerment for human resources managers: the program was updated in 2015 to strengthen the link between their day-to-day responsibilities and employee empowerment.

Coaching for the plant management teams was stepped up to ensure a more effective use of the employee empowerment tools according to site priorities. Over 30 management teams received coaching in 2015.

32.7% of supervisors at Faurecia have a level of education equivalent to a Bachelor's degree or higher, in line with the Group's target. The recruitment of young graduates is a permanent priority to secure long-term pools of autonomous production unit and plant managers.

It should be noted that the number of ideas for improvement suggested by Group employees, and acted upon, remained stable at 13.9 per employee in 2015.

4.2.4. DEVELOPING THE POTENTIAL OF ENGINEERS AND MANAGERS

Faurecia integrates and develops the potential of its engineers and managers so as to improve their performance and skills and offer them attractive career paths. The effective development of engineers' and managers' potential is at the core of the "Being Faurecia" program. The Group seeks to continuously improve the performance of its managers and ensure their professional development so that they can realize their potential.

At the same time, the Group constantly adapts its allocation of human resources to meet short-term business demands and prepares for the medium-term to ensure that the Group always has best-in-class in terms of managers and technical experts, driven by the pursuit of excellent customer service.

Recruiting and retaining talent

Over the last five years, Faurecia has grown very significantly and it had over 103,000 employees, 17,300 of whom are engineers and managers at the end of 2015.

Over the last three years, the volume of external hires has stabilized, with 2,156 engineers and managers hired in 2015, compared with 2,133 in 2014. Recruitment mainly took place in areas of growth such as China (535), the United States (358), Mexico (167) and India (160). Proportionally, hiring continued at a slower pace in France (307) and Germany (191).

38% of new employees were assigned to production, 34% to sales, R&D and program functions, and 28% to support functions.

In 2015, Faurecia continued to focus on the quality of recruitment to ensure that the Group recruits and retains the employees of tomorrow. To achieve this, the HR teams and managers received extensive training in recruitment techniques in order to select the best candidates.

To ensure the success of newly recruited employees, Faurecia offers all new hires a personal induction program enabling them to find out more about the Company, its values, strategy and organization, and to become acquainted with its culture and operating systems.

In 2015, the Group completed the deployment of an online tool to help new employees and their line manager throughout the integration period.

Developing and promoting international exposure is essential for a Group that employs 61% of its engineers and managers outside Western Europe and carries out 75% of its recruitments outside this region. Within this framework, Faurecia can offer its people many international assignments as well as the opportunity to take part in international projects.

Lastly, a stable employee base is essential for safeguarding our investment in human capital. In 2015, the resignation rate for engineers and managers was 7.8%, down 0.2% in 2014 (8.0%). This rate increased to 13% in North America and remained relatively flat at 5.0% in Europe. In China, it remained at 7.8%, well below the market average. The rate dropped to 5.9% in South America. In line with the general trend, the stability of our Senior Management positions is improving with a resignation rate of only 2.4% in 2015.

The employees of tomorrow

In 2015, the Group launched two Faurecian Talent Initiatives to ensure the Company could attract and retain the employees of tomorrow, two key factors in sustaining the Group's growth.

The aim of the first project was to improve gender diversity at the time of recruitment and for employee development in general. Women account for 30% of recruitment for entry-level posts but occupy a mere 18% of the front-line positions at the sites. Working groups were set up to address this situation. They came up with a global action plan which covered Group-wide HR issues (recruitment, career management, training and working environment, for example), the introduction of dedicated social networks and sponsorship and local culture initiatives. These initiatives will be implemented in 2016.

The goal of the second project is to recruit more young graduates. Although 44% of new recruits to entry-level management positions were young graduates, which is in line with the sector average, this figure is not high enough to inject the required level of talent into the Group to guarantee its growth. Working groups were set up and tasked with identifying the action the Group could take globally and locally to help it find a way to quickly increase the recruitment rate of young graduates from 40% to the targeted 60%.

To help it reach its target to recruit more young graduates, including female graduates, the Group relies heavily on the VIE international corporate volunteer program. In 2015, the number of international corporate volunteer (*Volontariat International en Entreprise*, VIE) contracts continued to grow, with 259 signed, compared with 201 in 2014. It is noteworthy that almost 60% of the young engineers and managers who completed their VIE period in 2015 were subsequently hired by Faurecia at the end of this period. VIE contracts mainly concerned Germany, the United States and Central Europe.

Consolidating the Group's performance culture and having exemplary leaders

A fair, objective performance assessment is a cornerstone of employee development and a key "Being Faurecia" concept. So in January 2015 the Group rolled out the new annual performance appraisal system (STAR: Setting Targets, Achieving Results) to all managers. It had been launched for Senior Management in 2014. It involves a comprehensive approach combining three components:

- a "management by objective" component that aligns individual performance with business objectives;
- the evaluation of behavior enables the measurement of commitment to the Group's values. They consist of three managerial values (entrepreneurship, autonomy and accountability) and three individual values (respect, exemplarity and energy). A Code of Management was developed to illustrate the behavior expected from managers in the main situations they might face. This Code is intended to be a practical guide for managers to develop exemplary behavior;
- lastly, the managerial skills assessment makes it possible to identify each individual's strengths as well as areas where there is room for improvement so as to construct practical and effective individual development plans. The Code, which describes the managerial skills that must be mastered at each level of the organization, is at the center of performance management and the identification of the potential and development of future leaders.

The first STAR campaign was a huge success. 97% of the appraisals have been completed and 80% of employees' questions found STAR more objective and logical than the previous format.

Developing skills and optimizing career management

The Group's internal promotion policy revolves around offering career opportunities to employees who succeed and demonstrate their potential.

Despite a high recruitment rate, the rate of vacancies filled internally amounted to 54% overall in 2015, down slightly on the 2014 figure. The percentage is closer to 84% for Senior Management positions. The results for managerial posts were achieved through the implementation of robust succession planning and individual development plans, based on individual reviews made at least once a year at all levels of the Company (sites, divisions, Business Groups, Group) and on a rigorous use of Faurecia's managerial skills model.

In 2015, 19% of engineers and managers benefited from internal mobility, 41% as a result of a promotion. In this same year, cross-function mobility represented 24% of the Group's total mobility assignments for over 808 engineers and managers.

In line with the Group's expertise management policy, Faurecia particularly rewards performance in technical and technological areas. The Group offers its experts a specific career program, which has the added advantage of allowing it to enhance business-specific skills within each product line. In 2015, 38 experts and 3 senior experts were appointed in the product and process engineering businesses. At the end of 2015, Faurecia employed 349 experts.

Fostering talent, an ambitious objective

To prepare the managers of tomorrow, talent identification should start as early as possible. The applicants are offered diverse career paths to realize their potential. These paths include inter-functions/inter-divisions mobility, project work or short-term assignments. The plan aims to help employees step out of their comfort zone and provide them with general management skills.

External assessments are also proposed for current and future leaders, so that each individual may better understand their development potential and make the best career choice. Personal development plans are defined as part of this process. A total of 66 assessments were completed in 2015.

Alongside these internal activities, a reinforcement plan was rolled out in France, Germany, the United States and China to recruit high-potential applicants for whom an accelerated career path is defined and implemented.

The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. Today, in keeping with this strategy, 58% of the Group's senior managers are non-French nationals, and 46% of engineers and managers identified as having Senior Management potential are from countries outside Western Europe.

The Executive Committee strengthened its involvement in managing talent. It now assesses the Group's high-potential staff twice a year, with a particular focus on potential executives. In addition to People Reviews generally organized at Business Group/Division/functional level, Key Reservoir Reviews were carried out in North America, Asia and South America in order to optimize talent management locally.

4.3. Strengthening economic and social dialog

4.3.1. AN ENVIRONMENT OF CONTRASTING BUSINESS ACTIVITY BY REGION

In 2015, Faurecia saw its overall level of business grow thanks to strong growth in Europe and North America, despite a slight slowdown in Asia and a market contraction in South America.

This trend was reflected by continued growth in the workforce which rose from 82,382 at the end of 2014 to 85,218 at the end of 2015 (up 3.4%).

Industrial redeployment initiatives affected 15 sites in 2015, impacting 880 jobs in 7 countries, mostly in Europe, South America and South Africa.

In this context, Europe has seen the number of employees rise slightly, by 3.2%, despite the restructuring plans implemented in western European countries.

In North America, the workforce grew by 4.1%, benefiting from Faurecia's expansion and good performance in this market and the sales momentum enjoyed with some automakers operating in this area.

In South America the downward trend reported in 2014 continued with the number of employees falling 7.7%, confirming the decline in automotive production and the difficulties encountered in this region.

Lastly, in Asia, despite the slowdown of this market in the second half, the workforce increased by 9.0%.

4.3.2. GREATER SOCIAL DIALOG AND CONSULTATION WITH EMPLOYEE REPRESENTATIVES

Pursuant to the component on the development of economic and social dialog of the Code of Ethics in force since 2007, complemented in 2014 by the "Being Faurecia" program, the Group's various entities continued an active policy of dialog and negotiation with employee representatives.

This policy led in 2015 to the signing of 421 establishment or company agreements in 21 countries, including 189 in France, 110 in Germany, 39 in Brazil, 14 in Mexico, 12 in Argentina, 9 in Tunisia and 8 in Romania.

22% of these agreements related to wages and benefits, 20% to statutory profit-sharing and incentive plans and 32% to working conditions.

More specifically, in terms of targeting increased competitiveness and/or performance in 2015, successful negotiations were held at a number of sites where this is a key issue to keeping the business going or to winning new programs, thereby avoiding any new plans for industrial redeployment. The result was three new competitiveness agreements covering eight sites in Faurecia's various activities. With these new agreements and those entered into in previous fiscal years, this brings to almost 48 the total number of sites covered by competition agreements since 2012.

In addition, in all the countries in which it operates, the Group is keen to implement existing plans so as to reduce the impact on jobs arising from a slowdown in business. By way of illustration, these plans amounted to the equivalent of 602,566 hours in 2015, down significantly on the 2014 figure. At the same time, in the event of any industrial redeployments, the Group prefers to make use of internal mobility, both on a geographical and cross-divisional level, as well as voluntary redundancy plans. In the event that a site closure is required, the Group endeavors, where this is possible, to put in place re-industrialization projects by providing financial and/or operational assistance to industrial players that are likely to propose redeployment solutions to its employees. In cases where compulsory redundancies cannot be avoided, providing support for those employees seeking redeployment is a priority.

The European Works Council, a key body in the Group's economic and social dialog, is the preferred forum for exchanges with employee representatives on the Group's strategy, results and outlook.

The twenty-five seats on the Council are allocated in proportion to the numbers of employees in each of the fifteen European countries where the Group has operations. Set up in 2003, this body is now governed by the agreement signed unanimously on January 10, 2012. The European Works Council met in plenary session on May 6 and 7, 2015; the Council Board, comprising representatives of the six biggest countries in terms of workforce (i.e. France, Germany, Spain, Portugal, Czech Republic and Poland), met three times during the year.

Pursuant to the terms of the agreement, the last meeting of the year was held at a site on November 25, 2015. On this occasion, the members of the Council visited the research and development center and the industrial facilities of the Augsburg plant in Germany.

Negotiations were entered into with the members of the Council in November 2015 to ensure the European Committee is continued for a further four-year period. Following two meetings held to decide on its operating procedures, the new agreement was due to be signed in January 2016 to come into force on April 1, 2016.

4.3.3. RESPECT OF FUNDAMENTAL RIGHTS

Faurecia adhered to the UN Global Compact in 2004. By doing so, it committed to abiding by and promoting, in its business practices, a set of values and principles drawn from texts and international conventions relating to human rights, labor standards and the environment. Changes within the Group, the new requirements of customers and new guidelines bearing on corporate social responsibility and sustainable development prompted Faurecia in 2007 to prepare a new version of its Code of Ethics mirroring the International Labour Organization's (ILO) Core Conventions. This Code of Ethics was updated in 2014 as part of the roll out of the "Being Faurecia" program, intended to strengthen the Group's culture and contribute to the creation of long-term value. The Code of Management, which was established at that time to guide the day-to-day management of teams, customers, suppliers, etc., translated many of the principles set out in the Code of Ethics into operations.

4.3.3.1. Prohibition of child labor

Faurecia complies with national laws and regulations relating to child labor. It will not employ children under the age of sixteen, under any circumstances, and complies with the provisions of the ILO regarding the health, safety and morality of young people aged between fifteen and eighteen. The Faurecia group ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.2. Elimination of all forms of forced labor

Faurecia is committed to the free choice of employment and the elimination of all forms of forced and compulsory labor. It ensures that its suppliers and/or partners adhere to the same principles.

4.3.3.3. Freedom of association and recognition of the right to collective bargaining

Faurecia recognizes the existence of trade unions worldwide and the right of workers to form the union organization of their choice and/or to organize workers' representation in accordance with the laws and regulations in force. It undertakes to protect union members and leaders and not to make any discrimination based on the offices held.

The Group is also committed to promoting a policy of dialog and negotiation. Given its decentralized legal and managerial structure, this policy is implemented through collective bargaining agreements signed with the sites, on the one hand, and companies, on the other.

4.3.3.4. The elimination of discrimination in terms of hiring and occupation

The Group is committed not to discriminate against anyone, notably on the basis of age, sex, skin color, nationality, religion, health status or disability, sexual orientation, political, philosophical or union-related opinion in its recruitment and career development initiatives. Every employee has the right to work in a healthy environment, free from any form of hostility or harassment qualified as unlawful under the regulations and practices in force in the countries where the Faurecia group operates.

In particular, Faurecia forbids any unlawful conduct construed as sexual or moral harassment, including in the absence of any hierarchical or subordination relationship.

4.3.4. CHANGES IN COMPENSATION AND BENEFITS

The total amount of compensation paid, including social contributions, increased by 9.2% across the Group as a whole: €3,388.1 million in 2015, compared with €3,102.7 million in 2014. Meanwhile, the number of employees at the end of the year increased by 3.4% (+6.5% for engineers and managers).

The Group adheres to current minimum wage legislation in each country. Wage negotiations are held in the majority of countries. In 2015, 94 agreements were concluded on wage/bonus/compensation packages and 84 on profit-sharing/non-discretionary profit-sharing.

A system of variable compensation, based essentially on operating unit performance, applies in a uniform manner in all countries in which Faurecia operates. At the end of 2015, approximately 4,000 out of a total of 17,300 managers benefited from this system.

Compensation practices were analyzed for engineers and managers in key countries to support the practice of annual compensation reviews.

4.4. Company savings, incentive and profit-sharing bonuses in the development of the Group

4.4.1. EMPLOYEE SAVINGS PLANS IN FRANCE

In France, the Group has over the past few years implemented several mechanisms to allow employees to accumulate savings.

Since 2004, employees have had access to a Group employee savings plan (PEG) open to amounts distributed under profit-sharing and incentive plans, as well as voluntary contributions.

Thirteen funds are available, including Faurecia Actionnariat, a mutual fund investing exclusively in Faurecia stock. At end-2015, total funds managed in the employee savings plan (PEG) stood at €44.7 million, of which 27.3% were invested in Faurecia Actionnariat (2,775 employees).

Employees also have access to the Group retirement savings plan (PERCO), set up in late 2012. Like the employee savings plan, payments into the Group pension savings plan can be made from discretionary and non-discretionary profit-sharing plans as well as voluntary employee contributions. At end-2015, total funds managed in the employee savings plan (PEG) stood at €2.5 million.

A defined-contribution pension plan was also introduced in 2006 for Group executives and was opened up to voluntary contributions from employees in 2013. The various retirement savings plans have more than €80.6 million under management.

4.4.2. INCENTIVE PLANS IN FRANCE

The incentive agreements entered into by the Group's various French companies mostly establish how voluntary incentive payouts are calculated based on two sets of indicators:

- financial indicators at Company level. This part accounts for about 40% of the overall payout and is calculated annually;
- operational performance indicators calculated at site level and selected from among Faurecia Excellence System indicators. This part accounts for about 60% of the overall payout and is calculated half-yearly.

Under these agreements, the payout is capped at 5%-6% of payroll – although in exceptional cases it may be raised to 6.7%-8% if objectives are exceeded – and is allocated partly in proportion to salary and partly applied on a uniform basis depending on hours worked.

In 2015, €16.7 million was paid out to employees under the incentive plan (€14.6 million in 2014), of which €1.6 million were invested in Group employee savings plans in France (PEG or PERCO).

4.4.3. PROFIT-SHARING IN FRANCE

The mandatory profit-sharing agreements of the various Group companies stipulate, for the most part, that employee profit-sharing calculated in accordance with the legal formula must be allocated among employees prorated on the basis of their compensation for the year in question, subject to compliance with regulatory limits.

The amounts allocated to the profit-sharing reserve may be held in a no-access account or invested in the corporate mutual funds set up in connection with the Group employee savings plan (PEG) or retirement savings plan (PERCO).

In 2015, €5.7 million was paid out to employees under the profit-sharing plan (€1.3 million in 2014), of which €2.5 million were invested in Group employee savings plans in France (PEG or PERCO).

4.4.4. STOCK OPTION PLANS AND PERFORMANCE SHARE PLANS

Faurecia has set up a performance share plan for its Senior Management, with a view to promoting motivation and fostering loyalty. It follows a procedure established by the Board of Directors at its meeting of December 17, 2009. The Combined Shareholders' Meeting of May 27, 2015 authorized the Board of Directors to grant a maximum of 2,000,000 free shares. Based on this authorization, on July 23, 2015, the Board granted 889,981 free shares to 330 beneficiaries, including 20 high-potential managers. The granting of these shares are subject to a continued employment requirement and two performance requirements. The latter include an internal requirement relating to the Group's pre-tax net income in 2017 and an external requirement comparing net earnings per Faurecia share between 2014 and 2017 with a reference share of a group of leading global automotive suppliers. It should be noted that the last six plans made grants in the same period of the year.

As of December 31, 2015, stock options granted but not yet exercised totaled 636,500, with a further 2,143,049 free shares liable to be granted by July 2019, subject to the associated performance requirements.

4.5. Administrative efficiency of Human Resources

The rationalization of the human resources IT system begun in 2007 reached another milestone in 2015. GlobalView, the SAP-based payroll platform and employee management platform, was rolled out in Brazil (3,600 people) during the first half of the year. At the end of 2015, over 66,000 employees (in thirteen countries) were being paid by GlobalView, 78% of the Group's workforce. New projects include the rollout of GlobalView in Argentina, South Africa and Thailand in 2016, as well as the launch of future implementations in Romania, Poland and India in 2017. At the end of 2017, 93% of the Group's workforce will be paid via this platform.

Payroll processes were also optimized with a focus on two areas: full outsourcing in the new countries covered by GlobalView (Brazil) and the continued deployment of shared service centers. At the end of the planned deployment, 75% of employees will be paid through a Faurecia shared service center and 25% through an external platform directly managed by the GlobalView provider. This process was backed by a Group Manage Payroll Procedure (MPP) in 2015 which was put in place for internal control and to audit the pay processes by country.

At the same time as rolling out the payroll system, automatic interfaces continued to be set up with the Group's Human Resources reporting, engineers and managers database and accounting system to improve administrative efficacy and make data more reliable. As of end-December 2015, 80% of the Globalview perimeter had been interfaced with these different systems.

The optimization of administrative procedures also took another step forward as a result of the implementation of a talent management tool and a tool for managerial assessment of individual performance. In 2015, the corresponding individual development plan was put in place to complete the module. Human Resources is thus equipped with a modern tool for managing its employees' individual development online. Transparency with regard to employees and their managers is a key factor when it comes to improving managerial processes and information system quality.

4.6. Other employee-related data

TOTAL WORKFORCE 2015 VS 2014

	2015				2014				2015 vs. 2014			
	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which % open-ended contracts (CDI)	Registered employees	Temporary employees	Total headcount	Of which open-ended contracts (CDI) (in points)
Europe	47,114	8,771	55,885	76.6%	45,540	7,747	53,287	78.4%	3.5%	13.2%	4.9%	-1.8
North America	18,567	2,078	20,645	81.0%	17,836	2,525	20,361	80.6%	4.1%	-17.7%	1.4%	0.4
South America	4,729	63	4,792	90.9%	5,122	86	5,208	91.4%	-7.7%	-26.7%	-8.0%	-0.5
Asia	9,984	5,799	15,783	61.2%	9,160	5,922	15,082	58.4%	9.0%	-2.1%	4.6%	2.8
Other	4,824	940	5,764	72.2%	4,724	619	5,343	73.1%	2.1%	51.9%	7.9%	-0.9
TOTAL	**85,218**	**17,651**	**102,869**	**75.5%**	**82,382**	**16,899**	**99,281**	**76.2%**	**3.4%**	**4.4%**	**3.6%**	**-0.7**

Number of employees

The Group's total workforce grew by 3,588 people in 2015, up +3.6%.

The proportion of staff employed on open-ended contracts increased from 76.2% to 75.5%.

The proportion of staff on fixed-term contracts increased from 6.8% to 7.3%, and the proportion of temporary staff rose from 17.0% to 17.2%.

In 2015, the total workforce rose mainly in Europe (+2,598 people) and Asia (+701 people).

Registered employees

The Group's registered employees increased by 2,836 people (+3.4%) in 2015. This increase was particularly significant in Asia (+824 people or +9.0%), North America (+731 people or +4.1%) and Europe (+1,574 people or +3.5%) due to business growth in these regions.

Employee numbers dropped by 7.7% (-393 people) in North America.

Temporary employees

The number of temporary staff rose by 752 people (+4.4%) in 2015.

As of end-December 2015, the percentage of temporary staff was 17.2%, 0.2 points higher than in 2014.

In Europe, the rate rose from 14.5% to 15.7%. It reached 14.4% at end-2015 for Western Europe alone.

Growth in the use of temporary labor was most marked in France, Portugal and Spain.

In North America, this percentage fell from 12.4% to 10.1% as a result of shedding 360 temporary workers in the United States over the period.

Finally, this rate remained high in Asia (36.7%), the percentage of temporary labor being structurally high in China.

REGISTERED EMPLOYEES 2015 VS 2014

	2015 Registered employees				2014 Registered employees				
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Change 15 vs. 14
Europe	30,810	7,509	8,795	47,114	29,805	7,453	8,282	45,540	3.5%
North America	13,372	1,318	3,877	18,567	12,815	1,307	3,714	17,836	4.1%
South America	3,020	1,115	594	4,729	3,332	1,169	621	5,122	-7.7%
Asia	4,944	1,102	3,938	9,984	4,532	1,079	3,549	9,160	9.0%
Other	3,664	573	587	4,824	3,577	611	536	4,724	2.1%
TOTAL	**55,810**	**11,617**	**17,791**	**85,218**	**54,061**	**11,619**	**16,702**	**82,382**	**3.4%**

Registered employees increased by 3.4% in 2015.

In Europe, the number of registered employees grew by 6.2% for managers, 3.4% for operators and workers and 0.8% for technicians, foremen and administrative staff.

In Western Europe, the number of registered employees increased by 1.1%, in particular in Spain (+10.0%) and Portugal (+9.4%).

In Central Europe, the number of registered employees increased by 8.8%, mainly in Poland, Romania and the Czech Republic.

This increase mainly related to operators and workers.

In North America, the number of registered employees rose by 4.1%.

The numbers increased by 4.3% for operators and workers, 0.8% for technicians, foremen and administrative staff and 4.4% for managers.

In South America, where the economy experienced a significant slowdown, the number of registered employees decreased by 7.7%, mainly in Brazil (-342 people) and Uruguay (-55 people). Numbers were down 9.4% for operators and workers, 4.6% for technicians, foremen and administrative staff, and 4.3% for managers.

In Asia, registered employee numbers were up 9.0%, mainly in China (+9.3%) and India (+13.7%).

Numbers were up 9.1% for operators and workers and 13.1% for technicians and managers.

Other countries recorded a rise in their registered employees of 2.1%, mainly in Morocco (+138 people).

The return of the Group's Iranian site to the consolidation scope also contributed toward this increase (+145 people).

REGISTERED EMPLOYEES BY TYPE OF CONTRACT 2015 VS 2014

	2015			2014			2015 vs. 2014		
	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total	Open-ended contracts (CDI)	Fixed-term contracts (CDD)	Total
Europe	42,814	4,300	47,114	41,789	3,751	45,540	2.5%	14.6%	3.5%
North America	16,723	1,844	18,567	16,417	1,419	17,836	1.9%	30.0%	4.1%
South America	4,355	374	4,729	4,761	361	5,122	-8.5%	3.6%	-7.7%
Asia	9,660	324	9,984	8,807	353	9,160	9.7%	-8.2%	9.0%
Other	4,163	661	4,824	3,906	818	4,724	6.6%	-19.2%	2.1%
TOTAL	**77,715**	**7,503**	**85,218**	**75,680**	**6,702**	**82,382**	**2.7%**	**12.0%**	**3.4%**

Open-ended contracts rose by 2.7% (+2,035 people). Over the same period, staff employed under fixed-term contracts increased by 12.0% (+801 people).

Open-ended contracts accounted for 91.2% of the registered workforce as opposed to 91.9% in 2014.

The number of open-ended contracts rose by 1,025 in Europe (+2.5%), mainly in the Czech Republic (+396), Romania (+366) and Poland (+336).

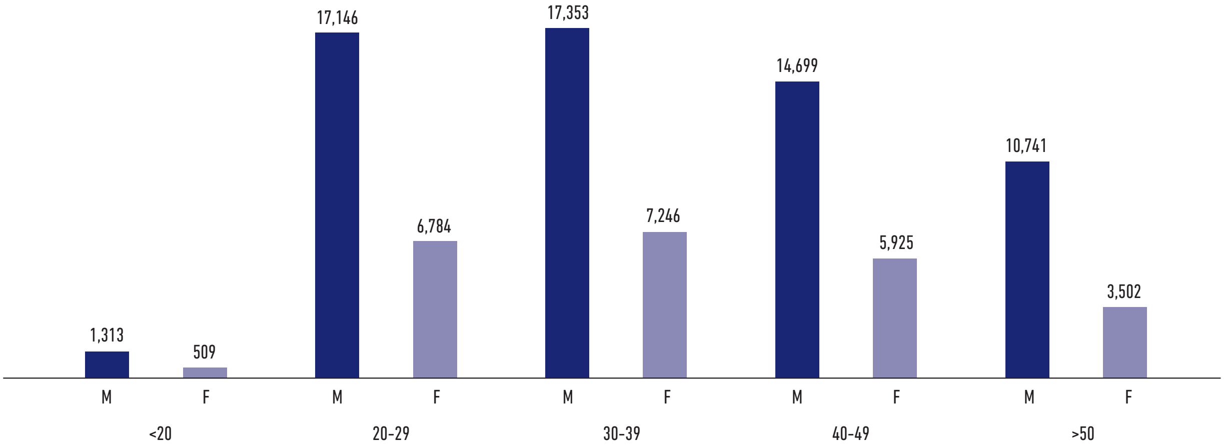
The figure for Western Europe remained stable. Changes in other regions varied. The number of open-ended contracts increased in

North America (+306 people) and Asia (+853), in line with the business developments in both regions. The number fell by 8.5% in South America, however, due to the economic slowdown in the region.

The number of fixed-term contracts was up 12.0% from 2014. They accounted for 8.8% of employees at the end of 2015, compared with 8.1% at the end of 2014.

2015 AGE PYRAMID BY GENDER

Registered employees	< 20		20-29		30-39		40-49		> 50		TOTAL	
	M	F	M	F	M	F	M	F	M	F	M	F
Operators & workers	1,167	390	11,985	4,575	10,391	4,804	8,751	4,290	6,745	2,712	39,039	16,771
Technicians, foremen & administrative staff	146	119	2,340	1,120	2,307	801	2,062	680	1,590	452	8,445	3,172
Managers & professionals	0	0	2,821	1,089	4,655	1,641	3,886	955	2,406	338	13,768	4,023
TOTAL	**1,313**	**509**	**17,146**	**6,784**	**17,353**	**7,246**	**14,699**	**5,925**	**10,741**	**3,502**	**61,252**	**23,966**



Women accounted for 28.1% of the Group's registered employees, an increase of 0.7 points compared with 2014.

Faurecia is a relatively young group with 59.1% of employees under the age of 40 and 30.2% under 30.

14,243 registered employees are aged over 50 (16.7%), up 0.3 points from 2014.

For all age brackets, the breakdown by staff category was stable year-on-year, with 66% of registered employees among operators and workers, 14% among technicians, foremen and administrative staff, and 20% among managers and professionals.

EXTERNAL HIRES 2015 VS 2014

Registered employees	2015			2014			2015 vs. 2014		
	Hires on open-ended contracts (CDI)	Hires on fixed-term contracts (CDD)	Total	Hires on open-ended contracts (CDI)	Hires on fixed-term contracts (CDD)	Total	Hires on open-ended contracts (CDI)	Hires on fixed-term contracts (CDD)	Total
Europe	3,011	4,636	7,647	3,085	3,674	6,759	-2.4%	26.2%	13.1%
North America	2,638	3,869	6,507	2,364	3,299	5,663	11.6%	17.3%	14.9%
South America	570	280	850	597	278	875	-4.5%	0.7%	-2.9%
Asia	2,557	459	3,016	2,566	367	2,933	-0.4%	25.1%	2.8%
Other	527	369	896	763	612	1,375	-30.9%	-39.7%	-34.8%
TOTAL	**9,303**	**9,613**	**18,916**	**9,375**	**8,230**	**17,605**	**-0.8%**	**16.8%**	**7.4%**

This table shows year-on-year changes in hiring, excluding the impact of transfers from fixed-term to open-ended contracts.

In total, the number of hires increased by 7.4% compared with 2014. A decline of 0.8% was recorded for open-ended contracts. On the other hand, hires on fixed-term contracts increased by 16.8%.

In Europe, hires on open-ended contracts were made primarily in Poland (31.4%), the Czech Republic (26.4%) and France (14.9%), with other countries in the region recording hiring volumes similar to 2014.

Hires on fixed-term contracts were mainly in Spain (22.9%) and Romania (23.0%) to respond to fluctuations in business activity.

In North America, 2,638 hires were made on open-ended contracts, compared with 2,364 in 2014 (+11.6%).

Hires on fixed-term contracts also increased, from 3,299 in 2014 to 3,869 in 2015, notably in Mexico, again so as to ensure a quick response to fluctuations in business activity.

In South America, the volume of new hires fell from 2014 (-2.9% across all types of contracts), confirming the economic slowdown in this region, particularly in Brazil.

In Asia, hires on open-ended contracts were slightly down 0.4% on 2014 but remained strong, mainly in China with over 2,000 hires, as a result of regional business growth.

In other countries, hires on open-ended contracts decreased from 2014. These were mainly in Russia.

EXTERNAL HIRES 2015 VS 2014

Registered employees	2015				2014			
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total
Europe	5,684	1,138	825	7,647	5,046	1,123	590	6,759
North America	5,320	394	793	6,507	4,538	411	714	5,663
South America	392	400	58	850	372	432	71	875
Asia	1,947	281	788	3,016	1,955	283	695	2,933
Other	638	135	123	896	1,120	141	114	1,375
TOTAL	**13,981**	**2,348**	**2,587**	**18,916**	**13,031**	**2,390**	**2,184**	**17,605**

Operators and workers represented 73.9% of external hires in 2015, compared with 12.4% for technicians, foremen and administrative staff, and 13.7% for managers and professionals, compared with 74.0%, 13.6% and 12.4% in 2014. The 7.4% increase in external hires in 2015 can be broken down into an increase of 7.3% for operators and workers and 18.5% for managers and a fall of 1.8% for technicians, foremen & administrative staff over all types of contracts.

In Europe, hires of operators and workers rose by 12.6%, mainly in Spain, Poland, the Czech Republic and Romania.

Hires of technicians, foremen and administrative staff remained stable and for managers the figure grew by 39.9% (mainly in France and Germany).

In North America, hires of operators and workers increased by more than 17%. The number of hires of structural and managerial staff remained flat.

In South America, as a result of the continued downturn, the hiring of operators and workers remained at the 2013/2014 low.

In Asia, following a number of years of increases, hires by staff category remained unchanged from 2014, in response to the change in the economic activity in 2015.

In other countries, hires of operators and workers fell by 43.0%, mainly in Russia.

TRANSFERS FROM FIXED-TERM TO OPEN-ENDED CONTRACTS 2015 VS 2014

Registered employees	2015				2014			
	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total	Operators & workers	Technicians, foremen & administrative staff	Managers & professionals	Total
Europe	1,342	239	125	1,706	981	248	86	1,315
North America	1,253	83	217	1,553	1,552	112	116	1,780
South America	0	10	0	10	0	16	0	16
Asia	222	7	1	230	118	23	4	145
Other	385	11	1	397	115	8	1	124
TOTAL	**3,202**	**350**	**344**	**3,896**	**2,766**	**407**	**207**	**3,380**

The number of transfers from fixed-term contracts to open-ended contracts increased by 15.3% in 2015. This increase relates mainly to Europe (Romania) and South Africa, following significant numbers of transfers in 2015.

These transfers almost exclusively involved operators and workers.

DEPARTURES (BROKEN DOWN BY REASON) 2015 VS 2014

Registered employees	2015					2014				
	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total	Resignations (open-ended contracts)	Individual layoffs	Group layoffs	Other	Total
Europe	1,803	1,426	394	2,491	6,114	1,601	1,784	446	2,146	5,977
North America	2,007	2,195	143	1,432	5,777	1,721	2,533	416	1,370	6,040
South America	105	702	249	167	1,223	137	1,171	257	231	1,796
Asia	1,421	461	0	238	2,120	1,218	411	0	346	1,975
Other	289	252	144	240	925	622	235	51	305	1,213
TOTAL	**5,625**	**5,036**	**930**	**4,568***	**16,159**	**5,299**	**6,134**	**1,170**	**4,398**	**17,001**

* *Of which: end of fixed-term contracts (2,010), resignations on fixed-term contracts (2,029), retirement or death (529).*

The number of employees who left the Group totaled 16,159 in 2015, compared with 17,001 in 2014, a decrease of 5.0%.

Of these departures, over 12% corresponded to the expiration of fixed-term contracts.

Resignations from employees on open-ended contracts accounted for 34.8% of departures in 2015, compared with 31.2% in 2014. Of these, 66% were operators and workers (mainly in Mexico, China and the United States), 9.9% were technicians, foremen and administrative staff, and 24.1% managers and professionals.

The highest rises were recorded in Asia, Central Europe and North America, which had stronger labor markets in 2015 than in 2014.

The percentage of individual and collective layoffs fell from 43.0% to 37.0% of total departures.

TRAINING HOURS 2015 VS 2014

	2015		2014	
	Training hours	Training hours per employee	Training hours	Training hours per employee
Europe	786,455	18	854,805	20
North America	448,909	24	369,579	21
South America	86,176	20	103,423	21
Asia	314,195	31	317,784	37
Other	101,492	21	81,620	18
TOTAL	**1,737,227**	**21**	**1,727,211**	**22**

The average number of training hours fell slightly to 21 hours per employee Group-wide in 2015.

The total number of training hours was on the whole unchanged. The Group will give specific attention to this indicator in 2016.

EXPATRIATES BY DESTINATION 2015 VS 2014

	2015	2014
Europe	95	86
North America	88	92
South America	29	30
Asia	64	73
Other	35	44
TOTAL	**311**	**325**

The number of expatriates decreased in 2015 (-4.3%).

Changes in the number of expatriates and the wide diversity of their nationalities supported the Group's international growth.

EMPLOYEES WITH DISABILITIES 2015 VS 2014

	2015	2014
Europe	1,165	1,181
North America	7	6
South America	40	39
Asia	13	11
Other	40	42
TOTAL	**1,265**	**1,279**

Faurecia employs nearly 1,300 disabled people, mainly in Europe. This figure was down 1.1% on 2014.

The criteria used to define disabled employees are those set down in the legislation of each country. In Europe – particularly France and Germany – such legislation tends to favor a more proactive approach than in other countries.

In France and Germany, the proportion of disabled employees was unchanged at nearly 5% of registered employees.

WORK SCHEDULES AS OF DECEMBER 31, 2015

Registered employees	Two 8-hr shifts [1]	Three 8-hr shifts [2]	Weekend [3]	Other	Total
Europe	10,824	17,136	794	18,360	47,114
North America	3,311	7,958	9	7,289	18,567
South America	515	589	0	3,625	4,729
Asia	3,483	1,104	0	5,397	9,984
Other	1,927	1,667	0	1,230	4,824
TOTAL	**20,060**	**28,454**	**803**	**35,901**	**85,218**

(1) Two shifts.
(2) Three shifts.
(3) Reduced weekend hours.

Staff work schedules within the Group are aimed at meeting customer needs, based on production capacity at Group sites. Shift work and weekend work ((1), (2) and (3)) mainly concern the production sites, and together account for nearly 58% of the Group's registered employees.

PART-TIME STAFF AS OF DECEMBER 31, 2015

	2015	2014
Europe	796	842
North America	0	0
South America	0	0
Asia	0	0
Other	0	0
TOTAL	**796**	**842**

All of the Group's part-time employment contracts are in Europe, particularly France, Germany and Spain.

In 2015, part-time staff accounted for 2.3% of the Group's registered employees in France (2.5% in 2014), 2.5% in Germany (2.6% in 2014) and 3.7% in Spain (3.9% in 2014).

OVERTIME 2015 VS 2014

	2015		2014	
	Overtime (in hours)	% hours worked	Overtime (in hours)	% hours worked
Europe	2,791,081	3.7%	2,344,561	3.2%
North America	4,406,286	11.9%	3,870,465	10.7%
South America	400,203	4.7%	350,008	3.5%
Asia	3,340,035	17.8%	3,193,782	19.0%
Other	643,392	7.1%	642,168	7.4%
TOTAL	**11,580,997**	**7.8%**	**10,400,984**	**7.2%**

Overtime hours are determined in accordance with the legislation of each country.

The volume of overtime hours was up 0.6 point on 2014, representing 7.8% of hours worked Group-wide in 2015.

Use of overtime rose in Central Europe (mainly in the Czech Republic and Romania) as well as in North America (United States and Mexico) to respond to temporary increases in volumes.

ABSENTEEISM 2015 VS 2014 (NOT INCLUDING TEMPORARY STAFF)

	2015					
	Sick leave (in hours)	Absence as a result of workplace accidents (in hours)	Other absences (in hours)	Total	Abs. rate 2015	Abs. rate 2014
Europe	2,496,000	50,818	226,210	2,773,028	3.7%	3.5%
North America	243,351	32,016	399,384	674,751	1.8%	1.7%
South America	114,939	9,239	41,486	165,664	1.9%	2%
Asia	76,300	1,784	56,416	134,500	0.7%	0.8%
Other	229,633	2,502	28,964	261,099	2.9%	3.0%
TOTAL	**3,160,223**	**96,359**	**752,460**	**4,009,042**	**2.7%**	**2.6%**

Absenteeism reported was due to illness, workplace accidents and various unauthorized absences.

The number of hours of employee absence was up 6.5% in 2015 compared with 2014, to reach nearly 4.0 million hours in total.

Over the period, the number of theoretical hours worked increased by 2.8% from 144.2 million to 148.2 million hours over the same period.

This resulted in a rate of 2.7% in 2015, which was 0.1 point higher than in 2014.

Sick leave accounted for nearly 79% of absences recorded Group-wide. This percentage was over 90% in Europe.

MATERNITY/PATERNITY/PARENTAL LEAVE AS OF DECEMBER 31, 2015

	Maternity leave				Paternity leave			
	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total
Europe	416	131	152	699	470	107	239	816
North America	289	12	32	333	64	3	10	77
South America	40	7	12	59	61	10	14	85
Asia	45	21	111	177	148	23	99	270
Other	154	13	16	183	46	6	1	53
TOTAL	**944**	**184**	**323**	**1,451**	**789**	**149**	**363**	**1,301**

	Parental leave				Total			
	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total	Operators and workers	Technicians, foremen & administrative staff	Managers & Professionals	Total
Europe	298	142	113	553	1,184	380	504	2,068
North America	9	1	3	13	362	16	45	423
South America	9	1	0	10	110	18	26	154
Asia	2	8	14	24	195	52	224	471
Other	38	12	3	53	238	31	20	289
TOTAL	**356**	**164**	**133**	**653**	**2,089**	**497**	**819**	**3,405**

The number of employees taking maternity leave grew by 19.4% in 2015, mainly in North America. Those taking paternity and parental leave fell 2.8%, mainly in North and South America.

Terms and durations of maternity/paternity and parental leave are governed by legislation in each individual country.

OCCUPATIONAL ILLNESSES BY TYPE AS OF DECEMBER 31, 2015

	2015					
	Musculoskeletal disorders of the arms	Musculoskeletal back disorders	Exposure to asbestos	Deafness or hearing impairments	Other	Total
Europe	169	22	1	3	46	241
North America	21	3	0	1	11	36
South America	6	11	0	0	1	18
Asia	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL	**196**	**36**	**1**	**4**	**58**	**295**

0.3% of the Group's registered employees had occupational illness in 2015, a ratio that remains stable compared with 2014.

Musculoskeletal disorders of the arms accounted for over 66% of the occupational illnesses recorded within the Group.

The requirements for recognition of these different pathologies are governed by legislation in each individual country.

Nearly 70% of these disorders were recorded in France and recognized by the appropriate authorities.

SUBCONTRACTING AS OF DECEMBER 31, 2015

	2015			2014		
	One-off subcontracting projects	Ongoing subcontracting	Total	One-off subcontracting projects	Ongoing subcontracting	Total
Europe	784	1,598	2,382	754	1,374	2,128
North America	170	591	761	146	533	679
South America	329	430	759	394	424	818
Asia	96	642	738	53	679	732
Other	69	242	311	70	237	307
TOTAL	**1,448**	**3,503**	**4,951**	**1,417**	**3,247**	**4,664**

The use of subcontractors increased by 6.2% in 2015.

This change was mainly due to a greater use of subcontractors in Europe and North America.

SOCIAL AND CULTURAL ACTIVITIES IN 2015 (FOR REGISTERED EMPLOYEES)

(in € thousands)	Accommodation	Transportation	Catering	Medical care	Supplementary health and personal risk insurance	Subsidies	Total
Europe	4,398	14,175	9,720	4,605	21,469	4,589	58,955
North America	8,694	10,011	3,225	10,133	2,730	380	35,174
South America	2,493	3,976	3,998	6,176	681	578	17,902
Asia	10,046	9,613	8,515	19,888	9,469	725	58,256
Other	931	4,130	1,344	399	491	57	7,354
TOTAL	**26,563**	**41,905**	**26,802**	**41,202**	**34,840**	**6,329**	**177,641**

The total was up by more than 10.3% in 2015 compared to 2014.

The implementation of supplementary protective measures (medical/supplementary health and personal risk insurance) was accelerated in 2015, notably in Asia, in line with growth and in order to support the Group workforce in these regions.

5

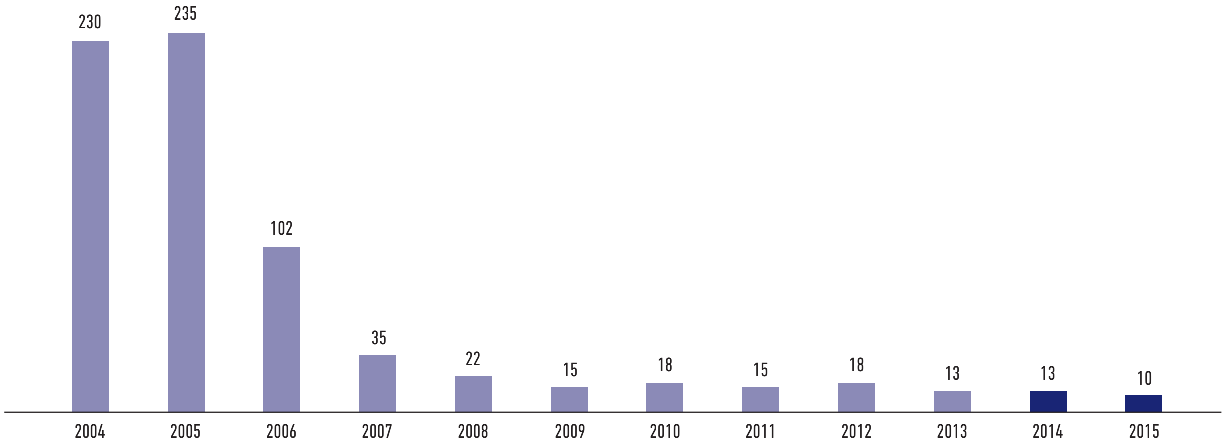
Quality

CONTENTS

5.1. Quality achievements

Faurecia's quality performance, measured as the average half-yearly rate of customer rejects per million parts delivered (ppm) has now stabilized at a level lower than the 15 ppm target set by the Group.

PPM WITH EXTERNAL CUSTOMERS AS OF DECEMBER 31 (ROLLING SIX-MONTH PERIOD)



The strict application of the methods laid down in the Breakthrough Quality Plan allowed sites acquired in 2011 and 2012 to meet Faurecia's quality performance. This plan, launched in 2006, has now reached maturity. Faurecia's major customers now acknowledge that the Group offers one of the highest levels of quality worldwide. Detailed monitoring of specific performance for each customer has been introduced in order to ensure that corrective measures are taken immediately to address any quality issues at a given plant. Every major problem is addressed using a systematic cross-functional approach at the sites in question in order to prevent any recurrence.

At the end of 2012, twelve plants had a result above 50 ppm. The Group's objective, which was to reduce this number by half, has already been met: by the end of 2013, only six of these plants remained above 50 ppm and by the end of 2014, the number had fallen to four. There has been no change since.

Faurecia has benefited from its quality problem solving experience by developing its methodology along the lines of a new concept, Quick Response to Continuous Improvement (QRCI). QRCI is a management approach whereby all defects must be dealt with through corrective action within twenty-four hours at the latest, working from an in-depth analysis to pinpoint the root causes of the problems and determine appropriate technical solutions that can be used across all Group businesses. It is applied Company-wide, from production line operators to workshop and site managers, as well as in project development teams and development centers.

5.2. Faurecia Excellence System (FES)

The Faurecia Excellence System (FES) is the framework within which all of the Group's production and operations are organized. The FES is designed to ensure continuous performance improvements for the Group in terms of quality, cost, delivery and safety.

This system complies with the requirements of quality, environmental and safety standards applicable to the automotive industry (ISO/TS 16949, ISO 14001, OHSAS 18001). It also leverages more than 13 years of experience by Faurecia and has continually been enhanced to reflect best practices, both within and outside the Group, from a lean manufacturing perspective.

The FES ensures appropriate operating performance by Faurecia's production sites, wherever they are located and irrespective of local specificities affecting their business activities, by instilling a shared language and shared working methods.

This approach by Faurecia is fundamental because the globalization of the automobile market requires automotive equipment suppliers to guarantee the same level of quality and service everywhere in the world.

In 2014, the new "Being Faurecia" culture was successfully rolled out to all sites, placing emphasis on their autonomy and accountability with respect to the attainment of targets while maintaining an appropriate level of control. An increasingly pragmatic approach, eschewing dogmatism, is being adopted for FES implementation, thus allowing plants to be managed in a way that reinforces their own responsibility for controls.

Accordingly, the roles of plant managers and operations managers have been clarified to ensure that sales, margin and inventory budget targets are supported by well-established fundamentals: employee safety, quality, timely deliveries, and a shared commitment by staff to high performance. Also in 2014, a new revised standard management chart, including eighteen key performance indicators, was introduced.

In addition to its annual budget, each site now draws up a Plant Improvement Plan (PIP) identifying no more than seven priority areas in need of improvement to put the plant on the path to achieve the objectives set out in its division's three-year strategic plan. Plant managers perform daily verifications on the ground to ensure that progress toward meeting these goals is on track, that standards are being applied, and that performance shortfalls are remedied quickly by all actors at the appropriate level, in line with the strengthened emphasis on greater responsibility by plants for their own controls.

One practical application of the change in culture introduced by the "Being Faurecia" initiative is the decision to allocate personnel responsible for the annual program of site audits to carry out coaching activities at some thirty sites where neither the implementation of FES nor operating performance is reaching the desired level. In this way, Faurecia's internal auditors become consultants helping sites to understand the FES and how it is to be used to support performance improvements. This FES training/coaching program ends when the site reaches the level "C – Acceptable" and when key performance indicators have reached acceptable levels.

Given this approach, plants having already reached the levels "B – Good" or "A – Excellent" were not audited again in 2015, but carried out their own self-assessments with assistance, where required, from their division on the basis of the principle of site responsibility for controls mentioned above. In 2016, Faurecia intends to conduct a new Group audit of the Level A and Level B sites with a shortened questionnaire. If the results are not satisfactory, a full audit will be run.

The FES training/coaching program met with considerable success and will be maintained in 2016 to allow the most recently added sites to reach the required level.

At the same time, the Group is continuing the roll-out of a worldwide program of FES workshops in the best-performing plants to train the network of operations managers in FES methods as applied on the ground.

5.3. Customer awards

In 2015, Faurecia received several customer awards for its production sites.

Faurecia Automotive Seating:

- the Sielest site (France) was named Best Plant by PSA Peugeot Citroën;
- the Escobar site (Argentina) was named Best Plant by PSA Peugeot Citroën;
- the Changchun plant (China) was recognized with a Supplier Quality Excellence Award from FAW-Volkswagen;
- the Wuhan plant (China) received a General Manager Special Award from Dongfeng Peugeot Citroën Automotive and a Supplier Quality Excellence Award from Dongfeng-Renault;
- the Anting (China) plant received a QSB Outstanding Process Award (Top 5) from SAIC-GM;
- the Wuxi plant (China) was recognized with an Excellent Supplier Award for Quality/Delivery from BYD and a Best Supplier Award for Quality/Delivery from Hongli Zhixing Hebei.

Faurecia Automotive Exteriors:

- the Audincourt site (France) was named Best Plant by PSA Peugeot Citroën.

Faurecia Emissions Control Technologies:

- the entire Business Group was recognized with a Quality Supplier Relationship Award from Fiat/Chrysler;
- the North America division received a Supplier of the Year Award from GM.

Other awards and distinctions:

- the Wuhan site (China) garnered several prizes:
  - 2015 Wuhan Branch *Excellence Quality Award* from SGM,
  - *Quality announcement to Supplier full score 100 for successive six months* from DPCA,
  - the *General Manager's* Special Award from DPCA;
- the Chongqing site (China) was named Top Supplier of the Year for 2015 by Ford Changan;
- the Anting site (China) garnered several prizes:
  - TOP 10 Best Supplier Award from SGM,
  - Supplier of the Year Award from GM,
  - Excellent Supplier Award from SGM Dongyue,
  - Excellent Supplier Award from Shanghai VW;
- the Changchun site (China) received two prizes:
  - Benchmark Supplier Award from FAW VW,
  - TOP 10 Best Supplier Award from FAW;
- the Beilun site (China) received an Excellent Supplier Award from Geely;
- the Nanjing site (China) was recognized with The Best Quality Supplier Award from SAIC Nanjing;
- the Bangalore site (India) received the Quality Award (zero ppm) from Toyota.

Faurecia Interior Systems:

- the Ourense and Porrino sites (Spain) and Méru site (France) received the Best Plant accolade from PSA;
- the Foshan site (China) received the 2015 FAW-VW South Region Supplier Quality Excellent Award from FAW-VW.

5.4. Outlook for 2016

The objectives for 2016 are:

- ongoing quality performance optimization;
- more widespread improvement in quality performance with the target of bringing individual plant performance below 50 ppm;
- reduction in the number of claims received from customers.

The training/coaching program will be implemented in plants having recently been rated C or D by the FES audit system.

6

Research and development

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Innovation and product development represent a strategic challenge for Faurecia. These activities are structured around two main divisions:

- the Research and Innovation Unit, which covers upstream activities prior to program acquisitions. This Unit is critical to enabling the Group to provide an appealing and competitive offering to its customers, which it achieves by designing new products and technologies, as well as researching and developing generic products and processes;
- the Program Engineering Unit, which covers vehicle applications. It is a downstream unit responsible for ensuring that programs are completed within the required timeframes, cost and quality levels.

As a result, gross R&D expenditures totaled €1,012 million in 2015 (4.89% of net sales). €105 million of this was spent on innovation over the same period.

More than 6,000 engineers and technicians based in 30 centers represent the Group's global R&D community. 489 patents were filed in 2015.

To lend a hand to technological development and innovation, Faurecia maintains its open policy towards academia, research laboratories and start-ups. Faurecia makes use of five chairs in manufacturing involving universities in France and Germany and a partnership with Fraunhofer ICT in mechanical electronics, composites, production processes for metal parts, and plastic materials chemistry including biomass and assembly lines.

In France, Faurecia is also actively engaged in the work of the technological research institutes known as IRTs, all certified by the French government as part of its "Investment for the Future" program, such as the IRT Jules Verne in Nantes, where Faurecia represents the French automotive industry, and the IRT M2P in Metz. Lastly, following successful tests of a project for the identification and incubation of start-ups in various countries, the Group extended this approach to its own areas of expertise in 2015.

Faurecia has developed innovation partnerships with most major global automakers. These partnerships indicate the Company's intention to build long-term close relationships with automakers by offering them the latest innovations, providing potential exclusive arrangements, and better meeting their demands. From the start, these innovations have been associated with target vehicle programs.

Faurecia has also implemented an ambitious deployment and monitoring plan in respect of internal expertise. It now has 350 experts who are skilled in the Group's 50 different areas of expertise. Skills sharing, wherever relevant, ensures optimal use of such expertise.

Executive Management's involvement in monitoring innovation plans via Technology Leadership Seminars, Technology Sessions, Executive Technology Reviews, and participation in the Experts' Forum, shows that the Company is committed to technology and innovation, believing these to be key drivers of its success.

6.1. Market expectations

Market trends

Consumer expectations and societal changes are the two main drivers of change within the market. Regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets. The globalization of the automotive markets and swift change in consumption patterns and tools, particularly in the field of electronics, have prompted automakers to look for new solutions enabling them to offer diverse, customizable and financially attractive product ranges.

Reduced fuel consumption, a growing imperative

This target is linked to the reduction of greenhouse gases. In 2013, the European Commission adopted average CO_2 targets of 95 g/km (equivalent to approximately 4 l/100 km) for the automotive industry in Europe, effective from the end of 2020, with a planned level of 130 g for 2015. This 95 g target will lead automakers to work to improve parameters such as vehicle weight, efficiency of powertrains (engines and transmissions), rolling resistance and aerodynamics. Faurecia makes a major contribution in the fields of vehicle weight reduction and optimizing powertrain operation, mainly through energy recovery. Currently the European Commission is discussing a level of between 68 g and 78 g per kilometer by 2025 and significant technological developments would be required to achieve this performance level.

Starting September 2017, a new test protocol called the WLTP (Worldwide harmonized Light vehicles Test Procedures) will gradually replace the existing NEDC (New European Driving Cycle). The new protocol is more representative of actual driving conditions but will impact the test results by between 5% and 15%. Alongside this, the anticipated reduction from the production of diesel vehicles will impact the average emission figures because diesel emits between 10% and 15% less CO_2.

Reducing mass will therefore become even more important in terms of a vehicle's overall performance.

For segment B vehicles, weight has fallen from approximately 1,250 kg to 1,100 kg in the latest vehicles produced. The target now is to go below the 900 kg mark, and even to reach 800 kg for the 2025 CO_2 emission targets. These objectives will require breakthroughs in design and materials. Characterized by an excellent ratio of weight to resistance, plastic composites have the added advantage of integrating related functions, and will therefore play an increasingly important role in the next generation of vehicles. A technological breakthrough will nevertheless be necessary to meet the economic constraints of mass production.

Faurecia is already very active in the various areas that help reduce vehicle weight: it offers new products and architectures, optimized design, and is working to develop alternative materials and new manufacturing processes. These innovations already enable Faurecia to offer weight reductions of up to 60 kg with conventional materials.

By adding to its expertise in the field of vehicle interiors and exteriors through the integration of structural composite technologies, Faurecia is equipped to make an additional contribution of up to 50 kg to vehicle weight reduction targets.

Powertrain hybridization enables CO_2 emissions to be substantially reduced by authorizing an entirely electric mode of propulsion under certain conditions of use. However, discontinuous use of the internal combustion engine generates new constraints, particularly maintaining its temperature in order to limit excess fuel consumption and emission of pollution each time it restarts. Faurecia has developed specific systems enabling heat transiting through the exhaust system to be used, either by re-injecting it directly into the motor cooling system, or, in the medium term, by converting it directly into electric power, which can be used by the powertrain.

Fuel consumption savings may be up to 7% for thermal energy recovery and up to 10% for electric power generation.

Environmental performance

Emissions of all combustion-related pollutants are subject to standards that, while specific to each market, are converging towards a drastic reduction. And while reducing fuel consumption has the direct effect of reducing emissions, the use of smaller turbocharged engines results in increased levels of pressure and higher temperatures in combustion chambers, which is damaging in terms of emissions of gas, pollutants and particulates.

Although the European Regulations on pollution emission levels, primarily nitrogen oxides emissions, have been reduced considerably to reach 80 mg in 2015, recent comparisons between Real Driving Emissions tests on the road and the regulatory bench tests have thrown up some significant differences.

Regulations are already stricter in North America than in Europe and China should shortly follow suit.

Increasingly widespread in gasoline engines, direct fuel injection allows the engine to work leanly and to limit consumption, but generates particulates that may require treatment in the exhaust system. Since 2014, Faurecia has supplied the world's first particulate filters for gasoline engines as standard equipment.

For diesel engines, regulatory change combined with high temperatures generating nitrogen oxides will result in the widespread adoption of post-treatment in the exhaust system for such emissions by 2017 in most markets.

Through their high cylinder capacity and their intensive use, the engines of commercial and public works vehicles (Off-Road) are major sources of pollution emission. Thus, in China, although they only represent 5% of total vehicles, they are responsible for 80% of pollution emission. Thanks in particular to the expertise developed through its partnership with Cummins, Faurecia has developed solutions dedicated to these specific markets. The proprietary technology for reducing nitrogen oxides in the gaseous phase (Ammonia Storage and Delivery System – ASDS) combined with the existing expertise in particulate capture can already meet the increasingly demanding global emission standards.

By mastering all aspects of the design and production of exhaust systems, Faurecia is able to provide systems integrating the most efficient pollutant and particulate treatment technologies in an optimized volume for all vehicle types.

Sustainable development and use of raw materials

In addition to their contribution to reducing vehicle weight and cutting fuel consumption, materials are increasingly chosen and designed to satisfy regulatory constraints and societal expectations, in respect of both the end of vehicle lives and the environmental footprint.

At the forefront of the end-of-life vehicle processing, since 2015 Europe has required that over 95% of a vehicle by weight is reusable and recoverable, with a reuse and recycling rate of over 85%. Recyclability of synthetic materials such as plastics, a field in which Faurecia is already very active, and, in the longer term, composite materials constitute, for the automotive industry and thus for Faurecia, one of the key features for the vehicle of the future.

As with alternative energy sources, the development of biosourced resins associated with natural fiber reinforcements will ultimately allow the car to survive the depletion of oil resources. Faurecia is already making a contribution by developing technology strategies and innovative partnerships in these two areas. Thus in 2012, the Company signed a strategic partnership with Mitsubishi Chemicals for the development of biosourced resins.

Attractiveness

With more than half the global population now living in urban areas, average travel distances are decreasing, while time spent driving is on the rise. Vehicles are becoming living spaces in which users expect comfort, quality and seamless connectivity with their personal and professional environments. In all segments, users are looking for consistency between the look, feel and functionality of equipment. Accordingly, while the use of wood, aluminum and leather is indispensable for interiors in the upper segments, alternative technologies can increasingly provide a premium touch in the intermediate segments.

Connectivity is where the need for seamlessness is greatest: the cabin must naturally accommodate portable devices and use the information they provide within the constraints imposed by driving.

The pursuit of well-being also involves seats with extended functions: optimal positioning aids, temperature control and multi-zone massages. And Faurecia has taken well-being one step further by investigating devices which monitor the driver's health to guarantee passenger safety.

From the body to the cockpit and the seats, the products supplied by Faurecia represent the main interfaces between the vehicle and the user. Continuous technological innovation helps us meet the expectations of automakers in terms of style, attractiveness, comfort, health, connectivity, perceived quality and durability.

Competitiveness

Development cost overruns and increased diversity are the downsides of the increase in embedded equipment and the rising number of versions of bodywork, trims and equipment. The standardization of components not specific to the various versions and their spread to all production sites in the context of platform strategies can help automakers offset these additional costs. For suppliers, the ability to adapt to the platform strategy and offer cross-cutting solutions for several automakers can help reduce costs and lead times, without sacrificing quality.

By offering pre-developed generic products, rolled out globally, Faurecia is making a contribution to the strategy of streamlining costs imposed by automakers, while continuing to provide the highest level of technical performance.

And by systematically analyzing our "make or buy" options, and only producing products in-house when it is economically viable, we achieve optimum competitiveness.

6.2. Research and innovation

In 2015, Faurecia reorganized its innovation plan to focus on two main areas, under the title "Driving Well-Being": sustainable mobility and improving the in-car experience. Sustainable mobility involves weight reduction, air quality, energy recovery, and the development of biosourced materials. Improving the in-car experience involves tailoring comfort to personal needs, intuitive connectivity, the perception of harmony, and safety. These strong avenues for innovation help to refocus the Group's efforts on what creates value for automakers and consumers.

6.2.1. DESIGN APPROACH

Systems approach

Faurecia develops and supplies complete modules such as seats, front-end modules, cockpits and exhaust systems. It develops its own product architectures for each module. Each time new architectures interact with the vehicle's superior system, Faurecia works with the automakers to confirm the validity of its proposals.

Faurecia develops systems engineering in each of the areas covered by the modules it designs. Since 2012, Faurecia has increased its expertise in mechatronics, with the creation of an electronics laboratory in Brières (France) and an industrial chair of automobile mechatronics with Supélec and ESIGELEC (France), devoted to mechatronics.

Faurecia also reinforced its expertise in the optimization of assembly lines and logistics through the creation of an industrial chair with ECP (France) and the *Technische Universität München* (TUM, Germany).

Product design and process

Product and process design is central to the activity of the Group's engineering teams. Faurecia develops its own rules and design standards. This guarantees a high level of robustness and a competitive advantage.

Its design rules are part of knowledge management, and result in technical training.

Faurecia's systematic search of the best production technologies appropriate to its product portfolio and their adaptation to its requirements represent a second aspect of the product/process performance.

These approaches have allowed the Group to develop lighter, more standardized and more modular products than the competition and given it benchmark price/performance ratios.

The industrial chair of composites with the *École Centrale de Nantes* (France), the chair of processing methods for metal materials with the *Technische Universität Dortmund* (TUD, Germany), as well as a chair in polymer chemistry and renewable materials with the University of Freiburg (FMF) and SKZ Würzburg are part of this process.

6.2.2. SUSTAINABLE MOBILITY

Weight reduction

Automakers have two main levers for significantly reducing vehicle fuel consumption and CO_2 emissions: powertrain development and optimization and weight reduction. The target is to reduce the vehicle's total weight by 200 to 300 kg, which corresponds to a reduction of 20 to 30 g of CO_2 per kilometer.

If we are to include a new WLTC vehicle test cycle in the WLTP test protocol mentioned in Section 6.1 and be able to achieve CO_2 levels of 95 g per kilometer in 2021 and around 75 g per kilometer after 2025, we need to optimize vehicle weight which is a key factor.

Faurecia, through the extent of its product scope, research into new materials and manufacturing processes and its expertise in optimizing product/process design, has made weight reduction a priority, as shown by a product range of the highest standard.

Our multi-criteria approach allows us to combine the effects of a systems approach to product design with the development of new shaping or assembly technologies.

This has resulted in weight reductions in the order of 20% to 30% in new products currently being developed. This corresponds to gains of approximately 60 kg out of the 200 kg represented by the scope of Faurecia products. Some of the following products and processes were introduced in 2012, others have been rolled out since 2013 and started to become standard across the Group in 2014.

Work by successive approaches from an efficient concept in respect of seat structures has allowed weights to be brought down to roughly 10 kg, compared with approximately 14 kg and then 12 kg for previous generations. Laser welding was a key factor in achieving this. The mechanisms of these frames have currently been reduced in weight by approximately 30% to 40%, setting a new benchmark.

Induction brazing developed to assemble the various parts of the components of exhaust systems is now in mass production, resulting in a gain of 20% to 25% by allowing the use of thinner materials. The proprietary application of this technology in exhaust systems will be gradually extended to numerous other projects. The hydroforming technology developed by Faurecia to reduce the number of parts and optimize thickness can be combined with induction brazing to provide gains of more than 30%. The development of acoustic valves is also a means of reducing the size and weight of mufflers.

Moreover, Lignolight technology (a Faurecia patent), using compressed fibers for between 50% and 90% of the resin, applied to door panels, improves density by 40% compared with traditional components.

New technologies currently under development will allow further progress. Strategic partnerships with research laboratories, internal knowledge and the acquisition of Sora's automotive composites business in 2012 will enable Faurecia to become a key player in the development of composites for the automotive industry. Faurecia in this way has mastered all the technologies currently used in mass production, is working on their optimization and is investing in future technologies including thermoplastic resins with reduced cycle times. The industrial chair with *École Centrale de Nantes*, the involvement with the Jules Verne IRT and the partnership with Fraunhofer ICT allow us to combine the results of academic research with Faurecia's own innovations. Mastery of these technologies opens up a new field of business development for Faurecia, with the potential use of composite materials for the structural parts of a scope representing weight of approximately 100 kg. The target reduction is of the order of 40%.

Investigations in the field of weight reduction materialized in 2015 with an innovation award from JEC, a specialist composites organization, for a false trunk floor made from linen fiber which offers a 40% weight reduction and the prestigious Automotive News Innovation Leader award for all Faurecia's weight reduction and energy efficiency innovations.

Many other advanced studies are underway with other automakers throughout the world, demonstrating the relevance of Faurecia's proposals in this field.

Furthermore, Faurecia initiated the launch in France of an economic carbon fiber project, which will ultimately make it possible to offer carbon composite parts for mass-produced vehicles. The project, which involves a consortium of 13 partners, is currently in its second phase and will result in a laboratory pilot line that can produce several kilos of carbon fiber per day.

Size reduction

Reducing product size optimizes passenger space and helps reduce vehicle size. This translates directly or indirectly into a decrease in mass.

In Faurecia Automotive Seating, lighter and less bulky mechanisms mass-produced as from 2013, the use of composites for the back of the front seat and the compliant shell back provide significant space gains in spaciousness of up to 50 mm.

In Faurecia Emissions Control Technologies, the grouping of oxidation, selective catalytic reduction and particulate filtering functions into a module capable of being integrated into the engine environment represents a breakthrough in design and frees up space under the floor. Studies on reducing the length of exhaust systems are underway, allowing the vehicle floor to be made compatible with the additional batteries needed for motor hybridization.

For Faurecia Automotive Exteriors the aim in particular is to optimize the size of the shock absorbers in order, for example, to reduce the front overhang and give the designer greater freedom while reducing vehicle weight.

Finally, Faurecia Interior Systems is working on intelligent surfaces which include electronics and plastic technologies to optimize the packaging of the instrument panels, center consoles and door panels.

Energy recovery

Faurecia develops technologies for the recycling of thermal energy available in exhaust systems to be recycled, either directly, in order to heat the cabin or heat up the powertrain or transmission faster, or indirectly, by converting the heat into electricity to power the accessories and potentially hybrid powertrains or into mechanical energy to move the vehicle.

The direct application (known as thermal recycling) resulted in the launch of two new products in 2012: Generation 2 of the underfloor Exhaust Heat Recovery System (EHRS), more compact than Generation 1, and the Exhaust Heat Recovery Manifold (EHRM) which has been fitted in particular to the latest version of the Ford Fusion. These products, applied to conventional and hybrid vehicles, reduce CO_2 consumption by 2 to 8 g/km of carbon dioxide on the EU test cycle.

For the indirect application with conversion of thermal energy into electric power, two technologies have been considered: thermoelectricity, which uses a semiconducting material crossed by a heat flow to generate electricity, and the generation of mechanical energy from the "Rankine" cycle, which uses vaporized fluid to power a turbine. This mechanical energy is then converted by the turbine into electricity. This generates about 1 to 2 kW of power which reduces CO_2 emissions by 4 to 10 g/km.

For trucks using the "Rankine" system, the mechanical energy generated will be directly converted to mechanical energy in the engine crankshaft, thereby creating a power boost of around 10 to 15 kW and reducing CO_2 emissions by about 45 g/km.

Air quality

2015 saw the introduction of a statutory European real driving emissions test to measure nitrous oxide emissions. Mentioned in Section 6.1 the test, known as the RDE (Real Driving Emissions) test, will stipulate a compliance factor between real driving tests and bench tests. To achieve the requisite performances levels, all automakers will, at the very least, have to incorporate efficient after-treatment systems with the result that Selective Catalyst Reduction (SCR) will become standard for all their Diesel vehicles.

On a more general note, Faurecia has the full range of technologies used to reduce emissions of nitrogen oxides and particulates for diesel engines, regardless of the vehicle (passenger and/or commercial). Principles are of two types:

- recycling of gases through the low-pressure loop. The gases burned are re-injected into the cylinders to lower the combustion temperature and oxygen content in the combustion chamber. This loop, known as the EGR (Exhaust Gas Recirculation), requires an electric valve that opens on demand. Faurecia has developed its own valve to meet growing market demand;
- direct treatment of gas through selective catalytic reduction (SCR). Using this process, Faurecia has developed a system for mixing gases using either a liquid catalyst known as AdBlue® or a gaseous catalyst. Faurecia is developing its own gaseous catalytic system to reduce emissions of nitrogen oxides. The Ammonia Storage and Delivery System (ASDS) process stores ammonia in a compact gaseous form, delivering an improved performance compared with a traditional liquid-form storage system.

Faurecia also develops a system that incorporates an oxidation catalyst, a gas mixer with a liquid or gas catalyst (BlueBox), and particulate filters. It moves all of these components closer to the engine leading to more efficient treatment of exhaust gases and superior size and weight ratios.

EGR and SCR technologies are increasingly being used for passenger and utility vehicles (less than five metric tons) in Europe and North America. The most stringent regulations make particulate filters and SCR or EGR systems mandatory for commercial vehicles. In addition, some applications require innovations such as the Thermal Regenerator™. These NOx treatment technologies have already been incorporated into Faurecia's product offering, and are already included in several models that are looking ahead to the Euro 6 standard or similar regulations.

Furthermore, in 2014, Faurecia supplied the world's first particulate filters for gasoline direct injection engines. This technology will become standard in the upcoming years.

Renewable materials

Faurecia develops and incorporates bio-based materials and this is also an effective way of taking up positions that span the entire product life cycle.

In addition to the Lignolight technology mentioned above, natural fibers are a focus for Faurecia. NAFI*Lean* technology (NAtural Fiber Injection), which combines natural hemp fibers with polypropylene resin, reduces weight by 25% compared with talc-loaded polypropylene. This technology, now in production on the door panels for the new Peugeot 308 and the instrument panel structures for the new Alfa Romeo Giulia, received the 2014 innovation prize in the green innovation category from CLEPA (European Association of Automotive Suppliers). In 2014, an APM (Automotive Performance Material) joint-venture was established with the Interval company in order to produce granules of this material. Faurecia's portfolio includes natural fibers combined with polypropylene fibers. The technology, which is used on the door panels, provides a 20% weight saving compared to the best of all other technologies. The "Lignolight" technology, applied to a full door panel, uses wood chips compressed with resin which, combined with a molding operation, reduces weight by approximately 30% compared with standard technologies.

The final step is the generation of 100% natural materials for the mass production of semi-structural automotive applications. This was the purpose of the partnership launched in 2012 with Mitsubishi Chemicals. This joint work is based on the modification of polybutylene succinate (PBS), derived from biomass and patented by Mitsubishi Chemicals, allowing it to be made entirely from natural materials. BioAmber provides biosourced succinic acid to both partners. This resin is combined with natural reinforcing fibers to make parts using the injection molding process.

6.2.3. USABILITY

Ergonomics of seat adjustments, fit and finish of bumpers, harmony of the instrument panel, compatibility with mobile electronic devices, filtering of external noise and man-machine interface: Faurecia products are located at the interface between the user and the vehicle and are major factors in its appeal. Striking the right balance for each vehicle and automaker requires the implementation of scenarios based on the resources of industrial design, using a range of technologies that provide comfort, decoration, and integrate electronics. In parallel, the safety of occupants remains a priority for Faurecia in the vehicle interior.

Personalized comfort

Faurecia has always positioned itself as a key partner of automotive manufacturers in the area of seating comfort. The development of postural comfort software, optimization of the pressure at the occupant-seat interface, and filtration of vibrations from the vehicle floor are all areas upon which Faurecia has built its reputation. The latest innovations relate to the development of multi-hardness foams, which filter the various types of vibrations and optimize seat thickness in order to reduce its height, but they also propose a set of pneumatic systems that adjust the shape of the seat to the occupant and use inflation/deflation cycles to generate a massage with characteristics that can be adapted as needed.

In addition, Faurecia has developed a "compliant shell" seat (based on a deformable plastic shell and a foam whose thickness has been significantly reduced) which offers a different kind of comfort, especially at the level of the back, while achieving a size reduction in the order of 40 to 50 mm. This innovation, which was included in Renault's EOLAB concept car in 2014, is a major change in the seat system approach and could soon be used in middle- or lower-segment vehicles.

Finally, in 2015 Faurecia unveiled a major new innovation to improve occupant health and well-being. Their "Active Wellness" seat has integrated sensors which measure cardiac activity and respiration and detect occupants' tiredness and stress levels. It then suggests therapies which occupants can activate, including relaxing or energizing massages and heating or cooling of the seat surface. This is the first time mechatronics have been integrated into the self-regulation system for car seats.

Safety

Faurecia is a supplier of components that play an important role in passive safety and thus help save lives or limit injuries to drivers or passengers. Seats help provide about 80% of rear impact protection, about 30 to 40% for frontal impacts and, depending on the automaker, and between 30% and 80% for side impacts. The instrument panel incorporates all the issues relating to the deployment of airbags. In the area of pedestrian impacts, bumpers make a decisive contribution in efforts to limit injuries, by devoting attention both to their intrinsic characteristics and to the kinematics of the impact sequence.

Over the years, Faurecia has taken position as a key partner for automakers in this area, initially by emphasizing the importance of safety and then by developing products and expertise that allow the Group to devote research efforts, in a measured and confident manner, to all anticipated changes. Each link in the safety chain is associated with design rules that guarantee the system's performance and its longevity.

Perceived harmony

From the cockpit to the seats, consoles and door panels, Faurecia is responsible for all the surfaces constituting the visual atmosphere inside the vehicle.

The painting of parts on the instrument panel can ensure continuity with the body color or provide a counterpoint, using piano black or high gloss finishes. Films deposited directly on molded parts allow an infinite variety of patterns and colors. In high-end segments, three-dimensional Ligneos technology allows large and complex wood surfaces to be covered in an industrial and repeatable process, which can be supplemented by skins with visible stitching and highlighted by brushed or polished aluminum parts.

The use of these materials can be further enhanced by lighting. The inclusion of fiber optics in the instrument panel can be used to create patterns and illuminate door linings.

By providing a wide range of materials and technologies, Faurecia allows the creation of varied interior environments for all market segments.

In addition, Faurecia develops decoration technologies for exterior parts. Particular emphasis is placed on the modular design of the front bumpers, based on optimized architectures that must accommodate many finishes for a given vehicle while reducing tooling costs. Similarly, bright decoration technologies are being developed to meet the growing market demand.

Lastly, Faurecia, a partner known for its mastery of vehicle interior noise reduction solutions, is also developing advanced exhaust noise reduction and coloration solutions. "Active Noise Cancellation" allows exhaust noise to be considerably reduced by generating a sound wave contrary to the wave generated by the motor and "Active Sound Design" (ASD) allows a harmonious sound to be generated from any motor noise. ASD becomes necessary for top-of-the-range vehicles as the motors gradually lose displacement and cylinders in order to reduce fuel consumption. With ASD, for example, it is possible to generate the sound of an eight-cylinder engine from a four-cylinder engine.

Intuitive connectivity

With new developments in interface technologies and the increasing autonomy of vehicles, the next few years will see a revolution in vehicle interiors,

So Faurecia is actively working on the cockpit of the future. Cockpits of the future will be more modular and will incorporate more communication technologies and functional surfaces, with the trims, display and command technologies becoming one single unit.

We illustrated this at the last Frankfurt Motor Show when we presented our "Intuition" concept, which includes interiors with a range of screens in the instrument panel and central console. Some of these screens will have Amoled technology which offers extremely high resolution and 3D display in a more compact format. Screens which merge with the trims and invisible command buttons incorporated in the metal or plastic surfaces will make for a seamless cockpit design. The central console will have different positions for normal and automatic driving.

Industrial design

Faurecia is relying on advanced design teams to materialize most of its breakthrough innovations focused on the occupant. Thus, the "performance" cockpit prototype was followed by "performance 2.0" in 2013. The latter incorporates the latest innovations in human-machine interface with a retractable screen, connectivity, air distribution with reduced vent sizes, kinematics and decoration.

On the seat side, the approach has remained unchanged. OASIS, the latest demonstrator that is designed for rear passengers, offers ergonomic kinematics that allow the switching from a standard position to a first-class relaxation position and includes advanced massage functions and audio systems, all of which are activated via an innovative control interface.

In addition, in 2011, Faurecia launched the "Collections By Faurecia" concept which provides tables setting out trends in the materials, styles and technologies available for the vehicle interior. These collections draw on the creative expertise (trend monitoring, colors, graphics, grain, special effects, etc.), and the latest technological developments mastered by Faurecia. In 2014, the group of collections was extended to seat lining technologies.

6.2.4. COMPETITIVENESS

Generic platforms and products

To reduce the cost of products and the developments and investments needed to manufacture vehicles, automakers have rolled out global platforms, which are generally used for different vehicles and brands. Automakers contribute to these strategies as part of their activities.

Faurecia is among the equipment manufacturers which took this approach very early on, and makes it a competitive advantage under three aspects:

- develop standard or generic products that will be used by different automakers: our seat mechanisms are global standard-setters with a market share of approximately 20%. The number of parts manufactured and their standardization make them robust and competitive, with lifetimes lasting beyond vehicle renewal cycles;
- develop standard and modular concepts tailored to the needs of the customer, in accordance with specifications. In such cases, the product must take into account the greatest number of specifications (performance, size, cost) and be sufficiently flexible to adapt to basic needs and specific requirements. This is the case of seat frames developed by Faurecia, which contain standard areas aimed at reducing development costs and allowing the use of generic means of production (assembly lines and technological equipment), while at the same time allowing different functions from one application to another (mechanical or electric versions, for instance). This approach requires a thorough knowledge of the market and a high level of control of the product and manufacturing processes. Other products, such as exhaust system components or equipment for the vehicle interior, use the same logic;

- develop the same products for different geographic areas, with the virtually simultaneous start of mass production. This requires a global footprint and control of global programs, taking local realities into account. Faurecia has acquired expertise making it one of the best automotive suppliers worldwide. The recent experience of the Ford Focus instrument panel, produced on thirteen Faurecia sites for shipment to seven Ford plants, is a striking example.

Faurecia is a front-ranking partner for automakers developing modular products worldwide, ensuring high levels of robustness and optimizing economic performance.

Production technologies

Faurecia must master the best technologies applied to its products to be competitive. Some technologies have a significant impact on product performance. For Faurecia Automotive Seating, the use of laser welding for mass assembly, starting several years ago, has drastically reduced the size of seat structures while maintaining their modular nature. Use of induction brazing in the mass production of exhaust systems began on the Ford Fiesta in 2012 and has continued since. It provides an overall reduction of between 20% and 30% in size, by reducing thickness, while increasing the quality of assemblies. Regarding the shaping of parts, hydroforming of exhaust components and cold or hot forging of mechanical parts provide reductions of 20% to 30% in size. Slush molding technology, which can produce components in three dimensions and which Faurecia is one of the few automotive equipment manufacturers to have mastered, delivers a 20% reduction in the thickness of skins for instrument panels and other adjacent technologies will enable reductions of 40%. Lastly, Microject technology applied to molded parts of the vehicle interior also provides a 20% weight savings. This molding procedure combines the injection of resin and a foaming agent, which causes the formation of air bubbles in the material during the production cycle.

In addition, an agreement was signed in 2012 with the University of Dortmund in Germany for the creation of an industrial chair on innovative molding of parts from metal tubes or sheets. It is helping to consolidate Faurecia's leading position in this field.

Materials development

The development of specific plastics can allow changes in molding, creating materials that meet market expectations with a higher level of performance. The non-exhaustive list of target criteria includes durability, strength, resilience and improved conditions for use. A significant example is the development of biosourced materials (discussed previously).

The search for metallic materials that meet increasingly advanced requirements and optimize weight is also a focal point for new product development.

Simulation

More than 300 engineers are dedicated to the development or use of simulation tools, and more than 100,000 calculations are performed every year. Product simulations cover a wide field, ranging from safety calculations on seats and instrument panels, pedestrian impact on the front end, and calculations of gas and acoustic flows for exhaust systems. The simulation process is being phased in for all activities. This is the case for the injection molding of thermoplastics or the foaming of instrument panels, stamping and hydroforming. The simulation process generally involves combining phenomena that become multi-physical, which increases the complexity. The chair with the *École Centrale de Nantes* on the simulation of composite manufacturing processes is part of this drive and today enables Faurecia to be predictive about phenomena that are not yet mastered. Lastly, strategic partnerships with code editors are part of the essential additions to simulation development.

Production processes/assembly lines

While continuing work on the Faurecia Excellence System, an initiative to improve operating efficiency which has been in place for many years, in 2015 Faurecia adopted an organization which will allow it to integrate the "Industry 4.0" technologies of the new industrial revolution. It involved incorporating the digitization of industrial operations and the supplier network, and also new technologies, with several objectives: to make the machines more intelligent in order to carry out tasks such as preventive maintenance, to build collaborative robots into the assembly lines to free up the operators from boring, repetitive tasks and to equip operators with augmented reality technologies to guide them when carrying out repairs and maintenance, for example.

6.2.5. ORGANIZATION OF INNOVATION

The innovation process

Faurecia develops its products and technologies within a structured approach known as process innovation. This process sets out the different stages in maturation from the initial idea to final validation. At each step, a validation committee rules on the transition to the next step.

Monitoring this process makes our innovation more robust, and allows it subsequently to be integrated into vehicle projects with limited risk.

Management of expertise

Faurecia's expertise is structured around skills in 67 areas. In 2015, the expert network was made up of over 320 experts, divided into three levels: expert, senior expert and master expert. The experts have a career path parallel to that of management and are recognized in the same way in the Company. Experts are primarily responsible for innovation and knowledge structuring, but are also involved in all stages of product and process development so as to ensure technical excellence at all levels.

Partnerships

To expand and enhance its expertise, Faurecia is actively developing new partnerships with suppliers and research institutes.

This is demonstrated by the creation of a chair in composites with the *École Centrale de Nantes* in 2011, followed by an additional three chairs in 2012 (automotive mechatronics with *Supélec* and ESIGELEC; assembly lines and logistics with the *École Centrale de Paris* (ECP, France) and the *Technische Universität München* (TUM, Germany); metal materials and innovative processing with the *Technische Universität Dortmund* (TUD, Germany) and the most recent chair in 2013 with the University of Freiburg (FMF) and SKZ Würzburg, both located in Germany, for the chemistry of plastics and biomaterials).

In addition, a master agreement was signed in 2012 with Fraunhofer ICT (Germany) on composite production technologies, which further confirmed Faurecia's determination to work with academic institutions to achieve greater mastery of the phenomena encountered and to open other avenues of innovation.

Faurecia is also strongly involved in France in the IRTs (*Instituts de Recherche Technologiques* – Technological Research Institutes) Jules Verne and M2P in order to develop innovative production processes in the field of composite and metal materials, as well as in start-up research through incubators in France and abroad. Specific cooperative actions are also implemented on a case-by-case basis for innovation projects that require technologies related to Faurecia's core business lines. Thus, in 2013, Faurecia signed an agreement with Magneti Marelli to develop human-machine interface modules incorporating electronics, command systems and decoration.

Investments

In 2015, the Group's continuous innovation work resulted in filing some 489 new patents. This result confirms Faurecia's commitment to innovation. These patents pertain to products, materials, and manufacturing processes, demonstrating the efforts made by Faurecia to optimize the entire product value chain.

This commitment to research and development is demonstrated regularly by the opening of new research and development centers in various geographic areas and the modernization of historic centers for which technologies have changed.

6.3. Engineering and program management

Carrying out innovation and vehicle application projects calls for highly reliable and effective organization of engineering and programs. Faurecia is organized in a way that meets both these requirements.

Engineering

Faurecia currently operates 30 R&D centers worldwide. Each Business Group's research and development is spread across our three main geographic areas: Europe, America and Asia. Since it is structured as a network, it can run global programs and commit as many of its resources as are needed through its worldwide workforce (quantity), or commit the right experts, particularly for innovation or vehicle application projects (quality).

Project Management

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. The Program Management System (PMS) process, describes all the requirements at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen.

The PMS consists of five phases:

- obtain and validate customer needs;
- develop the product;
- test the product and develop the manufacturing process;
- plan and validate production machinery;
- ramp up line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program requirements to ensure disciplined implementation;
- performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, lead times and launches of mass production.

610 programs run by 461 program managers were in development at the end of 2015.

7

Faurecia and sustainable development

CONTENTS

The information contained in this chapter aims in particular to meet the requirements of Article L. 225-102-1 of the French Commercial Code, as amended by French Law No. 2010-788 of July 12, 2010 and Decree No. 2012-557 of April 24, 2012.

Workforce-related disclosures are provided in Chapter 4 of this Registration Document.

7.1. Faurecia and the environment

7.1.1. FAURECIA'S PRODUCTS AND THE ENVIRONMENT

Many different approaches are used by Faurecia to help reduce its environmental footprint, ranging from weight reduction, limiting emissions of noxious gases, and lowering noise levels to exhaust energy recovery, the development of products made from biosourced materials, and recycling.

Faurecia and its companies are leading players in efforts to produce lighter-weight vehicles, thus lowering their fuel consumption, and to reduce greenhouse gas emissions (depending on the type of engine and the driving cycle, decreasing an average vehicle's total mass by 100 kg lowers CO_2 emissions by 8-10 g per kilometer). As Faurecia's products can represent up to 25% of this total mass, the Group has made limiting the use of raw materials required in vehicle manufacturing one of its strategic priorities. This objective is pursued for all of the Group's products.

In addition, through the activities of Faurecia Emissions Control Technologies, the Group is making a significant contribution to lowering emissions and reducing noise pollution by using state-of-the-art technologies to develop innovative solutions. This Business Group has also expanded its range of energy recovery solutions for exhaust systems which, depending on the application, can offer savings of between 3 and 10 grams of CO_2 per kilometer. Lastly, the Faurecia group has been and remains a trailblazer in the use of biosourced materials, particularly in connection with the activities of Faurecia Interior Systems, which recently began mass production of a polypropylene composite reinforced with hemp fibers and is currently developing biosourced resins.

In order to grow sustainably and in recognition of the ways it can contribute to the production of lighter and cleaner vehicles, Faurecia takes environmental factors into account at all stages in the product life cycle, from the initial design to end-of-life management, including the environmental impact of its production sites and the potential for collaboration with suppliers.

Substance management systems are put in place across the entire supply chain, from suppliers to manufacturing customers, for all products delivered by Faurecia. Among other benefits, this approach gives the Group access to complete information on the substances entering into its products, in order to ensure that all actors in the supply chain comply with regulatory frameworks on chemicals and their safe use, such as the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation. Thanks to this approach, Faurecia also keeps a close watch on new developments in its supply chain in order to investigate substitutes for certain substances when necessary.

Among its initiatives in this area, Faurecia has developed an anticipatory approach to the identification and sharing of information within the supply chain on chemicals or constituents of concern, based on a list of chemicals or constituents considered as potentially of concern for its products and their use.

Faurecia also takes part in working groups alongside automobile manufacturers and various industry federations or associations in order to anticipate possible restrictions on the use of substances in the coming years and coordinate efforts to propose alternatives where necessary. The federations and associations involved include the French Vehicle Equipment Industries Alliance (FIEV), the French Automotive Industry Cluster (PFA), the German Automotive Industry Association (VDA), and the European Association of Automotive Suppliers (CLEPA). Faurecia leads the task force on REACH as well as the one formed to address issues raised by the Global Automotive Declarable Substance List (GADSL).

7.1.1.1. Product approach

From product design to the technical expertise provided to automakers, Faurecia's process spans six areas:

- reducing the weight of the components and sub-assemblies;
- reducing the space taken up by products;
- recycling, including anticipation of the end-of-life phase, optimization of production waste recovery;
- and the use of recycled materials;
- increasing the use of biosourced materials;
- reviewing and enhancing environmental performance based on life cycle analysis;
- lowering emissions of greenhouse gases and other airborne pollutants and improving energy efficiency through the use of energy recovery techniques.

DESIGN AND ENGINEERING

Section 6.2.2 of this Registration Document specifically contains a description of the actions taken by Faurecia to reduce weight and size.

MATERIALS

Recycling initiatives

Recyclability

European Directive 2000/53/EC of September 18, 2000 on end-of-life vehicles stipulates inter alia that vehicles will have to be 95% recoverable by weight, of which 85% will have to be actually reusable or recyclable, by January 1, 2015.

Given such onerous regulatory requirements, automakers are placing ever-greater demands on their suppliers in terms of end-of-life product recyclability.

All of Faurecia's businesses are affected by these obligations and, depending on the characteristics of the component in question, have implemented plans and solutions to ensure that end-of-life products are processed as efficiently as possible in the future.

As regards current solutions, an innovative product must be measurable both in terms of improved technical and economic performance and its carbon footprint. Faurecia is committed to a process of forecasting and recovering future end-of-life products. Selective trials overseen by Faurecia comprise the first phase of a comprehensive approach by the automotive sector in partnership with industrial firms, academia and auto "clusters", to forecasting volumes of materials available for recycling in the future.

Faurecia Interior Systems, after performing tests on the recycling and recovery of complex products via disassembly, has begun similar operations after shredding vehicles. Industrial-scale recyclability studies and tests have been undertaken with certain car-shredding plants, both on existing products and materials being developed, including agro-composites. The NAFCORECY (NAtural Fiber COmposites RECYcling) project was able to demonstrate, with the help of European companies specialized in recycling, that parts made of NAFI*Lean* (polypropylene with natural fibers) can be processed with post-shredding technologies for end-of-life vehicles or recycling technologies used for industrial waste.

All possibilities for recycling end-of-life products are studied with a view to integrating the best solutions, ensuring reduced environmental impact and taking into account all utilization cycles at the design stage. Faurecia also uses life cycle analysis to "eco-design" its products, integrating all of the above criteria as early as possible into the innovation and development processes.

Inclusion of recycled materials

Faurecia offers an increasing number of recycled plastic parts.

In Faurecia Automotive Seating business, depending on the type and category of vehicle, various components are now partly made of recycled polypropylene. Taking all these components together, recycled plastics can now account for 15-20% of the materials comprising the seats manufactured by Faurecia.

In Faurecia Interior Systems business, the incorporation of recycled material is taken into account and validated in new product development, with the same constraints and specifications as virgin materials.

In addition, Faurecia maximizes the incorporation of recycled natural fibers (mainly cotton) in its vehicle soundproofing systems.

The integration of recycled materials in various applications by Faurecia Automotive Exteriors is taken into consideration and validated from the project development phase, by way of the same process as that used for virgin materials. The cross-functional organization put in place allows for heightened controls at various stages, from the sourcing of the material to its use at the plant.

In particular, this organization is made possible through the collaborative efforts of Faurecia's research centers and an industrial research chair established in 2013. The objective is twofold: better coordination between sourcing and the formulas developed for targeted applications as well as achieving a quality of materials allowing for greater use of recycled plastic as well as a wider range of applications. The level of mechanical and aesthetic results attained by today's recycling processes make it possible to meet expectations in relation to these two factors for bumpers, one of the most critical automotive parts contributing to the final product's attractiveness. Faurecia has thus introduced its first material made from non-automotive recycled materials to be used in non-visible vehicle interior parts. A similar material for painted parts is under development.

As an outcome of the BOREVE project launched in 2008, with the aim of introducing recycled automotive materials in a wider range of applications, pilot testing of formulas and related reactive extrusion processes is currently in progress.

Life cycle analysis studies show that the use of recycled materials can reduce the environmental impact of manufactured products. Faurecia, like its automaker customers, has considerably extended its panel of suppliers of recycled materials. This allows us today to offer increasingly technical applications with increasingly wide material grades.

Action in the field of biosourced materials

Section 6.2.2 of this Registration Document contains information on the use of renewable materials.

EMISSIONS

Section 6.2.2 of this Registration Document describes action taken by the Group with regard to control of emissions.

Emissions other than those generated by vehicles have long been studied by the Group and taken into account in its product development processes. These involve volatile organic compounds (VOCs), which can adversely affect vehicle interior air quality, abbreviated as VIAQ.

As part of its commitment to reducing these emissions, the Group is developing or designing low-emission materials or products for the Interior Systems and Automotive Seating Business Groups.

Faurecia also participates in the VIAQ working groups set up by the United Nations, together with representatives from the major automakers.

The aim is to protect the health of vehicle drivers and passengers while continually building expertise at Faurecia and across the automobile industry on measurement methodologies and the potential adverse effects of Group products present inside vehicles.

7.1.1.2. Life cycle analysis

Faurecia is increasingly using life cycle analysis (LCA) as an engineering tool at various levels to steer its strategic decisions and those of automakers. These studies are carried out on its products, on the entire vehicle (from the extraction of materials to delivery to automakers), and on the entire vehicle life cycle (including customer use and recycling).

Framed by international standards ISO 14040 and ISO 14044, this methodology consists of assessing the environmental impact of products designed and manufactured by Faurecia for use in automobiles. It involves the fullest possible impact assessment, including climate change (including CO_2), the consumption of non-renewable resources (oil and coal) and eutrophication.

LCA allows both Faurecia and automakers to:

- make the right design choices for current vehicles (with gasoline or diesel internal combustion engines) and for those of the future using alternative fuels and with more environmentally-friendly emission control systems;
- assess and avoid impact transfer by focusing on alternative solutions (e.g. by developing a lighter but non-recyclable product).

This is an especially useful innovation tool for evaluating benefits as well as any impact transfers as far upstream as possible through a comprehensive overview of the environmental impacts that paves the way for future innovations. For instance, the measurement of the environmental footprint generated by new products or materials is always supplemented by a detailed LCA, investigating issues of particular relevance (in line with objectives such as weight reduction or lower energy consumption).

It also provides a more in-depth understanding of the environmental choices of an entire industry. Faurecia is therefore heavily committed to developing and using LCA in liaison with automakers and auto sector partners as the means of gaining a shared understanding of environmental challenges.

Whether in the short term with conventional engine power or in the medium term with the growth of hybrid engines and the emergence of "electric" engines, Faurecia's customers are keenly looking for groundbreaking solutions. This is the only way in which they can reduce their energy consumption and environmental footprint while at the same time ensuring autonomy, comfort, safety and driving pleasure.

Moreover, in an increasingly competitive environment, automakers must meet increasingly diverse local and global demand, while complying with existing regulations and anticipating future changes to the regulatory framework.

However, while the reduction in vehicle mass and the ensuing reduction of CO_2 emissions have a direct impact on the development of automakers' product line-ups, their focus on sustainability during this process is itself attracting more public attention, which is especially significant from the perspective of Tier 1 equipment manufacturers.

The broad scope of its customer portfolio allows Faurecia to achieve a better overview of the market and a better understanding of customer expectations, resulting in a more appropriate structuring of its offers.

Anticipating regulations and the changing nature of demand continues to inform Faurecia's innovation plan and its research and development budget. This also matched specific demands from manufacturers in respect of the integration of green materials (recycled or renewable) and the reuse of automotive materials.

For most of the parts that Faurecia produces and for most vehicles currently on the market, reducing mass is a clear priority and LCA help to quantify and validate such objectives.

7.1.2. FAURECIA'S MANUFACTURING SITES AND THE CONSIDERATION OF THE ENVIRONMENTAL IMPACTS OF THEIR ACTIVITIES

METHODOLOGICAL NOTE

Under Decree No. 2012-557 of April 24, 2012 on transparency requirements for corporate social and environmental matters, on the application of Article 225 of Law No. 2010-788 of July 12, 2010 (known as Grenelle 2 law), Faurecia reports the results of all the Group's sites regarding the consideration of the environment and how these sites integrate this dimension into their operational and organizational processes.

In 2015, Faurecia was accompanied by the Tennaxia consulting firm to conduct an initial materiality analysis of its environmental issues, on the basis of the information required by Article 225 of the aforementioned law and international standards (GRI, SASB). This initial analysis was based on a documentary benchmark and interviews with company managers. Through this, the material issues meeting the expectations of their stakeholders, customers and investors, as perceived internally by Faurecia, were identified.

Of the fifteen stakes initially listed, the final analysis highlighted five major themes:

- resources efficiency;
- waste management and recovery treatment;
- environmental governance of the sites;
- energy efficiency and the greenhouse gas emissions of the sites;
- suppliers' environmental responsibility.

Follow-up indicators (constant scope between 2014 and 2015)	2014	2015
Part of ISO 14001 certified sites	62.2%	66%
Kg of plastics used/10,000 worked hours	21.23	17.45
Energy consumption (KWh)/Worked hour	13.81	12.82
Kg CO2 equivalen$_t$/Worked hour (Scopes 1 et 2)	4.66	4.33
Waste recovery rate	54.49%	55.83%

ENVIRONMENTAL REPORTING FRAMEWORK

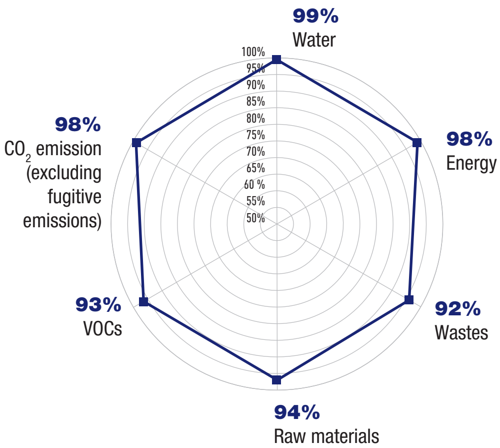
The environmental reporting process of the Faurecia sites is based on a set of reporting obligations provided for by the French Commercial Code to be deployed to each European member state by 2017 and on the environmental principles established by the Global Compact of which Faurecia is a signatory.

PERIMETRE

The reporting scope covers 244 sites. Compared with 2014, two sites were integrated and nine were out of scope.

Except as noted, all the quantitative indicators were consolidated on 100% of the aforementioned scope.

COVERAGE RATES FOR ENVIRONMENTAL INDICATORS FROM 1ST NOVEMBER 2014 TO 31TH OCTOBER 2015



In 2015, as part of the environmental reporting related to the Grenelle 2 law, the Faurecia sites fall into three distinct types: production sites, semi-finished products assembly sites, called Just In Time, and R&D sites.

The main countries, where European factories are concentrated, are France (30%), Spain (14%), Germany (14%) and Poland (11%).

DATA ANALYSIS METHODOLOGY

For transparency and consistency, the data analysis is first carried out on a constant scope with 2014 to enable data comparability between the two reporting years (excluding data related to plastic raw materials and fibers for which the data collection protocol was reviewed this year, preventing any comparability of information). Graphical analysis is carried out (i.e. all sites participating in the reporting process since 2007) to reflect the reality of the environmental information.

Actual hours worked [1] were chosen as the data activity to cross-check the environmental performance of the four Business Groups.

CALCULATION METHODOLOGIES

Direct greenhouse gas emissions are calculated in CO_2 equivalent. Emissions from fuel consumptions are calculated using the international emission factors recommended by the French administration (Decree of October 31, 2012 and European Decision No 2012/601 for CO_2 and circular of April 15, 2002 for the other gases). Fugitive emissions are calculated using emission factors from the 5th report of the Intergovernmental Expert Group on Climate Change (IPCC).

Indirect emissions are calculated using emission factors published by the IEA (International Energy Agency® 2013 Version).

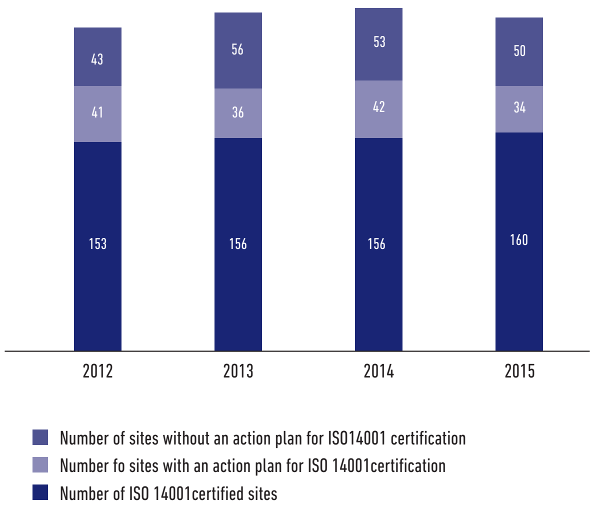
The annual reference emission on volatile organic compounds (VOCs) is calculated using the Solvent Management Plan (SMP) required by the European Council Directive 1999/13/EC of March 11, 1999 on the reduction of volatile organic compounds emissions caused by the use of organic solvents in certain activities and installations. The SMP is a mass balance for quantifying the inputs and outputs of solvents in an installation.

7.1.2.1. Sites engaged in an environmental management approach

66% (+5% compared to 2014) of Faurecia facilities voluntarily engage in an environmental management approach through ISO 14001 certification. In 2015,117 plants, 36 semi-finished products assembly plants and seven R&D sites hold this certification with an aim to improve their environmental practices in response to customers' requests. Nine production plants and one semi-finished products assembly site were certified in 2015; two establishments did not wish to renew the ISO 14001 conformity assessment, although they maintain an environmental management system in accordance with this standard. Among the non -certified sites in 2015, 40.5% have decided to launch an action program to progressively meet the requirements of an environmental management system.

(1) This data, coming from QHSE system, takes into account actual worked hours from permanent and fixed term employees, temporary workers, and apprentices.

NUMBER OF ISO 14001 CERTIFIED SITES OR HAVING AN ACTION PLAN FOR ISO 14001 CERTIFICATION (2015 SCOPE)



2015 was strongly marked by the 21st United Nations Climate Change Conference, more commonly known as COP21, which commits 195 countries and their companies to work to maintain an increase of less than two degrees in the average temperature of the globe. In doing so, in June 2015, the management team of Faurecia Automotive Seating activity wished to engage their sites, through an HSE policy, on two environmental priorities: energy efficiency and all business waste recovery thus promoting circular economy practices and reducing greenhouse gas emissions (GHG).

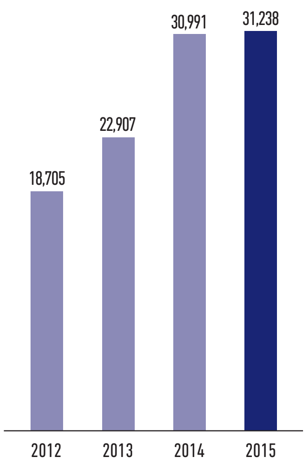
In 2015, the Faurecia establishments spent €17 million in environmental protection and implementing equipment compliance standards. Faurecia's constant investment is in particular intended to improve the energy performance of the Group's sites (about 35% of investment is devoted to environmental protection).

	Equipment compliancy *(M€)*	**Environmental Protection** *(M€)*	**Sum of environment-related investments** *(M€)*
2012	9.7	2.9	12.7
2013	9.2	4.7	13.8
2014	12.3	4.9	17.2
2015	13	4	17

The environment-related training courses are designed to accompany the Faurecia teams to better control environmental risks associated with their activities and to become familiar with changing requirements and environmental practices, notably the implementation of environmental management certificates like ISO 14001 and ISO 50001. The employees' environmental awareness is made through the visual display of good practices, the implementation of anti-waste programs and conferences dedicated to the environment.

In 2015, about 31,000 hours of training (stable compared to 2014) were administered.

NUMBER OF TRAINING HOURS DEDICATED TO THE ENVIRONMENT (100% OF THE 2015 SCOPE)



In 2015, local authorities filed six formal complaints related to the environment with five Faurecia sites. These complaints regarded non-conformities related to the environmental management of sites or their waste management process. Only one of them was the subject of a financial penalty of 354 euros.

7.1.2.2. Strengthen industrial performance by sustainable management of the resources used

To ensure the production of automotive components, Faurecia uses, within its four Business Groups, several raw materials from non-renewable resources: metal, plastics and synthetic fibers. Both plastics and synthetic fibers are derived from petrol. Faurecia focuses its production strategy on parts which are increasingly lighter in order to meet customer specifications (see Chapter 6).

Total raw materials consumptions (constant scope between 2014 and 2015)

	Metals (tons)	Plastics (tons)	Synthetic fibers (tons)
2014	1,319,105	362,599	21,341
2015	1,627,488	319,186	25,748
Global variation	23%	-12%	21%

The decrease in plastic raw material consumption is explained by data collection reliability and also, first for the Faurecia Interior Systems Business Group by work to reduce scrap in 2015 and, secondly by a decrease in activity of some Faurecia Automotive Seating sites based in South America.

In order to sustain its operations and improve its performance, Faurecia is trying to develop its processes to reduce the use of resources and to integrate new bio-sourced components.

Data collection of natural fibers consumption, and those from semi-finished products, is subject to reliability approach to enable its consolidation at Group level.

- **Internal reuse of scrap plastic and fiber**

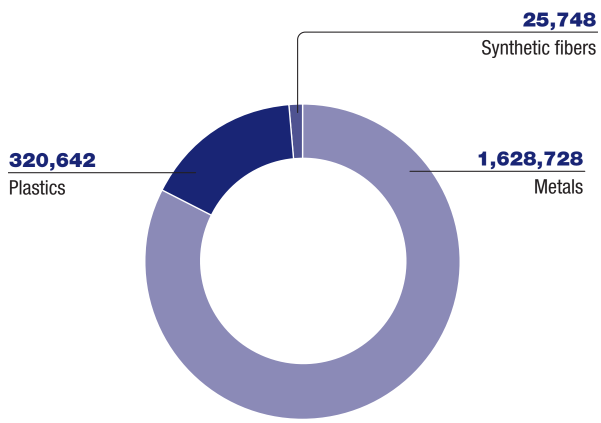
  Faurecia's manufacturing sites practice internal recycling on a daily basis whenever the production waste – including plastics and fibers – can be recycled to be directly reintegrated into the production process.

- **Integration of bio-sourced and recycled raw materials**

  Five Faurecia Interior Systems plants have orientated all or part of their production process to the use of natural fibers (cotton, hemp and wood) to replace petroleum-derived synthetic fibers.

In 2015, 9% of all of the plastics purchased by the Group were recycled plastics.

DISTRIBUTION OF CONSUMPTION OF RAW MATERIALS PURCHASED IN 2015 BY TYPE OF MATERIAL, IN TONS*



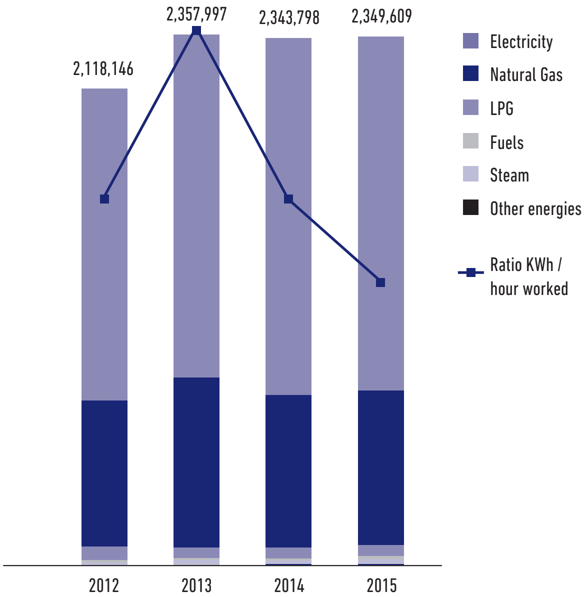
* *Metals, plastics and fibers are the main raw materials of the Group, excluding the R&D sites, i.e. 94% of the scope covered by these data.*

7.1.2.3. Optimize energy consumption to reduce Scopes 1 and 2 greenhouse gas emissions

ENERGY

In 2015, the energy consumed reached 2.3 million MWh (unchanged from 2014). In proportion to the number of worked hours, Faurecia has reduced its energy consumption by 6.2%, i.e. 12.82 kWh consumed per hour worked. Electricity represents 67% of the total energy consumed by the Faurecia sites.

OVERALL AND SUPPLY SOURCE ENERGY CONSUMPTION IN MWH (98% OF THE 2015 SCOPE)



Four sites of Faurecia Automotive Exteriors (representing 31% of the Business Group's permanent workforce – excluding temporary workers) opted for an energy supply through cogeneration. In total, they produce 23,721 MWh, representing 5% of the energy needs of the sites in the Faurecia Automotive Exteriors Business Group.

As part of the implementation of the European Directive 2012/27/EU on energy efficiency, twenty-seven Faurecia sites implemented an energy audit during the reporting period. Two sites opted for an ISO 50001 certification process, defined as an alternative option to the audit. They were certified in 2015.

In 2015, at Group level, optimization actions were focused on production equipment and utilities: establishment of new water chillers, automatic shut-offs of presses and other production machines, reduction of peak power consumption at the start-up of equipment, replacement of forklift trucks running on natural gas by electric ones…

Voluntary approaches are also deployed to target potential sources of energy savings and to invest to optimize the running costs of the site. There are three phases in the programs: measure the energy efficiency of the site, identify energy losses, develop and deploy corrective and preventive action plans.

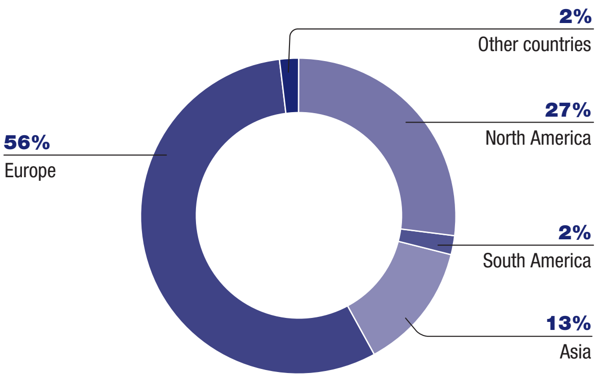
Many Faurecia sites have worked in this way to optimize their energy consumption by installing energy efficient intelligent lighting and heating systems: installation of motion sensors, replacement of incandescent bulbs with LEDs, maintaining an ambient room temperature in the production workshops, air destratification [1]…

Faurecia Automotive Exteriors is continuing its campaign to renew its old paint lines by new generation paint lines (NewTech Line), an innovative way to combine competitiveness and respect for the environment. In 2015, three new lines were equipped, and two sites started installation. The 13% drop in electricity consumption is mainly due to the investment of Faurecia Automotive Exteriors Business Group in this new technology.

GREENHOUSE GAS EMISSIONS (GHG)

For the past four years, Faurecia has been measuring emissions related to the consumption of energy consumed by buildings and machinery, as well as those generated by the cooling and air conditioning systems. This carbon accounting approach was initiated under Article 75 of the Grenelle 2 law. Regarding the 2015 scope, twenty-three sites are concerned by the publication of the Greenhouse Gas Emissions results.

DISTRIBUTION OF GHG EMISSIONS BY CONTINENT, IN % (SCOPE 1 & 2) (98% OF THE ACTUAL 2015 SCOPE - EXCLUDING FUGITIVE EMISSIONS)

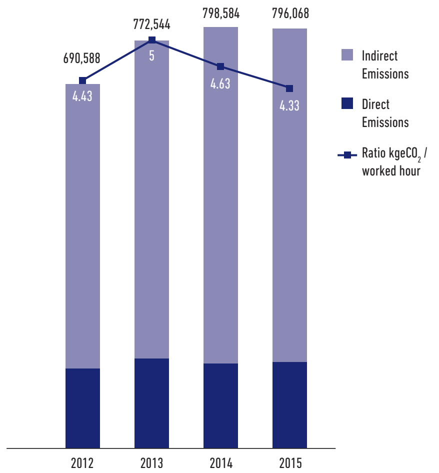


(1) *Warm air is lighter than cold air, it tends to rise while cold air is stagnant at ground level. The installation of a destratification system can bring down the warm air. It is then observed a significant reduction in energy consumption and improved comfort.*

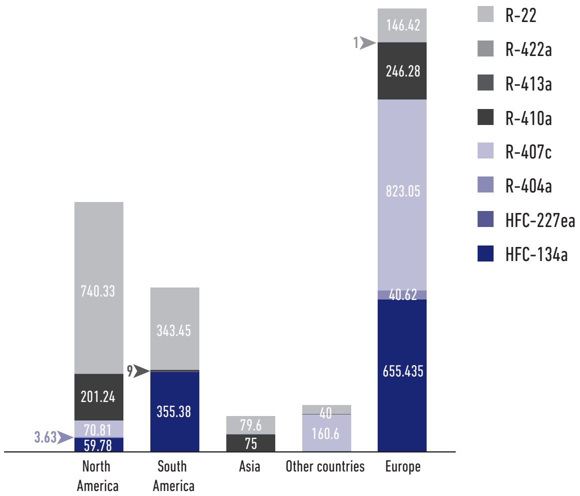
Indirect emissions are the largest source of emissions of the Group reaching 631,930 tons of CO_2 equivalent (unchanged from 2014). These emissions are directly related to electricity consumption which represents the major source of energy used by the Faurecia sites. Direct emissions represent only 20% – or 163,109 tons of CO_2 equivalent – of Faurecia's total emissions (-1% compared to 2014). They are generated by fossil fuels (natural gas, liquefied petroleum gas and fuel oil) and by refrigerant gas leaks in the air conditioning and cooling systems. In proportion to number of worked hours, GHG emissions decreased by 7% compared to 2014.

In compliance with international regulations relating to the Montreal Protocol which prohibits R22 refrigerant gas use in Europe from January 1, 2015 onwards and in line with the efforts undertaken since 2012, the Faurecia sites have continued to decrease their use of this refrigerant gas (-29% compared to 2014). Thirty sites are continuing to remove this refrigerant gas from their processes.

TOTAL GREENHOUSE GAS EMISSIONS IN TONS OF CO_2 EQUIVALENT (2015)



DISTRIBUTION OF GREENHOUSE GAS EMISSIONS LINKED TO REFRIGERANT GAS LEAKS



Although Scope 3 greenhouse gas emissions are not assessed by Faurecia, some assembly and semi-finished products shipping sites have initiated actions to reduce their impact. They have been led to internalize certain activities which were previously outsourced in order to reduce transport streams; road transport on certain sections abandoned in favor of maritime transport, recognized as less emissive, and work to optimize the contents of the packages.

2017-2025 PERSPECTIVES

In 2015, Faurecia embarked on a vast program of reflection on its position and its long-term ambitions, in line with projects such as Manufacturing Factory of the Future 4.0 (scanning operations). This holistic thinking is used to define new actions to make operations more environmentally friendly, with a strong focus on new synergies between the Business Groups and the Divisions.

A committee meets monthly to propose initiatives to be launched in project mode. It is composed of one or more representatives of each Business Group and a member of the purchasing department. The proposed initiatives, which include the component "industrial and logistics operations" of the Digital Enterprise project, will lead to the optimization of energy consumption or recovery of factory waste. Some of these developments will have beneficial impacts on the carbon footprint and operations consumption. The first demonstrations of this concept should see the day during 2016, with industrial pilots and phased deployment in operations according to both investment and resource needs.

7.1.2.4. Promote waste treatment and reduce air, water and soil emissions

7.1.2.4.1. FAURECIA GROUP'S INDUSTRIAL WASTE

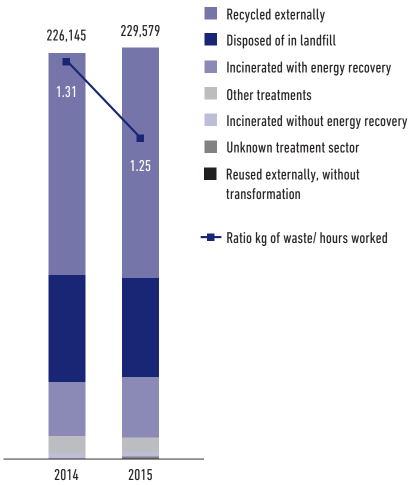
To preserve resources that are useful in their production processes (energy and raw materials) as much as possible, the Faurecia industrial sites try to recycle and recover a maximum quantity of waste generated throughout the production chain.

In 2015, the Faurecia sites recorded the following waste disposal rates:

- 56% of waste is recycled (+3% compared to 2014);
- 15% of the waste is used as energy recovery (+11% compared to 2014);
- Approximately 1% of waste is used, without transformation, by other companies.

In 2015, the sites generated 229,077 tons of waste (+4% compared to 2014). Non-hazardous waste represented 64% of the waste generated by the Group (excluding metal waste). Metal waste, almost totally recycled by the sites, accounted for 26% of the waste tonnage. Indeed, the waste is sent to the foundries before being resold, contributing to the circular economy logic.

DISTRIBUTION OF THE TOTAL QUANTITY OF WASTE GENERATED, IN TONS, BY TREATMENT SECTOR (92% OF THE 2015 SCOPE)



In June 2015, the Faurecia Automotive Seating activity announced its long-term goal to ban hazardous waste landfill (except for residual waste). It thus confirmed the 61% decrease of this mode of hazardous waste treatment compared to 2014.

Moreover, to reduce waste treatment costs in a circular economy logic, the Comfort & Trim division of the Faurecia Automotive Seating Business Group (some 21% of the Business Group's workforce excluding temporary workers) has committed to an approach for the recycling and the recovery of foams. The savings achieved by the site are estimated at about 30,000 euros. Waste is recycled by outside contractors to fill pillows or stuffed toys. These sites were able to increase their recyclability rate of around 5%.

PART OF GENERATED WASTE, BY CONTINENT, AND BY TREATMENT SECTOR

Treatment sector	Europe	North America	South America	Asia	Other countries
Recycled externally	49.1%	62.6%	68.3%	68.7%	44.6%
Disposed of in landfill	23.4%	34.8%	25.5%	17.0%	55.4%
Incinerated with energy recovery	19.5%	1.2%	0.1%	8.3%	0%
Incinerated without energy recovery	1.9%	0.0%	0.8%	4.5%	0%
Other treatments	5.7%	1.3%	3.6%	1.5%	0%
Unknown treatment sector	0.4%	0%	1.7%	0%	0%

In 2015, to improve the monitoring of waste and its recovery, a number of sites optimized site storage and removal thus reducing the frequency of collections carried out by the environmental bodies. Indirectly, this type of action has a beneficial effect on emissions related to waste transportation. Other sites have expanded their list of waste that is recyclable or recoverable externally.

7.1.2.4.2. BETTER CONTROL VOLATILE ORGANIC COMPOUND EMISSIONS (VOCS)

Faurecia aims to limit Volatile Organic Compound air emissions (VOCs) that are regulated because they participate in the formation and accumulation of harmful compounds, such as ozone, in the environment. In 2015, VOC emissions amounted to 2655 tons.

The industrial sites of Faurecia Interior Systems (49%) and Faurecia Automotive Exteriors (37%) Business Groups are the major sources of the Group's VOC emissions due to activities requiring a significant use of glues, paints and solvents. The Faurecia Automotive Seating Business Group may emit VOCs, but its impact remains low. By using water-based adhesives and paints, the Faurecia Interior Systems Business Group has shown its willingness to reduce VOC at source.

In 2015, the Faurecia Automotive Exteriors sites strengthened their commitment to reduce their VOC emissions. As mentioned in the chapter related to the Faurecia sites' energy performance, the Faurecia Automotive Exteriors Business Group is gradually replacing its "old generation" paint lines by "new generation" lines equipped with a thermal oxidizer. Note that these new paint lines (NewTech) optimize solvent consumption and drastically reduce atmospheric emissions by around 95%.

7.1.2.4.3. WATER CONSUMPTION AND WATER RELEASES

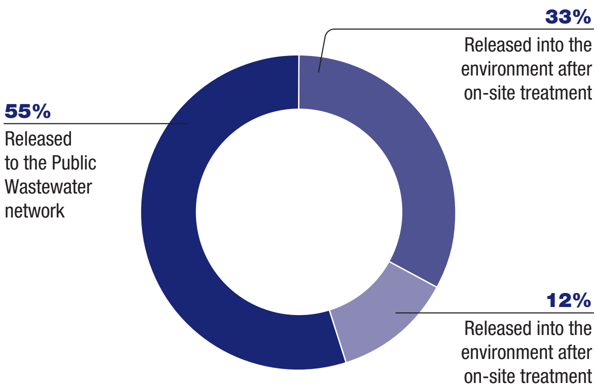
Water is mainly used in the cooling of the manufactured parts (40%), the remainder being consumed directly in the production processes and for sanitary use. The Faurecia sites consumed 3.92 million m^3 of water in 2015 (-1% compared to 2014). Three industrial sites account for 80% of the water used in the cooling process.

67% of the groundwater and surface water samples are due to two Group sites whose cooling systems are open, that is to say that water is directly released into the environment – after temperature regulation – so as to not impact the availability of water resources at local level. Neither site listed water restriction issues met during 2015.

In parallel with the release of this cooling water (33% of total water released in 2015), other waste water releases, soiled during use, are systematically treated before release either via the public network (55% of released water in 2015) or via a treatment plant installed directly on the site (12% of water released in 2015).

In 2015, 138 establishments (some 63% of the total workforce excluding temporary workers) were subject to self-monitoring – to monitor the quality of wastewater releases – by local authorities. Of these sites, 82% are consistent with water release requirements. The 18% of the sites concerned by a notice of non- compliance, some due to their belonging to an industrial area, have already implemented action plans to align with the required thresholds.

DESTINATION OF RELEASED WATER IN 2015, IN % (90% OF THE 2015 SCOPE)



Five sites were exposed to water deficiency during the reporting period. Four of the sites concerned explain that the shortage periods did not critically affect the production activity, and that only the watering of green spaces and washing of vehicles were occasionally stopped.

In Brazil, however, a Faurecia production plant faced five water pollution episodes during 2015, making the water unfit for consumption. The site bought drinking water to ensure correct sanitation on the site and to provide access to clean water for its employees.

7.1.2.4.4. SOIL RELEASES

Any accidental spillage is managed by a soil pollution risk prevention plan covering all the Faurecia sites. The ISO 14001 certified sites systematically integrate this plan into their management system. This risk, inherent to a site's industrial activity, is anticipated by the Faurecia sites and their operators are trained to react in the case of an accidental leak.

The Group strives to know old pollution that may be present in its sites' soil. At the instigation of public authorities, or on its own initiative, the Group carries out soil and groundwater studies to identify, at the very least, the consequences of the previous business activities and the environmental impact of the current site.

Since 2012, the Group's procedures provide that all sites which are acquired or transferred are subject to an environmental assessment which can be completed by a soil and groundwater investigation to determine the extent and nature of pollution. If, in the case of the cessation of a site or an activity, the diagnosis identifies pollution which occurred during the operational phase by Faurecia, remediation measures are implemented in accordance with regulations and guidelines of the Group. In case of permanent closure of a site and awaiting a buyer, all waste, raw materials, goods and equipment are removed and site maintenance remains assured.

Soil and groundwater pollution checks are also carried out in accordance with regulatory requirements, as well as through environmental due diligence audits that require in-depth investigations.

Pursuant to Decree No. 2012-633 of May 3, 2012, Faurecia has identified two French sites subject to the obligation of financial collateral in order to make them safe. In 2015, the amount of guarantees made amounted to 140,840 euros for the two sites in question.

7.1.2.5. Mitigating the environmental risks related to suppliers

Suppliers and subcontractors, who supply and work with the Faurecia sites, must first accept the principles established in the Supplier Code of Conduct in accordance with the Group's purchasing terms. Faurecia's environmental requirements consist of five commitments from suppliers and subcontractors: preservation of the environment, product innovation and life cycle, preservation of natural resources, respect for laws regarding prohibited substances and materials, and the reduction of CO_2 emissions. In parallel, Faurecia is continuing its supplier evaluation process (Ecovadis).

More information about Faurecia's environmental specifications vis-a-vis its suppliers and their evaluation is given in Section 7.2.

7.1.2.6. Integrate sustainably in the territories which it operates from

7.1.2.6.1. PREVENT THE RISKS LINKED TO CLIMATE CHANGE

Faurecia has a strategy for adaptation to climate change to reduce the industrial park's exposure and vulnerability to climatic hazards and to optimize their resilience to these risks. However, the models used do not yet include the projections of the Intergovernmental Panel on Climate Change (IPCC). The "natural risk" profile was assessed for 100% of the sites in the scope.

Four criteria were analyzed in detail: flood risk, tropical storms, tornados and weight of snow. Each new project for a site or acquisition is studied from the perspective of climate risk, which is an integral part of the selection criteria in the Group's final decision.

For the high risk sites, Faurecia has chosen to complete these actions by specific technical audits (case of flooding risk), promoting the implementation of natural risk emergency plans and higher technical requirements for new projects exposed to natural hazards.

1. **Flood risk example**

   The Group identified twenty-five sites located in areas potentially exposed to the risk of river flooding. Each site will carry out a self-diagnosis and/or risk assessment conducted in partnership with its insurer, Allianz Risk Consulting, to confirm or deny the risk and maximize the resilience of sites.

   The Marckolsheim site was chosen in 2015 as a "Pilot Site" to perform an initial diagnosis related to flood risk. In fact, the site is located 2.5 km from the Rhine, bordered by the river Ischert and crossed under slabs by a water spring. After studying the existing maps and the site visit, the expert defined the scenario of a hundred-year flood on the site. Based on this scenario, the site developed a three-phase flood emergency plan: before, during and after flooding. From early 2016, this pilot will serve as a guideline for other Faurecia sites which may also be exposed to a flood risk. A flood audit program has been set for 2016.

2. **Example of the risk linked to the weight of snow**

   In 2015, Faurecia also chose to assess the vulnerability of buildings regarding the risk of the weight of snow in countries potentially exposed to heavy snow. In partnership with the reinsurer Munich Re, an exposure risk model was defined. This work was used to estimate the weight of a peak in snowfall in a given geographical area, based on historical climatic values and local building codes. A value "weight of snow" was estimated for 100% of the sites in the scope concerned. This information is used to assess the exposure of buildings. Some sites have thus implemented preventive actions that can result in limiting the number of elements suspended from the roof, installation of roof heating systems to prevent the accumulation of snow during heavy snowfall periods or roof deformation detectors installed with an alarm system.

7.1.2.6.2. REDUCE THE IMPACT OF THE SITES ON LOCAL BIODIVERSITY

The production activity does not inherently present a high risk to the environment. It is however characterized by the size of its sites linked to mass production needs.

1. **Reduce the impact of sites near to a protected zone**

   90% of the establishments in the reporting scope are located in urban or industrial areas. Twenty-six sites, some seventeen production sites, eight assembly plants and one R & D facility are located less than three kilometers from a protected area.

   In some countries (India, Russia, Mexico), reforestation initiatives are emerging. The establishments are committed to raising awareness among both the Faurecia staff and their families and the local population in the preservation of flora and fauna, and greater consideration of environmental issues.

2. **Reduce odors and noise pollution**

   No complaints regarding odor or noise were filed by local Faurecia sites stakeholders.

7.1.2.7 Provisions

In 2015, provisions for risks to the environment were made for a sum of K€5,547.

7.2. Societal action

7.2.1. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS

7.2.1.1. On employment and regional development

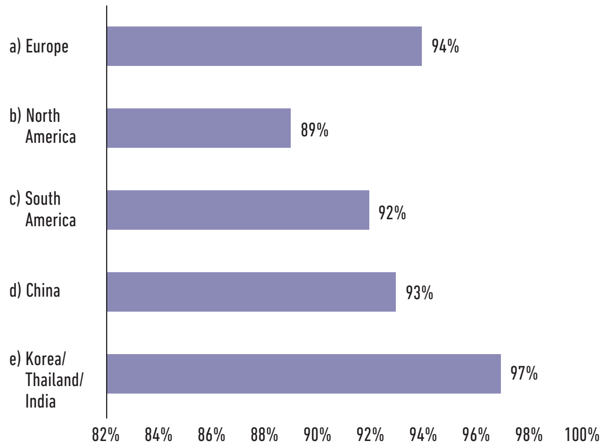
Developing and promoting international exposure is essential for a Group that employs 61% of its engineers and managers outside Western Europe and carries out 77% of its recruitments outside this region. Within this framework, Faurecia can offer its people many international assignments as well as the opportunity to take part in international projects.

The Group also places great importance on the international dimension of its Senior Management team, while taking steps to attract, develop and retain local talent across the globe. Today, in keeping with this strategy, 58% of the Group's senior managers are non-French nationals, and 46% of engineers and managers identified as having Senior Management potential are from countries outside Western Europe.

7.2.1.2. On neighboring or local populations

Faurecia's ambition is to purchase materials as close as possible to its sites in order to help develop local industry, and minimize the associated logistical costs and impacts.

For purchases of mass-produced parts, the percentage of purchases made locally ranges from 89% to 97% depending on the location of Faurecia's production sites (2015 data).



In 2015, 100% of non-production purchases were made locally.

In addition, the Code of Ethics in force within the Group, the operating principles of which are set out in Section 7.2.4.1, states that Faurecia is committed to continuously assessing the impact of its products and the activity of its plants on the environment and the communities with which it is in contact, with a view to continuous improvement.

Lastly, Faurecia participates in a number of local initiatives, described in Sections 7.2.2.2 and 7.2.3.1.

7.2.2. FAURECIA'S STAKEHOLDER RELATIONSHIPS

7.2.2.1. How the Company communicates with these persons or groups

Faurecia has developed and maintains the conditions and tools for dialog with a number of interested parties or stakeholders in its business.

FAURECIA AND ITS RESEARCH PARTNERS

To lend a hand to technological development and innovation, Faurecia maintains its open policy towards academia, research laboratories and start-ups. Faurecia makes use of five chairs in manufacturing involving universities in France and Germany and a partnership with Fraunhofer ICT in mechanical electronics, composites, production processes for metal parts, and plastic materials chemistry including biomass and assembly lines. In France, Faurecia is also actively engaged in the work of the technological research institutes known as IRTs, all certified by the French government as part of its "Investment for the Future" program, such as the IRT Jules Verne in Nantes, where Faurecia represents the French automotive industry, and the IRT M2P in Metz. Lastly, following successful tests of a project for the identification and incubation of start-ups in various countries, the Group extended this approach to its own areas of expertise in 2015.

More detailed information is provided in Chapter 6 of this Registration Document.

FAURECIA AND ITS SUPPLIERS

Faurecia is committed to basing its growth on socially responsible actions and behavior across all of its businesses and all of the countries in which the Group operates.

In view of this, Faurecia is committed to building close, long-term relationships with its suppliers, based on mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are critical criteria for the award of contracts to its suppliers.

Great importance is placed on communication and transparency to ensure strategic alignment with partners. Conventions are held, with the official presentation of performance awards in different areas (Logistics, Quality, Innovation, etc.). Faurecia has close relationships with its suppliers and organizes Strategic Supplier meetings, in which it shares and discusses strategies to be pursued to strengthen mutual development, and Tech Days aimed at exploring, identifying, promoting and developing new innovation ideas in a fully transparent way. As described in Section 7.2.3, Faurecia assesses the reliability of its suppliers not only in terms of product quality, but also in terms of meeting corporate social responsibility (CSR) criteria.

Faurecia thus communicates with its suppliers and subcontractors to raise their awareness of sustainability issues. As such, the Suppliers section of the Faurecia website has a page devoted exclusively to information and requirements in terms of compliance by its current and potential partners with the Group's "CSR" criteria.

FAURECIA AND ITS CUSTOMERS

Faurecia has very close relationships with virtually all major global automakers. It also works closely with its customers to develop the design and functionality of the product range on offer.

Faurecia is involved in all stages of the equipment development process, from defining product specifications to initial marketing. Faurecia designs and manufactures equipment that is generally specific to each new car model or platform, and generally concludes contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). The quality of Faurecia products is widely acknowledged among automakers. It is backed up by the Group's Faurecia Excellence System (FES), a rigorous set of project management procedures and methodologies, and by the expertise of the more than 6,000 Faurecia engineers and technicians who design products and develop technological solutions.

Vehicle application programs follow a unique process, bringing together all the participants needed to develop and launch a new, mass-produced product. The Program Management System (PMS) process, describes all the requirements at each phase of the program. Every program is given periodic interim reviews, first by specialists and then at the close of each phase by management, so that its progress can be seen.

The PMS consists of five phases:

- obtain and validate customer needs;
- develop the product;
- test the product and develop the manufacturing process;
- plan and validate production machinery;
- ramp up line speeds and launch mass production.

To track performance throughout the development process and steer it towards excellence, Faurecia has introduced the idea of program management excellence. This new approach involves the foregoing elements plus:

- system audits of the program requirements to ensure disciplined implementation;
- performance indicators, reviewed monthly, to signal future risks.

These various tools have made it possible to significantly improve such programs' performance financially and in terms of quality, lead times and launches of mass production.

In addition, Faurecia's production sites regularly receive awards from their customers.

FAURECIA AND ITS INDUSTRIAL OR COMMERCIAL PARTNERS

Faurecia is always looking to develop new partnerships and strengthen existing ones.

Faurecia and Dongfeng Hongtai, a subsidiary majority owned by Dongfeng Motor Corporation, one of the largest automotive groups in China, signed on March 27, 2015 a comprehensive partnership agreement resulting in the creation of two joint ventures, Dongfeng Faurecia Automotive Interior Company and Dongfeng Faurecia Automotive Exterior Company, which will provide Dongfeng and its automotive subsidiaries with interior systems and exteriors.

Moreover, an agreement with Beijing WKW Automotive Parts Co. Ltd, one of the Chinese leaders in the production of automotive interior and exterior trims, was signed on September 24, 2015 with a view to creating a joint-venture called Beijing WKW-FAD Automotive Interior Parts Co. Ltd.

FAURECIA AND THE FINANCIAL COMMUNITY

All of Faurecia's shareholders are given full, clear and transparent information which is tailored to their specific needs and provides them with an objective view of the Group's growth strategy and earnings performance. This financial communication policy is aimed at ensuring that all shareholders have access to the information required in accordance with customary market practice.

A wide variety of documents made available to the public, including regulated information, covers all of the Group's business activities, its strategy and financial information, including including the annual Registration Document, interim financial reports, the bylaws, and the Rules of Procedure of Faurecia's Board of Directors. All these documents are readily accessible on the Group's website www.faurecia.fr, in French and English, and upon request from Faurecia's Investor Relations department. Shareholders can also automatically receive documents, such as the annual report, corporate brochures and press releases, through a free subscription service by e-mailing shareholders@faurecia.com.

Faurecia regularly publishes the annual and period disclosures required by regulations for listed companies in the French legal gazette, the BALO *(Bulletin des annonces légales obligatoires)*. This information is supplemented by press releases for both the financial community and the general public regarding matters that are of major importance in understanding the Company's strategy. In addition, periodic meetings are held on an interactive basis with financial analysts and business journalists in order to give updates on the Group's goals, products and results.

In 2015, Faurecia organized over 450 large-scale and individual meetings in 18 countries, which allowed for direct dialog to take place with nearly 1,000 institutional investors and financial analysts. Themed presentations were also organized for analysts, investors and asset managers.

Shareholders also have a dedicated area on the Faurecia intranet where they can find out about the Group's employee savings plan.

Annual reports presented and filed as Registration Documents with the *Autorité des Marchés Financiers* (AMF) and interim financial reports are broadly circulated within the financial community.

FAURECIA AND CERTIFICATION BODIES

In 2015, 66% of Faurecia's facilities had implemented environmental management systems on a voluntary basis by way of ISO 14001 certification, a 5% improvement compared to 2014. As of December 31, 2015, one hundred-seventeen production sites, thirty-six semi-finished product assembly sites, and seven R&D sites were ISO 14001 certified, with the aim of improving their environmental practices to meet growing customer demands. Nine production plants and one semi-finished product assembly site obtained this certification in 2015 and two Group facilities decided not to renew their ISO 14001 certification, although they both maintain an environmental management system in compliance with this standard. Among sites not yet certified in 2015, 40.5% decided to launch a program of actions with milestones to be met in order to achieve full compliance with the requirements of an environmental management system.

FAURECIA AND THE EDUCATION SECTOR

In the many countries where it has operations, the Faurecia group maintains close partnerships with preferred schools-universities and other higher education establishments-whose locations and curricula correspond best to its needs. Alumni of these institutions now working for Faurecia play a key role by discussing the Group's professions and possible career paths with future graduates.

Faurecia takes part in numerous events for students around the world every year, including job fairs, presentations of the Group's business activities at schools, and workshops on résumé writing or job interview skills. The Group also organizes a number of visits to its sites each year to introduce its business activities to students.

Lastly, several countries have put in place specific programs to further the integration of young graduates hired to their first job within the Group: the STAR program in Germany, the "Fresh Graduate Program" in China, and the VIE international corporate volunteer program offered to young graduates or professionals from France and other EU countries are just a few examples.

7.2.2.2. Partnerships or sponsorship

Around the world, Faurecia's sites and employees frequently take part in many community-based initiatives, depending on local economic, social and cultural needs.

The Faurecia Unites with Employees for Local Service (FUELS) program, launched in North America in 2010, has now been deployed in several other countries where the Group operates, notably France, Spain, India and China. The following were among the initiatives under this program in 2015:

- in North America, the solidarity campaign organized at the forty-eight Faurecia sites in the United States, Mexico and Canada resulted in the collection of the equivalent of 850,000 meals donated to local food banks. Over the last six years, more than 4.35 million meals have been distributed to needy families thanks to the involvement of Faurecia's North American employees;
- in France, for the second consecutive year, Faurecia partnered with the food charity *Restos du Cœur*. More than eight metric tons of food items, together with many items of winter clothing for children, were collected at the Group's sites for donation to the charity. The Group and its employees also contributed a total of more than €45,000 to support the work of Restos du Cœur;
- in Spain, three types of actions already put in place in 2014 were renewed in 2015: the collection of plastic bottle caps for the SEUR Foundation, which uses the proceeds to make life better for sick children; the collection of toys in partnership with the Spanish Red Cross to be given to disadvantaged families; and support for the NGO Oxfam Intermón in its fight against poverty worldwide;
- in India, as part of the "Joy of Giving" month organized to coincide with Diwali, the Hindu festival of lights, Faurecia's employees were encouraged to donate school supplies and books, toys, clothing and food items to help needy families;
- in China, various initiatives were organized throughout the year to assist people in disadvantaged areas: distribution of clothing and sports equipment, assistance provided to associations helping the elderly, etc. And a fourth Green IT classroom was set up in Chengdu in partnership with Netspring, made possible by the donation of refurbished computers.

Other social initiatives are organized at the plant level in various countries. In Poland, the Grojec, Gorzow, Legnica and Walbrzych sites are involved in a variety of initiatives promoting health, ecology, sports and employment. The Faurecia site in Walbrzych, moreover, in November 2015 received the award for corporate social responsibility given by the MotoSolutions Forum in recognition of all of its work on behalf of children, safety and the environment.

In Spain the Valencia R&D site has been working alongside Unicef in the Euro Caring campaign on behalf of disadvantaged children.

In November 2015, Faurecia also launched a philanthropic campaign, Faurecians for Refugees, on behalf of refugees fleeing conflicts in the Middle East. After an initial donation of €250,000 to the Red Cross, the Group took up a collection at all its sites that brought in €80,000 for local associations doing work on the ground to help and support refugees. To promote the inclusion of refugee families in local communities, Faurecia also 100% matched the amount collected, to fund actions undertaken by various sites in Europe in tandem with local public authorities. Several initiatives have already begun, particularly in Germany: e.g., a clothing drive in Munich, language or computer classes given by employees in Hagenbach, internships for refugees in Pappenheim and Augsburg.

7.2.3. SUBCONTRACTORS AND SUPPLIERS

7.2.3.1. Inclusion of social and environmental issues in the purchasing policy

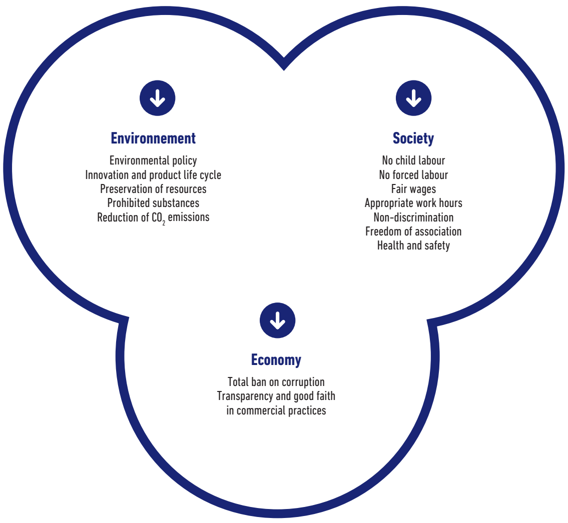
Faurecia's Code of Ethics, the operational principles of which are outlined in Section 7.2.4.1, defines the behavioral principles that apply daily to all Faurecia staff in their internal and external relations and to its partners, and sets out the way the Group intends to put into practice its values of respect for customers, shareholders, employees and the environment.

Sustainable purchasing policies have been implemented across the Group. Accordingly, as mentioned in Section 7.2.2.1, Faurecia is committed to basing its growth on socially responsible actions and behavior across all of its businesses and in all countries where the Group has operations.

In view of this, Faurecia is committed to building close, long-term relationships with its suppliers, based on mutual growth and benefit. Faurecia believes that the principles of social, environmental and economic responsibility are major criteria for the award of contracts to its suppliers. It is essential for Faurecia that its suppliers meet standards of behavior that are consistent with and reflect its own commitments.

Faurecia's Code of Conduct for Suppliers and Subcontractors, introduced in 2013, is a fundamental component of supplier relationship management across the Group. It is included in contract documentation (notably in the purchasing terms and conditions) and in all aspects of Faurecia's procurement process, from tender inquiry documents to supplier quality audits.

The fundamental commitments demanded of Faurecia's suppliers relate to compliance with laws and responsible supply chain management, as illustrated in the diagram below:



By way of illustration, substance management systems are put in place across the entire supply chain, from suppliers to manufacturing customers, for all products delivered by Faurecia. Among other benefits, this approach gives the Group access to complete information on the substances entering into its products, in order to ensure that all actors in the supply chain comply with regulatory frameworks on chemicals and their safe use, such as the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation and that relating to conflict minerals. The Group constantly monitors regulatory developments relating to substances and works to prepare compliance with regulations due to enter into effect that will have an impact on its business activities around the world, sharing this information and related recommendations with all its entities.

For instance, Faurecia Interior Systems is currently pursuing an anticipatory approach to the identification and sharing of information within the supply chain on chemicals or constituents that may be impacted, based on a list of chemicals or constituents considered as potentially of concern for its products and their use. Apart from REACH, this approach is also applied in connection with Faurecia's responses to the annual questionnaires received from its customers relating to the producers and countries of origin of minerals covered by Section 1502 of the Dodd-Frank law on conflict minerals.

With respect to diversity, in North America (United States and Canada), Faurecia has integrated diversity management within its procurement policy, thus responding to the growing demand from its customers to expand job opportunities to historically underemployed segments of the population. A Diversity Management department was created in 2011 to reinforce Faurecia North America's efforts in this area. Its main objective is to increase the use of companies certified for their approach to diversity and to offer them genuine opportunities for growth and expansion.

Also, at the specifically environmental level, Faurecia is rolling out a policy to avoid or minimize local and/or global problems which could be posed by car use. Via its industrial and human resources management policies, research and development, Faurecia is making an active contribution to reducing greenhouse gases and polluting emissions and improving road safety. Throughout a vehicle's life, Faurecia asks and encourages its suppliers to support it in this progressive approach.

7.2.3.2. The extent of subcontracting and the inclusion in dealings with suppliers and subcontractors of their social and environmental responsibility

Faurecia obviously has the desire to involve its partners in its growth over the long term, but also to manage the risks to which they might expose it. Consequently, the Company requires its suppliers to commit to the respect and compliance of the responsible purchasing policy, through the implementation of the Code of Conduct for Suppliers and Subcontractors in their own organization and global supply chain. Supplier quality audits, which are a prerequisite to joining Faurecia's panel of suppliers also include CSR issues. This Code of Conduct is integrated in the mandatory consultation documents sent to suppliers.

By way of illustration, Faurecia Interior Systems has strengthened its "Buy Beyond" responsible purchasing policy to ensure its wider deployment and promote compliance with the Faurecia Code of Conduct among its suppliers. Building on this success, beginning in 2014 and to a broader extent in 2015, this approach has increasingly been adopted by all of the Group's Purchasing teams as well as its suppliers. In order to integrate sustainability into their processes, each team sought the assistance of an external CSR partner in order to better understand, verify and optimize the practices of its suppliers in terms of social, environmental and economic responsibility. This external assessment of CSR compliance by the Group's suppliers, which is in keeping with the organization and requirements laid down in the Code of Conduct, also ascertains compliance with REACH and conflict minerals regulations. Faurecia is also training its Purchasing and Supplier Quality teams, who are tasked with the implementation of the responsible purchasing policy, which involves both training efforts focusing on internal purchasing teams as well as monitoring progress made on CSR issues by suppliers. This program is one of the Group's strategic drivers to accelerate value creation and boost competitiveness. To date, Faurecia Interior Systems has evaluated the performance of more than 480 suppliers with respect to social, environmental and economic responsibility, representing 70% of its purchases.

These assessments are incorporated into the purchasing process, are routinely taken into account in the award of contracts and are also included in the criteria for performance evaluation of suppliers.

Change in subcontracting is quantified by indicators provided in Section 4.6 of this Registration Document.

7.2.4. FAIR PRACTICES

7.2.4.1. Action to prevent corruption

Faurecia is a signatory of the United Nations Global Compact. Consequently, the Group is committed to aligning its operations and strategy with ten universally accepted principles in the areas of human rights, labor standards, the environment, and anti-corruption. This commitment is reaffirmed in Faurecia's Code of Ethics. This Code, created in 2005 and revised in 2007, was updated in 2014 as part of the "Being Faurecia" program intended to reinforce the Group's culture, thus contributing to the creation of long-term value. The Code of Management, which was established at that time to guide the day-to-day management of teams, customers, suppliers, etc., translated many of the principles set out in the Code of Ethics into operations. Each new employee receives a copy of the Code, which is available in the Group's main working languages and may also be accessed on the Group's corporate websites and intranet sites.

It is part of the Faurecia Core Procedures (FCP), and aims to develop the accountability and involvement of Group employees. During Internal Audits, auditors systematically check that everyone working at the plant is familiar with the Code.

The Code of Ethics is structured around four themes: compliance with fundamental rights, fostering economic and social dialog, building skills, ethics, and rules of conduct. It also includes an alert procedure if the Code of Ethics is breached.

OVERVIEW OF ETHICAL PRINCIPLES AND RULES OF CONDUCT

Use of funds, services or Group assets

Any funding of political activity is forbidden, as are any unlawful payments to public authorities or officials. Assets, liabilities, expenses and other transactions made by Group entities must be recorded in the books and financial statements of these entities, and should be kept truthfully and accurately, in accordance with the applicable principles, rules and laws.

Relationships with customers, providers or suppliers

Acceptance of gifts and entertainment from customers and/or suppliers is subject to limits. As such, it is prohibited to accept any gift or gratuity from customers or contractors worth over €100 per year and per business partner, regardless of type.

Furthermore, the payment of any amount in cash, in kind or otherwise to any customer or supplier representative in order to obtain either a contract or a business or financial advantage is prohibited.

The selection of suppliers must be based on quality, need, performance and cost. As stated in the current Purchasing procedures, agreements between the Group and its authorized representatives, agents and consultants or any other contractor must clearly state the actual products/services to be supplied, the basis for compensation or price and all other terms and conditions. This rule also prohibits any investment in suppliers and any purchase of property or service from providers or customers for personal use.

Compliance with competition law

Faurecia aims to adhere strictly to the applicable regulations in all the countries where it operates, including the prohibition of reaching agreements, deals, plans, arrangements or coordinated conduct between competitors in respect of prices, territories, market shares or customers.

Confidentiality

This rule covers both the confidentiality of personal information of employees and that of the assets, documents and data of Faurecia.

Loyalty and exclusivity

It is incumbent on employees and executives of the Group to exercise their work contract faithfully.

Conflicts of interest

Employees shall not draw any personal advantage from a transaction carried out on behalf of a Group company, notably with customers and suppliers.

An employee must also not attempt to select or organize the selection of a company, in particular as a supplier, in which either the employee, an associate or a family member has, directly or indirectly, a financial interest.

Safeguarding Group assets

Group employees and managers are responsible for the proper use of the assets and resources of the Group, including those related to intellectual property, technology, equipment and computer media, software, real estate, equipment, machinery and tools, components, raw materials and liquidities.

WHISTLE-BLOWING PROCEDURE

The Code provides a mechanism for the purpose of managing violations.

Any employee who becomes aware of a breach of the rules set out in the Code may use an internal alert procedure; they may refer to their line manager or HR Director verbally or in writing.

Depending on the nature and importance of the events reported, additional investigations may be launched, an inquiry may be set up or an Internal Audit decided upon.

A strengthened alert procedure can also be launched if the events relate to serious risks for the Group in terms of accounting or financial aspects and anti-corruption efforts. Events which jeopardize the physical or moral integrity of an employee may also be included in the scope of this procedure, which involves an outside body being brought in which the Group has tasked with gathering data and beginning procedures.

If circumstances warrant, the organization contacts Faurecia via its Chairman and CEO, who can ask the Group's Chief Compliance Officer (see below) to carry out the necessary investigations.

In May 2015, to further strengthen its measures in place to minimize the risk of corruption, Faurecia's Executive Committee decided to create a new Compliance and Ethics department. This department is headed by the Chief Compliance Officer, who oversees a network of regional Compliance Officers and other compliance experts within the sales and operating divisions of the Business Groups. The Compliance department's role is to enhance familiarity with the contents of the Code of Ethics and the Management Code across the Group. To date, practical guides relating to the disclosure and management of conflicts of interest as well as the internal alert procedure on perceived violations of the Code of Ethics have been distributed via the network of compliance experts. In addition, training sessions were organized at the industrial sites and at the level of Business Group divisions in connection with the verification assignments carried out by the Internal Audit team. Lastly, a mapping of non-compliance risks was prepared and will be included in Faurecia's overall risk mapping process. The Compliance and Ethics department will coordinate the management of non-compliance risks.

7.2.4.2. Measures to promote the health and safety of consumers

Consumer expectations and societal changes are the two main drivers of change within the market. In this context, regulatory change, which mirrors societal change, aims to reduce the impact of automobiles on the environment across all major automotive markets.

In 2015, Faurecia reorganized its innovation plan to focus on two main areas, under the title “Driving Well-Being”: sustainable mobility and improving the in-car experience. Sustainable mobility involves weight reduction, air quality, energy recovery, and the development of biosourced materials. Improving the in-car experience involves tailoring comfort to personal needs, intuitive connectivity, the perception of harmony, and safety. These strong avenues for innovation help to refocus the Group’s efforts on what creates value for automakers and consumers.

In this respect, driver and passenger safety remains a key focus of Faurecia’s innovation efforts for vehicle interiors.

Usability and safety go hand in hand. Faurecia is a supplier of components that play an important role in passive safety and thus help save lives or limit injuries to drivers or passengers. Seats are emblematic in this respect: they provide about 80% of rear impact protection, about 30% to 40% for frontal impacts and, depending on the automaker, between 30% and 80% for side impacts. Dashboards are also worthy of mention, especially for the protection of front passengers, including all the issues relating to the deployment of airbags. In the area of pedestrian impacts, bumpers make a decisive contribution in efforts to limit injuries, by devoting attention both to their intrinsic characteristics and to the kinematics of the impact sequence.

Over the years, Faurecia has taken position as a key partner for automakers in this area, initially by emphasizing the importance of safety and then by developing products and expertise that allow the Group to devote research efforts, in a measured and confident manner, to all anticipated changes. Each link in the safety chain is associated with design rules that guarantee the system’s performance and its longevity.

Research and development projects undertaken and the consideration of environmental issues in product design are described at length in Chapter 6 and Section 7.1.1 of this Registration Document.

In general, and in accordance with its Code of Ethics relating to fundamental rights, the Group is committed to promoting health and safety at work by implementing policies and methods of active prevention of risks liable to affect the health and safety of employees, to regular monitoring of their proper implementation and to measuring their effectiveness.

In this context, it is particularly committed to empowering its managers and staff in the preservation of health and the prevention of occupational accidents and to organizing the design and development of its products and means of production with a view to achieving the best possible working conditions. All subcontractors working on the premises of Group companies are required to implement these health and safety policies.

7.2.5. OTHER ACTIONS TAKEN IN SUPPORT OF HUMAN RIGHTS

The Code of Ethics contains a number of rules on fundamental rights.

These rules are described in Section 4.3.3 of this Registration Document.

8

Corporate governance

CONTENTS

8.1. Board of Directors

Section 8.1.1. (Members, conditions for the preparation and organization of the work of the Board of Directors) and Section 8.4 (Internal control) constitute the Chairman's report as stipulated by Article L. 225-37 of the French Commercial Code.

The aim of this report, prepared by the Chairman of the Board of Directors, is to provide an account of the Board's membership, the conditions governing the preparation and organization of its work during 2015, and the internal control and risk management procedures introduced by Faurecia.

The report also indicates any restrictions applied by the Board of Directors to the powers exercized by the Chairman and Chief Executive Officer and refers to the principles and rules defined by the Board in order to determine the compensation and benefits of the corporate officers, the rules governing the participation of shareholders in Shareholders' Meetings as well as factors that may be relevant in the event of a tender offer.

It was prepared and drafted in accordance with the law of July 3, 2008 which amended various provisions of French corporate law to align them with European Community law and the AFEP/MEDEF Corporate Governance Code applicable to listed companies, which the Board of Directors has adopted as its reference framework and which can be viewed on the Medef's website (www.medef.fr).

Lastly, this report was approved by the Board of Directors at its April 13, 2016 meeting and was included in this Registration Document, which can be viewed on Faurecia's website at www.faurecia.com.

8.1.1. MEMBERS, CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD OF DIRECTORS

8.1.1.1. Composition of the Board of Directors

Pursuant to the applicable laws, regulations and bylaws, the Board of Directors must be made up of at least three and at most fifteen members. The mandate of the Board members was fixed at five years during the Shareholders' Meeting of May 26, 2011. The Shareholders' Meeting of May 27, 2015 resolved to reduce the term of office of the Board members appointed or reappointed to four years as from that meeting, and to let the ongoing terms of office end on their initial expiry date.

Since the Shareholders' Meeting of May 23, 2012, the Board of Directors of Faurecia is made up of thirteen members.

As of December 31, 2015, the Board of Directors was composed of the following members:

	Age*	Nationality	Date of 1st appointment	Date of last renewal	Expiry of term of office	Committees	Independent**
Yann DELABRIÈRE	65	French	BM November 18, 1996	GSM May 23, 2012	2017 GSM to approve the financial statements for 2016	Member of the Strategy Committee	no
Éric BOURDAIS DE CHARBONNIÈRE	76	French	GSM February 8, 2010	GSM May 27, 2015	2019 GSM to approve the financial statements for 2018	Member of the Audit Committee	yes
Jean-Baptiste CHASSELOUP DE CHATILLON	50	French	GSM May 23, 2012	-	2017 GSM to approve the financial statements for 2016	Member of the Audit Committee	no
Jean-Pierre CLAMADIEU	57	French	GSM May 29, 2007	GSM May 23, 2012	2017 GSM to approve the financial statements for 2016	Chairman of the Appointments and Compensation Committee	yes
Lee GARDNER	68	American	GSM February 8, 2010	GSM May 27, 2015	2019 GSM to approve the financial statements for 2018	Member of the Strategy Committee	yes
Hans-Georg HÄRTER	70	German	GSM May 26, 2010	GSM May 27, 2015	2019 GSM to approve the financial statements for 2018	Member of the Strategy Committee	yes
Linda HASENFRATZ	49	Canadian	GSM May 26, 2011	-	2016 GSM to approve the financial statements for 2015	Member of the Appointments and Compensation Committee	yes
Ross McINNES	61	French/ Australian	GSM May 29, 2007	GSM May 23, 2012	2017 GSM to approve the financial statements for 2016	Chairman of the Audit Committee	yes
Amparo MORALEDA	51	Spanish	GSM May 23, 2012	-	2017 GSM to approve the financial statements for 2016	Member of the Appointments and Compensation Committee	yes
Robert PEUGEOT	65	French	GSM May 29, 2007	GSM May 23, 2012	2017 GSM to approve the financial statements for 2016	Member of the Appointments and Compensation Committee	no
Thierry PEUGEOT	58	French	BM April 17, 2003	GSM May 26, 2011	2016 GSM to approve the financial statements for 2015	Member of the Strategy Committee	no
Bernadette SPINOY	53	Belgian	GSM May 27, 2014	-	2019 GSM to approve the financial statements for 2018	Member of the Audit Committee	yes
Carlos TAVARES	57	Portuguese	GSM May 27, 2014	-	2019 GSM to approve the financial statements for 2018	Chairman of the Strategy Committee	no

* *As of December 31, 2015.*

** *For details on the situation of each Board member with respect to the independence criteria set by the AFEP/MEDEF Code, see the table in Section 8.1.1.1.1.*

The business address of Board members is that of Faurecia.

Neither the bylaws nor the internal rules of the Board of Directors contain rules for staggered terms of office.

As of December 31, 2015, there were no non-voting directors, directors representing employee shareholders, or directors representing employees on the Board, within the meaning of the French Employment Protection Act of June 14, 2013 as modified by the French Employment and Labor Relations Act of August 17, 2015.

Mr. Yann Delabrière has been the Chairman and Chief Executive Officer of Faurecia since February 16, 2007. He was reappointed by the Board of Directors on May 23, 2012 for the duration of his term as a Board member, i.e., until the 2017 Shareholders' Meeting called to approve the financial statements for 2016.

At its meeting of October 16, 2014, the Board of Directors decided to appoint Mr. Patrick Koller as Deputy Chief Executive Officer from February 2, 2015 until the end of Mr. Yann Delabrière's term of office as Chairman and Chief Executive Officer.

Mr. Patrick Koller, who is not a director, participates in all Board of Directors meetings by the Board decision of February 11, 2015.

At its meeting of July 23, 2015, the Board of Directors decided to segregate the duties of the Chairman of the Board of Directors and the Chief Executive Officer as from July 1, 2016, in compliance with Article 17 of the Company's bylaws. At its meeting of April 13, 2016, the Board of Directors further decided that Mr. Yann Delabrière would serve as Chairman of the Board and Mr. Patrick Koller as Chief Executive Officer as from July 1, 2016.

This process is described below.

The Board of Directors brings together major managerial, industrial, and financial expertise. Board members contribute to the work and deliberations of the Board of Directors and specialized committees through their diverse experience in the automobile industry and other economic sectors in which the Group does not operate. They also bring their international experience to the Group. They act in the best interests of all shareholders and are fully involved in defining Faurecia's corporate strategy so that they can actively and effectively contribute to and support the decisions of the Board.

Information on the expertise and experience of the corporate officers and details of their terms of office and other positions held by them are provided in Chapter 8 of the 2015 Registration Document.

8.1.1.1.1. INDEPENDENCE OF MEMBERS OF THE BOARD OF DIRECTORS

The AFEP/MEDEF Code, which Faurecia follows, provides that at least one third of Board members must be independent in companies with controlling shareholders and half of the Board in other companies, at least two thirds of the members of the Audit Committee must be independent, and the Compensation Committee must have a majority of independent Board members.

Independence criteria provided for in the Code are as follows:

- not be or have been, in the past five years, an employee or executive corporate officer of the Company, an employee or director of its parent company or a consolidated subsidiary;
- not be an executive corporate officer of a company in which the Company directly or indirectly holds the office of Board member or in which an employee appointed as such or an executive corporate officer of the Company (currently or who has held such an office for less five years) holds the office of Board member;
- not be a customer, supplier, investment banker, or financing banker:
  - major for the Company or Group,
  - or for which the Company or Group represents a significant share of business.

The assessment of significant nature or not of the relationship with the Company or its Group must be discussed by the Board and the criteria that led to this assessment explained:

- does not have close family ties with a corporate officer;
- does not have been the Company's statutory auditor in the past five years;
- does not been a company director for more than twelve years.

Regarding Board members representing major company shareholders, the Code specifies that they may be considered independent as long as they do not participate in controlling the Company. Above 10% of the share capital or voting rights, the Board of Directors should systematically review the independent status taking the Company's share capital and the existence of a possible conflict of interest into consideration.

The situation of Board members with regard to each of these criteria was reviewed by the Board of Directors on April 13, 2016 on the recommendation of the Appointments and Compensation Committee issued on April 6, 2016.

During the same meeting and also on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided that the significance of a business relation is to be assessed against the following criterion :

- The amount of turnover under all the contracts (purchase / sales agreements, JV agreements, R&D contracts) entered into between a Faurecia entity and the director's company, based on the Faurecia Group's consolidated turnover, is considered not significant under those contracts if it is less than 5% of Faurecia's consolidated turnover.

In this context, Mr. Jean-Pierre Clamadieu's situation was specifically reviewed. The situation of the other Board members does not present issues that would warrant in-depth review with respect to the criteria of the Code.

A full inventory of the contracts between Faurecia and Rhodia/Solvay was conducted with Faurecia's R&D Director, Business Group R&D managers, Indirect Purchasing Director (formerly non-production purchasing department), and Faurecia's Business Group purchasing managers.

Given the outcome of this inventory, it was noted that the turnover under existing contracts between Faurecia and Solvay group represent a minor amount and which is significantly below the criterion described above. As a consequence, upon recommendation of the Appointments and Compensation Committee, the Board of Directors deemed Mr. Jean-Pierre Clamadieu an independent Board member.

All the conclusions of the Board of Directors are provided in the summary table below:

REVIEW OF THE INDEPENDENCE OF BOARD MEMBERS BASED ON THE AFEP/MEDEF CODE'S INDEPENDENCE CRITERIA

	Éric BOURDAIS DE CHARBONNIÈRE	Jean-Baptiste CHASSELOUP DE CHATILLON	Jean-Pierre CLAMADIEU	Yann DELABRIÈRE	Lee GARDNER	Hans-Georg HÄRTER	Linda HASENFRATZ	Ross McINNES	Amparo MORALEDA	Robert PEUGEOT	Thierry PEUGEOT	Bernadette SPINOY	Carlos TAVARES
Is not or has not been, in the past five years, an employee or an executive corporate officer of the Company, an employee or director of its parent company or a consolidated subsidiary	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No
Is not an executive corporate officer of a company in which the Company directly or indirectly holds the office of Board member or in which an employee appointed as such or an executive corporate officer of the Company (currently or who has held such an office for less 5 years) holds the office of Board member	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Is not a major customer, supplier, investment banker, or financing banker for the Company or Group or for which the Company or Group represents a significant share of business	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Does not have close family ties with a corporate officer	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has not been the Company's statutory auditor in the past five years	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Has not been a company director for more than 12 years	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Does not represent a shareholder who is involved in the control of the Company or its parent company	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No
Situation	✱	■	✱	■	✱	✱	✱	✱	✱	■	■	✱	■

✱ Independent **■ Non-independent**

Therefore, and according to the criteria of the AFEP/MEDEF Code, as of December 31, 2015 Faurecia's Board of Directors is made up of eight independent directors out of thirteen, that is to say more than one third of independent members.

8.1.1.1.2. GENDER BALANCE ON THE BOARD OF DIRECTORS

As of December 31, 2015, Faurecia's Board of Directors had three women members.

As of that date, the composition of the Board is therefore consistent with the provisions on balanced representation of men and women on Boards of Directors under the AFEP/MEDEF Code and the law of January 27, 2011 on the balanced representation of men and women on Boards of Directors and professional equality.

At their General Meeting of May 27, 2016, the shareholders will be invited to vote on the appointment of two additional women Board members.

8.1.1.2. Missions of the Board of Directors

The Board of Directors is a collective body that determines the Company's business strategy and oversees its implementation. Subject to the powers expressly granted to Shareholder Meetings and within the scope of the Company's purpose, it deals with all matters regarding the proper operation of the Company and settles matters concerning it through its decisions. The Chairman consults it on all Company and Group strategic decisions.

The Board's internal rules, which can be consulted by shareholders at the Company's head office or on Faurecia's website, www.faurecia.fr, detail the missions of the Board of Directors and its committees. They describe the Board's modus operandi and its role in the management of Faurecia and the Group in compliance with French law and the bylaws. They specify the rights and responsibilities of Board members, particularly regarding the prevention of conflicts of interest, the holding of multiple offices, and the need for strict confidentiality in deliberations as well as diligence when taking part in the Board's work. It also set out rules governing transactions involving Faurecia's shares made by members of the Board of Directors.

Given the segregation of the duties of the Chairman of the Board of Directors and the Chief Executive Officer as from July 1, 2016, a new version of the internal rules will be applied as from that same date to reflect the new governance structure. The new version will be made available at www.faurecia.fr.

The Board's missions as described below and any information related to its operation result from the internal rules applicable as of December 31, 2015 and therefore before the segregation of duties takes effect.

The internal rules provide for the following tasks to be performed by the Board of Directors:

- determination and implementation of decisions concerning the Company's main economic, social, financial, and technological strategies.

  In this context, the Board is informed of the Group's financial and cash position as well as contingent liabilities every quarter. Risk monitoring and control are reviewed at least annually following a presentation by the Audit Committee.

  The medium-term direction of the Group's activities is defined by a strategic plan. The draft of this plan is prepared and presented by the Chairman and submitted to the Strategy Committee for study and opinion before being adopted by the Board.

  As part of internal procedures, the Chairman and Chief Executive Officer must obtain approval from the Board of Directors before carrying out any acquisition, disposal, or joint venture project representing a total asset value of over €100 million and/or with revenues in excess of €300 million. In addition, any significant transaction that is not included in the Company's strategic plan must be approved by the Board beforehand;
- convening Shareholders' Meetings and setting the agenda;
- approval of the annual and interim consolidated financial statements and preparation of the annual management and Group management reports;
- replacement of Board members;
- appointment or dismissal of the Chairman of the Board of Directors, the CEO, and Chief Operating Officers and determination of their compensation;
- creation of committees of the Board of Directors, appointment of their members, determination of their tasks and operating methods;
- notice prior to the acceptance of a new term of office in a listed company by an executive corporate officer.

The Board is free to decide how to exercise Faurecia's senior management. This can be assumed, under its responsibility, either by the Chairman of the Board themselves or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

In order for it to properly exercise its functions, the Board of Directors has included the following requirements in its Rules of Procedure:

(i) the Chairman, assisted by the Board Secretary, is responsible for sending any useful information to the other Board members;

(ii) where items on the agenda at a Board or committee meeting require specific analysis or review, information and/or documentation on the issues concerned must be provided in a timely manner prior to the meeting.

In this context, on receipt of this information, the Rules of Procedure provide for the Board member who feels that they are in conflict of interest with it to inform the Chairman of the Board of this and accept any consequences on the exercise of their term of office. Thus, depending on the case, he should either abstain from participating in deliberations concerning him, or not attend the Board meetings until such time as he finds himself in a situation of conflict of interest, or resign from the directorship. In case of non-compliance with these rules of abstention or withdrawal, the Board member could be held liable.

In case of conflict of interest, the Board member concerned will not receive documentation relating to this.

No such situations arose in 2015;

(iii) the Board is authorized to make use of video or teleconference equipment on an exceptional basis, provided that at least four Board members, including the Chairman, attend the meeting in person at the venue specified in the notice of meeting to facilitate deliberations between members and, in certain cases, decision-making.

8.1.1.3. Organization and report on the work of the Board and its committees in 2015

The Board of Directors is convened by its Chairman who sets the agenda for each meeting. To prepare the decisions falling under its responsibilities as best as possible, Faurecia's Board of Directors has set up three committees:

- Audit Committee;
- Strategy Committee;
- Appointments and Compensation Committee.

Each committee has its own internal rules.

Committees study and prepare some of the Board's deliberations. They issue proposals, opinions, and recommendations within their field of competence. Committees only have a consultative role and act under the authority of the Board of Directors to which it reports whenever necessary and may not replace.

The table below indicates the attendance of each member to the meetings of the Board and its Committees, as applicable, in 2015.

	Board of Directors					Audit Committee			
	11 Feb.	**14 Apr.**	**23 Jul.**	**13 Oct.**	**16 Dec.**	**9 Feb.**	**7 Apr.**	**21 Jul.**	**9 Dec.**
BOURDAIS DE CHARBONNIERE Éric*	X	X	X	X	X	X	X	X	X
CHASSELOUP DE CHATILLON Jean-Baptiste*	X	X	X	X	X	X	X	X	X
CLAMADIEU Jean-Pierre	X	X	X	X	X				
DELABRIERE Yann	X	X	X	X	X				
GARDNER Lee	X	X	X	X	X				
HÄRTER Hans-Georg	X	X	X	proxy	X				
HASENFRATZ Linda	X	X	X	X	X				
McINNES Ross*	X	X	X	X	X	X	X	X	X
MORALEDA Amparo	X	X	X	X	X				
PEUGEOT Robert	X	X	X	X	X				
PEUGEOT Thierry	X	X	X	X	X				
SPINOY Bernadette*	X	X	X	X	X	X	X	X	X
TAVARES Carlos	X	absent	proxy	X	X				

* *Member of the Audit Committee.*

	Appointments and Compensation Committee					Strategy Committee		
	9 Feb.	**10 Apr.**	**21 Jul.**	**13 Oct.**	**14 Dec.**	**22 Jun.**	**25 Sept.**	**9 Dec.**
BOURDAIS DE CHARBONNIERE Éric								
CHASSELOUP DE CHATILLON Jean-Baptiste								
CLAMADIEU Jean-Pierre*	X	X	X	X	X			
DELABRIERE Yann**						X	X	X
GARDNER Lee**						X	X	X
HÄRTER Hans-Georg**						X	X	X
HASENFRATZ Linda*	X	X	X	absent	X			
McINNES Ross								
MORALEDA Amparo*	X	X	X	X	X			
PEUGEOT Robert*	X	absent	X	X	X			
PEUGEOT Thierry**						X	X	X
SPINOY Bernadette								
TAVARES Carlos**						X	X	X

* *Member of the Appointments and Compensation Committee.*
** *Member of the Strategy Commitee.*

8.1.1.3.1. THE BOARD'S WORK IN 2015

In 2015, the Board of Directors met five times with an attendance rate of 98%.

At each of its meetings, the Board of Directors took note of the Group's operating results, business perspectives, and results.

The topics specifically discussed at each of these meetings were as follows:

- At its meeting of February 11, 2015, the Board of Directors reviewed and approved the 2014 individual company and consolidated financial statements and decided to propose the payment of a dividend of €0.35 per share to the shareholders, who may opt to receive this dividend as shares.

  The Board also approved the adjusted guidance for 2015.

  In this context, it further approved the wording of the press release announcing the earnings for fiscal 2014, and the business and results outlook for fiscal 2015.

  The Board authorized a €200 million bond issue to supplement the €500 million bond issue carried out in March 2015 (authorized by the Board at its meeting of December 9, 2014).

  It received an update on the negotiations with Dongfeng and the date of March 27, 2015 estimated for signing the partnership agreement with the Chinese automotive group. The Board noted that the negotiations for this partnership were proceeding as planned.

  It reviewed the Company's transformation projects in line with the overall strategy (strategic innovation, factory of the future, Digital Enterprise) and the decision to create a new organization dedicated to compliance, which would lead to the creation of a Chief Compliance Officer position and the establishment of a dedicated network within the Group.

  A number of governance issues were submitted to the Board for consideration:

  The Board approved the Chairman and Chief Executive Officer's fixed compensation for 2015, his variable compensation for 2014 and the criteria to determine the variable portion of his compensation for 2015.

  It approved the Deputy Chief Executive Officer's fixed compensation for 2015 and the criteria to determine the variable portion of his compensation for 2015.

  At the same meeting, the Board also approved a supplementary pension plan for the members of Faurecia's Executive Committee who had an employment contract with the Company (either in progress or suspended).

  This plan was adopted in accordance with the applicable regulations, notably those provided for in the AFEP/MEDEF Code, and taking account of expected changes to the laws. In this respect, it includes performance criteria relating to operating profit and budget which determine the annuities due to beneficiaries.

  The Board duly noted the results of the assessment of its work and that of its committees for 2014 and reviewed the independence of its members.

  It also decided to ask the shareholders to vote on an increase in attendance fees from €400,000 to €600,000.

- At its meeting of April 14, 2015, the Board of Directors examined the sales for the first quarter of 2015 and approved the wording of the related press release.

  It was informed about the progress of the Company's ongoing transformation projects, of which it had initially been notified in February 2015.

  The Board adopted the 2014 Registration Document.

  It convened a Combined Shareholders' Meeting on May 27, 2015 and approved its agenda and resolutions to be submitted to the shareholders for approval. In addition to the increase in attendance fees and the payment of a share dividend, the Board also decided to propose to the shareholders to modify the bylaws to reduce the term of office of the Board members appointed or reappointed from five years to four as from that Meeting. Consequently, it proposed that MM. Éric Bourdais de Charbonnière, Lee Gardner and Hans-Georg Härter be reappointed for a period of four years. The Board also decided to ask the shareholders for an advisory opinion on the components of Mr. Yann Delabrière's compensation in accordance with the Say on Pay principle.

  In accordance with Article L. 225-37-1 of the French Commercial Code, it also reviewed professional equality and pay and was informed, in accordance with AMF recommendation No. 2013-18, that sustainable development and social and environmental responsibility within the Group had been addressed.

  At the same meeting, the Board delegated the task of carrying out capital increases to the Chairman and Chief Executive Officer, notably related to the payment of 2014 dividends in shares and the exercise of stock options during 2014.

- At its meeting of July 23, 2015, the Board of Directors reviewed and approved the consolidated financial statements for the first-half 2015, reviewed the Group's 2015-2019 strategic plan and carried out the mid-year execution analysis of the 2015 budget.

  Furthermore, the Board approved the adjusted guidance for the first-half 2015 and the press release related to these results.

  It was informed of the strategic review held on innovation.

  With respect to corporate governance, the Board focused on its composition and future changes therein, specifically to take into account gender balance, employee representation on the Board and the replacement of the Chairman and Chief Executive Officer. The latter topic is discussed in more detail further below.

Lastly, at the same meeting the Board decided to grant a seventh performance share plan based on the authorization received from the Shareholders' Meeting of May 27, 2015.

- The Board of Directors meeting in October is usually dedicated to strategic planning.

  The strategies of the four Business Groups were therefore discussed at the meeting of October 13, 2015, from the perspective of the following themes: growth targets, key financial indicators, the description of the main operational steps to be implemented to achieve the financial targets, the competitive environment.

  The Board also studied the financial components of the Group's strategic plan and its investment capacity, as well as the strategic plan for human resources.

  A presentation on strategic trends in the industry was followed by a discussion about Faurecia's overall strategy and investment options.

  At the same meeting, the Board also reviewed the sales for the third quarter of 2015 and the related press release.

- At its meeting of December 16, 2015, the Board of Directors examined and approved the 2016 budget.

  Specific items on the agenda were dedicated to the Lean Functions project, which aims to promote efficient corporate support services, and the progress of the Digital Enterprise project.

  The Group's Asian strategy was also reviewed.

  With respect to corporate governance, the Board decided to submit the appointment of Ms. Odile Desforges as a new Board member for shareholder approval at the Shareholders' Meeting of May 27, 2016, upon the recommendation of the Appointments and Compensation Committee.

  The Board also took note of the consequences of the reduction in its shareholder PSA's investment below 50% of the share capital on employee representation on the Board.

In addition to the topics described above, two major themes have been on the Board's radar throughout the year.

First, the Board of Directors examined and took a position on corporate governance issues with respect to the replacement of the Chairman and Chief Executive Officer. At its meeting of October 16, 2014, the Board of Directors decided to appoint Patrick Koller as Deputy Chief Executive Officer as of February 2, 2015. As from the same date, Patrick Koller was the beneficiary of an individual development plan established together with external consultants.

Each Board meeting offered an opportunity to review the implementation of the succession plan.

At its meeting of July 23, 2015, the Board of Directors decided to begin the process for segregating the duties of the Chairman and the Chief Executive Officer, upon the recommendation of the Appointments and Compensation Committee and in accordance with Article 17 of the Company's bylaws.

Then, on October 13, 2015, the Board of Directors adopted the proposition of the Appointments and Compensation Committee to appoint Mr. Yann Delabrière and Mr. Patrick Koller, respectively, for the two positions effective as from July 1, 2016.

As a result of this process and as indicated above, at its meeting of April 13, 2016 the Board of Directors decided that Mr. Yann Delabrière would become Chairman of the Board of Directors and Mr. Patrick Koller Chief Executive Officer as from July 1, 2016.

Second, several times during the year the Board reviewed significant trends and decisions in terms of the Group's strategic partnerships, acquisitions or divestments, specifically the project to discontinue the operations of the Faurecia Automotive Exteriors Business Group.

At its meetings of April 14 and July 23, 2015, the Board of Directors also reviewed unsolicited expressions of interest received from various parties for the acquisition of said Business Group and authorized Senior Management to initiate then continue negotiations with one or more interested parties.

In this context and following the signing of a letter of intent to exclusively negotiate with one of the interested parties, at its meeting of October 13, 2015 the Board of Directors approved the continuation of the sale process, in particular a due diligence procedure to be performed by the potential buyer.

Following the signing of a Memorandum of Understanding (MoU) on December 14, 2015 with respect to the proposed sale of the Faurecia Automotive Exteriors Business Group to Plastic Omnium, on December 16, 2015 the Board of Directors confirmed its agreement in principle with the transaction covered by this MoU and granted full powers to the Chairman and Chief Executive Officer and the management team, after all information and consultation procedures required have been completed, to conclude the necessary agreements and to implement and close the transaction.

8.1.1.3.2. THE AUDIT COMMITTEE

Composition

The Audit Committee's internal rules define its composition as follows:

The composition of the Committee is decided by the Board and it can change the composition at any time.

The Committee is composed of at least three members and no more than five members.

Members are selected from among the Board members.

They are appointed in their personal capacity and may not use proxies.

The term of office of committee members is the same as that of their term of office as Board members. The committee member's term of office may be renewed at the same time as their term of office as Board member.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of their term of office.

The Secretary of the Board is also the secretary of the Committee.

The Committee may only be composed of members of Faurecia's Board of Directors who are not executive corporate officers (Chairman, CEO, COO).

At least two-thirds of the Committee's members must be independent. It is specified that the independence of Committee members is assessed according to the AFEP/MEDEF Code's independence criteria.

Committee members must have special expertise in finance or accounting.

Required financial and accounting expertise is assessed based on professional experience, academic training, and/or specific knowledge of Faurecia's activity.

As of December 31, 2015, the Audit Committee was composed of four members: Messrs. Éric Bourdais de Charbonnière, Jean-Baptiste Chasseloup de Chatillon, Ross McInnes and Ms. Bernadette Spinoy.

It was chaired by Mr. Ross McInnes who notably served as the Chief Financial Officer of several listed companies.

The Committee therefore has three independent members, including the Chairman, and its composition conforms to the two-thirds threshold recommended by the AFEP/MEDEF Code and as reflected in the Committee's Rules of Procedure.

Mission

The Committee's internal rules specifically provide for the following responsibilities:

Audits

The Committee's mission is to review the Faurecia group's consolidated annual and interim financial statements.

It:

- monitors the preparation of financial information;
- monitors the statutory audit of annual and consolidated financial statements by the Statutory Auditors;
- ensures the relevance, permanence, and the proper application of accounting methods adopted to prepares financial statements;
- ensures the adequate treatment of major transactions at Group level;
- reviews material off-balance sheet risks and commitments;
- reviews the consolidation scope;
- reviews the audit plan, ensures the implementation of recommendations, and, if necessary, convenes the auditors;
- takes cognizance of and assesses internal control procedures and, in particular, monitors the effectiveness of internal control and risk management systems.

In general, the Audit Committee reviews any financial or accounting matter submitted to it by the Chairman of the Board of Directors.

Relationship with Statutory Auditors

The Committee manages the Statutory Auditor selection process. It develops selection principles and ensures the independence of Statutory Auditors.

It reviews the appointment of Statutory Auditors and gives an opinion on the amount of their fees in a report submitted to the Board.

The Statutory Auditors inform the Committee of the following:

(i) their work program;

(ii) changes they believe should be made to the accounts to be approved;

(iii) any non-conformities or misstatements found;

(iv) conclusions resulting from the observations and corrections mentioned above.

The Statutory Auditors will also review risks to their independence and the safeguards implemented to mitigate them with the Committee.

Statutory Auditors will inform the Committee of any material weaknesses found in internal control.

Every year, they provide the Committee with the following:

(i) a statement of independence;

(ii) the amount of fees paid to the network of Statutory Auditors for services that are not directly related to the mission of the Statutory Auditors;

(iii) information on the services provided in respect of audits directly related to the mission of the Statutory Auditors.

Organization and activity report

The Audit Committee's internal rules specify that it should meet at least twice a year prior to the closing of the annual and interim financial statements.

The time between review of the financial statements by the Committee and the corresponding decision of the Board must be at least two days before the Board's deliberation. Exceptionally, the Committee Chairman may decide to shorten this period to take into account the participation of members who are not based in France.

The Committee may hear external auditors and financial, accounting, and treasury directors. These hearings should be able to be held, if necessary, without the presence of the Finance department and, in any event, without the presence of Faurecia's Senior Management. The CFO may be assisted by any employee of their choice.

The Committee may call on external experts, as necessary, ensuring their competence and independence.

As part of its mission on the effectiveness of internal control and risk management systems, the Committee is informed of the main findings Statutory and internal auditors. It therefore hears the heads of Internal Audit and risk management and advises on the organization of their departments. It must be informed of the Internal Audit Program and receive Internal Audit reports or periodic summaries of these reports.

Committee meetings may only be held if the majority of its members are present.

In 2015, the Audit Committee met four times with an attendance rate of 100%.

The topics specifically discussed at each of these meetings were as follows:

- The main aim of the Committee meeting held on February 9, 2015 was to examine the 2014 consolidated financial statements, review the cash position, and assess compliance with the bank covenants of the Group's main financing arrangements.

  At the same meeting, the Committee reviewed the proposed appropriation of net income for the year and decided to propose to the Board of Directors meeting scheduled for February 10, 2015 the payment of a dividend of €0.35 per share.

  It also reviewed the amount of auditors' fees for 2014 and was informed about the Internal Audit Plan for 2015.

  The Committee was notified of the decision to create a dedicated Compliance function.
- In addition to reviewing the sales for the first quarter of 2015, the Committee meeting of April 7, 2015 was dedicated to examining the Internal Audit Report for 2014, reviewing the Statutory Audit Plan for 2015 and discussing risk management.

  The Committee also reviewed the amount of financial authorizations to be submitted to the Shareholders' Meeting of May 27, 2015.
- At its meeting of July 21, 2015, the Committee examined the presentation of the 2015 interim financial statements and the related press release. It also reviewed the progress of the plan for strengthening internal controls across the Group. It satisfied itself that risks (foreign currency risks, liquidity risks) were well managed and reviewed refinancing opportunities.
- Lastly, the meeting of December 9, 2015 focused, among other things, on reviewing end-December results forecasts, the 2016 budget, the auditors' presentation of the 2015 "hard close" audit, and Group refinancing (special attention was paid to the early redemption of OCEANE bonds maturing in 2018).

  At this Meeting, the Committee was informed of the deployment of the Compliance function and the fact that a network of 30 experts was established for each operating division, with each Business Group appointing its own expert. The compliance program in progress was also presented and its priorities explained to the Committee. The undertakings proposed for 2016 were submitted to it.

At each of its meetings, the Committee reviewed the Group's cash position, financing, and liquidity.

During its various meetings, the Audit Committee was also given presentations by the Group's Chief Financial Officer, the Head of the Internal Audit department, and the Head of the Internal Control. The Statutory Auditors gave their observations during each meeting.

The Committee Chairman presented a report on the Committee's work to the Board of Directors on February 11, April 14, July 23, and December 16, 2015.

8.1.1.3.3. THE STRATEGY COMMITTEE

The Group's Strategy Committee was set up by the Board of Directors on October 15, 2009.

Composition

The Strategy Committee's internal rules define its composition as follows:

The composition of the Committee is decided by the Board and it can change the composition at any time.

The Strategy Committee is composed of at least three members and no more than five members.

The Chairman of the Board of Directors and the Chief Executive Officer, provided that they are a Board member, are members of the Strategy Committee as of right.

Members are selected from among the Board members.

They are appointed in their personal capacity and may not use proxies.

The term of office of Committee members is the same as that of their term of office as Board members. The Committee member's term of office may be renewed at the same time as their term of office as Board member.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of their term of office.

The Secretary of the Board is also the Strategy Committee's secretary.

At least one member of the Committee must be independent within the meaning of the definition provided in the AFEP/MEDEF Code.

As of December 31, 2015, the Strategy Committee was composed of five members: Messrs. Yann Delabrière, Lee Gardner, Hans-Georg Härter, Thierry Peugeot and Carlos Tavares. It is chaired by Carlos Tavares. The Strategy Committee therefore includes two independent members.

Mission

As part of its general mission to analyse the Group's overall strategic vision, the Strategy Committee prepares the matters to be discussed by the Board of Directors. It issues proposals, opinions, and recommendations on:

- the Group's strategic and medium-term plans;
- plans to acquire new businesses, including acquisitions of both assets and companies;
- plans to dispose of assets, companies, or equity interests belonging to the Group;
- plans to set up joint ventures with partners.

To fulfill its mission, the Strategy Committee may call on external auditors or any other experts that may be internal or external to the Group and on the Chairman of Faurecia's Audit Committee to report on any issue relating to investments, risks, and the impact on the Group's financing in relation to projects submitted to it.

Organization and activity report

The Committee must meet at least twice a year.

Committee meetings may only be held if the majority of its members are present.

In 2015, the Strategy Committee met three times with an attendance rate of 100%.

During these meetings, the Committee reviewed the strategies of the four Business Groups and the Group, the Group's 2015-2019 strategic plan and its main financial components, and the Group's strategic development opportunities and operations, including the sale of the Faurecia Automotive Exteriors Business Group.

On this topic, the Committee notably formulated all necessary recommendations to the Board of Directors and reviewed each step of the process that had led to the signing of the Memorandum of Understanding of December 14, 2014.

The Committee also examined the developments of negotiations of partnership negotiations with the Chinese automotive group Dongfeng.

8.1.1.3.4. THE APPOINTMENTS AND COMPENSATION COMMITTEE

Composition

The Appointments and Compensation Committee's internal rules define its composition as follows:

The composition of the Committee is decided by the Board and it can change the composition at any time.

The Committee is composed of at least three members and no more than five members.

Members are selected from among the Board members. They are appointed in their personal capacity and may not use proxies.

The term of office of Committee members is the same as that of their term of office as Board members. The Committee member's term of office may be renewed at the same time as their term of office as Board member.

The Board of Directors appoints a Committee Chairman from among its members for a term identical to that of their term of office.

The Secretary of the Board is also the secretary of the Committee.

The Committee should not include any executive corporate officer (Chairman, CEO, COO) and must have a majority of independent members. It should also be chaired by an independent member within the meaning of the AFEP/MEDEF Code.

As of December 31, 2015, the Appointments and Compensation Committee was composed of four members: Mr. Jean-Pierre Clamadieu who is the Chairman, Ms. Linda Hasenfratz, Ms. Amparo Moraleda and Mr. Robert Peugeot. It is thus made up of three independent directors chaired by one of them in the person of Mr. Jean-Pierre Clamadieu. In accordance with the AFEP/MEDEF Code, the Committee does not include any corporate officers.

As of December 31, 2015, the committee had no directors representing the employees.

Mission

The missions of the Appointments and Compensation Committee include:

- preparing the procedure to select new members of the Board;
- review Board member independence;
- issue recommendations on the compensation of executive corporate officers and Board members;
- review proposed plans for stock option and performance share allocation.

Organization and activity report

The Appointments and Compensation Committee must meet at least twice a year.

The Chief Executive Officer may attend committee meetings where appointments are discussed.

Committee meetings may only be held if the majority of its members are present.

In 2015, the Committee met five times with an attendance rate of 90%.

- At its meeting of February 9, 2015, the Committee approved proposals regarding the Chairman and Chief Executive Officer's fixed compensation for 2015 together with setting the amount of his variable compensation for 2014 and the criteria to determine the variable portion of his compensation for 2015.

  It also made proposals regarding the Deputy Chief Executive Officer's fixed compensation for 2015 and the criteria to determine the variable portion of his compensation for 2015.

At the same meeting, the Committee also reviewed a supplementary pension plan for the members of the Executive Committee in view of the applicable regulations and new regulations under development at the time of the meeting. As a result of its review, the Committee recommended the approval of this plan at the Board of Directors meeting of February 10, 2015.

During this Meeting, specific items on the agenda were dedicated to the amount of attendance fees, the independence of Board members, and the assessment of the work of the Board and its committees in 2014.

With respect to the Performance Share Plan No. 4, the Committee concluded that the award criterion linked to the Group's performance had not been satisfied and therefore no share would be granted to potential beneficiaries of this plan.

A more general issue, regarding recent changes in the application guide for the AFEP/MEDEF Code was brought to its attention.

- The meeting of April 10, 2015 specifically discussed the conditions for awarding performance shares to ensure that executives and key managers have a stake in the Group's medium-term performance.

  The Committee also focused on the future corporate governance and notably proposed to the Board to reduce the term of office of Board members from five years to four at the Shareholders' Meeting to be held on May 27, 2015.

  It also reviewed the compensation of the members of the Executive Committee.

- At its meeting of May 23, 2015, the Committee continued its work on the conditions for awarding performance shares linked to the Group's medium-term performance to executives and key managers.
- Discussions on the performance shares plan went on during the Committee meeting of July 21, 2015: the Committee reviewed the details of the Plan No. 7, the definition of eligible employees and the determination of the award criteria, and approved all the related proposals which it submitted to the Board of Directors meeting of July 23, 2015. At the same meeting, the Committee also reviewed the Top and Senior Management of the Group together with associated succession plans and the deployment of the Being Faurecia initiative.
- At its meeting of October 13, 2015, the Committee continued its examination of the plan to replace the Chairman and Chief Executive Officer and of the composition of the Board of Directors, specifically as regards employee representation on the Boards following the coming into effect of the French Employment and Labor Relations Act of August 17, 2015. The Committee was also informed that the external consultant firm Russell Reynolds would oversee the Board assessment process for fiscal year 2015.
- Lastly, at its meeting of December 14, 2015 the Committee discussed again the representation of employees on the Board, following the reduction in the shareholder PSA's investment below 50% of the Company's share capital.

At each of its meetings, the Committee discussed future changes in the composition of the Board of Directors, specifically taking into account legal requirements on gender balance and employee representation.

It also closely supervised the replacement of the Chairman and Chief Executive Officer.

The Committee monitored all steps in the development of Patrick Koller's duties as Deputy Chief Executive Officer.

After approving said development steps, the Committee recommended to the Board of Directors to segregate the duties of the Chairman and the Chief Executive Officer, and to appoint Mr. Yann Delabrière and Mr. Patrick Koller, respectively, in these positions.

In addition, throughout the year the Committee oversaw the decisions regarding the composition and renewal of the Board of Directors leading to the appointments of new members, to be submitted for approval by the Shareholders' Meeting scheduled for May 27, 2016, by ensuring a good balance and diversity of members with appropriate skills. In this respect, following a selection process, the Committee recommended to the Board of Directors at its December 16, 2015 meeting to propose the appointment of Ms. Odile Desforges as a new Board member for shareholder approval at the May 27, 2016 Shareholders' Meeting. The Committee's recommendations on two other directors were adopted by the Board of Directors on February 10, 2016.

Mr. Yann Delabrière attended all committee meetings in his capacity as Chairman and Chief Executive Officer, with the exception however of the discussions regarding his compensation.

8.1.1.4. Assessment of the Board's performance

The Board of Directors carries out an assessment of its operation every year.

Like in 2012, it assessed its work during 2015 with the help of an external consulting firm, Russell Reynolds.

The assessment was made using a questionnaire sent to each Board member. Each Board member was also invited to a personal interview.

The results of this assessment were presented to the Appointments and Compensation Committee on February 4, 2016 and to the Board of Directors on February 10, 2016.

The assessment questionnaire concerned the following topics:

- the responsibilities of the Board of Directors;
- the procedures used by the Board of Directors;
- governance and committees;
- meetings and supporting documents;
- strategy;
- composition of the Board of Directors;

- the efficiency of the work of the Board (this question notably aims to seek the opinion of the Board members on their actual contribution to the work of the Board);
- leadership and culture;
- the performance appraisal of the Chairman and Chief Executive Officer.

Following this assessment, at its meeting of February 10, 2016 the Board of Directors decided to dissolve the Strategy Committee, as all the Board members wished to participate in discussions on the Group's strategic directions. This does not preclude the setting of an ad hoc committee to examine a particular issue.

The Board of Directors then reviewed its work plan as regards the examination of the Group's strategy and related decisions. It decided to maintain the examination of Faurecia's financial strategy plan in July, while the Board meeting in October would remain dedicated to strategy, with heightened emphasis on the Group's strategy in relation to each Business Group, and to the review of the major development trends for automotive technologies. The April meeting of the Board will offer the opportunity to review an interim report on strategy.

At the same February 10, 2016 meeting, the Board decided to reorganize the Appointments and Compensation Committee, which had a particularly high workload, into two new committees: the Governance Committee dedicated to issues related to the composition and operation of the Board of Directors and its committees, and the Management Committee dedicated to issues related to Group managers all the way up to the Chief Executive Officer.

The Board also requested to be given a biannual presentation of key indicators for assessing Faurecia's performance compared with that of its industry peers. Risk management issues are reviewed at least once a year based on presentations made by the Chairman of the Audit Committee and the Chief Financial Officer.

8.1.1.5. Restrictions on the powers of the Chairman and Chief Executive Officer placed by the Board

As part of the internal rules applicable as of December 31, 2015, the Chairman and Chief Executive Officer must obtain approval from the Board of Directors before carrying out any acquisition, disposal, or joint venture project representing a total asset value of over €100 million and/or with revenues in excess of €300 million. These rules also state that any material transaction which is not integrated in the Company's current strategy plan will be submitted to the prior approval of the Board of Directors. The Board of Directors authorized the Chairman and Chief Executive Officer to give sureties, endorsements, or guarantees within the limit of €50 million capped at €10 million per transaction on July 23, 2015. If the Group is required to provide advance payment guarantees or performance bonds for contracts with successive partial deliveries, the Chairman and Chief Executive Officer is authorized to provide guarantees representing a maximum of €5 million per transaction. Lastly, through its Rules of Procedure and within the scope of the applicable laws governing its activities, the Board has the powers to deal with all matters required for the proper operation of Faurecia.

8.1.1.6. Principles of compensation of corporate officers

The determination of fixed and variable compensation, compensation criteria, and benefits-in-kind granted to corporate officers as well as a comparison of compensation awarded in past years are detailed in Chapter 8.1.2. of the 2015 Registration Document.

8.1.1.7. Factors that could impact a public offering

The information provided by Article L. 225-100-3 of the French Commercial Code is mentioned in Sections 8.1.1, 10.3.2, and Sections 10.4.2.1 and 10.4.2.2 of this Registration Document.

8.1.1.8. Shareholder participation in Shareholders' Meetings

The specific rules governing the participation of shareholders in Shareholders' Meetings are described in Articles 22 and 23 of Faurecia's bylaws, which may be consulted on www.faurecia.com, and in Chapter 10 of the 2015 Registration Document.

8.1.1.9. Summary of compliance with the recommendations of the AFEP/MEDEF Code

As of the end of the 2015 fiscal year, Faurecia complied with all the recommendations included in the AFEP/MEDEF Code.

8.1.2. FAURECIA'S CORPORATE OFFICERS

8.1.2.1. Information on corporate officers

As of December 31, 2015, there were no non-voting directors, directors representing employee shareholders, or directors representing employees on the Board.

It should also be noted that Mr. Patrick Koller, who was appointed Deputy Chief Executive Officer as from February 2, 2015, is not a director.

The only directors with a family connection were Mr. Thierry Peugeot and Mr. Robert Peugeot. There are no other family ties between Faurecia's other corporate officers.

No director has been convicted of any fraudulent offense, none has managed a company that has filed for bankruptcy or gone into receivership or liquidation in the past five years, and none has received a definitive official public incrimination and/or sanction by statutory or regulatory authorities (see the information relating to the December 18, 2014 decision of AMF's Sanctions Committee and the ongoing appeal process, contained in Section 3.4.3.1. of this Registration Document).

None of them has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of an issuer in the past five years.

EXPERTISE, POSITIONS AND DIRECTORSHIPS

The companies marked by an asterisk, in which corporate officers held positions as of December 31, 2015, are listed companies.

Director	Directorships/Positions
Yann DELABRIÈRE Mr. Yann Delabrière has held various positions within the Finance departments of several major manufacturing groups. He joined the PSA Peugeot Citroën group in 1990 where he held the position of Chief Financial Officer and member of the Executive Committee from 1998 to 2007. He has been a director of Faurecia since November 18, 1996 and has been the Chairman and Chief Executive Officer since February 16, 2007.	**Within Faurecia** • Chairman and Chief Executive Officer of Faurecia • Member of the Strategy Committee **Outside Faurecia** At December 31, 2015, Mr. Yann Delabrière also held the following directorships and positions: • Director of Capgemini* (France) • Director of Société Générale* (France) Over the past five years, Mr. Yann Delabrière has not held any directorships and positions that he no longer holds.
Éric BOURDAIS DE CHARBONNIÈRE Mr. Éric Bourdais de Charbonnière joined JP Morgan in 1965, and went on to hold various positions within it. From 1987 to 1990 he was the *Executive Vice-President*, Head of Europe. In 1990, he joined Michelin as Chief Financial Officer, and subsequently became a member of the Group Executive Council. He was Chairman of the Supervisory Board from September 2000 until May 17, 2013.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** Over the past five years, Mr. Éric Bourdais de Charbonnière has also held the following positions, which he no longer holds: • Member of the Supervisory Board of ODDO et Cie (France) and member of the Audit Committee • Chairman of the Supervisory Board of Michelin* (France) and member of the Audit Committee • Vice-Chairman of the Supervisory Board of ING Group • Member of the Board of Directors of Thomson S.A. (France)

Director	Directorships/Positions
Jean-Baptiste CHASSELOUP DE CHATILLON Mr. Jean-Baptiste Chasseloup de Chatillon has held financial and sales functions within the PSA Peugeot Citroën group since 1989. He is currently Chief Financial Officer and Chief Information Officer of the PSA Peugeot Citroën group and a member of the Management Board of Peugeot S.A.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** At December 31, 2015, Mr. Jean-Baptiste Chasseloup de Chatillon also held the following directorships and positions: • He is currently Chief Financial Officer and Chief Information Officer of the PSA Peugeot Citroën group • Member of the Executive Board of Peugeot S.A.* (France) • Chairman of the Board of Directors of Banque PSA Finance • Director of Automobiles Citroën (France) • Member of the Supervisory Board of Gefco (France) • Permanent representative of Peugeot S.A.*, director of Automobiles Peugeot (France) • Vice-Chairman and Chief Executive Officer of PSA International S.A. (France) • Director of Dongfeng Peugeot Citroën Automobiles Company Ltd (China) • Director of Changan PSA Automobiles Co., Ltd (China) • Chairman of A.S.M. Auto Sud Marché SAS (France) • Chairman of CarOnWay (France) • Chairman of Mister Auto (France) Over the past five years, Mr. Jean-Baptiste Chasseloup de Chatillon has also held the following directorships and positions, which he no longer holds: • Director of Gefco • Chairman of the Supervisory Board of Peugeot Finance International NV • Director of Peugeot Citroën Automobiles (France) • Director of PCMA Holding B.V. (Netherlands)
Jean-Pierre CLAMADIEU Mr. Jean-Pierre Clamadieu was in charge of various divisions of Rhodia, also serving as its Chief Executive Officer from October 2003 to March 2008, and then as its Chairman and CEO until October 2011. He has *been Chief Executive* Officer of Solvay since May 8, 2012.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2015, Mr. Jean-Pierre Clamadieu also held the following directorships and positions: • Chief Executive Officer of Solvay S.A.* (Belgium) • Director of Solvay S.A.* (Belgium) • Director of AXA* (France) • Director of Solvay Finance S.A. (Luxembourg) • Director of Solvay Specialty Chemicals Asia Pacific Pte. Ltd (Singapore) • Chairman of Cytec Industries, Inc. (USA) Over the past five years, Mr. Jean-Pierre Clamadieu has also held the following directorships and positions, which he no longer holds: • Deputy Chief Executive Officer of Solvay (Belgium) until May 8, 2012 • Chairman of the Board of Directors of Rhodia (France) until February 12, 2013 • Chairman and Chief Executive Officer of Rhodia (France) until October 27, 2011 • Director of SNCF (France) until December 31, 2012 • Member of the Supervisory Board of Solvay GmbH (Germany) until December 31, 2013 • Director of Solvay Iberica S.L. (Spain) until September 26, 2014 • Director of Solvay Quimica S.L. (Spain) until September 26, 2014 • Chairman of Solvay America, Inc. (USA) until January 1, 2014

Director	Directorships/Positions
Lee GARDNER For 30 years, Mr. Lee Gardner had various management positions in the industry, at Borg Warner Corporation and Masco Tech, before he joined One Equity Partners (OEP) in 2001, which at that time was the private investment arm of JPMorgan Chase & Co. Following a spin-off in January 2015, OEP is now an independent investment management firm called OEP Capital Advisors, L.P., where Mr. Lee Gardner is a Managing Director.	**Within Faurecia** • Director of Faurecia • Member of the Strategy Committee **Outside Faurecia** As of December 31, 2015, Mr. Lee Gardner also held the following directorship and positions: • Chief Executive Officer of OEP Capital Advisors, L.P. (USA) • Director and Chairman of the Board of Directors of Strike LLC (USA) • Director of OEP East Balt I LP (USA) • Member and Chairman of the Supervisory Board of Smartrac N.V. (Netherlands) Over the past five years, Mr. Lee Gardner has also held the following directorships and positions, which he no longer holds: • Director and Chairman and Chief Executive Officer of Emcon Technologies (USA) • Director of OEP Precision Holdings LLC (USA) • Director of Polaroid Inc. (United States) • Director of Mauser – Werke GmbH (Germany) • Director and Chairman of Progress Rail (USA) • Director of Precision Gear Holdings (USA)
Hans-Georg HÄRTER Mr. Hans-Georg Härter spent his entire career with the ZF group, which he joined in 1973. He held the position of Chairman of the Executive Board of ZF Friedrichshafen AG from January 2007 to May 2012, when he retired.	**Within Faurecia** • Director of Faurecia • Member of the Strategy Committee **Outside Faurecia** At December 31, 2015, Mr. Hans-Georg Härter also held the following directorships and positions: • Founder of HGH Consulting (Germany) • Member of the Supervisory Board of Klingelnberg AG (Germany) • Member of the Board of Directors of the Zeppelin University Friedrichshafen Foundation (Germany) • Member of the Board of Association Deutsche Wissenschaft e.G. (Germany) • Member of Institut Deutsche Wissenschaft (Germany) • Member of the Advisory Committee of Unterfränkische Überlandzentrale e.G. (Germany) • Director of Axega GmbH (Germany) • Director of Altran S.A.* (France) • Member of the Supervisory Board of Kiekert AG (Germany) • Member of the Supervisory Board of Knorr-Bremse AG (Germany) • Member of the Supervisory Board of Eco 1 Holding GmbH Hilite International (Germany) • Chairman of the Board of Directors of Deutz AG (Germany) Over the past five years, Mr. Hans-Georg Härter has also held the following directorships and positions, which he no longer holds: • Chairman of the Executive Board of ZF Friedrichshafen AG (Germany) • Member of the Supervisory Board of ZF Getriebe GmbH, Saarbrücken (Germany) • Member of the Supervisory Board of ZF Lemförder GmbH, Lemförde (Germany) • Member of the Supervisory Board of ZF Passau GmbH, Passau (Germany) • Member of the Supervisory Board of ZF Sachs AG, Schweinfurt (Germany) • Member of the Supervisory Board of Verband der Automobilindustrie (VDA) (Germany)

Director	Directorships/Positions
Linda HASENFRATZ Ms. Linda Hasenfratz has *been Chief Executive* Officer of Linamar Corporation since August 2002. She was also its President from *April 1999* to August 2004, and its *Chief Operating Officer* from September 1997 to September 1999. She has been a director since 1998.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2015, Ms. Hasenfratz also held the following directorships and positions: • Chief Executive Officer of Linamar Corporation (Canada) • Director of Linamar Corporation (Canada) • Vice-President of the Board of Governors, Royal Ontario Museum (Canada) • Director of Canadian Imperial Bank of Commerce (CIBC) (Canada) • Director of Original Equipment Manufacturers Association (USA) • Vice-President of the Business Council of Canada, formerly the Canadian Council of Chief Executives (Canada) • Member of the Catalyst Canadian Board of Advisors (Canada) Over the past five years, Ms. Hasenfratz has not held any directorships and positions that she no longer holds.
Patrick KOLLER Mr. Patrick Koller graduated from the École Supérieure des Sciences et Technologies de l'Ingénieur de Nancy (ESSTIN) and Institut Français de Gestion. He has held various management positions with several major manufacturing groups (Valeo, Rhodia). In 2006, he joined the Faurecia group as Executive Vice-President of Faurecia Automotive Seating, a position he held until February 2, 2015. During this period, he held various offices within the Group's subsidiaries. Since February 2, 2015, he has been Faurecia's Deputy Chief Executive Officer and Chief Operating Officer.	**Within Faurecia** • Deputy Chief Executive Officer and Chief Operating Officer **Outside Faurecia** Over the past five years, Mr. Patrick Koller has also held the following directorships and positions within the Faurecia group, which he no longer holds: • Vice-Chairman of the Board of Directors of Faurecia (China) Holding Co., Ltd (China) until March 12, 2015 • Vice-Chairman of the Board of Directors of Faurecia (Shanghai) Management Co., Ltd (China) until November 1, 2013 • General Manager of Faurecia Components Pisek, S.r.o. (Czech Republic) until April 21, 2015 • General Manager of Faurecia Plzen (Czech Republic) until April 21, 2015 • Member of the Supervisory Board of Faurecia Automotive GmbH (Germany) until May 31, 2015 • Representative of the Faurecia Investments' director, Vice-Chairman of the Board of Directors of Faurecia Azin Pars Company (Iran) until September 15, 2015 • Member of the Board of Directors of Faurecia NHK Co., Ltd (Japan) until April 28, 2015 • Member of the Supervisory Board of Faurecia Automotive Polska S.A. (Poland) until March 30, 2015 • Chairman of the Supervisory Board of Faurecia Walbrzych S.A. (Poland) until March 30, 2015 • Chairman of the Supervisory Board of Faurecia Grojec R&D Center S.A. (Poland) until March 30, 2015 • Chairman and Chief Executive Officer of Faurecia Asientos Para Automovil Espana, S.A. (Spain) until November 30, 2015 • Vice-Chairman of the Board of Directors of Teknik Malzeme Ticaret Ve Sanayi Anonim Sirketi (Turkey) until March 26, 2015 • Vice-Chairman of the Board of Directors of BFTC Bertrand Faure Teknik Oto Yan Sanayi Ve Ticaret A.S. (Turkey) until June 30, 2012 • Director of Orcia Otomotiv Yan Sanayi Ve Anonim Sirketi (Turkey) until June 2, 2014 • General Manager of Faurecia Automotive Seating, LLC (USA) until March 4, 2015 • Director of Faurecia Madison Automotive Seating, Inc. (USA) until March 2, 2015 • Director of Faurecia Automotive Seating UK Limited (UK) until September 16, 2014

Director	Directorships/Positions
Ross McINNES Mr. Ross McInnes mainly held the position of Executive Vice-President, Finance of Eridania Beghin-Say from 1991 to 2000. He became a director in the company in 1999. He joined Thomson-CSF (Thalès) in 2000, as Senior Vice-President and Chief Financial Officer, before joining the PPR group in 2005, as Senior Vice-President Finance and Strategy. From 2007 to 2009 he held the position of Vice-Chairman of Macquarie Capital Europe. In *March 2009*, Mr. Ross McInnes joined the Safran group as Advisor to the Chairman of the Executive Board. He then became Chief Finance Officer in June 2009. He was a member of the Executive Board from July 2009 to April 2011. On April 21, 2011 he was appointed Chief Operating Officer for Economic and Financial Affairs by the Board of Directors of Safran, a position he held until April 23, 2015. At its meeting of April 23, 2015, the Board of Directors of Safran appointed him as Chairman.	**Within Faurecia** • Director of Faurecia • Member and Chairman of the Audit Committee **Outside Faurecia** At December 31, 2015, Mr. Ross McInnes also held the following directorships and positions: • Chairman of the Board of Directors of Safran* • Director and Chairman of the Audit Committee of Eutelsat Communications* (France) • Non-executive Director and Chairman of the Audit Committee of IMI Plc* (UK) Over the past five years, Mr. Ross McInnes has also held the following directorships and positions, which he no longer holds: • Chief Operating Officer, Economic and Financial Affairs of Safran* (France) • Member of the Executive Board of Safran* (France) • Director of Financière du Planier (France) • Director of Messier-Bugatti-Dowty (France), Safran group • Director of Aircelle (France), Safran group • Director of Morpho (France), Safran group • Director of Snecma (France), Safran group • Director of Turbomeca (France), Safran group • Director of Vallaroche Conseil, Safran group • Director of Sagem Défense Sécurité, Safran group • Director of SME, Safran group • Director of Messier-Dowty S.A., Safran group • Permanent representative on the Board of Directors of Établissements Vallaroche (company represented: Safran), Safran group • Permanent representative on the Board of Directors of Soreval (Luxembourg) (company represented: Établissements Vallaroche), Safran group • Director of Safran USA, Inc. (USA), the Safran group • Permanent representative on the Board of Directors of Messier-Dowty S.A. (company represented: Safran), Safran group • Director of Limoni SpA (Italy) • Non-voting Director of Générale de Santé* • Permanent representative on the Board of Directors of Générale de Santé S.A.* (company represented: Santé Europe Investissements Sarl) • Member of the Audit Committee of Générale de Santé S.A.* (France) • Permanent representative on the Board of Directors of Santé S.A. (Luxembourg) (company represented: Santé Europe Investissements Sarl)

Director	Directorships/Positions
Amparo MORALEDA Ms. Amparo Moraleda is an engineering graduate from ICAI *(Escuela Técnica Superior de Ingeniería Industrial)* in Madrid and has an MBA from the Madrid IESE Business School. From January 2009 to February 2012, *she was Chief Operating Officer* – International Division of Iberdrola S.A. (one of the main producers of renewable energy worldwide). From 1988 to 2008, she held various positions at the IBM group, which she joined as Systems Engineer. From June 2001 to June 2005, she was, most notably, General Manager of IBM Spain and Portugal. Between June 2005 and December 2008, she was General Manager of IBM for Spain, Portugal, Greece, Israel and Turkey.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2015, Ms. Amparo Moraleda also held the following directorships and positions: • Member of the Supervisory Board of CSIC (Consejo Superior • de Investigaciones Cientificas) (Spain) • Member of the Board of Directors of Solvay S.A.* (France) • Member of the Board of Directors of Airbus Group S.E. Netherlands • Member of the Board of Directors of CaixaBank S.A.* (Spain) • Member of the Advisory Board of KPMG in Spain and Portugal • Member of the Advisory Board of SAP in Spain and Portugal Over the past five years, Ms. Amparo Moraleda has also held the following directorships and positions, which she no longer holds: • Member of the Board of Directors of Meliá Hotels International S.A.* (Spain) • Member of the Board of Directors of Alstom S.A.* (France) • Member of the Board of Directors of Corporación Financiera Alba S.A.* • Chief Operating Officer – International Division of Iberdrola S.A. • Member of the Board of Directors of Acerinox S.A.*
Thierry PEUGEOT A graduate of ESSEC Business School, Mr. Thierry Peugeot began his career at Groupe Marrel as Export Manager for the Middle East and English-speaking Africa, then as director of Air Marrel America. In 1988, he joined PSA Peugeot Citroën as head of the Southeast Asia region for Automobiles Peugeot. He was initially Area Manager for South-East Asia at Automobiles Peugeot, before becoming CEO of Peugeot do Brasil and CEO of SLICA (Peugeot's main sales subsidiary) in Lyon. In 2000 he was appointed Head of International Key Accounts at Automobiles Citroën. He subsequently became director of Services and Parts for Citroën and a member of the Group's Management Committee. He was appointed Chairman of the Supervisory Board of Peugeot S.A. in December 2002. He held this position until April 29, 2014	**Within Faurecia** • Director of Faurecia and Member of the Strategy Committee **Outside Faurecia** At December 31, 2015, Mr. Thierry Peugeot also held the following directorships and positions: • Vice-Chairman of Établissements Peugeot Frères (France) and Member of the Audit Committee • Director of Société Anonyme de Participations (SAPAR) (France) • Director of Air Liquide S.A.* (France) and member of the Audit Committee • Director of Compagnie Industrielle de Delle (CID) (France) • Permanent representative of CID on the Board of Directors of LISI* (France) • Member of the Compensation Committee and Chairman of the Appointments Committee of LISI* (France) • General Manager of SCI du Doubs (France) • Member of the Advisory Board of GP Investments (Brazil) Over the past five years, Mr. Thierry Peugeot has also held the following directorships, which he no longer holds: • Chairman and Chief Executive Officer of Société Anonyme de Participations (SAPAR) (France) until June 10, 2015 • Director and member of the Accounts Committee of FFP* (France) until May 6, 2015 • Chairman of the Supervisory Board of Peugeot S.A.* (France) until April 29, 2014 • Vice-Chairman of the Supervisory Board of Peugeot S.A. until July 3, 2014 • Chairman of the Compensation Committee of Peugeot S.A.* (France) • Member of the Appointments and Governance Committee of Peugeot S.A. (France) • Member of the Strategy Committee of Peugeot S.A. • Member of the Supervisory Board of Gefco (France) • Director of Française de Participation Financière

Director	Directorships/Positions
Robert PEUGEOT Mr. Robert Peugeot is Chairman and CEO of FFP. Robert Peugeot studied at the *École Centrale de Paris* and INSEAD. He has held various senior positions within the PSA Peugeot Citroën group, and was a member of the Group Executive Committee from 1998 to 2007, holding the position of Vice-President, Innovation and Quality. He is a permanent representative of FFP on the Supervisory Board of Peugeot S.A., a member of the Finance and Audit Committee and chair of the Strategy Committee. He has been Chairman and CEO of FFP since 2003.	**Within Faurecia** • Director of Faurecia • Member of the Appointments and Compensation Committee **Outside Faurecia** At December 31, 2015, Mr. Robert Peugeot also held the following directorships and positions: • Chairman and Chief Executive Officer of FFP* (France) • Member of the Supervisory Board of Hermès International* (France) • Director of Imerys* (France) • Director of Holding Reinier SAS • Director of Établissements Peugeot Frères (France) • Director of Sofina* (Belgium) • Director of DKSH AG* (Switzerland) • Permanent representative of FFP Invest, President of Financière Guiraud SAS and member of the Supervisory Board (France) • Manager of SC Rodom • Manager of Sarl CHP Gestion • Permanent representative of FFP, Chairman of FFP Invest • Permanent representative of FFP Invest on the Board of Directors of Sanef (France) • Permanent representative of FFP on the Supervisory Board of Peugeot S.A.* (France) Over the past five years, Mr. Robert Peugeot has also held the following directorships and positions, which he no longer holds: • Permanent representative of FFP Invest on the Supervisory Board of IDI Emerging Markets S.A. (Luxembourg) • Member of the Supervisory Board of Peugeot S.A.* (France) • Member of the Supervisory Board of IDI Emerging Markets S.A. (Luxembourg) • Permanent representative of FFP Invest on the Supervisory Board of Zodiac Aerospace (France) • Director of Sanef (France)

Director	Directorships/Positions
Bernadette SPINOY Ms. Bernadette Spinoy has a Master of Science in Business Engineering from the University of Louvain-La-Neuve in Belgium. Ms. Bernadette Spinoy began her career with the Belgian PetroFina group in 1985 and since 1999 she has held various positions with Total group, in the areas of supply and refining of petroleum products, logistics and marketing of natural gas, and petrochemicals. Over the course of her career, she switched between the positions of international active business units officer and positions in cross-divisional units such as strategy, purchase, management control and health-safety-working conditions.	**Within Faurecia** • Director of Faurecia • Member of the Audit Committee **Outside Faurecia** At December 31, 2015, Ms. Bernadette Spinoy also held the following directorships and positions: • Senior VP, Industrial Security, Total S.A.* (France) • Member of the Group Performance Committee, Total S.A.* (France) • Director of ICSI (Institut pour une culture de sécurité industrielle), France • Director of the Fondation Total (France) • Director of the Fondation FONCSI (Fondation pour une culture de sécurité industrielle) (France) Over the last five years, Ms. Bernadette Spinoy held the following positions, which she no longer holds: *From 2012 to 2014* • Director, Vice-President and Chair of the Compensation Committee for Satorp**, Saudi Arabia • Director of Qapco**, Qatar • Director of Qatofin**, Qatar • Director and member of the Compensation Committee of STC** (Samsung Total Chemicals), Korea *From 2010 to 2011* • Director of FAO** (Fina Antwerp Olefins), Belgium • Director of Naftachimie**, France • Director of BFLP** (BASF FINA Petrochemicals Limited Partnership, USA) • Director on the Board of Directors of APPE, Association of Petrochemicals Producers in Europe (within CEFIC)
Carlos TAVARES Mr. Carlos Tavares graduated from the *École Centrale de Paris*. He held various senior positions in the Renault group between 1981 and 2004 before joining the Nissan group. After being Operations Manager for Nissan in the Americas, he was appointed Chief Operations Officer by the Renault group from 2011 to 2013. Since January 1, 2014, he has rejoined the Executive Board of Peugeot S.A. and holds the position of Chairman of the Executive Board since March 31, 2014.	**Within Faurecia** • Director of Faurecia • Member and Chairman of the Strategy Committee **Outside Faurecia** At December 31, 2015, Mr. Carlos Tavares also held the following directorships and positions: • Chairman of the Executive Board of Peugeot S.A.* • Director of Banque PSA Finance • Chairman of the Board of Directors of Peugeot Citroën Automobiles S.A. • General Manager of a micro-enterprise for the management of a "Bed & Breakfast" type unit in Lisbon Over the past five years, Mr. Carlos Tavares has also held the following directorships, which he no longer holds: • Chief Operating Officer of Renault and member of the Executive Board of the Renault-Nissan Alliance • Director of Renault-Nissan BV • Director of PCMA Holding B.V. until October 2014 • Director of Avtovaz • Director and Chairman of the Strategy Committee of Alpine-Caterham • Chairman of Management Committee of Nissan Americas • Executive Vice-President of Nissan Motor Company

*** Unlisted joint ventures in which the Total group has a stake.*

CORPORATE OFFICERS' SHAREHOLDINGS

Pursuant to the bylaws, each Board member must hold at least 20 Faurecia shares throughout his or her term of office.

As of December 31, 2015, corporate officers held the following interests on the basis of a capital stock of €960,349,446 divided into 137,192,778 shares representing 201,337,929 theoretical voting rights and 201,316,041 exercisable voting rights.

	Number of shares	Percentage of capital stock	Number of voting rights	Percentage of theoretical voting rights	Percentage of exercisable voting rights
Éric BOURDAIS DE CHARBONNIÈRE	100	0.00%	200	0.00%	0.00%
Jean-Baptiste CHASSELOUP DE CHATILLON	20	0.00%	40	0.00%	0.00%
Jean-Pierre CLAMADIEU	364	0.00%	728	0.00%	0.00%
Yann DELABRIÈRE	73,858	0.05%	117,202	0.06%	0.06%
Lee GARDNER	100	0.00%	200	0.00%	0.00%
Hans-Georg HÄRTER	726	0.00%	1,446	0.00%	0.00%
Linda HASENFRATZ	100	0.00%	200	0.00%	0.00%
Patrick KOLLER*	14,950	0.01%	29,900	0.01%	0.01%
Ross McINNES	100	0.00%	200	0.00%	0.00%
Amparo MORALEDA	1,850	0.00%	1,850	0.00%	0.00%
Robert PEUGEOT	100	0.00%	200	0.00%	0.00%
Thierry PEUGEOT	628	0.00%	921	0.00%	0.00%
Bernadette SPINOY	1,000	0.00%	1,000	0.00%	0.00%
Carlos TAVARES	20	0.00%	20	0.00%	0.00%
TOTAL	**93,916**	**0.07%**	**154,107**	**0.08%**	**0.08%**

* *It should be noted that Mr. Patrick Koller is not a director.*

CONFLICTS OF INTEREST

As stipulated by the internal rules of the Board of Directors, each director must inform the Board of any situation of conflict of interest, even potential, relating to issues mentioned in the agenda and draw conclusions therefrom with regard to his term of office. Thus, depending on the case, he should either abstain from participating in deliberations concerning him, or not attend the Board meetings until such time as he finds himself in a situation of conflict of interest, or resign from the directorship.

No such situations arose in 2015.

Thus, to the best of the Company's knowledge and as of the date of drafting of this document, no conflicts of interest had been identified between the duties of each member of the Board of Directors and of executive management vis-à-vis the Company in their capacity as corporate officers and their personal interests or other duties.

To the best of the Company's knowledge and as of the date of drafting of this document, there were no arrangements or agreements concluded with major shareholders, customers or suppliers resulting in a member of the Board of Directors or executive management being appointed in that capacity.

To the best of the Company's knowledge and as of the date of drafting of this document, no restriction has been agreed to by members of the Board of Directors or of executive management regarding the disposal of their interests in the Company's capital stock.

Aside from regulated agreements, which are the subject of a report to the Shareholders' Meeting, no service agreement has been entered into between a member of the Board of Directors and Faurecia or any of its subsidiaries.

The Statutory Auditors' special report on regulated agreements and commitments can be found in Section 11.5.1 of this Registration Document.

The Board of Directors strengthened its regulation relating to conflicts of interest by adopting a procedure regarding the use of inside information. This procedure provides that no transactions may be carried out involving the Company's shares until the related information has been made public. Directors and certain categories of personnel, who are all included in a regularly updated list, must disclose any trades they carry out in Faurecia's shares to the Company which then informs the markets.

On April 14, 2010, the Board of Directors modified its internal regulations for the purpose of:

- setting out situations where directors could encounter conflicts of interest and restating the confidentiality and discretion incumbent on directors with regard to information not in the public domain acquired during the course of their duties;
- setting up blackout periods during which directors are prohibited from carrying out transactions involving Faurecia shares, in particular periods during which interim or annual results or quarterly revenue are reported; directors are accordingly prohibited from trading on Faurecia securities (including derivatives), including through the exercise of stock options, during the following periods:
  - from the date of the annual December meeting of Faurecia's Board of Directors up to and including the third day following the announcement of Faurecia's annual results,
  - within 30 calendar days prior to the announcement of interim results, and up to and including the third day following the announcement, this deadline having been extended from 15 to 30 days by the Board meeting of April 14, 2011, and the internal regulations amended accordingly,
  - within 15 calendar days prior to the publication of quarterly revenue and up to and including the third day following the announcement,
  - throughout the period between the dates on which the Company (acting through its management) becomes aware of information that, if it became public, would be liable to have a significant impact on the share price of Faurecia, or the price of related financial instruments, and the date on which this information is made public. In the case of doubt on the nature of the information in its possession, each director may refer to the Group Chief Financial Officer, who has 24 hours to issue an opinion on the prospective transaction in his capacity as ethics officer;
- creating a position of deontology specialist to facilitate the handling of securities transactions and sensitive information discussed by the Board.

TRANSACTIONS CARRIED OUT BY CORPORATE OFFICERS DURING THE FISCAL YEAR

Declarant	Reference and date of the AMF decision/notice	Financial instrument	Type of transaction	Date of transaction	Date of receipt of declaration	Transaction venue	Unit price	Amount of transaction
Yann DELABRIÈRE	2015DD364860 of April 23, 2015	Shares	Exercise of stock options	April 22, 2015	April 23, 2015	Euronext Paris	€28.38	€326,370
Yann DELABRIÈRE	2015DD365082 of April 24, 2015	Shares	Sale	April 21, 2015	April 24, 2015	Euronext Paris	€45.01	€513,839
Patrick KOLLER	2015DD365957 of April 29, 2015	Shares	Exercise of stock options	April 21, 2015	April 29, 2015	Euronext Paris	€28.38	€613,008
Patrick KOLLER	2015DD365958 of April 29, 2015	Shares	Sale	April 21, 2015	April 29, 2015	Euronext Paris	€42	€907,200
Yann DELABRIÈRE	2015DD366891 of May 4, 2015	Shares	Exercise of stock options	April 28, 2015	May 04, 2015	Euronext Paris	€28.38	€510,840
Yann DELABRIÈRE	2015DD378401 of July 6, 2015	Shares	Payment of the 2014 dividend in shares	June 24, 2015	July 06, 2015	Euronext Paris	€38.28	€15,848

DIRECTORS' COMPENSATION

Directors' compensation is paid in the form of attendance fees allocated by the Board of Directors. On May 27, 2015, the maximum annual amount of attendance fees was set at €600,000 by the Ordinary Shareholders' Meeting. It is distributed freely by the Board of Directors.

At its meeting of April 14, 2010, the Board decided that as of January 1, 2010:

- the Chairman and Chief Executive Officer shall waive all attendance fees for his participation in Board or committee meetings;
- members of the Board of Directors holding executive management in a company that is a shareholder of the Group do not receive any attendance fees in respect of their position on Faurecia's Board of Directors.

In addition, at its meeting of December 18, 2013, the Board of Directors changed the fee schedule that it had set on April 14, 2010. The new schedule, which has been applied to attendance fees due as from the fiscal year 2013, is as follows:

- directors receive a fixed portion of attendance fees amounting to €12,000 in recognition of their directorship position, and a variable portion of €2,400 for each Board meeting they attend;

- committee members receive a fixed portion of attendance fees amounting to €10,000 and a variable portion of €2,000 per relevant committee meeting.

Directors received gross attendance fees in respect of 2014 and 2015 in the amounts detailed in the table below:

Attendance fees

TABLE 3 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

Directors *(gross amounts in €)*	**Amount of attendance fees paid in 2014**	**Of which variable portion paid in 2014**	**Amount of attendance fees paid in 2015**	**Of which variable portion paid in 2015**
Éric BOURDAIS DE CHARBONNIÈRE	44,400	22,400	42,000	20,000
Jean-Baptiste CHASSELOUP DE CHATILLON	0	0	0	0
Jean-Pierre CLAMADIEU	41,998	19,998	44,000	22,000
Yann DELABRIÈRE	0	0	0	0
Lee GARDNER	40,000	18,000	40,000	18,000
Hans-Georg HÄRTER	42,400	20,400	37,600	15,600
Linda HASENFRATZ	41,998	19,998	42,000	20,000
Jean-Claude HANUS	17,199	9,866	-	-
Ross McINNES	44,400	22,400	39,600	17,600
Amparo MORALEDA	58,731	28,398	44,000	22,000
Robert PEUGEOT	30,233	15,733	42,000	20,000
Thierry PEUGEOT	17,700	9,200	40,000	18,000
Bernadette SPINOY	17,300	6,800	42,000	20,000
Carlos TAVARES	0	0	0	0
TOTAL	**396,359**	**193,193**	**413,200**	**193,200**

It should be noted that Mr. Patrick Koller is not a director.

Directors are not entitled to any termination benefits or deferred compensation for the loss of their corporate office.

The company controlling Faurecia, Peugeot S.A., paid fixed and variable compensation as well as benefits in kind to the following officers who also hold a corporate office within Faurecia.

In 2015, Mr. Carlos Tavares received fixed compensation of €1,300,000 as Chairman of Peugeot S.A.'s Executive Board. A total variable compensation of €1,930,500 is payable to him for 2015.

In 2015, Mr. Jean-Baptiste Chasseloup de Chatillon received €618,000 as fixed compensation. A total variable compensation of €679,800 is payable to him for the same year.

In his capacity as the permanent representative of FFP on the Supervisory Board of Peugeot S.A., Mr. Robert Peugeot received a total of €75,000 (€40,000 as attendance fees and €35,000 for his attendance at committee meetings) in 2015.

Faurecia specifies that no compensation other than the attendance fees mentioned above was paid to any of its directors by the Company or its subsidiaries during the past year.

8.1.2.2. Information on executive corporate officers

Mr. Yann Delabrière has been the Chairman and Chief Executive Officer of Faurecia since February 16, 2007.

Mr. Patrick Koller was appointed Deputy Chief Executive Officer of Faurecia as from February 2, 2015.

At its meeting of July 23, 2015, the Board of Directors decided to segregate the duties of the Chairman of the Board of Directors and the Chief Executive Officer, in compliance with Article 17 of the Company's bylaws. At its meeting of April 13, 2016, the Board of Directors further decided that Mr. Yann Delabrière would serve as Chairman of the Board and Mr. Patrick Koller as Chief Executive Officer as from July 1, 2016.

The compensation indicated below for 2016, which was decided upon by the Board of Directors on February 10, 2016, corresponds to the twelve-month compensation of Mr. Yann Delabrière as Chairman and Chief Executive Officer and that of Mr. Patrick Koller as Deputy Chief Executive Officer. Taking into account the decision of the Board of Directors on April 13, 2016 to appoint Mr. Yann Delabrière as Chairman of the Board of Directors and Mr. Patrick Koller as Chief Executive Officer, this amount will in fact be due for the six-month period to June 30, 2016.

RESTRICTIONS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER PLACED BY THE BOARD

This information can be found in Section 8.1.1.5 of this Registration Document.

COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Faurecia complies with the AFEP/MEDEF Corporate Governance Code as regards the compensation of executive corporate officers of companies whose securities are admitted to trading on a regulated market.

The Board of Directors does not have any fixed rule regarding the periodical revision of the fixed compensation of Mr. Yann Delabrière, Chairman and Chief Executive Officer, and Mr. Patrick Koller, Deputy Chief Executive Officer, provided that in practice, the Board of Directors reviews this compensation on an annual basis.

COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Fixed compensation for 2015

At its meeting of February 11, 2015, the Board of Directors set Mr. Yann Delabrière's fixed compensation for 2015 at €800,000 upon the recommendation of the Appointments and Compensation Committee made on February 9, 2015.

This compensation had been €700,000 for each year since 2011.

The increase was decided upon by the Board of Directors on February 11, 2015, on the following grounds:

- a close look at the situation of a representative selection of listed industrial companies comparable to Faurecia showed a significant difference (more than 10%) compared to Yann Delabrière's fixed compensation;
- Mr. Yann Delabrière's fixed compensation had remained unchanged since 2011;
- the 2014 financial results reflected the implementation of a medium- and long-term strategy for Faurecia and a structure that suits this strategy.

Variable compensation for 2015

At its meeting of February 11, 2015 the Board also laid down the rules for determining Mr. Yann Delabrière's variable compensation for 2015.

This variable compensation is determined according to the achievement of quantitative targets, which give right to a variable compensation ranging from 0 to 150% of the fixed compensation.

Some qualitative targets were defined in addition to these targets.

Once all or part of the quantitative targets are achieved, the level of achievement of the qualitative targets determines a possible multiplier effect of the achievement of 0.70 to 1.20 of the quantitative targets.

Thus, if the quantitative targets are equal to 0, the multiplier effect of the qualitative targets does not play any role.

All in all, Mr. Yann Delabrière's variable compensation may range from 0 to 180% of his annual fixed compensation.

This variable portion is paid to Mr. Yann Delabrière once the Board of Directors has confirmed the achievement of results.

The quantitative targets, which were set at the Board meeting held on February 11, 2015, are related to the operating income and free cash flow:

- the operating income set by reference to the 2015 budget gives right to a variable compensation ranging from 0 to 150% (maximum percentage) of the fixed compensation. The operating income is taken into account for 40% of the variable compensation;
- the free cash flow set by reference to the 2015 budget gives right to a variable compensation ranging from 0 to 150% (maximum percentage) of the fixed compensation. The free cash flow is taken into account for 60% of the variable compensation.

The expected achievement levels of these objectives were approved by the Board of Directors with reference to the 2015 budget, but have not been published for reasons of confidentiality.

The qualitative objectives fixed by the same Board meeting concern:

- effective management of the transition to the new structure of the executive management (25% weighted on this criterion);
- the definition of the steps for implementing Faurecia's strategy (25% weighted on this criterion);
- carrying out strategic, cross-functional projects: Being Faurecia; digital company; factory of the future; strategic innovation (25% weighted on this criterion); and
- the strategy in Asia with business development and focus on relations with Asian manufacturers (25% weighted on this criterion).

On the recommendation of the Appointments and Compensation Committee of February 4, 2016, the Board meeting of February 10, 2016 reviewed the level of achievement of the quantitative criteria:

- concerning the operating income criterion, the Board noticed the achievement of the first quantitative target to 150%;

- regarding the free cash flow criterion, the Board of Directors noted that the second quantitative target had been met to 150%.

These two achievements amount to a 150% achievement level on the scale adopted by the Board of Directors: this gives right to a variable quantitative compensation of €1.2 million before the assessment of the level of achievement of the qualitative targets.

The Board of Directors then reviewed the achievement of each of the four qualitative targets described above:

- concerning the effective management of the transition to the new structure of the executive management, the Board of Directors, having taken into account the decisions made with respect to corporate governance and the succession plan, the implementation of said succession plan and the management of the transition plan, considered that 120% of this criterion had been met;
- concerning the definition of the steps for implementing Faurecia's strategy, the Board of Directors, having taken into account specifically management's strategic presentation to the Board of Directors at its meeting of October 2015 as well as the milestone achieved by the project to sell the activities of the Faurecia Automotive Exteriors Business Group, considered that 120% of this criterion had been met;
- concerning the carrying out of strategic, cross-functional projects: Being Faurecia; digital company; factory of the future; strategic innovation, the Board of Directors, having taken into account management's presentations to the Board of Directors at its October and December 2015 meetings, considered that 100% of this criterion had been met; and
- concerning the strategy in Asia with business development and focus on relations with Asian manufacturers, the Board of Directors, having taken into account management's presentation to the Board of Directors at its meeting of December 2015, specifically on the implementation of the partnership with Dongfeng, considered that 120% of this criterion had been met.

Thus, according to the Board of Directors, the capacity of implementing these four qualitative targets corresponds to a degree of attainment such that the multiplier effect of the achievement of these two quantitative targets is 1.15.

On this basis, at its meeting of February 10, 2016, the Board of Directors applied a variable compensation for 2015 of 150% x 1.15, i.e. 172.5% of Mr. Yann Delabrière's fixed compensation for 2015, corresponding to €1,380,000.

Mr. Yann Delabrière's fixed compensation for 2016 as Chairman and Chief Executive Officer

On the recommendation of the Appointments and Compensation Committee, which met on February 4, 2016, the Board of Directors maintained Mr. Yann Delabrière's fixed compensation for 2016 as Chairman and Chief Executive Officer at €800,000 in its meeting of February 10, 2016.

Mr. Yann Delabrière's variable compensation for 2016 as Chairman and Chief Executive Officer

At its meeting of February 10, 2016 the Board also laid down the rules for determining Mr. Yann Delabrière's variable compensation for 2016 as Chairman and Chief Executive Officer.

This variable compensation will be determined according to the achievement of quantitative targets, which give right to a variable compensation ranging from 0 to 150% of the fixed compensation.

Some qualitative targets were defined in addition to these targets.

Once all or part of the quantitative targets are achieved, the level of achievement of the qualitative targets will determine a possible multiplier effect of the achievement of 0.70 to 1.20 of the quantitative targets.

Therefore, if the achievement of the quantitative objectives will be equal to 0, the multiplier effect of the qualitative objectives will not be taken into account.

Mr. Yann Delabrière's total variable compensation will range from 0 to 180% of his annual fixed compensation.

This variable portion will be paid to Mr. Yann Delabrière after the Board of Directors has confirmed the achievement of results.

The quantitative targets, which were set at the Board meeting held on February 10, 2016, are related to the operating income and free cash flow:

- the operating income set by reference to the 2016 budget will give right to a variable compensation ranging from 0 to 150% (maximum percentage) of the fixed compensation. The operating income will be taken into account for 40% of the variable compensation;
- the free cash flow set by reference to the 2016 budget will give right to a variable compensation ranging from 0 to 150% (maximum percentage) of the fixed compensation. The free cash flow will be taken into account for 60% of the variable compensation.

The expected achievement levels of these objectives were approved by the Board of Directors with reference to the 2016 budget, but have not been published for reasons of confidentiality.

The qualitative targets fixed by the same Board meeting concern:

(i) the execution of the strategy decided upon by the Board of Directors at its October 2015 meeting including, among other things, ensuring the development of Faurecia's technological capacities through a combination of organic and external growth (50% weighted on this criterion); and

(ii) the execution of the development plans for Asia as presented to the Board of Directors at its December 2015 meeting including, among other things, fulfill the ambitions of international OEMs and secure sustainable profitability (50% weighted on this criterion). This target is supplemented by key indicators, notably linked to the level of achievement of operating income and sales that are not made public for confidentiality reasons.

Other components of compensation

Having waived any compensation in his capacity as member of the Board of Directors and member of the Strategy Committee, Mr. Yann Delabrière received no attendance fees for 2015.

Mr. Yann Delabrière did not receive any company stock options in 2015.

He exercised 29,500 stock options, as described in Table 5 below.

At its meeting of July 23, 2015, the Board approved performance share plan No. 7 as described in Table 6 below and resolved that the shares granted to Mr. Yann Delabrière would be subject to the same service and performance conditions as the shares granted to other members of Faurecia's Senior Management (these members are defined in Section 8.3 of this Registration Document).

To this end, the aforementioned decision of the Board of Directors made performance share plan No. 7, 60% subject to an internal performance target based on the Group's pre tax net income for the year ended December 31, 2017 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted, and 40% subject to an external target based on the Company's earnings per share growth, measured between 2014 and 2017, and compared with the average growth over the same period of a reference group comprising global automotive suppliers.

The Board also decided that Mr. Yann Delabrière should keep 30% of his grant until the expiry of his term of office, regardless of the number of times it is renewed.

If the maximum performance targets set out in plan No. 7 are achieved by the end of 2017, Mr. Yann Delabrière will be granted a maximum of 55,798 shares.

SUMMARY OF THE COMPENSATION, OPTIONS AND SHARES ALLOTTED TO MR. YANN DELABRIÈRE

TABLE 1 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

(in €)	Fiscal year 2014	Fiscal year 2015
Compensation for the year (see Table 2)	€1,597,158.60	€2,187,371.64
Value of multi-year variable compensation earned during the year	-	-
Value of stock options granted during the year (see Table 4)	-	-
Value of performance shares granted during the year (see Table 6)	€1,808,900	€1,985,069
TOTAL	**€3,406,058.60**	**€4,172,440.64**

SUMMARY OF MR. YANN DELABRIÈRE'S COMPENSATION

TABLE 2 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

	Fiscal year 2014		Fiscal year 2015	
(gross amount in €)	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	€700,000	€700,000.08	€800,000	€800,000.04
Annual variable compensation	€889,787 (1)	€700,000 (2)	€1,380,000 (3)	€889,787 (4)
Multi-annual variable compensation	-	-	-	-
Exceptional bonus	-	-	-	-
Attendance fees	-	-	-	-
Benefits in kind (5)	€7,371.60	€7,371.60	€7,371.60	€7,371.60
TOTAL	**€1,597,158.60**	**€1,407,371.68**	**€2,187,371.60**	**€1,697,158.64**

(1) Amount due in respect of fiscal year 2014 and paid in 2015.
(2) Amount due in respect of fiscal year 2013 and paid in 2014.
(3) Amount due in respect of fiscal year 2015 and paid in 2016.
(4) Amount paid in respect of fiscal year 2014.
(5) Availability of a company car.

STOCK OPTIONS GRANTED TO MR. YANN DELABRIÈRE BY THE ISSUER AND OTHER GROUP COMPANIES DURING THE FISCAL YEAR

No stock options were granted to Mr. Yann Delabrière by Faurecia or other Group companies in 2015.

The following options were granted to him in prior fiscal years.

TABLE 4 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

Yann DELABRIÈRE	Number and date of plan	Type of options (purchase or subscription)	Valuation of options based on the method used in the consolidated financial statements	Number of options granted (adjusted)	Adjusted exercise price	Exercise period	Performance condition
	No. 17 – April 16, 2007	Subscription	911,080	48,000	€44.69	04/17/2011 – 04/16/2017	-
	No. 18 – April 10, 2008	Subscription	603,600	60,000	€28.38	04/10/2012 – 04/09/2016	-
TOTAL	**-**	**-**	**1,514,714**	**108,000**	**-**	**-**	

Mr. Yann Delabrière made a formal commitment not to hedge the risks associated with these options and the shares that would result from the exercise of these options.

STOCK OPTIONS EXERCISED DURING THE YEAR BY MR. YANN DELABRIÈRE

TABLE 5 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

Yann DELABRIÈRE	Number and date of plan	Type of options (purchase or subscription)	Number of options exercised during the year	Adjusted exercise price
	No. 18 – April 10, 2008	Subscription	29,500	28.38
TOTAL	**-**	**-**	**29,500**	**-**

The total number of stock options granted to Mr. Yann Delabrière and outstanding as of December 31, 2015, less the number of options exercised in 2015 (i.e., a total of 66,400 options), represents 0.05% of Faurecia's capital as of this date.

PERFORMANCE SHARES GRANTED TO MR. YANN DELABRIÈRE

TABLE 6 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

The table below lists the performance shares granted to Mr. Yann Delabrière during fiscal 2015 and those granted to him during prior fiscal years in his capacity as corporate officer.

Yann DELABRIÈRE	Number and date of plan	Max. number of shares granted during the period (1)	Value of shares by the method used for the consolidated financial statements	Grant date	Vesting date	Performance condition
Plan No. 1	Plan No. 1 of June 23, 2010	37,050	383,468	06/23/2012	06/23/2014	The pre-tax net income of the Group for the year ended December 31, 2011 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted (2).
Plan No. 2	Plan No. 2 of July 21, 2010	37,050	399,514	07/21/2013	07/21/2015	The pre-tax net income of the Group for the year ended December 31, 2012 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted (3).
Plan No. 3	Plan No. 3 of July 25, 2011	52,000	1,085,040	07/25/2014	07/25/2016	The pre-tax net income of the Group for the year ended December 31, 2013 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted (3).
Plan No. 4	Plan No. 4 of July 23, 2012	52,000	435,080	07/23/2015	07/23/2017	• The pre-tax net income of the Group for the year ended December 31, 2014 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted; and • The growth between 2011 and 2014 in the Company's net earnings per share compared with the average growth of a reference group of international automotive suppliers over the same period (3).

(1) The number of performance shares given in this table is the maximum number and corresponds to 130% of the number of shares used in the valuation.

(2) The performance criterion of this plan has reached the maximum limit.

(3) The performance criteria of Plans No. 2, 3 and 4 had not been reached: as a result, none of Mr. Yann Delabrière's performance shares vested as part of these plans.

Yann DELABRIÈRE	Number and date of plan	Max. number of shares granted during the period (1)	Value of shares by the method used for the consolidated financial statements	Grant date	Vesting date	Performance condition
Plan No. 5	Plan No. 5 of July 24, 2013	71,500	1,386,456	07/24/2017	07/24/2017	• The pre-tax net income of the Group for the year ended December 31, 2015 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted; and • The growth between 2012 and 2015 in the Company's net earnings per share compared with the average growth of a reference group of international automotive suppliers over the same period.
Plan No. 6	Plan No. 6 of July 28, 2014	68,900	1,808,900	07/28/2018	07/28/2018	• The pre-tax net income of the Group for the year ended December 31, 2016 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted; and • The growth between 2013 and 2016 in the Company's net earnings per share compared with the average growth of a reference group of international automotive suppliers over the same period.
Plan No. 7	Plan No. 7 of July 23, 2015	55,798	1,985,069	07/23/2019	07/23/2019	• The pre-tax net income of the Group for the year ended December 31, 2017 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted; and • The growth between 2014 and 2017 in the Company's net earnings per share compared with the average growth of a reference group of international automotive suppliers over the same period.
TOTAL		**374,298**	**7,483,527**	-	-	-
TOTAL EXCLUDING PLANS NO. 2, 3 AND 4 (2)	-	**233,248**	**5,563,893**	-	-	-

(1) The number of performance shares given in this table is the maximum number and corresponds to 130% of the number of shares used in the valuation.
(2) The performance criteria of Plans No. 2, 3 and 4 had not been reached: as a result, none of Mr. Yann Delabrière's performance shares vested as part of these plans.

Mr. Yann Delabrière made a formal commitment not to hedge the risks associated with the performance shares granted to him.

PERFORMANCE SHARES THAT BECAME AVAILABLE TO MR. YANN DELABRIÈRE DURING THE FISCAL YEAR

TABLE 7 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

No performance share became available to Mr. Yann Delabrière in 2015.

The situation of shares that became available during prior fiscal years is as follows:

Yann DELABRIÈRE	Number and date of plan	Number of shares that became available during 2014	Vesting conditions
	Plan No. 1 of June 23, 2010	37,050	The Board meeting held on June 23, 2010 decided that Mr. Yann Delabrière would retain 30% of the vested shares until the end of his office term, irrespective of the number of times his office term is renewed.
TOTAL	**-**	**37,050***	

* *Considering the vesting conditions stipulated by the Board of Directors as described above, 25,935 performance shares are effectively available.*

The total number of performance shares outstanding as of December 31, 2015 which may vest to Mr. Yann Delabrière, minus the number of shares already vested (i.e., a total of 196,198 shares) represents 0.14% of Faurecia's capital as of this date.

TABLE 11 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

	Employment Contract		Supplementary pension plan		Compensation or benefits due or that may be due on termination or change in position		Compensation due under a non-competition clause	
Yann DELABRIÈRE	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Position: Chairman and Chief Executive Officer Start of term: 02/16/2007 End of term: Shareholders' Meeting held in 2017		X	X*			X		X

* *Plan detailed below under "Pension plans for executive corporate officers".*

The components of Mr. Yann Delabrière's compensation due or received for the year ended December 31, 2015, which are subject to the advisory opinion of the shareholders pursuant to the recommendation of Article 24.3 of the AFEP/MEDEF Corporate Governance Code of June 2013 are detailed in the explanatory notes to the resolutions included in Chapter 11 of this Registration Document.

COMPENSATION OF THE DEPUTY CHIEF EXECUTIVE OFFICER

Fixed compensation for 2015

At its meetings of December 9, 2014 and February 11, 2015, the Board of Directors set Mr. Patrick Koller's fixed compensation for 2015 at €620,000 upon the recommendations of the Appointments and Compensation Committee made on December 5, 2014 and February 9, 2015.

This compensation was based on a review of the situation of a representative sample of listed manufacturers comparable to Faurecia.

The fixed compensation actually received by Mr. Patrick Koller for his term of office as a corporate officer as from February 2, 2015 (i.e., for 11 months), amounted to €568,333.

Variable compensation for 2015

The rules for determining Mr. Patrick Koller's variable compensation for 2015 were laid down at the same time as those for his fixed compensation.

Mr. Patrick Koller's variable compensation is determined according to the achievement of quantitative targets, which give right to a variable compensation ranging from 0 to 150% of 80% of his fixed compensation.

In addition to these quantitative targets, qualitative objectives have also been set by the Board of Directors.

Once all or part of the quantitative targets are achieved, the level of achievement of the qualitative targets determines a possible multiplier effect of the achievement of 0.70 to 1.20 of the quantitative targets.

Thus, if the quantitative targets are equal to 0, the multiplier effect of the qualitative targets does not play any role.

The total variable compensation of Mr. Patrick Koller can range from 0 to 144% of his annual fixed compensation.

This variable portion is paid to Mr. Patrick Koller once the Board of Directors has confirmed the achievement of results.

The quantitative targets, which were set at the Board meeting held on February 11, 2015 are the same as those set for Mr. Yann Delabrière and are related to the operating income and free cash flow:

- the operating income set by reference to the 2015 budget gives right to a variable compensation ranging from 0 to 150% (maximum percentage) of 80% of his fixed compensation. The operating income is taken into account for 40% of the variable compensation;
- the free cash flow set by reference to the 2015 budget gives right to a variable compensation ranging from 0 to 150% (maximum percentage) of 80% of his fixed compensation. The free cash flow is taken into account for 60% of the variable compensation.

The expected achievement levels of these targets were approved by the Board of Directors with reference to the 2015 budget, but have not been published for reasons of confidentiality.

The qualitative targets set by the same Board meeting concern:

- effective management of the transition to the new structure of the executive management (25% weighted on this criterion);
- the definition of the steps for implementing Faurecia's strategy (25% weighted on this criterion);
- carrying out strategic, cross-functional projects: Being Faurecia; digital company; factory of the future; strategic innovation (25% weighted on this criterion); and
- the turnaround of businesses in North America (25% weighted on this criterion).

On the recommendation of the Appointments and Compensation Committee of February 4, 2016, the Board meeting of February 10, 2016 reviewed the level of achievement of the quantitative criteria:

- concerning the operating income criterion, the Board noticed a 150% achievement;
- regarding the free cash flow criterion, the Board of Directors noted that the second quantitative target had been met to 150%.

These two achievements amount to a 150% achievement level on the scale adopted by the Board of Directors: this gives right to a variable quantitative compensation of €852,489 before the assessment of the level of achievement of the qualitative targets.

The Board of Directors then reviewed the achievement of each of the four qualitative targets described above:

- concerning the effective management of the transition to the new structure of the executive management, the Board of Directors, having taken into account the decisions made with respect to corporate governance and the succession plan, the implementation of said succession plan and the management of the transition plan, considered that 120% of this criterion had been met;
- concerning the definition of the steps for implementing Faurecia's strategy, the Board of Directors, having taken into account specifically management's strategic presentation to the Board of Directors at its meeting of October 2015 as well as the milestone achieved by the project to sell the activities of the Faurecia Automotive Exteriors Business Group, considered that 120% of this criterion had been met;
- concerning the carrying out of strategic, cross-functional projects: Being Faurecia; digital company; factory of the future; strategic innovation, the Board of Directors, having taken into account management's presentations to the Board of Directors at its October and December 2015 meetings, considered that 100% of this criterion had been met; and
- concerning the turnaround of businesses in North America, the Board of Directors, having taken into account the excellent results achieved in this region in 2015 and the structural changes made that year, considered that 120% of this criterion had been met.

Thus, according to the Board of Directors, the capacity of implementing these four qualitative targets corresponds to a degree of achievement such that the multiplier effect of the achievement of these two quantitative targets is 1.15.

On this basis, at its meeting of February 10, 2016, the Board of Directors applied a variable compensation for 2015 of 80% x 150% x 1.15, i.e. 138% of Mr. Patrick Koller's fixed compensation for 2015, corresponding to €784,290.

Mr. Patrick Koller's fixed compensation for 2016 as Deputy Chief Executive Officer

On the recommendation of the Appointments and Compensation Committee, which met on February 4, 2016, the Board of Directors maintained Mr. Patrick Koller's fixed compensation for 2016 as Deputy Chief Executive Officer at €620,000 in its meeting of February 10, 2016.

Mr. Patrick Koller's variable compensation for 2016 as Deputy Chief Executive Officer

At its meeting of February 10, 2016 the Board also laid down the rules for determining Mr. Patrick Koller's variable compensation for 2016 as Deputy Chief Executive Officer.

This variable compensation will be determined according to the achievement of quantitative targets, which give right to a variable compensation ranging from 0 to 150% of 80% of his fixed compensation.

Some qualitative targets were defined in addition to these targets.

Once all or part of the quantitative targets are achieved, the level of achievement of the qualitative targets will determine a possible multiplier effect of the achievement of 0.70 to 1.20 of the quantitative targets.

Therefore, if the achievement of the quantitative targets is equal to 0, the multiplier effect of the qualitative targets will not be taken into account.

The total variable compensation of Mr. Patrick Koller will range from 0 to 144% of his annual fixed compensation.

This variable portion will be paid to Mr. Patrick Koller once the Board of Directors has confirmed the achievement of results.

The quantitative targets, which were set at the Board meeting held on February 10, 2016, are related to the operating income and free cash flow:

- the operating income set by reference to the 2016 budget will give right to a variable compensation ranging from 0 to 150% (maximum percentage) of 80% of the fixed compensation. The operating income will be taken into account for 40% of the variable compensation;
- the free cash flow set by reference to the 2016 budget will give right to a variable compensation ranging from 0 to 150% (maximum percentage) of 80% of the fixed compensation. The free cash flow will be taken into account for 60% of the variable compensation.

The expected achievement levels of these objectives were approved by the Board of Directors with reference to the 2016 budget, but have not been published for reasons of confidentiality.

The qualitative targets set by the same Board meeting concern:

(i) the execution of the strategy decided upon by the Board of Directors at its October 2015 meeting including, among other things, ensuring the development of Faurecia's technological capacities through a combination of organic and external growth (25% weighted on this criterion); and

(ii) the execution of the development plans for Asia as presented to the Board of Directors at its December 2015 meeting including, among other things, fulfill the ambitions of international OEMs and secure sustainable profitability (25% weighted on this criterion). This target is supplemented by key indicators, notably linked to the level of achievement of operating income and sales that are not made public for confidentiality reasons;

(iii) the implementation of a lean and flexible organization as presented to the Board of Directors at its December 2015 meeting (25% weighted on this criterion); and

(iv) the preparation of a vision for executives: appraise the current executive team; identify development needs; develop succession plans (25% weighted on this criterion).

Other components of compensation

As Mr. Patrick Koller is not a director, he received no attendance fees in 2015.

Mr. Patrick Koller did not receive any Company stock options in 2015.

He exercised 21,600 stock options as described in Table 5 below, which he was granted before his appointment as Faurecia's Chief Operating Officer.

At its meeting of July 23, 2015, the Board approved performance share plan No. 7 as described in Table 6 below and resolved that the shares granted to Mr. Patrick Koller would be subject to the same service and performance conditions as the shares granted to other members of Faurecia's Senior Management (these members are defined in Section 8.3 of this Registration Document).

To this end, the aforementioned decision of the Board of Directors made performance share plan No. 7, 60% subject to an internal performance target based on the pre-tax net income of the Group for the year ended December 31, 2017 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecast for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted, and 40% subject to an external target based on the Company's earnings per share growth, measured between 2014 and 2017, and compared with the average growth over the same period of a reference group comprising global automotive suppliers.

The Board also decided that Mr. Patrick Koller should keep 30% of his grant until the expiry of his term of office, regardless of the number of times it is renewed.

If the maximum performance targets set out in plan No. 7 are achieved by the end of 2017, Mr. Patrick Koller will be granted a maximum of 26,383 shares.

SUMMARY OF COMPENSATION, OPTIONS AND SHARES GRANTED TO MR. PATRICK KOLLER

TABLE 1 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

(in €)	Fiscal year 2015
Compensation for the year (see Table 2)	€1,371,274.93
Value of multi-year variable compensation earned during the year	-
Value of stock options granted during the year (see Table 4)	-
Value of performance shares granted during the year (see Table 6)	€938,601
TOTAL	**€2,309,875.93**

SUMMARY OF MR. PATRICK KOLLER'S COMPENSATION

TABLE 2 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

	Fiscal year 2015	
(gross amount in €)	Amount due	Amount paid
Fixed compensation	€568,333	€568,333.37
Annual variable compensation	€784,290 (1)	-
Multi-annual variable compensation	-	-
Exceptional bonus	-	-
Attendance fees	-	-
Benefits in kind (2)	€18,651.93	€18,651.93
TOTAL	**€1,371,274.93**	**€586,985.30**

(1) Amount due in respect of fiscal year 2015 and paid in 2016.
(2) Of which €7,653.91 for a company car and €10,998.02 corresponding to the social security contribution paid by the Company for its executives.

STOCK OPTIONS GRANTED TO MR. PATRICK KOLLER BY THE ISSUER AND OTHER GROUP COMPANIES DURING THE FISCAL YEAR

TABLE 4 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

No stock options were granted to Mr. Patrick Koller by Faurecia or other Group companies in 2015.

STOCK OPTIONS EXERCISED BY MR. PATRICK KOLLER DURING THE FISCAL YEAR

TABLE 5 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

Patrick KOLLER	Number and date of plan	Type of options (purchase or subscription)	Number of options exercised during the year	Adjusted exercise price
	No. 18 – April 10, 2008	Subscription	21,600	28.38
TOTAL	**-**	**-**	**21,600***	**-**

* *These options were granted to Mr. Patrick Koller before his appointment as Faurecia's Deputy Chief Executive Officer.*

The total number of stock options granted to Mr. Patrick Koller and outstanding as of December 31, 2015, minus the number of options exercised in 2015 (i.e., a total of 12,000 options), represents 0.008% of Faurecia's capital as of this date.

PERFORMANCE SHARES GRANTED TO MR. PATRICK KOLLER IN 2015

TABLE 6 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

Patrick KOLLER	Number and date of plan	Max. number of shares granted during the period (1)	Value of shares by the method used for the consolidated financial statements	Grant date	Vesting date	Performance condition
Plan No. 7	Plan No. 7 of July 23, 2015	26,383	938,601	07/23/2019	07/23/2019	• The pre-tax net income of the Group for the year ended December 31, 2017 (before gains on disposals of assets and changes in the Group's structure), as approved by the Board of Directors compared with pre-tax net income forecasted for the same year in the Group's Medium-Term Plan reviewed by the Board at the time the shares are granted; and • The growth between 2014 and 2017 in the Company's net earnings per share compared with the average growth of a reference group of international automotive suppliers over the same period.
TOTAL	**-**	**26,383**	**938,601**	**-**	**-**	**-**

(1) The number of performance shares given in this table is the maximum number and corresponds to 130% of the number of shares used in the valuation.

Mr. Patrick Koller made a formal commitment not to hedge the risks associated with the performance shares granted to him.

PERFORMANCE SHARES THAT BECAME AVAILABLE TO MR. PATRICK KOLLER DURING THE FISCAL YEAR

TABLE 7 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

Patrick KOLLER	Number and date of plan	Number of shares that became available during the year	Vesting conditions
	Plan No. 1 of June 23, 2010	14,950	As these shares were granted to Mr. Patrick Koller before his appointment as Faurecia's Deputy Chief Executive Officer, they were not subject lock-up conditions at the grant date.
TOTAL	**-**	**14,950**	

The total number of performance shares outstanding as of December 31, 2015 which may vest to Mr. Patrick Koller, less the number of shares already vested (i.e., a total of 70,908 shares) represents 0.05% of Faurecia's capital as of this date.

TABLE 11 (AMF RECOMMENDATION NO. 2009-16 AS AMENDED ON APRIL 13, 2015)

	Employment Contract		Supplementary pension plan		Compensation or benefits due or that may be due on termination or change in position		Compensation due under a non-competition clause	
Patrick KOLLER	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Position: Deputy Chief Executive Officer Start of term: 02/02/2015 End of term: Mr. Patrick Koller's term of office is equal to that of Mr. Yann Delabrière as Chairman and Chief Executive Officer	X*		X**			X		X

* *Mr. Patrick Koller's employment contract was suspended when his term of office as Deputy Chief Executive Officer started.*

** *Plan detailed below under "Pension plans for executive corporate officers".*

The components of Mr. Patrick Koller's compensation due or received for the year ended December 31, 2015, which are subject to the advisory opinion of the shareholders pursuant to the recommendation of Article 24.3 of the AFEP/MEDEF Corporate Governance Code of June 2013, are detailed in the explanatory notes to the resolutions included in Chapter 11 of this Registration Document.

PENSION PLANS FOR EXECUTIVE CORPORATE OFFICERS

(Decree No. 2016-182 of February 23, 2016 in application of paragraph 5 of Article 229 of the French Growth, Jobs and Equal Economic Opportunities Act No. 2015-990 of August 6, 2015)

Mr. Yann Delabrière is a participant in the pension plan set up for all of Faurecia's managers in France, which comprises a defined contribution plan and a defined benefit plan*.

Yann Delabrière	Defined contribution plan	Defined benefit plan
Applicable law	Article 83 of the General French Tax Code	Article 39 of the General French Tax Code
Participation criteria	One-year seniority with the Group upon retirement	Five-year seniority with the Group upon retirement
Rules for determining the reference compensation used to calculate rights	Tranche A and Tranche B contribution for the current year	Average Tranche C compensation over the past three years
Vesting formula	1% of Tranche A compensation and 6% of Tranche B compensation	1% of Tranche C compensation
Ceiling	N/A	N/A
Funding of rights	Outsourced	Outsourced
Estimated annuity at the reporting date	€4,055 per year	€37,540 per year**
Associated tax and payroll expenses	N/A	Tax on annuity

* *Mr. Yann Delabrière is not a participant in the supplementary pension plan specifically set up on January 1, 2015 for members of Faurecia's Executive Committee who have an employment contract with the Company (either in progress or suspended).*

** *Seniority starting from March 1, 1990.*

Further information on the supplementary pension plans can be found in Note 25-2 to the consolidated financial statements.

Mr. Patrick Koller is a participant in the pension plan set up for all of Faurecia's managers in France, which comprises a defined contribution plan and a defined benefit plan.

He is also a participant in the supplementary pension plan specifically set up on January 1, 2015 for members of Faurecia's Executive Committee who have an employment contract with the Company (either in progress or suspended).

Patrick Koller	Defined contribution plan	Defined benefit plan	Specific supplementary pension plan
Applicable law	Article 83 of the General French Tax Code	Article 39 of the General French Tax Code	Article 39 of the General French Tax Code
Participation criteria	One-year seniority with the Group upon retirement	Five-year seniority with the Group upon retirement	• Employment contract with the Company (either in progress or suspended) • Three-year seniority within Faurecia's Executive Committee as from January 1, 2015
Rules for determining the reference compensation used to calculate rights	Tranche A and Tranche B contribution for the current year	Average Tranche C compensation over the past three years	Average total compensation over the past three years (fixed + variable)
Vesting formula	1% of Tranche A compensation and 6% of Tranche B compensation	1% of Tranche C compensation	Depending on Faurecia's performance, from 1% to 3% of total compensation (fixed + variable)
Ceiling	N/A	N/A	• Eight times the annual French social security ceiling • Total amount paid by Faurecia must be less than 25% of the reference compensation • The replacement rate across all pension plans (mandatory and specific) must be less than 45%
Funding of rights	Outsourced	Outsourced	Outsourced
Estimated annuity at the reporting date	€2,357 per year	€13,514 per year*	€23,504 per year**
Associated tax and payroll expenses	N/A	Tax on annuity	Tax on contribution

* *Seniority starting from December 18, 2006.*
** *Seniority starting from January 1, 2015.*

Further information on the supplementary pension plans can be found in Note 25-2 to the consolidated financial statements.

Table 3 (attendance fees) appears in Section 8.1.2.1. Table 8 (overview of grants of stock options), Table 9 (stock options granted during the year to the top ten non-corporate officer employees and options exercised by them during the year) and Table 10 (overview of bonus performance share grants) are included in Section 10.4.2.2.

8.2. The Executive Committee

8.2.1. EXECUTIVE COMMITTEE MEMBERS

Faurecia's executive management function is performed under the responsibility of the Chairman and Chief Executive Officer by an Executive Committee that meets every month to review the Group's results and consider general matters concerning the Group.

Its composition was as follows in 2015:

Yann Delabrière
Chairman and Chief Executive Officer

Niklas Braun
Executive Vice-President, Faurecia Automotive Exteriors

Michel Favre
Executive Vice-President, Finance

Hervé Guyot
Executive Vice-President, Strategy

Patrick Koller
Executive Vice-President, Faurecia Automotive Seating until February 2, 2015

Deputy Chief Executive Officer and Chief Operating Officer from February 2, 2015

Jacques Mauge
Executive Vice-President, Faurecia North America until March 2, 2015

Kate Philipps
Executive Vice-President, Communication

Jean-Michel Renaudie
Executive Vice-President, Faurecia Interior Systems

Christophe Schmitt
Executive Vice-President, Faurecia Emissions Control Technologies

Jean-Pierre Sounillac
Executive Vice-President, Human Resources

Mark Stidham
Executive Vice-President, Faurecia North America from March 2, 2015

Hagen Wiesner
Executive Vice-President, Faurecia Automotive Seating from February 2, 2015

8.2.2. MISSION AND STRUCTURE

The Faurecia group is organized into Business Groups dedicated to managing and developing Faurecia's activities worldwide.

They are responsible for the operating results of their individual businesses, as well as investments and the management of operating cash flow.

Faurecia comprises four Business Groups:

- Faurecia Automotive Seating is responsible for the management and development of the complete seat unit business and all aspects of the design and production of seats such as metal frames, mechanisms, comfort and safety submodules, foams and covers;
- Faurecia Emission Control Technologies is responsible for the management and development of complete exhaust systems and exhaust components covering both the hot end of the exhaust system such as particulate and exhaust fume treatments, as well as the cold end;
- Faurecia Interior Systems is responsible for the management and development of the main parts making up vehicle interiors such as instrument panels, cockpits, center consoles, door panels, door modules, sound insulation solutions, soft trim and acoustic modules;
- Faurecia Automotive Exteriors is responsible for front-end modules and exterior equipment, as well as for the Group's composite plastics business.

The corporate departments include:

- the Finance and Human Resources departments, which are responsible for the management of their respective areas of expertise. They are structured around country-based divisions and shared services centers in charge of providing financial and administrative services (cash management, accounting, tax, legal) and human resources management services to the Faurecia group as a whole;
- the Strategy department, which drives the Group's strategy and medium-term planning, and coordinates the Business Groups' innovation and R&D activities, as well as Faurecia's expansion in emerging markets;
- the Communications department, which conducts the Group's internal and external communications.

8.2.3. COMPENSATION OF THE EXECUTIVE COMMITTEE

The total compensation paid or allocated in 2015 to members of the Executive Committee in office as at December 31, 2015 amounted to €8,845,530.

The compensation of the Executive Committee includes a variable bonus. Performing on target can result in a bonus worth 50% of the base salary. Should targets be exceeded, this percentage can rise to 100% of the base salary. 80% of the bonus is based on targets related to operating income and cash generation within the scope of responsibility, and 20% on the same targets measured across the Group. Within the corporate departments, 100% is based on targets measured across the Group.

If the employment contract of an Executive Committee member is terminated, he or she may receive contractual severance pay of up to 12 months' compensation, depending on their position. This amount is not payable in the event of gross negligence or willful misconduct.

Details on the number of stock options granted are provided in Section 10.4.2.2 of this Registration Document. Members of the Executive Committee also benefit from the performance share plan instituted by the Board of Directors. An initial tranche contained three plans that were granted at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche contains an external performance indicator, with plans granted respectively by decisions of the Board of Directors at its July 23, 2012, July 24, 2013 and July 28, 2014 meetings. Plan 7 was granted by the Board of Directors at its July 23, 2015 meeting (see Section 10.4.2.2 of this Registration Document).

8.3. Senior Management

Each of the four core businesses is organized into geographic divisions – Europe, divided when appropriate into Northern and Southern Europe, North America, South America, and Asia (China) – which manage operations in their region and also coordinate operations with customers headquartered in their region.

The four Business Groups also have a central staff that handles the main operational functions (sales and marketing, programs, manufacturing support, purchasing, quality, human resources and finance). These functions are also managed within the geographic divisions by equivalent teams. Additionally, some specialized areas are managed by worldwide product lines within the four businesses, such as seat mechanisms, acoustic treatments and decorative interior trims.

Senior Management at Faurecia consists of all the aforementioned management teams along with the Executive Committee and the key headquarters managers of the manufacturing and quality staff, as well as the Human Resources and Finance departments.

Faurecia Senior Management included 321 members as at December 31, 2015. This is Faurecia's operational management, responsible for the Company's operations, growth and performance. As such, the members of this team have an interest in the short-term results, through a system of variable bonuses. 80% of the bonus is based on targets related to operating income and cash generation within the scope of responsibility, and 20% on the same targets measured across the Group.

Members of this team also benefit from the performance share plan instituted by the Board of Directors. An initial tranche contained three plans that were granted at its June 23, 2010, July 21, 2010 and July 25, 2011 meetings. The second tranche contains an external performance indicator, with plans granted respectively by decisions of the Board of Directors at its July 23, 2012, July 24, 2013 and July 28, 2014 meetings. Plan 7 was granted by the Board of Directors at its July 23, 2015 meeting (see Section 10.4.2.2. of this Registration Document).

8.4. Description of internal control and risk management procedures implemented by the Faurecia group

8.4.1. INTERNAL CONTROL: DEFINITION AND OBJECTIVES

Internal control is a Faurecia group structure that includes a set of resources, behaviors, procedures, and actions adapted to the individual characteristics of each company and the Group which:

- contributes to controlling its activities, the efficiency of its operations, and the efficient use of its resources; and
- enables it to take all major operational, financial, and compliance risks into consideration in an appropriate manner.

The aim of internal control is to ensure:

- compliance with laws and regulations;
- that the instructions and guidelines set by Senior Management and/or the Board of Directors are applied;
- that each of the Group's companies' internal processes are functioning correctly, particularly those concerning asset protection;
- reliable financial reporting.

However, internal control cannot give an absolute guarantee that Faurecia's objectives will be achieved. All internal control systems have inherent limitations such as uncertainties in the outside world, the exercise of people's judgement, or the cost/benefit relationship of implementing new controls.

Faurecia verifies that internal control procedures have been implemented within its subsidiaries. These procedures are adapted to the specific characteristics of the subsidiaries and to relations between the parent company and consolidated companies.

8.4.2. REFERENCE FRAMEWORK USED BY FAURECIA

The Faurecia group continues to develop its internal control system by making use of the AMF Reference Framework and its Application Guide, as updated on July 22, 2010. This system applies to processes relating to the preparation of accounting and financial information intended for publication and the general organization of the Group's operating divisions.

The Group's internal control system is implemented with regard to both its operations and its legal structure.

It applies to all Group subsidiaries consolidated by the global integration method.

The summarized information on Faurecia's internal control procedures provided in this report is focused on the main areas that could:

- have an impact on financial and accounting information published by the Faurecia group;
- cause damage to the Group's image and reputation;
- expose the Group to regulatory or legal sanctions from the various jurisdictions and competition authorities of the countries in which it operates;
- threaten the Group's employees and ecosystem (risk of kidnapping, natural disasters, epidemics, environmental risks);
- prevent the Group's customers from producing, delaying their production or hindering their product and service performance (critical equipment breakdown, quality risks, delay in our product development);
- cause the Group to be unable to continue financing its operations (cash shortage).

8.4.3. INTERNAL CONTROL PROCEDURE ACTORS AND ORGANIZATION

Internal control is implemented by both Senior Management and all of the Group's other employees in their daily work in strict compliance with the Group's procedures, including, in particular, the twelve basic rules.

The main participants in the internal control system are as follows:

- the Board of Directors, which is responsible for determining Faurecia's overall strategic vision and the Group's strategy and for overseeing their implementation;
- the Audit Committee, whose responsibilities are defined by the Board of Directors, which plays a vital role, particularly in the monitoring of (i) the process by which financial data is developed, (ii) the effectiveness of internal control and risk management systems, and (iii) the audit of annual and consolidated accounts by the Statutory Auditors;
- the Group's Executive Committee which oversees the Group's strategy allocates the resources required to implement this strategy, sets the objectives for all Group entities, and verifies that these objectives are met;
- Operations Committee meetings are held between the Group's Senior Management and the executive team of each Business Group every month during which all management indicators are reviewed. This Committee particularly focuses on the various key aspects of quality, financial performance, and deadline compliance in programs under development;
- the management and internal control network at Group level (director of Group internal control), various Business Groups (Internal control managers for each Business Group) and the financial management of certain regions (North America, South America, China, Southern Europe, Northern Europe) which aims to strengthen governance, improve procedures (Faurecia Core Procedures), the IT processes and tools (mainly the Faurecia Core System based on the SAP management software), train managers in all departments on concepts and procedures related to internal control, identify good practices and roll them out in a spirit of continuous improvement.

  The Head of Group internal control is part of the the Finance department and attends Audit Committee meetings. He reports on his work and strengthens the link between the disciplines when attending the Monthly Internal Control Governance Board meeting chaired by the Group's Chief Financial Officer and of which the Internal Audit Director, the VP Financial Control, the Chief Compliance Officer, the General Counsel and financial directors of the Business Group are also members. His work is also reviewed at least once a year by the Audit Committee and the Executive Committee.

  There are many main levers of progress set up, which include: internal control reviews at least once a year between the Group's Finance department and the different operational divisions, the self-evaluation campaigns on all of the management cycles of the business (commercial management, direct and indirect purchasing, inventory management, asset management, payroll management, monitoring standard costs, information systems management, managing expatriates and other personnel transfers, etc.), training dedicated to internal control including some now registered in the Faurecia University (Faurecia's internal training center) catalog, securing access and rights associated with software, improving IT tools, continuous procedure revision (see 8.4.6. for details on the changes made in 2015).
- compliance management under the responsibility of the Chief Compliance Officer (reporting to the Chairman and Chief Executive Officer) depending on the Regional Compliance Officers for North America, Mexico, Asia and Europe. Its mission is to develop a mapping of the risks inherent to the Code of Ethics, to set up appropriate monitoring, to define and roll out a communication, training plan as well as compliance procedures. To roll out the plan, the Compliance department also relies on a network of representatives within each of the operational divisions of the Business Groups;
- the Financing and Treasury department, the Financial Control department, the Quality department, the Legal department, and the Country and Regional Finance departments which all play a specific role in the internal control process on account of their cross-functional skills;
- the Operational Risk Committee which is tasked with both ensuring that certain Group-wide risks are correctly monitored and that the indicators used to measure them are relevant;
- the Internal Audit department, which tends to assess risk management processes, internal control, and corporate governance using a systematic and methodical approach, ensures that the Group's procedures comply with the applicable legislation and market recommendations and ensures continuous compliance with procedures and the twelve basic internal control rules via regular controls and checks. In the event of shortfalls, it ensures that corrective measures are taken and reports on the effectiveness of internal control.

The Internal Audit department is under the direct responsibility of the Group Chief Financial Officer. Although centralised at the Group level, it has regional teams based in France, Germany, the United States, and China. Its work is approved and supervised by the Chairman and reviewed by the Audit Committee. It can intervene on all Group processes, anywhere in the world, if need be. It conducts its assignments wholly independently and systematically substantiates its findings with specific facts that have been duly verified and rigorously calculated. It provides the Senior Management with all of its work and regularly reports to it on the progress of its assignments and the measures taken to reach its objectives. Recommendations sent by the Internal Audit department to the audited sites are monitored by (i) an analysis by questionnaire three, six and twelve months after the final report, (ii) monitoring by the Operations Committee, and (iii) a post-audit onsite if deemed necessary. It presents its audit plan as well as the reports it has drawn up, including an assessment of its performance, to the Chief Financial Officer twice a year and to the Audit Committee at least once a year. In 2004, the department drew up an Internal Audit Charter which defines its roles and mission, its field of competence, and the audit methodology used.

The Operational Risk Committee, set up on November 10, 2011 and chaired by the Head of the Internal Audit department, brings together the owners of Group-wide risks at Group level. This Committee is charged with defining, monitoring, quantifying, prioritizing, and checking the relevance of these risks with regard to Group objectives. Its deliberations include an evaluation of the usefulness over time of the key indicators of each risk in question as well as the actions required to strengthen their control or management. Finally, the Committee assists the Head of the Internal Audit department in preparing and checking risk information for the Audit Committee.

This is complemented by the intervention of external actors, including:

- the Statutory Auditors. Their mission does not directly involve them in internal control or risk management. They take note of them, make use of Internal Audit and Internal Control reports to improve their understanding of them, and give a wholly independent opinion on their relevance. Every year, they conduct a Group audit as part of their statutory audit of consolidated financial statements and individual Group entity financial statements. In accordance with French company law, Faurecia and Group financial statements are certified by two audit firms which undertake a joint review of the full accounts, the procedures used for preparing them, and also certain Group internal control processes for preparing accounting and financial information. Backed by members of their networks in each of the Group's host countries, these two audit firms perform statutory or contractual audit engagements for all of the Group's fully consolidated companies. The Auditors present their comments on the Chairman's report regarding internal control procedures for preparing and processing financial and accounting data and certify that other disclosures required by law have been made;
- third-party organizations which carry out the following certification processes for the entire Group over a three-year cycle:
  - environment (ISO 14001),
  - quality (ISO/TS);
- engineers from fire and property insurance companies who conduct a biennial audit on each of the Group's sites to:
  - assess fire risks and any potential impact on production and customers,
  - assess whether the prevention and protection measures in place are adequate,
  - issue recommendations to reduce risks.

8.4.4. RISK ANALYSIS AND RISK MANAGEMENT PROCEDURE

The Group's objectives are set by the Board of Directors. They relate not only to financial performance but also to areas in which the Group aims to achieve a particular level of excellence such as human resources management, quality, innovation, working conditions, and environmental performance.

In this context, the Group monitors and manages risks that are likely to affect the achievement of its objectives. The Audit Committee thus reports to the Board of Directors on the major steps taken to oversee and monitor risks, the Committee itself being informed by the Internal Audit department which provides an update on Group-wide risks at least once a year. Generally speaking, all the risks identified within the Group are reviewed and discussed by specific bodies and are consolidated by the Group Executive Committee. The executive team of each Business Group is responsible for identifying and managing operational risks inherent to its business which are reviewed every month by its Operations Committee. Financial risks for all Group companies are managed at Group level by the Group Finance department and are reviewed by a special committee as well as locally managed in regional Finance departments via the quarterly review of the accounts for each of the sites in the scope.

It should be noted that certain operational risks, identified as Group-wide, are also reviewed by the Operational Risk Committee, as described above.

These risks are associated with safety to persons, quality, program management, liquidity risk, electronic data risk, the reliability of supplies, asset protection and fire risk, exposure of industrial sites to certain types of natural disasters, international exposure of employees to health and safety risks, the reliability of financial information, compliance, the environment. For the purposes of procedure progress and improvement, the relevance of this list is regularly reviewed by the Operational Risk Committee and the inclusion of new Group-wide risks is submitted to the Audit Committee.

Faurecia has undertaken a risk review and considers that it is not currently exposed to any significant risks other than those described in Section 3.4 of the 2015 Registration Document.

8.4.5. DESCRIPTION OF INTERNAL CONTROL PROCEDURES

Internal control relies on a set of principles and procedures: the Group's culture (Being Faurecia), that is based on six key values and on the Code of Ethics and the Management Code, and the Faurecia Excellence System (FES) which is the operational area, defining the manner in which the Group's employees work throughout the world and structuring the Group's identity.

The documentation on which the internal control system is based, is made up of the following items, which can all be accessed on the intranet:

- the Code of Ethics and the Management Code;
- Manager Empowerment which defines six general principles for managers in certain key areas: Acquire a new program; Assess Managers and Professionals; Decide on Capital Expenditures; Decide on Exceptional Items; Manage Managers and Professionals Compensation; Staff Managers and Professional positions;
- the Faurecia Core Procedures (FCP) expressed within nine processes:
    - Production Control and Logistics which defines the various production process stages in the factories: preparing for the start-up of new programs or units, planning and controlling the production process, and managing flows,
    - Purchasing which covers processes set up with the Group's suppliers with a view to building a sustainable relationship based on excellence,
    - Quality and HSE which addresses quality and health and safety of policies,
    - PMS (Program Management System) and Engineering which defines the operating rules related to programs, including the different development phases and conditions of transition from one phase to the next,
    - Sales and Marketing which includes the procedures to define product offerings and the innovation policy to develop relationships with Faurecia group customers and the "sales to cash" process (monitoring sales prices, manufacturing processes, recovery, processing self-invoicing),

- Communication which defines the principles of external and internal communication,
- Finance which sets a common framework for all Group entities in relation to issues such as financial control, setting objectives, drawing up strategic plans,
- Human Resources which addresses all aspects of human resources management,
- Information Technology which deals with all aspects of information systems management (network security, physical and logical access security, installing new software, governance, etc.).

These procedures are developed by each Group division respecting a common general framework and apply to all subsidiaries controlled by the Group. They are regularly updated and continually enhanced.

Certain control activities are detailed below.

Each one has been or will be the subject of regular self-evaluations.

- Faurecia's alert management system (AMS) immediately informs Business Group management teams and, according to importance, the Group Executive Committee of any problems encountered in production and program management. This system also ensures a prompt and structured response including problem solving which the organization capitalizes.

8.4.5.1. Monitoring respect for values within the Group

The Faurecia group is deeply committed to respecting the values of accountability, integrity, and ethical conduct. The Code of Ethics is an integral part of the Faurecia Core Procedures. This Code defines the general rules on ethical behavior applicable on a day-to-day basis to all of Faurecia's employees in their relations both inside and outside the Group and with the Group's partners. The Code also describes how the Group seeks to implement its values of respecting customers, shareholders, the people it works with, and the environment. In addition to strengthening the measures already in place, the Code provides for an internal whistle-blowing procedure enabling employees to notify Faurecia of any breaches of the law or the Group's procedures. An external whistle-blowing procedure, accessible to all persons who are aware of matters that constitute serious risks for the Group in terms of accounting, financial auditing, and anti-corruption, has also been implemented. This procedure allows Faurecia to refer to an independent organization which receives and performs the initial processing provided for in whistle-blowing procedures. If circumstances warrant, the organization contacts the Faurecia group's Chairman and Chief Executive Officer who can ask the Group's compliance manager (Chief Compliance Officer) to carry out the necessary investigations. The Code of Ethics has been widely distributed throughout the Group, notably via the intranet, to ensure that all employees can access it and comply with it at all times and in all circumstances. The Code is intended to develop a sense of responsibility and to involve Group employees in the development of ethical values. During Internal Audits, auditors systematically check that everyone is familiar with the Code at factory level.

8.4.5.2. Quality control

The Faurecia group systematically manages quality risks from new order acquisition phases to manufacturing in factories. The quality function guarantees this management at all stages of the process. It is present at all levels of organization from the multidisciplinary team developing new programs or the production site up to the Group's management structure.

Specific indicators with monthly reports assess the risks, generate improvement plans, and mainstream actions to prevent major risks at all levels of organization. Every year, annual targets to meet customer needs as expressed in the measurement of the performance of their suppliers and operational efficiency are set.

For major problems, the AMS (Alert Management System) described in Section 8.4.5 must be used.

A structured problem solving culture (immediate response within 24 hours and identification of root technical and management causes, Alert Closure) is constantly being developed by Faurecia's management: the QRCI (Quick Response Continuous Improvement) Initially deployed to professionally handle quality problems, it has been extended to all opportunities to improve business operations, programs, HSE, scrap, inventory, deliveries, etc.

The Group's quality management has a structure of reviewers that is independent to Business Group operations organizations to conduct reviews on both production sites and R&D centers. They use a precise and rigorous questionnaire to assess the application and maturity of the FES's implementation. Assessment guidelines and Group procedures are regularly updated to reflect the changing needs of customers and weaknesses identified in the organization.

Each production site is rated either "Poor/Satisfactory/Excellent/Benchmark". If a site is rated "Poor", it is required to prepare a corrective action plan which is presented directly to Faurecia's Chairman with a view to reaching a "Satisfactory" level within a maximum of three months.

The Group's Quality department also conducts assessments and/or provides specific coaching in case of significant deviations in quality performance on the affected sites and a report and corrective action plan are submitted to Senior Management.

8.4.5.3. Information systems management

To constantly improve the information system, in 2007 the Group implemented an integrated management software package based on the SAP solution (Faurecia Core System) which is already installed at a large majority of the Group's entities. This software package as well as the associated procedures meet the needs and constraints of the local entities as well as those of the Group while guaranteeing the integrity and traceability of the accounting and financial data. Finalizing the roll-out of the Accounting and Controlling part as well as all of the R&D sites is planned for mid 2016, the Manufacturing entities shall be completed by the end of 2016 on a comparable basis. Preventative and subsequent controls are carried out using this software primarily in order to manage access to sensitive data and ensure strict separation of functional tasks.

In addition to this software, Faurecia also uses the Hyperion application to consolidate financial data to have a complete and uniform picture of the accounting and financial activities and data.

Annual reviews are conducted on the IT and functional environment of these two applications by Ernst & Young Audit and PricewaterhouseCoopers Audit, Faurecia's Statutory Auditors. This review covers access to the applications and data, change and project management as well as operations management.

All projects regarding information systems are subject to a specific methodology (PRMS for "Program Reporting Management System") to ensure regular control and monitoring of the projects associated with the strong governance principles and the appropriate tools.

In addition, particular attention is paid to the security and associated processing of computer data. The IT organization endeavors to constantly improve the levels of controls in order to guarantee in particular:

- protection against unauthorized access to connection applications;
- necessary controls to ensure confidentiality and integrity of data;
- the security and restoration if necessary of the data circulating within the information system;
- a separation of responsibilities between network administration, application development and server management;
- the availability of the services and systems.

8.4.5.4. Program control

Program control measures are subject to specific procedures. Each contract signed with a customer represents a program and corresponds to a project which:

- responds to Request for Quotation issued by a vehicle manufacturer for the supply of complex automotive equipment;
- meets set quality, cost, and lead time objectives;
- meets financial performance targets set by the Group.

The life of a program can stretch to ten years, from the beginning of the development phase (acquisition and industrialization phases) to the end of series life (production).

Every program is subject to control procedures and tools throughout its life. The Program Management System (PMS) lays out a strict succession of steps for the entire duration of a program, from bid processing to the end of product life. Program reviews are carried out monthly to define and monitor action plans.

For each program:

- a prospective financial analysis in the form of a Business Plan (BP) regularly updated from the bid phase to the end of product life;
- monthly indicators to measure its operating and financial performance. Each of these indicators is then consolidated by the Group;
- the AMS (Alert Management System) as described in Section 8.4.5 to identify potential significant program deviations and monitor their resolution;
- review at each phase of development, Gate Review, by the Program Review Committee and throughout the entire program following the process defined by the Project Management System (PMS).

Each development center is also audited biannually by the Group on a representation sample of programs at different stages of development to formally evaluate the compliance of the PMS.

8.4.5.5. Internal control procedures for the preparation and processing of accounting and financial information

PRINCIPLES APPLIED TO THE PREPARATION OF FINANCIAL STATEMENTS

The Board of Directors is collectively responsible for publishing reliable financial and accounting information.

The Audit Committee is expected to study and prepare some of the Board's deliberations on this subject. It issues proposals, opinions, and recommendations within its field of competence. The Committee only has a consultative role and acts under the authority of the Board to which it reports whenever necessary.

The Audit Committee's mission is to review the Faurecia group's consolidated annual and interim financial statements.

It may hear external auditors and financial, accounting, and treasury directors. These hearings should be able to be held, if necessary, without the presence of the Finance department and, in any event, without the presence of Faurecia's Senior Management. The CFO may be assisted by any employee of their choice.

Senior Management specifically relies on input from the Accounting, Consolidation, Financial Control, and Financial Communications departments.

The Financial Control department prepares monthly consolidated financial statements as well as interim and annual financial information to be published. It ensures that local financial managers properly prepare subsidiary financial statements in compliance with local regulations. It defines the Group's accounting principles in accordance with IFRS and sees that all subsidiaries follow them. It also prepares Faurecia's financial statements.

Internal control procedures required to produce reliable accounting data are implemented locally. Among others, these include physical inventorying, the separation of tasks, and reconciliation with independent sources of information.

The following principles are implemented across the Group to prepare financial statements:

- completeness of transaction processing;
- transaction compliance with applicable accounting principles;
- periodic review of assets.

Ensuring consistency between financial reporting tools and the Group's operating systems is vital for the preparation of reliable financial and accounting information. The volume of information involved, the quality and integrity required to process the information, and ever-tighter financial reporting deadlines enabling management to respond quickly and efficiently control operations require the use of effective information systems. Faurecia implemented a Group ERP system built on SAP in 2007 which is now rolled out across the most of the Group's accounting platforms and continues to be progressively rolled out across the various Group sites.

The Group's financial statements are prepared using information from each subsidiary which has been entered into the HFM reporting and consolidation system. The accounting data submitted by each subsidiary is prepared in accordance with Group standards which themselves comply with IFRS as adopted by the European Union. An IFRS accounting manual is included in the FCP system which can be accessed via the intranet.

Each subsidiary's accounting information comprises income statements prepared by nature and destination, a breakdown by business segment, an analysis of current and deferred taxes, a balance sheet, a cash flow statement, and a statement of commitments and contingent liabilities.

Inter-company transactions are entered in the HFM reporting tool every month.

The Finance department also uses short and medium term forecasts to verify the value of cash-generating units, actuarial reports to assess commitments to employees and retirees, and fair-value measurements of derivative financial instruments confirmed by the Group's banking counter-parties.

For each subsidiary, the head of accounting and the financial controller have access to all the information they require to prepare accurate financial statements in compliance with local standards for statutory financial statements and with Group standards for reporting.

At every interim and annual close, the head accountant is required to prepare an IFRS/local standard compliant reconciliation for equity and profit and loss for each subsidiary.

Instructions are sent to the accountants and financial controllers specifying the closing procedures to be followed every month. Training on reporting tools are regularly provided to newly recruited accounting and financial staff.

The preparation of monthly reporting packages requires each entity to ensure that it has the appropriate resources to draw up quality information.

OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments are handled in accordance with a specific identification and valuation process.

Each commitment is tracked by nature. Currency and interest-rate risks as well as inter-company financing in foreign currencies are managed at Group-level under the supervision of the Finance department and, if necessary, are subject to hedging. Similarly, any sureties or guarantees granted by Faurecia S.A. are issued and monitored at Group level.

IDENTIFICATION AND ANALYSIS OF RISKS IMPACTING ACCOUNTING AND FINANCIAL INFORMATION

The preparation of full monthly financial statements greatly reduces risks at interim and annual closes, particularly regarding meeting financial reporting deadlines. Any problems are anticipated, inter-company accounts are reconciled each month, specific transactions are accounted for without waiting for the yearly close, and tax calculations are regularly substantiated.

The preparation and review of monthly financial statements and reconciling them with the budget allows each entity to detect any anomalies in the accounts, such as in relation to inventories or cash flows. Implemented in tandem with specific procedures, this process is intended to reduce the risk of errors and fraud.

"HARD CLOSE" PROCEDURE

A hard close is carried out on October 31 every year for interim accounts to anticipate, assess, and validate the main accounting options to be implemented for the yearly close. Similarly a hard close is carried out in May to anticipate the close for interim financial statements on June 30.

ACCOUNTING AND FINANCIAL CONTROL TOOLS

The Group has drawn up procedures for preparing and processing financial and accounting information. These procedures comply with applicable accounting principles and standards and, like all the other internal control procedures, are available on the Group's intranet. The following figure among the most important Group procedures:

- a capital expenditure authorization procedure to determine capital spending criteria and name authorized signatories who can commit the Company for amounts up to pre-defined thresholds;
- an authorization procedure for capital increases, capital injections, acquisitions of shareholdings, and intra-group loans;
- a procedure to draft Program Business Plans;
- a procedure for the acquisition of new programs;
- a procedure for consolidating financial statements.

The Group financial services are primarily structured to separate "accounting" functions from "financial control" functions and create shared accounting services centers for each country or region which report to a Finance Director. The Group Finance department is responsible for drawing up rules and procedures as well as for the consolidation, audit, and management of the Group's cash position and financing.

This organization makes it possible to handle the variety of the Group's activities and enhance the applicability and consistency of Group procedures and therefore the effectiveness of internal control procedures. It strengthens the roles and responsibilities of the accounting function, improves reporting processes, increases the effectiveness of information systems, and reinforces program management controls. Job enhancement, resulting from this organization, also contributes to developing the skills and commitment of employees.

FINANCE AND ACCOUNTING REPORTING PROCESS

Reporting processes are intended to provide systems for informing and steering the Group and ensuring maximum responsiveness to any risks that may arise. A "reporting glossary" describes the content of all reporting data and procedures explains how reporting should be conducted.

The HFM consolidation system provides for the reporting of both financial information (income statement and balance sheet data) and non-financial information (such as indicators relating to quality, production, purchasing, safety, human resources, etc.).

The results consolidation process is secured by applying blocking controls upstream in reporting documents and intermediate controls related to the structure of the reporting system at Group level.

Monthly reporting data includes estimated sales and operating results for each business unit within three days of the month-end and definitive data four days after month-end prepared in accordance with Group standards. Every month, the Operations Committee reviews the operating performance and action plans of each Business Group.

BUDGET AND STRATEGIC PLAN

The Group Finance department provides economic and financial assumptions and sets specific objectives for each operating unit to be used in the budget. The annual budget is developed by production site, R&D center, and administrative center. It is then broken down into monthly periods using standard schedules and then consolidated.

In order to effectively anticipate short-term changes and improve responsiveness, monthly reporting includes a rolling forecast for the income statement and cash flow statement for the current and subsequent quarters.

As Faurecia's contracts span several years, it requires a medium-term overview of its financial position to effectively manage risks. The Group draws up a five-year plan each year, in which programs play an essential role, for this purpose. This plan helps clarify the Group's outlook in terms of profitability and required resources. It is consolidated using the same tool and applying the same stringent procedures as for monthly reporting and it is also used to define budgetary targets.

FINANCIAL PRESS RELEASES, ANNUAL REPORT, AND REGISTRATION DOCUMENT

The Group's Finance and Communications departments are responsible for drawing up and relaying all of the Group's financial information to the financial markets. Financial communication is transmitted through two main vehicles:

- the annual report and the Registration Document;
- financial press releases.

Preparation of the annual report, which also serves as the Registration Document, is coordinated by the Legal department. A large number of people who are experts in their field contribute to the process ensuring that the document contains broad-ranging and high-quality information. The Registration Document is then reviewed and approved by the Board of Directors before it is published.

Financial press releases are systematically reviewed by the Finance department and announcements on the annual and interim accounts are also approved by the Board of Directors.

8.4.6. KEY DEVELOPMENTS OUTLOOK

During the year the Group continued to improve its internal control procedures:

- shared accounting services are now under the responsibility of the regional financial officers (Southern Europe, Northern Europe, North America, South America, Asia, South Africa) whose scope of action is currently being extended to new geographical areas;
- at the end of 2015, the FCS (ERP SAP) management system was rolled out on 85% of the operational and central sites (factories, R&D centers, administrative headquarters), 72% of which were factories. The roll-out should be completed according to the terms and conditions described in Section 8.4.5.3, guaranteeing quality, uniform administrative, accounting, financial and standard flow management processes throughout the Group and optimizing the segregation of tasks;
- at the same time, other tools and processes to improve internal control have been and/or will continue to be set up:
    - a secure payment application to ensure payment data integrity, from its generation in FCS to the bank concerned, was further rolled out and will be completed in 2016 under comparable conditions,
    - an FCS module to selectively monitor certain transactions carried out in the tool was activated with computer populations likely to conduct sensitive transactions from time to time (supplier invoices, payment, etc.) on behalf of users,
    - a tool to optimize management of the SOD (Segregation of Duties) matrix and the roles of users in FCS is in pilot phase and will be rolled out in 2016,
    - a GRC (Governance, Risk and Compliance) application is being installed, which includes:
        - a secure "Internal Audit" module (mission planning, preparation, execution) received at the end of 2015 and will go into production in the beginning of 2016,
        - an "Internal Control" module (managing questionnaires and self-evaluation campaigns, harnessing results, monitoring action plans) launched at the end of 2015 and which will go into production in the 2nd half of 2016,
    - a new generation IAM (Identity Access Management) tool to centralize access rights and profile management impacting multiple applications will go into production in 2016,
    - the self-evaluation campaigns conducted in 2015 (inventory, sales, purchasing, payroll, assets) will be completed in 2016 by the following cycles: standard costs, R&D and program management, accounting and reporting,
    - the responsibility for managing the sites, divisions and network of internal auditors will be reinforced in 2016 with respect to the figures given for internal control for all sites.

8.5. Report of the Statutory Auditors drawn-up in accordance with Article L. 225-235 of the French Commercial Code, on the report of the Chairman of Faurecia's Board of Directors

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Faurecia, and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2016

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

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Consolidated financial statements

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9.1. Consolidated statement of comprehensive income

(in € millions)	*Notes*	2015	2014 restated*
SALES	*4*	**18,770.4**	**16,876.6**
Cost of sales	*5*	(17,024.8)	(15,486.9)
Research and development costs	*5*	(278.4)	(214.4)
Selling and administrative expenses	*5*	(637.2)	(579.9)
OPERATING INCOME		**830.0**	**595.4**
Other non-operating income	*6*	10.9	5.1
Other non-operating expenses	*6*	(76.2)	(84.9)
Income on loans, cash investments and marketable securities		12.1	7.9
Finance costs		(173.6)	(186.6)
Other financial income and expenses	*7*	(45.2)	(60.0)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES		**558.0**	**276.9**
Taxes	*8*	(185.7)	(94.8)
of which deferred taxes	*8*	*(20.3)*	*38.9*
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES		**372.3**	**182.1**
Share of net income of associates	*13*	12.8	4.4
NET INCOME (LOSS) FROM CONTINUED OPERATIONS		**385.1**	**186.5**
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	*1.B/31*	**60.8**	**43.1**
CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD		**445.9**	**229.6**
Attributable to owners of the parent		**371.8**	**166.4**
Attributable to minority interests	*23*	74.1	63.2
Basic earnings (loss) per share *(in €)*	*9*	2.98	1.35
Diluted earnings (loss) per share *(in €)*	*9*	2.97	1.35
Basic earnings (loss) from continued operations per share *(in €)*	*9*	2.49	1.00
Diluted earnings (loss) from continued operations per share *(in €)*	*9*	2.48	1.00
Basic earnings (loss) from discontinued operations per share *(in €)*	*9*	0.49	0.35
Diluted earnings (loss) from discontinued operations per share *(in €)*	*9*	0.49	0.35

* *See Note 1B.*

OTHER COMPREHENSIVE INCOME

(in € millions)	2015	2014 restated*
CONSOLIDATED NET INCOME (LOSS)	**445.9**	**229.6**
Amounts to be potentially reclassified to profit or loss	**47.7**	**123.8**
Gains (losses) arising on fair value adjustments to cash flow hedges	0.7	(5.3)
of which recognized in equity	*(0.2)*	*(1.5)*
of which transferred to net income (loss) for the period	*0.9*	*(3.8)*
Exchange differences on translation of foreign operations	47.0	129.1
AMOUNTS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS	**28.4**	**(53.5)**
Actuarial gains/(losses) on post-employment benefit obligations	28.4	(53.5)
Other comprehensive income from discontinued operations	**9.8**	**(0.7)**
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	**531.8**	**299.2**
Attributable to owners of the parent	456.9	221.8
Attributable to minority interests	74.9	77.4

* *See Note 1B.*

9.2. Consolidated balance sheet

ASSETS

(in € millions)	*Notes*	**12/31/2015**	**12/31/2014 restated***
Goodwill	*10*	1,209.8	1,317.3
Intangible assets	*11*	935.0	850.5
Property, plant and equipment	*12*	2,247.3	2,229.7
Investments in associates	*13*	111.5	94.7
Other equity interests	*14*	15.6	14.6
Other non-current financial assets	*15*	69.4	62.7
Loans and receivables	*16*	36.5	26.6
Deferred tax assets	*8*	215.6	220.7
TOTAL NON-CURRENT ASSETS		**4,840.7**	**4,816.8**
Inventories, net	*17*	1,105.2	1,076.6
Trade accounts receivable	*18*	1,696.9	1,677.0
Other operating receivables	*19*	253.9	275.9
Other receivables	*20*	316.5	229.3
Other current financial assets	*30*	6.8	7.9
Cash and cash equivalents	*21*	932.5	1,016.9
TOTAL CURRENT ASSETS		**4,311.8**	**4,283.6**
Assets held for sale	*1.B/31*	613.4	0.0
TOTAL ASSETS		**9,765.9**	**9,100.4**

* *See Note 1B.*

LIABILITIES

(in € millions)	*Notes*	12/31/2015	12/31/2014 restated*
SHAREHOLDERS' EQUITY			
Capital stock	*22*	960.4	867.5
Additional paid-in capital		621.9	430.9
Treasury stock		(1.3)	(1.7)
Retained earnings		241.4	114.9
Translation adjustments		203.4	145.0
Net income (loss)		371.8	166.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS		**2,397.6**	**1,723.0**
Minority interests	*23*	211.9	159.9
TOTAL SHAREHOLDERS' EQUITY		**2,609.5**	**1,882.9**
Long-term provisions	*24*	344.1	369.4
Non-current financial liabilities	*26*	966.2	1,029.0
Other non-current liabilities		1.6	1.5
Deferred tax liabilities	*8*	11.1	9.6
TOTAL NON-CURRENT LIABILITIES		**1,323.0**	**1,409.5**
Short-term provisions	*24*	188.4	220.2
Current financial liabilities	*26*	918.9	1,383.4
Prepayments from customers		125.9	98.4
Trade payables		3,449.7	3,311.5
Accrued taxes and payroll costs	*27*	539.0	579.6
Sundry payables	*28*	235.7	214.9
TOTAL CURRENT LIABILITIES		**5,457.6**	**5,808.0**
Liabilities linked to assets held for sale	*1.B/31*	375.8	0.0
TOTAL EQUITY AND LIABILITIES		**9,765.9**	**9,100.4**

* *See Note 1B.*

9.3. Consolidated cash flow statement

(in € millions)	*Notes*	**2015**	**2014 restated***
I – OPERATING ACTIVITIES			
Operating income		830.0	595.4
Depreciation and amortization of assets		611.8	505.7
EBITDA		**1,441.8**	**1,101.1**
Operating short-term and long-term provisions		31.8	21.4
Capital (gains) losses on disposals of operating assets		5.6	3.2
Paid restructuring		(77.0)	(90.2)
Paid finance costs net of income		(208.0)	(175.6)
Other income and expenses paid		(28.5)	(74.3)
Paid taxes		(219.1)	(127.9)
Dividends from associates		16.1	26.1
Change in working capital requirement		**153.0**	**208.9**
Change in inventories		(112.3)	20.3
Change in trade accounts receivable		(74.3)	85.1
Change in trade payables		263.7	152.2
Change in other operating receivables and payables		73.9	(36.9)
Change in other receivables and payables (excl. tax)		2.0	(11.8)
OPERATING CASH FLOWS FROM DISCONTINUED OPERATIONS	*31*	**133.5**	**144.6**
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		**1,249.2**	**1,037.4**
II – INVESTING ACTIVITIES			
Additional property, plant and equipment	*12*	(620.8)	(474.7)
Additional intangible assets	*11*	(1.9)	(1.3)
Capitalized development costs	*11*	(308.9)	(314.1)
(Acquisition)/disposal of equity interests and businesses (net of cash and cash equivalents)		(30.9)	(33.3)
Proceeds from disposal of property, plant and equipment		15.3	12.4
Proceeds from disposal of financial assets		0.0	0.0
Change in investment-related receivables and payables		36.8	9.0
Other changes		(27.3)	(12.5)
INVESTING CASH FLOWS FROM DISCONTINUED OPERATIONS	*31*	**(65.0)**	**(55.5)**
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES		**(1,002.7)**	**(870.0)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)		**246.5**	**167.4**
III – FINANCING ACTIVITIES			
Shares issued by Faurecia and fully consolidated companies (net of costs)		29.1	5.4
Option component of convertible bonds		0.0	0.0
Dividends paid to owners of the parent company		(12.8)	(7.2)
Dividends paid to minority interests in consolidated subsidiaries		(64.5)	(49.8)
Other financial assets and liabilities		0.0	0.0
Debt securities issued and increase in other financial liabilities**		933.1	322.0
Repayment of debt and other financial liabilities		(1,195.0)	(135.8)
FINANCING CASH FLOWS FROM DISCONTINUED OPERATIONS	*31*	**(38.2)**	**(28.4)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		**(348.3)**	**106.2**
IV – OTHER CHANGES IN CASH AND CASH EQUIVALENTS			
Impact of exchange rate changes on cash and cash equivalents		20.7	41.5
Net cash flows from discontinued operations		(3.3)	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(84.4)**	**315.1**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,016.9**	**701.8**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**932.5**	**1,016.9**

* *See Note 1B.*

** *Mainly new bonds amounting to €700 million (see Note 26.3) and new borrowings in France (€138.6 million) and in Brazil (€46.4 million).*

9.4. Consolidated statement of changes in equity

						Valuation adjustments					
(in € millions)	**Number of shares** [(1)]	**Capital stock**	**Additional paid-in capital**	**Treasury stock**	**Retained earnings and net income (loss) for the period**	**Translation adjustments**	**Cash flow hedges**	**Actuarial gain/(loss) on post-employment benefit obligations**	**Equity attributable to owners of the parent**	**Minority interests**	**Total**
Shareholders' equity as of 12/31/2013 before appropriation of net income (loss) restated*	**122,588,135**	**858.1**	**410.4**	**(1.4)**	**264.5**	**28.7**	**(1.1)**	**(51.7)**	**1,507.5**	**140.5**	**1,648.0**
Net income (loss) restated*					166.4				166.4	63.2	229.6
Other comprehensive income						116.2	(5.3)	(55.5)	55.4	14.2	69.6
Total income (expense) recognized in equity restated*					***166.4***	***116.2***	***(5.3)***	***(55.5)***	***221.8***	***77.4***	***299.2***
Capital increase [(2)]	1,337,075	9.4	20.5						29.9	1.8	31.7
2013 dividends					(36.8)				(36.8)	(47.4)	(84.2)
Measurement of stock options and free share grant					0.1				0.1		0.1
Purchases and sales of treasury stock				(0.3)	6.0				5.7		5.7
Changes in scope of consolidation and other					(5.3)	0.1			(5.2)	(12.4)	(17.6)
Shareholders' equity as of 12/31/2014 before appropriation of net income (loss) restated*	**123,925,210**	**867.5**	**430.9**	**(1.7)**	**394.9**	**145.0**	**(6.4)**	**(107.2)**	**1,723.0**	**159.9**	**1,882.9**
Net income (loss)					371.8				371.8	74.1	445.9
Other comprehensive income						56.7	0.7	27.7	85.1	0.8	85.9
Total income (expense) recognized in equity					***371.8***	***56.7***	***0.7***	***27.7***	***456.9***	***74.9***	***531.8***
Capital increase [(2)]	13,267,568	92.9	162.2						255.1	32.2	287.3
2014 dividends [(3)]					(43.4)				(43.4)	(55.8)	(99.2)
Measurement of stock options and free share grant					9.9				9.9		9.9
Purchases and sales of treasury stock				0.6	0.0				0.6		0.6
Changes in scope of consolidation and other			28.8		(35.0)	1.7			(4.5)	0.7	(3.8)
Shareholders' equity as of 12/31/2015 before appropriation of net income (loss)	**137,192,778**	**960.4**	**621.9**	**(1.1)**	**698.2**	**203.4**	**(5.7)**	**(79.5)**	**2,397.6**	**211.9**	**2,609.5**

* *See Note 1.B.*
(1) Of which 44,162 of treasury stock as of 12/31/2013, 36,266 as of 12/31/2014 and 21,888 as of 12/31/2015 – See Note 9.
(2) Capital increase arising mainly from the payment of dividends in shares for the equity attributable to owners of the parent.
(3) For the equity attributable to owners of the parent, dividends paid in cash for €12.8 million and in shares for €30.6 million.

9.5. Notes to the consolidated financial statements

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Faurecia S.A. and its subsidiaries ("Faurecia") form one of the world's leading automotive equipment suppliers in four vehicle businesses: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors.

Faurecia's registered office is located in Nanterre, in the Hauts-de-Seine region of France. The Company is listed on the Eurolist market of Euronext Paris.

The consolidated financial statements were approved by Faurecia's Board of Directors on February 10, 2016.

The accounts were prepared on a going concern basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Faurecia group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the IASB, as adopted by the European Union and available on the European Commission website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

These standards include International Financial Reporting Standards and International Accounting Standards (IAS), as well as the related International Financial Reporting Interpretations Committee (IFRIC) interpretations.

The standards used to prepare the 2015 consolidated financial statements and comparative data for 2014 are those published in the Official Journal of the European Union (OJEU) as of December 31, 2015, whose application was mandatory at that date.

The principal accounting policies applied in the preparation of the consolidated financial statements have been consistently applied to all the years presented.

Since January 1, 2015 Faurecia has applied the standards IFRS 3, IFRS 13, IAS 40 and the annual IFRS improvements (2011-2013) which have had no material impact on the consolidated financial statements, and IFRIC 21 interpretation which impacts the consolidated financial statements as described in Note 1.B.

However, Faurecia has not applied by anticipation the new standards, amendments or interpretations which application is due for yearly statements opened from January 1, 2016, adopted or not by the European Union. The impact analysis of these standards and amendments is in progress.

The accounting principles applied are given in each note hereafter.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions when measuring certain assets, liabilities, income, expenses and obligations. These estimates and assumptions are primarily used when calculating the impairment of property, plant and equipment, intangible assets and goodwill, as well as for measuring pension and other employee benefit obligations. They are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The results of the sensitivity tests carried out on the carrying amounts of goodwill and provisions for pensions and other employee benefits are provided in Notes 10 and 25, respectively. In addition, Note 11 “Intangible assets” describes the main assumptions used for measuring intangible assets.

1.1 Consolidation principles

Companies over which the Group exercises significant influence and which are at least 20%-owned are consolidated where one or more of the following criteria are met: annual sales of more than €20 million, total assets more than €20 million, and/or debt more than €5 million.

Non-consolidated companies are not material, either individually or in the aggregate.

Subsidiaries controlled by the Group are fully consolidated. Control is presumed to exist where the Group holds more than 50% of a company’s voting rights, and may also arise as a result of shareholders’ agreements.

Subsidiaries are fully consolidated as of the date on which control is transferred to the Group. They are no longer consolidated as of the date that control ceases.

Companies over which the Group exercises significant influence but not control generally through a shareholding representing between 20% and 50% of the voting rights are accounted for by the equity method.

The Faurecia group’s financial statements are presented in euros.

The functional currency of foreign subsidiaries is generally their local currency. The assets and liabilities of these companies are translated into euros at the year-end exchange rate and income statement items are translated at the average exchange rate for the year. The resulting currency translation adjustments are recorded in equity.

Certain companies located outside the euro or the US-dollar zone and which carry out the majority of their transactions in euros or US dollars may, however, use euros or US dollars as their functional currency.

All material inter-company transactions are eliminated in consolidation, including inter-company gains.

The accounting policies of subsidiaries and companies accounted for by the equity method are not significantly different from those applied by the Group.

1.B Recent events and modifications to the previously published consolidated financial statements

1.B.1 RECENT EVENTS

2019 bonds

On May 3, 2012, Faurecia issued €250 million worth of bonds, due June 15, 2019. As announced by Faurecia at the end of 2014, these bonds were redeemed early on April 17, 2015 after the issue of the new 2022 bonds. (See Note 26.3).

2022 bonds

Faurecia issued on March 17, 2015 worth of bonds for €500 million, due June 2022, at par value. An additional €200 million bond was issued on April 9, 2015, with the same due date and same interest, at 100.25% of the nominal value. (See Note 26.3).

2018 OCEANE bonds

On December 7, 2015, Faurecia announced its intention to reimburse at par value on January 15, 2016 the 2018 OCEANE bonds convertible. Following the announcement of such operation, 94.5% of the OCEANE bonds have been converted as of December 31, 2015, and the nominal of remaining bonds outstanding at this date amounted €13.7 million. As of January 15, 2016, almost the entire amount has been converted and the residual nominal of €0.2 million has been reimbursed.

Discontinued operations

On December 14, 2015, Faurecia has signed a Memorandum of Understanding (MoU) for the sale of its Automotive Exteriors business worldwide to Compagnie Plastic Omnium. The business that would be sold, which is comprised of bumpers and front end modules, had sales of €1,952 million in 2014 and employs 7,700 people in 22 sites. The composite business, the plant supplying several components to Smart in Hambach (France) and two joint ventures in Brazil and China are not included in the deal. On the contrary, some assets of the Interior Systems segment located in the plant in Marles-les-Mines (France) are part of the sale project (See Note 1.B.2).

Prior to the signature of a definitive agreement, this project is subject to information and consultation procedures with the relevant employee representative bodies. It is also submitted to the relevant antitrust authorities.

The transaction is expected to close during 2016. However, at the MoU signature date, the sale has been considered as higher than probable. Since this date, the corresponding assets and liabilities have been treated as held for sale. (See Note 1.B.2 and Note 31).

New specific pension scheme

A specific pension scheme dedicated to the Executive Committee members who benefit from an employment contract with Faurecia S.A. or one of its subsidiaries, has been approved by the Board of Directors on February 11, 2015. This new scheme, defined benefit plan for French members and defined contribution plan for foreign members, starting on January 1, 2015, grants to each beneficiary, based on final salary, an annuity level determined according to the Group's operating income and the budget approved by the Board of Directors. This new scheme has led to a €2.4 million expense, corresponding to the actuarial engagement and a corresponding tax expense amounting €0.8 million.

1.B.2 MODIFICATIONS TO THE PREVIOUSLY PUBLISHED CONSOLIDATED FINANCIAL STATEMENTS

IFRS 5 – Discontinued operations

Following the signature with the Compagnie Plastic Omnium of a Memorandum of Understanding (MoU) for the sale of its Automotive Exteriors business worldwide, all the conditions were met from an IFRS point of view to qualify the activity as discontinued, mainly regarding the materiality of the business and the highly probable character of the sale.

Since December 15, 2015, applying IFRS 5, the corresponding assets and liabilities have been isolated in dedicated lines as the net result of the corresponding discontinued operations.

These assets have been presented separately on a line "assets held for sale" in the consolidated balance sheet and are valued at the lower of its carrying amount and fair value less costs to sell. The corresponding liabilities have been presented on a line "liabilities linked to assets held for sale" in the consolidated balance sheet.

The net income and cash flows items from discontinued operations are presented separately in the statement of financial position for all prior periods presented in the financial statements. Assets and liabilities as held for sale are presented without any restatement from prior year.

As of December 31, 2015, these principles have been applied to the scope of the sale is:

Name of the BAU	Name of the legal entity comprising the BAU	Country	% ownership	Method
BAU which represent an entire legal entity				
AR07_1685 Malvinas	Faurecia Exteriors Argentina	Argentina	100%	Full consolidation
CN38_1687 Changchun	Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd	China	50%	Equity Method
FR37_1281 Audincourt Bumpers	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1282 Audincourt	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1283 Audincourt	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1284 Audincourt Moteurs	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1285 Audincourt Moteurs	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1287 Audincourt Mngt	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1461 Audincourt	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1691 Audincourt	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1286 Burnhaup	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1288 Marines	Faurecia Bloc Avant	France	100%	Full consolidation
FR37_1289 Noeux-Les-Mines	Faurecia Bloc Avant	France	100%	Full consolidation
DE04_1084 Ingolstadt	Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100%	Full consolidation
DE04_1085 Ingolstadt	Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100%	Full consolidation
DE04_1086 Ingolstadt	Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100%	Full consolidation
DE04_1089 Offenau	Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100%	Full consolidation
DE28_1592 Weissenburg	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1526 Essen	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1528 Pappenheim	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1529 Reinsdorf	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1530 Sterbfritz	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1531 Weissenburg	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1532 Weissenburg	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1533 Weissenburg	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
DE28_1955 Rappenau	Faurecia Exteriors GmbH	Germany	100%	Full consolidation
ES20_1562 Barcelone	Faurecia Automotive Exteriors España, S.A.	Spain	100%	Full consolidation
ES20_1563 Barcelone	Faurecia Automotive Exteriors España, S.A.	Spain	100%	Full consolidation
ES20_1564 Barcelone	Faurecia Automotive Exteriors España, S.A.	Spain	100%	Full consolidation
ES20_1566 Tudela	Faurecia Automotive Exteriors España, S.A.	Spain	100%	Full consolidation
ES20_1567 Almussafes	Faurecia Automotive Exteriors España, S.A.	Spain	100%	Full consolidation
ES20_1568 Valladolid	Faurecia Automotive Exteriors España, S.A.	Spain	100%	Full consolidation

Name of the BAU	Name of the legal entity comprising the BAU	Country	% ownership	Method
BAU which are part of a legal entity				
BE01_1756 Bruxelles	Société Internationale de Participations -	Belgium	100%	Full consolidation
BR01_1646 Sao Paolo	Faurecia Automotive do Brasil Ltda	Brazil	100%	Full consolidation
BR01_1647 Sao Bernardo	Faurecia Automotive do Brasil Ltda	Brazil	100%	Full consolidation
BR01_1648 Sao Bernardo	Faurecia Automotive do Brasil Ltda	Brazil	100%	Full consolidation
CN20_1676 Shanghai	Faurecia (China) Holding Co., Ltd	China	100%	Full consolidation
FR23_1451 Marles-les-Mines	Faurecia Interieur Industrie	France	100%	Full consolidation
FR23_1261 Marles-les-Mines	Faurecia Interieur Industrie	France	100%	Full consolidation
PT07_1365 Palmela	Faurecia Sistemas Interior Portugal. Componentes Automoveis S.A.	Portugal	100%	Full consolidation
RU03_1810 Chelny	OOO Faurecia Automotive Development	Russia	100%	Full consolidation
SK04_1382 Hlohovec	Faurecia Slovakia s.r.o.	Czech Republic	100%	Full consolidation
US17_1414 Auburn Hills	Faurecia Interior Systems, Inc.	United States	100%	Full consolidation
US17_1641 Belvidere	Faurecia Interior Systems, Inc.	United States	100%	Full consolidation
US17_1415 Sterling Heights	Faurecia Interior Systems, Inc.	United States	100%	Full consolidation

Implementation of IFRIC 21 interpretation

Since January 1, 2015 Faurecia has applied the IFRIC 21 interpretation, “Levies”. As this application is retrospective the published financial statements as of December 31, 2014 have been restated consequently. The corresponding impacts are presented in the following tables; they were also indicated in the Note 1 of the financial statements as of December 31, 2014.

The modifications done to the previous published consolidated financial statements, concern mainly France and more precisely the *Contribution Sociale de Solidarité sur les sociétés* (C3S) and the property tax.

The C3S, previously recognized at the same rhythm as the sales recognition of year N, is now recognized as of January 1, N+1. The impact on shareholders’ equity as of January 1, 2014 result was €5.7 million.

Equity is consequently increased by €0.7 million as of 2014.

The IFRIC 21 restatement has no impact on cash flows.

RESTATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	Full-year 2014 published in February 2015	IFRIC 21 impact	IFRS 5 impact	Full-year 2014 restated
SALES	**18,828.9**		**(1,952.3)**	**16,876.6**
Cost of sales	(17,271.8)	0.7	1,784.5	(15,486.6)
Research and development costs	(235.5)		20.7	(214.8)
Selling and administrative expenses	(648.3)		68.5	(579.8)
OPERATING INCOME	**673.3**	**0.7**	**(78.6)**	**595.4**
Other non-operating income	5.1		-	5.1
Other non-operating expenses	(91.6)		6.7	(84.9)
Income on loans, cash investments and marketable securities	8.0		(0.1)	7.9
Finance costs	(191.1)		4.5	(186.6)
Other financial income and expenses	(60.5)		0.5	(60.0)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**343.2**	**0.7**	**(67.0)**	**276.9**
Current taxes	(161.2)		27.5	(133.7)
Deferred taxes	46.1		(7.2)	38.9
NET INCOME (LOSS) OF FULLY CONSOLIDATED COMPANIES	**228.1**	**0.7**	**(46.7)**	**182.1**
Share of net income of associates:	0.8		3.6	4.4
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	**228.9**	**0.7**	**(43.1)**	**186.5**
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS			**43.1**	**43.1**
CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD	**228.9**	**0.7**	**-**	**229.6**
Attributable to owners of the parent	**165.7**	**0.7**	**-**	**166.4**
Attributable to minority interests	63.2			63.2
Basic earnings (loss) per share *(in €)*	1.34			1.35
Diluted earnings (loss) per share *(in €)*	1.34			1.35
Basic earnings (loss) from continued operations per share *(in €)*	1.34			1.00
Diluted earnings (loss) from continued operations per share *(in €)*	1.34			1.00

RESTATED CONSOLIDATED BALANCE SHEET

(in € millions)	12/31/2013 published in February 2014	IFRIC 21 impact	12/31/2013 restated	December 31, 2014 published in February 2014	IFRIC 21 impact	12/31/2014 restated
SHAREHOLDERS' EQUITY						
Capital stock	858.1		858.1	867.5		867.5
Additional paid-in capital	410.4		410.4	430.9		430.9
Treasury stock	(1.4)		(1.4)	(1.7)		(1.7)
Retained earnings	118.3	6.0	124.3	109.2	5.7	114.9
Translation adjustments	28.8		28.8	145.0		145.0
Net income (loss)	87.6	(0.3)	87.3	165.7	0.7	166.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENTS	**1,501.8**	**5.7**	**1,507.5**	**1,716.6**	**6.4**	**1,723.0**
Minority interests	140.5		140.5	159.9		159.9
TOTAL SHAREHOLDERS' EQUITY	**1,642.3**	**5.7**	**1,648.0**	**1,876.5**	**6.4**	**1,882.9**
TOTAL NON-CURRENT LIABILITIES	**1,612.5**	**-**	**1,612.5**	**1,409.5**	**-**	**1,409.5**
Short-term provisions	223.2		223.2	220.2		220.2
Current financial liabilities	920.8		920.8	1,383.4		1,383.4
Prepayments from customers	169.4		169.4	98.4		98.4
Trade payables	3,053.1		3,053.1	3,311.5		3,311.5
Accrued taxes and payroll costs	517.2	(5.7)	511.5	586.0	(6.4)	579.6
Sundry payables	192.3		192.3	214.9		214.9
TOTAL CURRENT LIABILITIES	**5,076.0**	**(5.7)**	**5,070.3**	**5,814.4**	**(6.4)**	**5,808.0**
Liabilities linked to assets held for sale	-		-	-		-
TOTAL EQUITY AND LIABILITIES	**8,330.8**	**-**	**8,330.8**	**9,100.4**	**-**	**9,100.4**

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(in € millions)	Full-year 2014 published in February 2015	IFRIC 21 impact	IFRS 5 impact	Full-year 2014 restated
I – OPERATING ACTIVITIES				
Operating income	673.3	0.7	(78.6)	595.4
Depreciation and amortization of assets	555.6		(49.9)	505.7
EBITDA	**1,228.9**	**0.7**	**(128.5)**	**1,101.1**
Operating short-term and long-term provisions	25.9		(4.5)	21.4
Capital (gains) losses on disposals of operating assets	3.2		0.0	3.2
Paid restructuring	(95.5)		5.3	(90.2)
Paid finance costs net of income	(180.2)		4.6	(175.6)
Other income and expenses paid	(79.3)		5.0	(74.3)
Paid taxes	(154.9)		27.0	(127.9)
Dividends from associates	26.1		0.0	26.1
Change in working capital requirement	**263.2**	**(0.7)**	**(53.6)**	**208.9**
Change in inventories	77.9		(57.6)	20.3
Change in trade accounts receivable	87.8		(2.7)	85.1
Change in trade payables	120.2		32.0	152.2
Change in other operating receivables and payables	(4.8)	(0.7)	(31.4)	(36.9)
Change in other receivables and payables (excl. tax)	(17.9)		6.1	(11.8)
OPERATING CASH FLOWS FROM DISCONTINUED OPERATIONS			**144.6**	**144.6**
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	**1,037.4**	**0.0**	**0.0**	**1,037.4**
II – INVESTING ACTIVITIES				
Additional property, plant and equipment	(519.2)		44.5	(474.7)
Additional intangible assets	(1.8)		0.5	(1.3)
Capitalized development costs	(321.6)		7.5	(314.1)
(Acquisition)/disposal of equity interests and businesses (net of cash and cash equivalents)	(33.3)		0.0	(33.3)
Proceeds from disposal of property, plant and equipment	13.6		(1.2)	12.4
Proceeds from disposal of financial assets	0.0		0.0	0.0
Change in investment-related receivables and payables	7.6		1.4	9.0
Other changes	(15.3)		2.8	(12.5)
INVESTING CASH FLOWS FROM DISCONTINUED OPERATIONS			**(55.5)**	**(55.5)**
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	**(870.0)**	**0.0**	**0.0**	**(870.0)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES (I)+(II)	**167.4**			**167.4**
III – FINANCING ACTIVITIES				
Shares issued by Faurecia and fully consolidated companies (net of costs)	5.4			5.4
Option component of convertible bonds	0.0			0.0
Dividends paid to owners of the parent company	(7.2)			(7.2)
Dividends paid to minority interests in consolidated subsidiaries	(49.8)			(49.8)
Other financial assets and liabilities	0.0			0.0
Debt securities issued and increase in other financial liabilities	296.2		25.8	322.0
Repayment of debt and other financial liabilities	(138.4)		2.6	(135.8)
FINANCING CASH FLOWS FROM DISCONTINUED OPERATIONS			**(28.4)**	**(28.4)**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**106.2**	**0.0**	**0.0**	**106.2**
IV – OTHER CHANGES IN CASH AND CASH EQUIVALENTS				
Impact of exchange rate changes on cash and cash equivalents	41.5		0.0	41.5
Net cash flows from discontinued operations	0.0		0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**315.1**			**315.1**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**701.8**			**701.8**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,016.9**			**1,016.9**

NOTE 2 CHANGES IN THE SCOPE OF CONSOLIDATION

2.1 Change in scope of consolidation in 2015

Automotive Performance Materials (APM), part of the Interior Systems business and held at 50% by Faurecia, has been created in France and is consolidated through equity method since January 2015. In China, Dongfeng Faurecia Automotive Interior Systems Company Limited and Dongfeng Faurecia Automotive Parts Sales Company Limited, held at 50% by Faurecia, are consolidated respectively fully and by equity method from April 2015. Wuhan Hongtai Changpeng Automotive Components Company Limited, held at 49% by Faurecia, is consolidated through equity method since September 2015.

Following the stop of the restrictions on export to Iran, the impairment of the assets linked to Faurecia Azin Pars has been fully reversed in 2015 in the Automotive Seating business.

Dongfeng Faurecia Automotive Exterior Systems Company Limited, has been created in China and is consolidated through equity method since March 2015 in the Automotive Exterior business.

2.2 Reminder of change in scope of consolidation introduced in 2014

Faurecia Howa Interior Systems, held at 51% by Faurecia, has been created in Mexico and is fully consolidated since July 2014 in the Interior Systems business. Faurecia Magneti Marelli Pernambuco Componentes Automotivos Ltda in Brazil, held at 35% by Faurecia, is consolidated by equity method from November 2014.

Shanghai Faurecia Automotive Seating Company Limited, held at 55% by Faurecia, has been created in China and fully consolidated since April 2014 in the Automotive Seating business. In Spain, Industrias Cousins Frères, previously fully consolidated, is consolidated by the equity method since July 2014, following a change in the Company's governance. Faurecia Azin Pars (Iran), held at 51% by Faurecia, produces automotive seats for the Renault group in Iran. With regards to the restrictions on export and the uncertainties linked to the activity in Iran, the whole assets linked to this entity have been impaired as of December 2013; the position has been maintained in 2014.

Changsha Faurecia Emissions Control Technologies Company Limited has been created in China and is fully consolidated since July 2014 in the Emissions Control Technologies business.

NOTE 3 POST-BALANCE SHEET EVENTS

No significant post-balance sheet events have occurred.

NOTE 4 INFORMATION BY OPERATING SEGMENT

The Group is still structured in 2015 into the following four business units based on the type of products and services provided, until the finalization of the project to sell its Automotive Exteriors business (See Note 1.B):

- Automotive Seating (design and manufacture of complete vehicle seats, seating frames and adjustment mechanisms);
- Emissions Control Technologies (design and manufacture of exhaust systems);
- Interior Systems (design and manufacture of instrument panels, complete cockpits, door panels and modules, and acoustic systems);
- Automotive Exteriors (design and manufacture of bumpers, front ends and safety modules).

These business units are managed by the Group on an independent basis in terms of reviewing their individual performance and allocating resources. The tables below show reconciliation between the indicators used to measure the performance of each segment – notably operating income – and the consolidated financial statements. Borrowings, other operating income and expense, financial income and expense, and taxes are monitored at Group level and are not allocated to the various segments.

4.1 Accounting principles

Sales are recognized when the risks and rewards incidental to ownership of the modules or parts produced are transferred. This generally corresponds to when the goods are shipped.

For development contracts or the sale of tooling, sales are recognized when the technical stages are validated by the customer. If no such technical stages are provided for in the contract, sales are recognized when the related study is completed or the tooling is delivered.

Operating income is the Faurecia group's principal performance indicator.

It corresponds to net income of fully consolidated companies before:

- other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses and reversals recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IAS 39, and gains and losses on sales of shares in subsidiaries;
- taxes.

4.2 Key figures by operating segment

2015

(in € millions)	Automotive Seating	Emission Control Technologies	Interior Systems	Automotive Exteriors	Other	IFRS 5 reclassi-fications*	Total
Sales	**6,198.2**	**7,453.4**	**5,044.4**	**2,041.4**	**449.1**	**(1,953.2)**	**19,233.3**
Inter-segment eliminations	(10.0)	(3.4)	(25.8)	(6.3)	(449.1)	31.7	(462.9)
Consolidated sales	**6,188.2**	**7,450.0**	**5,018.6**	**2,035.1**	**0.0**	**(1,921.5)**	**18,770.4**
Operating income (loss) before allocation of costs	317.2	370.8	210.7	53.8	(39.9)	(82.6)	830.0
Allocation of costs	(11.6)	(10.8)	(13.0)	(4.5)	39.9	0.0	0.0
Operating income	**305.6**	**360.0**	**197.7**	**49.3**	**0.0**	**(82.6)**	**830.0**
Other non-operating income							10.9
Other non-operating expenses							(76.2)
Finance costs, net							(161.5)
Other financial income and expenses							(45.2)
Corporate income tax							(185.7)
Share of net income of associates							12.8
Net income (loss) from continued operations							**385.1**
Net income (loss) from discontinued operations							**60.8**
NET INCOME (LOSS)							**445.9**
Segment assets	**3,078.9**	**2,434.4**	**1,993.5**	**634.7**	**119.4**	**(595.1)**	**7,665.8**
Net property, plant and equipment	642.1	734.8	808.3	254.5	52.3	(244.7)	2,247.3
Other segment assets	2,436.8	1,699.6	1,185.2	380.2	67.1	(350.4)	5,418.5
Investments in associates							111.5
Other equity interests							15.6
Short and long-term financial assets							1,029.3
Tax assets (current and deferred)							330.3
Assets held for sale							613.3
TOTAL ASSETS							**9,765.8**
Segment liabilities	**1,710.3**	**1,746.6**	**1,168.8**	**375.6**	**182.1**	**(345.1)**	**4,838.3**
Borrowings							1,885.1
Tax liabilities (current and deferred)							57.1
Liabilities linked to assets held for sale							375.8
Equity and minority interests							2,609.5
TOTAL LIABILITIES							**9,765.8**
Capital expenditure	184.8	200.7	189.6	56.9	45.7	(54.3)	623.4
Depreciation of property, plant and equipment	(104.1)	(112.7)	(149.8)	(45.8)	(4.9)	44.1	(373.2)
Impairment of property, plant and equipment	(0.7)	0.0	(1.1)	(0.3)	0.0	0.1	(2.0)
Headcount	37,419	21,225	33,613	8,296	2,316		102,869

* See the corresponding scope in Note 1.B and the analysis of assets held for sale and discontinued operations in Note 31.

2014

(in € millions)	Automotive Seating	Emission Control Technologies	Interior Systems	Automotive Exteriors	Other	IFRS 5 reclassi-fications*	Total restated
Sales	**5,318.8**	**6,749.6**	**4,737.0**	**2,069.7**	**337.3**	**(1,983.0)**	**17,229.4**
Inter-segment eliminations	(9.7)	(2.2)	(27.7)	(6.6)	(337.3)	30.7	(352.8)
Consolidated sales	**5,309.1**	**6,747.4**	**4,709.3**	**2,063.1**	**0.0**	**(1,952.3)**	**16,876.6**
Operating income (loss) before allocation of costs	238.9	260.9	134.4	55.7	(15.9)	(78.6)	595.4
Allocation of costs	(4.5)	(4.2)	(5.2)	(2.0)	15.9	0.0	0.0
Operating income	**234.4**	**256.7**	**129.2**	**53.7**	**0.0**	**(78.6)**	**595.4**
Other non-operating income							5.1
Other non-operating expenses							(84.9)
Finance costs, net							(178.7)
Other financial income and expenses							(60.0)
Corporate income tax							(94.8)
Share of net income of associates							4.4
Net income (loss) from continued operations							**186.5**
Net income (loss) from discontinued operations							**43.1**
NET INCOME (LOSS)							**229.6**
Segment assets	**2,724.6**	**2,250.2**	**1,867.4**	**664.9**	**85.5**		**7,592.6**
Net property, plant and equipment	551.9	639.0	755.1	258.8	24.9		2,229.7
Other segment assets	2,172.7	1,611.2	1,112.3	406.1	60.6		5,362.9
Investments in associates							94.7
Other equity interests							14.6
Short and long-term financial assets							1,107.6
Tax assets (current and deferred)							290.9
Assets held for sale							0.0
TOTAL ASSETS							**9,100.4**
Segment liabilities	**1,470.1**	**1,553.4**	**1,134.9**	**417.2**	**167.8**		**4,743.4**
Borrowings							2,412.4
Tax liabilities (current and deferred)							61.7
Liabilities linked to assets held for sale							0.0
Equity and minority interests							1,882.9
TOTAL LIABILITIES							**9,100.4**
Capital expenditure	152.6	139.5	158.7	45.5	22.9		519.2
Depreciation of property, plant and equipment	(97.1)	(88.5)	(128.2)	(42.4)	(3.5)		(359.7)
Impairment of property, plant and equipment	(4.3)	(0.1)	3.3	(0.7)			(1.8)
Headcount	34,799	21,445	32,817	8,057	2,163		99,281

* *See the corresponding scope in Note 1.B and the analysis from discontinued operations in Note 31.*

Sales by operating segment break down as follows:

(in € millions)	2015	%	2014 restated	%
Automotive Seating	6,188.2	30	5,309.1	28
Emissions Control Technologies	7,450.0	36	6,747.4	36
Interior Systems	5,018.6	24	4,709.3	25
Automotive Exteriors	2,035.1	10	2,063.1	11
TOTAL BEFORE IFRS 5 RECLASSIFICATIONS	**20,691.9**	**100**	**18,828.9**	**100**
IFRS 5 reclassifications	(1,921.5)		(1,952.3)	
TOTAL AFTER IFRS 5 RECLASSIFICATIONS	**18,770.4**		**16,876.6**	

4.3 Sales by major customer

Sales by major customer* break down as follows:

(in € millions)	2015	%	2014 restated	%
VW group	2,976.9	16%	2,793.0	17%
Ford group	2,573.9	14%	2,250.6	13%
PSA Peugeot Citroën	2,178.8	12%	1,976.1	12%
Renault-Nissan	1,864.5	10%	1,460.1	9%
GM	1,576.5	8%	1,367.8	8%
Daimler	1,218.7	6%	1,248.8	7%
BMW	947.9	5%	812.1	5%
Other	5,433.2	29%	4,968.1	29%
TOTAL	**18,770.4**	**100%**	**16,876.6**	**100%**

* *The presentation of sales invoiced may differ from that of sales by end customer when products are transferred to intermediary assembly companies.*

4.4 Key figures by geographic region

Sales are broken down by destination region. Other items are presented by the region where the companies involved operate.

2015

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	IFRS 5 reclassifi-cations	Total
Sales	2,168.2	3,836.3	5,191.5	5,539.2	584.1	3,151.1	221.4	(1,921.4)	18,770.4
Net property, plant and equipment	336.5	262.1	686.6	634.1	118.4	435.4	18.9	(244.7)	2,247.3
Capital expenditure	116.5	61.9	156.0	154.5	20.2	159.3	9.3	(54.3)	623.4
Headcount as of December 31	14,413	10,883	34,642	20,645	4,792	15,783	1,711	0	102,869

2014

(in € millions)	France	Germany	Other European countries	North America	South America	Asia	Other countries	IFRS 5 reclassifi-cations	Total
Sales restated	1,902.1	3,969.8	4,509.4	4,536.2	689.9	3,048.7	172.8	(1,952.3)	16,876.6
Net property, plant and equipment	293.8	253.3	650.5	534.7	159.4	318.0	20.0	0.0	2,229.7
Capital expenditure	73.7	54.4	160.0	123.0	21.3	83.8	3.0	0.0	519.2
Headcount as of December 31	13,619	11,527	31,859	20,361	5,208	15,082	1,625	0.0	99,281

NOTE 5 ANALYSIS OF OPERATING EXPENSES

5.1 Operating expenses by function

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Cost of sales	(17,024.8)	(15,486.9)
Research and development costs	(278.4)	(214.4)
Selling and administrative expenses	(637.2)	(579.9)
TOTAL	**(17,940.4)**	**(16,281.2)**

5.2 Operating expenses by nature

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Purchases consumed	(12,685.1)	(11,498.5)
External costs	(1,724.4)	(1,582.5)
Personnel costs	(3,335.2)	(3,013.2)
Taxes other than on income	(54.7)	(44.2)
Other income and expenses*	505.7	387.7
Depreciation, amortization and provisions for impairment in value of non-current assets	(611.5)	(509.0)
Charges to and reversals of provisions	(35.2)	(21.4)
TOTAL	**(17,940.4)**	**(16,281.2)**
* *Including production taken into inventory or capitalized.*	*438.2*	*332.0*

The CICE (tax credit for competitiveness and employment) is allocated to personnel costs; it amounted to €15.2 million in 2015 (€14.9 million in 2014).

5.3 Personnel costs

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Wages and salaries*	(2,653.5)	(2,398.0)
Payroll taxes	(681.7)	(615.2)
TOTAL	**(3,335.2)**	**(3,013.2)**
* Of which temporary employee costs.	(299.2)	(240.1)

Details of expenses relating to the Group's stock option and free shares plans and pension costs are provided in Notes 22.2 and 25, respectively.

5.4 Research and development costs

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Research and development costs, gross	(924.3)	(866.9)
• amounts billed to customers and changes in inventories	552.4	513.7
• capitalized development costs	305.3	309.6
• amortization of capitalized development costs	(208.5)	(168.4)
• charges to and reversals of provisions for impairment of capitalized development costs	(3.3)	(2.4)
NET EXPENSE	**(278.4)**	**(214.4)**

5.5 Depreciation, amortization and provisions for impairment in value of non-current assets

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Amortization of capitalized development costs	(208.5)	(168.4)
Amortization of items of property, plant and equipment	(26.8)	(23.0)
Depreciation of specific tooling	(6.1)	2.1
Depreciation and impairment of other items of property, plant and equipment	(366.8)	(317.3)
Provisions for impairment of capitalized development costs	(3.3)	(2.4)
TOTAL	**(611.5)**	**(509.0)**

NOTE 6 OTHER NON-OPERATING INCOME AND EXPENSES

Other non-operating income and expenses are analyzed as follows:

OTHER NON-OPERATING INCOME

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Release of provision for impairment of assets	4.9	3.4
Losses on disposal of assets	2.9	0.8
Other	3.1	0.9
TOTAL	**10.9**	**5.1**

OTHER NON-OPERATING EXPENSES

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Other provisions for impairment of assets	(3.8)	0.0
Reorganization expenses*	(57.3)	(73.1)
Losses on disposal of assets	0.0	0.0
Other**	(15.1)	(11.8)
TOTAL	**(76.2)**	**(84.9)**

* *As of December 31, 2015, this item includes restructuring costs in the amount of €55.7 million and provisions for impairment in value of non-current assets in the amount of €1.6 million, compared, respectively, to €68.0 million and €5.1 million in 2014.*

** *As of December 31, 2015, this item includes non-recurring charges linked to the resolution of a litigation (-€9.1 million).*

RESTRUCTURING

Reorganization costs (€57.3 million) include redundancy and site relocation payments for 1,472 people and breakdown by country as follows:

	Millions of euros	Headcount
France	27.6	244
Germany	21.4	228
Spain	1.0	2
Other	7.3	998
TOTAL	**57.3**	**1,472**

NOTE 7 OTHER FINANCIAL INCOME AND EXPENSE

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Impact of discounting pension benefit obligations	(7.9)	(8.7)
Changes in the ineffective portion of currency hedges	(0.5)	0.1
Changes in fair value of currency hedged relating to debt	0.4	(5.4)
Translation differences on borrowings	(17.2)	(15.1)
Other*	(20.0)	(30.9)
TOTAL	**(45.2)**	**(60.0)**

* *As of December 31, 2015, this item includes mainly amortization on costs related to bonds, OCEANE and other long term debts and commissions for no use of credit facility.*

NOTE 8 CORPORATE INCOME TAX

Deferred taxes are recognized using the liability method for temporary differences arising between the tax bases for assets and liabilities and their carrying amounts on the consolidated financial statements. Temporary differences mainly arise from tax loss carryforwards and consolidation adjustments to subsidiaries' accounts.

Deferred taxes are measured using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available in the short or medium term against which the temporary differences or the loss carry forward can be utilized.

Where appropriate, a deferred taxes liability is booked to cover taxes payable on the distribution of retained earnings of subsidiaries and associates which are not considered as having been permanently reinvested and for which the Group is not in a position to control the date when the timing difference will reverse.

Corporate income tax can be analyzed as follows:

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
Current taxes		
• Current corporate income tax	(165.4)	(133.7)
Deferred taxes		
• Deferred taxes for the period	(20.3)	38.9
TOTAL	**(185.7)**	**(94.8)**

8.1 Analysis of the tax charge

The effective corporate income tax charge can be reconciled with the theoretical tax charge as follows:

(in € millions)	**Fiscal year 2015**	**Fiscal year 2014 restated**
Pre-tax income of consolidated companies	558.0	276.9
Tax at 38%	*(212.0)*	*(105.2)*
Effect of rate changes on deferred taxes recognized on the balance sheet	1.1	(1.5)
Effect of local rate differences*	85.8	57.3
Tax credits	10.0	24.6
Change in unrecognized deferred tax	11.1	(40.1)
Permanent differences & others	(81.7)	(29.9)
Corporate tax recognized	**(185.7)**	**(94.8)**

* *The impact of local rate differences mainly relates to Chinese entities.*

8.2 Analysis of tax assets and liabilities

(in € millions)	**12/31/2015**	**12/31/2014**
Current taxes		
• Assets	114.7	70.2
• Liabilities	(46.0)	(52.1)
	68.7	**18.1**
Deferred taxes		
• Assets*	215.6	220.7
• Liabilities	(11.1)	(9.6)
	204.5	**211.1**
* *Of which tax assets on tax losses.*	*130.0*	*165.5*

Changes in deferred taxes recorded on the balance sheet break down as follows:

(in € millions)	**Fiscal year 2015**	**Fiscal year 2014**
Net amount at the beginning of the year	**211.1**	**142.2**
• Deferred taxes carried to income for the period*	(20.3)	46.1
• Deferred taxes recognized directly in equity	(1.8)	9.8
• Effect of currency fluctuations and other movements**	15.5	13.0
• Impairment of tax asset carryforwards	0.0	0.0
Net amount at the end of the year	**204.5**	**211.1**

* *In 2014, the change in deferred taxes recognized in the income statement reflected the changes relating to both continued operations (see 2.1 Consolidated statement of comprehensive income) and discontinued operations (see Note 31 Discontinued operations), as the 2014 balance sheet was not restated under IFRS 5.*

** *Of which €6.9 million linked to the reclassification of the opening linked to assets held for sale.*

8.3 Impairment of tax asset carryforwards

(in € millions)	12/31/2015	12/31/2014
N+1	4.7	6.9
N+2	10.1	9.6
N+3	13.7	10.6
N+4	10.4	12.4
N+5 and above	41.3	104.6
Unlimited	626.7	639.2
TOTAL	**706.9**	**783.3**

These impaired deferred income tax assets on loss carry forwards are originated mainly from France.

The evolution of deferred tax assets not recognized can be explained mainly by the decrease of the deferred tax rate as of December 31, 2015 (38% in 2014 and 34.43% in 2015).

NOTE 9 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income attributable to owners of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. For the purpose of calculating diluted earnings per share, it is adjusted for the effects of all dilutive potential ordinary shares (including stock options, free shares and convertible bonds).

	Fiscal year 2015	Fiscal year 2014
Number of shares outstanding at year end (1)	**137,192,778**	**123,925,210**
Adjustments:		
• treasury stock	(21,888)	(36,266)
• weighted impact of share issue prorated	(12,335,082)	(641,063)
Weighted average number of shares before dilution	**124,835,808**	**123,247,881**
Weighted impact of dilutive instruments:		
• Stock options (2)	50,818	1,788
• Free shares granted	0	0
• Bonds with conversion option (3)	373,956	254,803
Weighted average number of shares after dilution	**125,260,582**	**123,504,472**

(1) Changes in the number of shares outstanding as of December 31 are analyzed as follows:

As of 12/31/2014: Number of Faurecia shares outstanding	*123,925,210*
Conversion of OCEANE bonds	*12,372,517*
Capital increase (dividend paid in shares and stock options)	*800,251*
Exercise of stock options	*94,800*
As of 12/31/2015: Number of Faurecia shares outstanding	*137,192,778*

(2) As of December 31, 2015, 636,500 stock options were outstanding and exercisable, compared with 931,025 as of December 31, 2014. Taking into account the average Faurecia share price for 2015, only the stock option plan 18 has a dilutive impact.

(3) Convertible bonds have a dilutive effect when the net interest per share deriving from the conversion is less than the basic earnings per share. As of December 31, 2015, these bonds have a dilutive impact.

The dilutive impact of the bonds was calculated using the treasury stock method.

In relation to stock options, this method consists of comparing the number of shares that would have been issued if all outstanding stock options had been exercised to the number of shares that could have been acquired at fair value (in this case the average Faurecia share price for the year was €36.75 in 2015).

Earnings per share

Earnings per share break down as follows:

	Fiscal year 2015	Fiscal year 2014
Net income *(loss) (in € millions)*	**371.8**	**166.4**
Basic earnings (loss) per share	2.98	1.35
After dilution €/share	2.97	1.35
Net income (loss) from continued operations *(in € millions)*	**311.0**	**123.3**
Basic earnings (loss) per share	2.49	1.00
After dilution €/share	2.48	1.00
Net income (loss) from discontinued operations *(in € millions)*	**60.8**	**43.1**
Basic earnings (loss) per share	0.49	0.35
After dilution €/share	0.49	0.35

NOTE 10 GOODWILL

In case of a business combination, the aggregate value of the acquisition is allocated to the assets acquired and liabilities assumed based on their fair value determined at their acquisition date.

A goodwill is recognized when the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquired business exceed the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In accordance with IAS 36, goodwill is not amortized but is tested for impairment at least once a year and more frequently if there is an indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The CGU to which goodwill is allocated represents the lowest level within the operating segment at which goodwill is monitored for internal management purposes. The Group has identified the following CGUs:

- Automotive Seating;
- Emissions Control Technologies;
- Automotive Interiors;
- Automotive Exteriors.

The carrying amount of assets and liabilities thus grouped is compared to the higher of its market value and value in use, which is equal to the present value of the net future cash flows expected, and their net market value including costs of disposal.

(in € millions)	Gross	Impairment	Net
Net carrying amount as of January 1, 2014	**1,806.9**	**(509.8)**	**1,297.1**
Acquisitions	0.0	0.0	0.0
Translation adjustments and other movements	20.3	(0.1)	20.2
Net carrying amount as of December 31, 2014	**1,827.2**	**(509.9)**	**1,317.3**
Acquisitions	0.0	0.0	0.0
Translation adjustments and other movements	17.7	0.2	17.9
IFRS 5 reclassifications	(125.4)	0.0	(125.4)
Net carrying amount as of December 31, 2015	**1,719.5**	**(509.7)**	**1,209.8**

Breakdown of the net amount of goodwill by operating segment:

(in € millions)	12/31/2015	12/31/2014
Automotive Seating	793.8	793.5
Emissions Control Technologies	370.4	352.8
Interior Systems	45.6	45.6
Automotive Exteriors	0.0	125.4
TOTAL	**1,209.8**	**1,317.3**

Cash-generating units and impairment tests

Impairment tests are carried out whenever there is an indication that an asset may be impaired. Impairment testing consists of comparing the carrying amount of an asset, or group of assets, with the higher of its market value and value in use. Value in use is defined as the present value of the net future cash flows expected to be derived from an asset or group of assets.

The assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs).

Impairment tests are performed on each group of intangible assets (development costs) and property, plant and equipment attributable to a customer contract. This is done by comparing the aggregate carrying amount of the group of assets concerned with the present value of the expected net future cash flows to be derived from the contract.

An impairment loss is recorded when the carrying amount of assets is higher than the present value of the expected future net cash flows. A provision is also recorded for losses to completion on loss-making contracts.

In case of a triggering event, impairment testing is also carried out on general and corporate assets grouped primarily by type of product and geographic area.

The cash inflows generated by the assets allocated to these CGUs are largely interdependent due to the high overlap among the various manufacturing flows, the optimization of capacity utilization, and the centralization of research and development activities.

Manufacturing assets whose closure is planned are tested independently for impairment.

The cash flow forecasts used to calculate value in use were based on the Group's 2016-2019 strategic plan which was drafted in mid-2015 and adjusted at the end of the year based on the latest assumptions in the 2016 budget. The volume assumptions used in the 2016-2019 strategic plan are based on external information sources.

The main assumption affecting value in use is the level of operating income used to calculate future cash flows and particularly the terminal value. The operating margin assumption for 2019 is 6.0% for the Group as a whole.

Projected cash flows for the last year of the Strategic Business Plan (2019) have been projected to infinity by applying a growth rate determined based on analysts' trend forecasts for the automotive market. The growth rate applied for the year-end 2015 test was 1.5% (unchanged from 2014).

Faurecia called on an independent expert to calculate the weighted average cost of capital used to discount future cash flows. The market parameters used in the expert's calculation were based on a sample of 26 companies operating in the automotive supplier sector (8 in Europe, 9 in North America and 9 in Asia). Taking into account these parameters and a market risk premium of 6.5% to 7%, the weighted average cost of capital used to discount future cash flows was set at 9.5% (on the basis of a range of values provided by the independent expert) in 2015 (9.5% in 2014). This rate was applied for the impairment tests carried out on all of the Group's CGU's. They all bear the same specific risks relating to the automotive supplier sector and the CGU'S multinational operation does not justify using geographically different discount rates.

The tests performed at year-end 2015 did not show any indication of further impairment in goodwill.

The table below shows the sensitivity of the impairment test results to changes in the assumptions used as of December 31, 2015 to determine the value in use of the CGU's to which the Group's goodwill is allocated:

Sensitivity *(in € millions)*	**Test income (value in use – net carrying value)**	**Cash flow discount rate +0.5 pt**	**Growth rate to infinity -0.5 pt**	**Operating margin for terminal value -0.5 pt**	**Combination of the 3 factors**
Automotive Seating	2,074	(240)	(196)	(254)	(633)
Emissions Control Technologies	2,705	(249)	(204)	(295)	(684)
Interior Systems	1,220	(150)	(122)	(180)	(413)
Automotive Exteriors	532	(56)	(46)	(76)	(162)

NOTE 11 INTANGIBLE ASSETS

A- RESEARCH AND DEVELOPMENT EXPENDITURE

The Faurecia group incurs certain development costs in connection with producing and delivering modules for specific customer orders which are not considered as sold to the customer, especially when paid for by the customer on delivery of each part. In accordance with IAS 38, these development costs are recorded as an intangible asset where the Company concerned can demonstrate:

- its intention to complete the project as well as the availability of adequate technical and financial resources to do so;
- how the customer contract will generate probable future economic benefits and the Company's ability to measure these reliably;
- its ability to measure reliably the expenditure attributable to the contracts concerned (costs to completion).

These capitalized costs are amortized to match the quantities of parts delivered to the customer, over a period not exceeding five years except under exceptional circumstances.

Research costs, and development costs that do not meet the above criteria, are expensed as incurred.

B- OTHER INTANGIBLE ASSETS

Other intangible assets include development and purchase costs relating to software used within the Group – which are amortized on a straight-line basis over a period of between one and three years – as well as patents and licenses.

Intangible assets break down as follows:

(in € millions)	**Development costs**	**Software and other**	**Total**
NET CARRYING AMOUNT AS OF JANUARY 1, 2014	**628.1**	**58.1**	**686.2**
Additions	321.6	1.8	323.4
Funding of amortization provisions*	(175.8)	(25.0)	(200.8)
Funding of provisions*	(2.4)	0.0	(2.4)
Translation adjustments and other	26.9	17.2	44.1
NET CARRYING AMOUNT AS OF DECEMBER 31, 2014	**798.4**	**52.1**	**850.5**
Additions	308.9	1.9	310.8
Funding of amortization provisions	(208.5)	(26.8)	(235.3)
Funding of provisions	(3.3)	0.0	(3.3)
IFRS 5 reclassifications	(24.3)	(3.2)	(27.5)
Translation adjustments and other	17.7	22.1	39.8
NET CARRYING AMOUNT AS OF DECEMBER 31, 2015	**888.9**	**46.1**	**935.0**

* *In 2014, the change in amortization and provisions recognized in the income statement reflected the changes relating to both continued operations (see 2.1 Consolidated statement of comprehensive income) and discontinued operations (see Note 31 Discontinued operations), as the 2014 balance sheet was not restated under IFRS 5.*

The carrying amount of development costs allocated to a customer contract as well as the associated specific tooling is compared to the present value of the expected net future cash flows to be derived from the contract based on the best possible estimate of future sales. The volumes taken into account in Faurecia's Business Plans are the best estimates by the Group's Marketing department based on automakers' forecasts when available.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition cost, or production cost in the case of assets produced by the Group for its own use, less accumulated depreciation.

Maintenance and repair costs are expensed as incurred, except when they increase productivity or prolong the useful life of an asset, in which case they are capitalized.

In accordance with the amended version of IAS 23, borrowing costs on qualifying assets arising subsequent to January 1, 2009 are included in the cost of the assets concerned.

Property, plant and equipment are depreciated by the straight-line method over the estimated useful lives of the assets, as follows:

Buildings	20 to 30 years
Leasehold improvements, fixtures and fittings	10 to 20 years
Machinery, tooling and furniture	3 to 10 years

Certain tooling is produced or purchased specifically for the purpose of manufacturing parts or modules for customer orders, which are either a) not sold to the customer, or b) paid for by the customer on delivery of each part. In accordance with IAS 16, this tooling is recognized as property, plant and equipment.

It is depreciated to match the quantities of parts delivered to the customer over a maximum of five years, in line with the rate at which models are replaced.

Investment grants are recorded as a deduction from the assets that they were used to finance.

Property, plant and equipment acquired under finance leases which transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee are recorded under assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The recognized assets are subsequently depreciated as described above. An obligation of the same amount is recorded as a liability.

(in € millions)	Land	Buildings	Plant, tooling and equipment	Specific tooling	Other property, plant and equipment and property, plant and equipment in progress	Total
NET CARRYING AMOUNT AS OF JANUARY 1, 2014	**83.2**	**458.2**	**1,082.9**	**59.6**	**344.0**	**2,027.9**
Additions (including own work capital) (1)	0.4	11.9	47.2	41.0	418.7	519.2
Disposals	(4.7)	(30.4)	(244.2)	(2.0)	(34.5)	(315.8)
Funding of depreciation, amortization and impairment provisions*	(0.4)	(51.6)	(256.5)	(21.3)	(29.9)	(359.7)
Non-recurring impairment losses*	0.0	2.7	(4.5)	0.0	0.0	(1.8)
Depreciation written off on disposals*	2.3	28.9	240.4	2.0	33.4	307.0
Currency translation adjustments	1.2	4.9	52.2	2.1	13.1	73.5
Entry into scope of consolidation & other movements	1.0	57.7	356.4	(3.2)	(432.5)	(20.6)
NET CARRYING AMOUNT AS OF DECEMBER 31, 2014	**83.0**	**482.3**	**1,273.9**	**78.2**	**312.3**	**2,229.7**
Additions (including own work capital) (1)	0.5	6.5	35.6	41.3	539.5	623.4
Disposals	(0.2)	(24.8)	(187.8)	(13.2)	(36.2)	(262.2)
Funding of depreciation, amortization and impairment provisions	(0.3)	(48.3)	(267.1)	(27.9)	(29.6)	(373.2)
Non-recurring impairment losses	0.0	(0.4)	(1.3)	0.0	(0.3)	(2.0)
Amortization/depreciation written off on disposals	0.1	23.3	173.1	13.2	35.3	245.0
IFRS 5 reclassifications	(6.7)	(62.7)	(142.9)	(7.4)	(28.8)	(248.5)
Currency translation adjustments	0.0	(2.6)	35.6	1.2	8.1	42.3
Entry into scope of consolidation & other movements	12.8	43.3	322.3	(5.5)	(380.1)	(7.2)
NET CARRYING AMOUNT AS OF DECEMBER 31, 2015	**89.2**	**416.6**	**1,241.4**	**79.9**	**420.2**	**2,247.3**

(1) Including assets held under finance leases:
- *in 2014 4.5*
- *in 2015 2.6*

* *In 2014, the change in depreciation and provisions, non-recurring impairment losses, and reversals of depreciation written off on disposals recognized in the income statement reflected the changes relating to both continued operations (see 9.1 Consolidated statement of comprehensive income) and discontinued operations (see Note 31 Discontinued operations), as the 2014 balance sheet was not restated under IFRS 5.*

	12/31/2015			12/31/2014	
(in € millions)	**Gross**	**Depreciation**	**Net**	**Gross**	**Net**
Land	99.3	(10.1)	89.2	93.2	83.0
Buildings	1,078.2	(661.6)	416.6	1,174.7	482.3
Plant, tooling and technical equipment	3,484.0	(2,242.6)	1,241.4	3,680.4	1,273.9
Specific tooling	215.2	(135.3)	79.9	229.9	78.2
Other property, plant and equipment and property, plant and equipment in progress	646.6	(226.4)	420.2	569.1	312.3
TOTAL	**5,523.3**	**(3,276.0)**	**2,247.3**	**5,747.3**	**2,229.7**
Including assets subject to lease financing	96.5	(49.6)	46.9	100.0	38.3

Property, plant and equipment are often dedicated to client programs.

NOTE 13 INVESTMENTS IN ASSOCIATES AS OF 12/31/2015

AS OF 12/31/2015

Investment in associates for continued operations:

(in € millions)	% interest*	Group share of equity**	Dividends received by the Group	Group share of sales	Group share of total assets
Teknik Malzeme	50	6.2	0.0	25.2	18.4
Amminex Emissions Systems APS	42	8.7	0.0	0.5	12.8
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd	40	4.3	0.0	12.1	14.0
Detroit Manufacturing Systems LLC	45	0.0	0.0	338.0	58.8
DMS leverage lender (LLC)	45	3.3	0.0	0.0	5.8
CSM Faurecia Automotive Parts Co., Ltd	50	8.0	0.0	37.0	28.7
FMM Pernambuco Componentes Automotivos Ltda	35	4.5	0.0	31.1	46.3
Faurecia Japan NHK Co., Ltd	50	0.0	0.0	136.9	36.3
Other	-	21.5	(1.1)	140.3	81.2
SAS Groupe	50	55.0	(15.0)	1,707.0	336.8
TOTAL		**111.5**	**(16.1)**	**2,428.1**	**639.1**

* *Percentage of interest held by the Company that owns the shares.*
** *As the Group's share of some company's net equity is negative it is recorded under liabilities as a provision for contingencies and charges.*

Investment in associates for discontinued operations:

(in € millions)	% interest*	Group share of equity	Dividends received by the Group	Group share of sales	Group share of total assets
Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd	50%	0.2	0.0	38.7	31.9

* *Percentage of interest held by the Company that owns the shares.*

There is no joint operation in the sense of IFRS 11 within the companies consolidated by equity method.

13.1 Change in investments in associates

(in € millions)	Fiscal year 2015	Fiscal year 2014
Group share of equity at beginning of period	**94.7**	**88.7**
Dividends	(16.1)	(26.1)
Share of net income of associates	12.8	0.8
Change in scope of consolidation	2.7	22.8
Capital increase	17.0	6.2
IFRS 5 reclassifications	(1.2)	
Currency translation adjustments	1.6	2.3
Group share of equity at end of period	**111.5**	**94.7**

13.2 Information on significant associates

SAS is a joint venture with Continental Automotive GmbH which manufactures full cockpit modules with electronics and circuitry built into the instrument panels. Its headquarters is located in Karlsruhe (Germany), with subsidiaries mainly in France, Slovakia, United Kingdom, Spain, Mexico, Turkey and Czech Republic. The additional information on this entity (actual data as of November and last month forecasted) are detailed herebelow:

(in € millions)	Fiscal year 2015	Fiscal year 2014
Sales	3,414.1	3,198.5
Operating income	47.1	49.5
Net income (loss)	39.5	35.5

(in € millions)	12/31/2015	12/31/2014
Fixed assets	67.3	72.6
Current assets	492.6	352.3
Cash and cash equivalents	113.8	98.6
TOTAL ASSETS	**673.7**	**523.5**
Shareholders' equity	110.0	98.2
Borrowings	1.5	0.0
Other non-current liabilities	29.2	23.0
Non-current financial liabilities	533.0	402.3
TOTAL EQUITY AND LIABILITIES	**673.7**	**523.5**

The other associates, in joint control or significant influence, taken individually, are not considered as significant as for sales nor for total assets.

In accordance with IAS 39, the Group classifies its financial assets in the following categories: loans and receivables, available-for-sale financial assets, and financial assets at fair value through profit or loss. They are recorded on the following balance sheet items: "Other equity interests" (Note 14), "Other non-current financial assets" (Note 15), "Trade accounts receivable" (Note 18), "Other operating receivables" (Note 19), "Other receivables" (Note 20) and "Cash and cash equivalents" (Note 21).

The Group does not use the categories of "Held-to-maturity investments" or "Financial assets held for trading".

NOTE 14 OTHER EQUITY INTERESTS

Equity interests correspond to the Group's interests in the capital of non-consolidated companies. They are subject to impairment testing based on the most appropriate financial analysis criteria.

An impairment loss is recognized where appropriate. The criteria generally applied are the Group's equity in the underlying net assets and the earnings outlook of the Company concerned.

(in € millions)	% of share capital	12/31/2015 Gross	12/31/2015 Net	12/31/2014 Net
Changchun Xuyang Industrial Group	19	13.7	13.7	12.8
Other	-	3.7	1.9	1.8
TOTAL		**17.4**	**15.6**	**14.6**

NOTE 15 OTHER NON-CURRENT FINANCIAL ASSETS

Loans and other financial assets are initially stated at fair value and then at amortized cost, calculated using the effective interest method.

Provisions are booked on a case-by-case basis where there is a risk of non-recovery.

(in € millions)	12/31/2015 Gross	12/31/2015 Provisions	12/31/2015 Net	12/31/2014 Net
Loans with maturity longer than one year	42.8	(17.3)	25.5	33.9
Other	54.6	(10.7)	43.9	28.8
TOTAL	**97.4**	**(28.0)**	**69.4**	**62.7**

NOTE 16 OTHER NON-CURRENT ASSETS

This line includes:

(in € millions)	12/31/2015	12/31/2014
Pension plan surpluses	17.7	6.8
Guarantee deposits and other	18.8	19.8
TOTAL	**36.5**	**26.6**

NOTE 17 INVENTORIES AND WORK-IN-PROGRESS

Inventories of raw materials and supplies are stated at cost, determined by the FIFO method (First-In, First-Out).

Finished and semi-finished products, as well as work-in-progress, are stated at production cost, determined by the FIFO method. Production cost includes the cost of materials and supplies as well as direct and indirect production costs, excluding overhead not linked to production and borrowing costs.

Work-in-progress includes the costs of internally-manufactured specific tooling or development work which is sold to customers, i.e. where the related risks and rewards are transferred. These costs are recognized in the income statement over the period in which the corresponding sales are made, as each technical stage is validated by the customer, or when the tooling is delivered if the contract does not provide for specific technical stages.

Provisions are booked for inventories for which the probable realizable value is lower than cost.

	12/31/2015			12/31/2014
(in € millions)	Gross	Depreciations	Net	Net
Raw materials and supplies	487.5	(62.2)	425.3	412.5
Engineering, tooling and prototypes	411.3	(18.6)	392.7	379.0
Work-in-progress for production	5.9	(0.4)	5.5	18.6
Semi-finished and finished products	337.1	(55.4)	281.7	266.5
TOTAL	**1,241.8**	**(136.6)**	**1,105.2**	**1,076.6**

NOTE 18 TRADE ACCOUNTS RECEIVABLE

Under trade receivables sale programs, the Group can sell a portion of the receivables of a number of its French, German and other subsidiaries to a group of financial institutions, transferring substantially all of the risks and rewards relating to the receivables sold to the financial institutions concerned.

The following table shows the amount of receivables sold with maturities beyond December 31, 2015, for which substantially all the risks and rewards have been transferred, and which have therefore been derecognized as well as the financing under these programs – corresponding to the cash received as consideration for the receivables sold:

(in € millions)	12/31/2015	12/31/2014
Financing	899.5	850.6
Guarantee reserve deducted from borrowings	(32.2)	(33.9)
Cash received as consideration for receivables sold	867.3	816.7
Receivables sold and derecognized	(840.4)	(742.2)

Individually impaired trade receivables are as follows:

(in € millions)	12/31/2015	12/31/2014
Gross total trade receivables	1,716.1	1,702.3
Provision for impairment of receivables	(19.2)	(25.3)
TOTAL	**1,696.9**	**1,677.0**

Given the high quality of Group counterparties, late payments do not represent a material risk. They generally arise from administrative issues.

Late payments as of December 31, 2015 were €121.4 million, breaking down as follows:

- €70.4 million less than one month past due;
- €12.0 million one to two months past due;
- €4.5 million two to three months past due;
- €10.5 million three to six months past due;
- €23.9 million more than six months past due.

NOTE 19 OTHER OPERATING RECEIVABLES

(in € millions)	12/31/2015	12/31/2014
Down payments	96.0	86.7
Currency derivatives for operations	1.7	0.3
Other receivable (1)	156.2	188.9
TOTAL	**253.9**	**275.9**
(1) Including the following amounts for VAT and other tax receivables.	*150.9*	*181.1*

NOTE 20 OTHER RECEIVABLES

(in € millions)	12/31/2015	12/31/2014
Short-term portion of loans	27.7	13.5
Prepaid expenses	125.3	86.9
Current taxes	114.7	70.2
Other sundry payables	48.8	58.7
TOTAL	**316.5**	**229.3**

In 2015, the receivables on *Crédit d'Impôt pour la Compétitivité et l'Emploi* (CICE) and *Crédit d'Impôt Recherche* (CIR) have been sold respectively for amounts of €14.3 million and €35.1 million.

NOTE 21 CASH AND CASH EQUIVALENTS

As of December 31, 2015, cash and cash equivalents amounted to €932.5 million including current account balances in the amount of €718.8 million (compared to €728 million as of December 31, 2014) and short-term investments in the amount of €213.7 million (compared to €288.9 million as of December 31, 2014).

These components include current account balances and units in money market funds that are readily convertible to a known amount of cash and are not subject to a significant risk of impairment in the event of changes in interest rates. They are measured at fair value and variances are booked through P&L.

The carrying amount of marketable securities is almost identical to market value as they are held on a very short-term basis.

Net cash flow, as mentioned in the comments on the business review and the consolidated financial statements, represents the net financing surplus adjusted for acquisitions of investments and business net of cash acquired and for changes in other investments and non-current assets. Net cash flow amounts €302.5 million in 2015 (compared to €216.1 million in 2014).

(in € millions)	*Notes*	Fiscal year 2015	Fiscal year 2014 restated
Net cash flow		**302.5**	**216.1**
Acquisitions/Sales of investments and business (net of cash and cash equivalents) from continued operations	*2.3*	(30.9)	(33.3)
Proceed from disposal of financial assets from continued operations	*2.3*	0	0
Other changes from continued operations	*2.3*	(27.3)	(12.6)
Acquisitions/Sales of investments and business (net of cash and cash equivalents) from discontinued operations	*31*	0	0
Proceed from disposal of financial assets from discontinued operations	*31*	0	0
Other changes from discontinued operations	*31*	2.2	(2.8)
Surplus (used) from operating and financing activities	*2.3*	**246.5**	**167.4**

NOTE 22 SHAREHOLDERS' EQUITY

22.1 Capital

As of December 31, 2015, Faurecia's capital stock totaled €960,349,446 divided into 137,192,778 fully paid-in shares with a par value of €7 each.

The Group's capital is not subject to any external restrictions. Shares which have been registered in the name of the same holder for at least two years carry double voting rights.

As of December 31, 2015, Peugeot S.A. held 46.62% of the capital stock and 63.22% of the voting rights.

The capital and additional paid-in capital variance on the period can be analyzed as follows:

	Number of shares	Capital stock *(in € millions)*	Additional paid-in capital *(in € millions)*
12/31/2014	**123,925,210**	**867.5**	**430.9**
OCEANE conversion	12,372,517	86.6	135.2
Capital increase (dividend paid by shares and stock options)	800,251	5.6	25.0
Attrribution of performance shares	94,800	0.7	2.0
12/31/2015	**137,192,778**	**960.4**	**593.1**

22.2 Employee stock options and share grants

A – STOCK OPTIONS

Faurecia has a policy of issuing stock options to the executives of Group companies.

Options granted after November 7, 2002 that had not vested as of January 1, 2005 are measured at fair value as of the grant date using the Black & Scholes option pricing model. The fair value of stock options is recognized in payroll costs on a straight-line basis over the vesting period (the period between the grant date and the vesting date), with a corresponding adjustment to equity.

As of December 31, 2015, a total of 636,500 stock options were outstanding.

The exercise of these options would result in increasing:

- the capital stock by €4.5 million;
- additional paid-in capital by €20.9 million.

Details of the stock subscription option plans as of December 31, 2015 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting / Adjusted exercise price (in €)	Adjusted number of options granted	Including granted to Senior Executive Management	Start of exercise period / Last exercise date	Options exercised	Options cancelled	Adjusted number of options outstanding as of 12/31/2015
	04/19/2005			04/18/2009			
05/25/2004	54.45	321,750	142,740	04/18/2015	0	321,750	0
	04/13/2006			04/12/2010			
05/23/2005	45.20	340,800	168,000	04/12/2016	0	145,800	195,000
	04/16/2007			04/17/2011			
05/23/2005	44.69	346,200	172,800	04/17/2017	0	99,000	247,200
	04/10/2008			04/10/2012			
05/29/2007	28.38	357,000	174,000	04/10/2016	108,100	54,600	194,300
TOTAL							**636,500**

Movements in the aggregate number of options under all of the plans in force were as follows:

	2015	2014
Total at beginning of the period	931,025	1,113,600
Options granted	0	0
Options exercised	(94,800)	(13,300)
Options cancelled and expired	(199,725)	(169,275)
TOTAL AT THE END OF THE YEAR	**636,500**	**931,025**

In accordance with IFRS 2, the four plans issued since April 19, 2005 have been measured at fair value as of the grant date.

The fair value of the option is amortized over the vesting period, with a corresponding adjustment to equity. As was the case in 2014, the plans have not generated any expense in 2015.

B – FREE SHARE GRANT

In 2010, Faurecia implemented a free share grant plan for executives of Group companies. These shares are subject to service and performance conditions.

Free shares are measured at fair value by reference to the market price of Faurecia's shares at the grant date, less (i) an amount corresponding to the expected dividends due on the shares but not paid during the vesting period and (ii) an amount reflecting the cost of the shares being subject to a lock-up period. The fair value is recognized in payroll costs on a straight-line basis over the vesting period, with a corresponding adjustment to equity.

The amount recognized for the period is an expense of €9.9 million, compared to €6 million in 2014.

Details of the share grant plans as of December 31, 2015 are set out in the table below:

Date of Shareholders' Meeting	Date of Board meeting	Maximum number of free shares that can be granted* for: reaching the objective	exceeding the objective	Performance condition
05/30/2013	07/24/2013	797,000	1,036,100	2015 pretax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies
05/30/2013	07/28/2014	677,800	881,140	2016 pretax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies
05/27/2015	07/23/2015	668,249	868,631	2017 pretax income target as stated in strategic plan when granted and earning per share of Faurecia compared to a reference group of companies

** Net of bonus shares allocated and cancelled.*

Following the achievement of the performance conditions for the previous plans, 478,400 shares have been granted in 2012 and 226,200 in 2014.

The performance condition for the fourth plan granted by the Board of July 23, 2012 has not been met.

22.3 Treasury stock

As of December 31, 2015, Faurecia held 21,888 shares of treasury stock.

The cost of the shares held in treasury stock as of December 31, 2015 totaled €1.3 million, representing an average cost of €59.3 per share.

NOTE 23 MINORITY INTERESTS

This item corresponds to minority shareholders' interests in the equity of consolidated subsidiaries.

Changes in minority interests were as follows:

(in € millions)	2015	2014
Balance as of January 1	159.9	140.5
Increase in minority shareholder interests	32.2	1.8
Other changes in scope of consolidation	0.7	(12.4)
Minority interests in net income for the year	74.1	63.2
Dividends allocated to minority interests	(55.8)	(47.4)
Translation adjustments	0.8	14.2
BALANCE AS OF DECEMBER 31	**211.9**	**159.9**

The minority interests, taken individually, are not considered as significant in comparison to the total net equity.

NOTE 24 CURRENT AND NON-CURRENT PROVISIONS

24.1 Non-current provisions

(in € millions)	12/13/2015	12/31/2014
Provisions for pensions and other employee obligations	**344.1**	**369.4**
• Pension plan benefit obligations	187.5	200.2
• Post-retirement benefit obligations	108.2	115.2
• Long-service awards	24.9	27.1
• Healthcare costs	23.5	26.9
Provisions for early retirement costs	**0.0**	**0.0**
TOTAL NON-CURRENT PROVISIONS	**344.1**	**369.4**

CHANGES IN NON-CURRENT PROVISIONS

(in € millions)	12/31/2015	12/31/2014
Balance of provisions at beginning of year	**369.4**	**283.5**
Changes in scope of consolidation	0.0	0.0
Other movements	16.1	11.5
Funding (or reversal) of provision	24.5	28.2
Expenses charged to the provision	(11.2)	(10.7)
Payments to external funds	(8.9)	(8.4)
Restatement differences	(30.1)	65.3
IFRS 5 reclassifications	(15.7)	0.0
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**344.1**	**369.4**

24.2 Current provisions

A provision is booked when Group Executive Management has decided to streamline the organization structure and announced the program to the employees affected by it or their representatives, when relevant.

(in € millions)	12/31/2015	12/31/2014
Restructuring	64.4	87.4
Risks on contracts and customer warranties	64.6	67.0
Litigation	14.4	12.6
Other provisions	45.0	53.2
TOTAL CURRENT PROVISIONS	**188.4**	**220.2**

Changes in these provisions in 2015 were as follows:

(in € millions)	Balance as of 01/01/2015	Additions	Expenses charged	Reversal*	Sub-total changes	IFRS 5 reclassi-fications	Change in scope of consolidation and other changes	Balance as of 12/31/2015
Restructuring	87.4	45.7	(60.5)	(7.4)	(22.2)	(2.2)	1.4	64.4
Risks on contracts and customer warranties	67.0	42.0	(28.6)	(10.2)	3.2	(5.5)	(0.1)	64.6
Litigation	12.6	10.5	(4.5)	(2.0)	4.0	(1.4)	(0.8)	14.4
Other provisions	53.2	14.6	(16.0)	(5.5)	(6.9)	(2.0)	0.7	45.0
TOTAL	**220.2**	**112.8**	**(109.6)**	**(25.1)**	**(21.9)**	**(11.1)**	**1.2**	**188.4**

* *Surplus provisions.*

LITIGATION

In the normal course of business, the Group may be involved in disputes with its customers, suppliers, tax authorities in France or abroad, or other third parties. These disputes are being accrued for, and these accruals are presented in the line litigation of the above schedule. The Group considers that the residual risks and impact of these proceedings are not material.

On March 25, 2014, the European Commission and the Department of Justice of the United States of America and on November 27, 2014, the Competition Commission of South Africa, initiated an enquiry covering certain suppliers of emission control systems on the basis for suspicions of anti-competitive practices in this segment. Faurecia is one of the companies covered by these enquiries. These enquiries are ongoing. In the event anti-competitive practices are proven, possible sanctions include fines, criminal charges or civil damages. Faurecia is at present unable to predict the consequences of such inquiries including the level of fines or sanctions that could be imposed.

There are no other claims or litigation in progress or pending that are likely to have a material impact on the Group's consolidated financial position.

NOTE 25 PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT OBLIGATIONS

Group employees may receive, in addition to their pensions in conformity with the applicable regulations in the countries where are located the Group companies employing them, additional benefits or post-retirement benefit obligations. The Group offers these benefits through either defined benefits or defined contribution regimes.

The valuation and accounting methodologies followed by the Group are the following:

- for defined contribution plans, costs are recognized as expenses based on contributions;
- the liability for defined benefit plans is determined on an actuarial basis using the projected unit credit method, according to the agreements effective in each concerned Group company.

The valuation takes into account the probability of employees staying with the Group up to retirement age and expected future salary levels as well as other economic assumptions (such as the inflation rate, the discount rate) for each concerned zone or country. Benefit obligations are partially funded by contributions to external funds.

In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability. An excess of plan assets is only recognized in the balance sheet when it represents future benefits effectively available for the Group.

Periodic pension and other employee benefit costs are recognized as operating expenses over the benefit vesting period.

Actuarial gains and losses on defined benefits plan are recognized in other comprehensive income.

In case of a change in regime, past service costs are fully recognized as operating expenses, the benefits being fully acquired or not.

The expected rate of return of defined benefits plan assets is equal to the discount rate used to value the obligation. This return is recorded in "Other financial income and expense".

The other post-employment benefits mainly cover seniority bonuses as well as health care benefits. The obligation is valued using similar methodology, assumptions and frequency as the ones used for post-employment benefits.

25.1 Benefit obligations

(in € millions)	12/31/2015	12/31/2014
Present value of projected obligations		
• Pension plan benefit obligations	331.1	322.6
• Post-retirement benefit obligations	115.2	122.9
• Long-service awards	24.9	27.1
• Healthcare costs	23.5	26.9
TOTAL	**494.7**	**499.5**
Value of plan assets:		
• Provisions booked in the accounts	344.1	369.4
• External funds (market value) (1)	168.3	136.9
• Plan surplus (2)	(17.7)	(6.8)
TOTAL	**494.7**	**499.5**

(1) External funds mainly cover pension plan benefit obligations for €161.4 million in 2015.
(2) Pension plan surpluses are included in "Other non-current assets".

25.2 Pension benefit obligations

A – DESCRIPTION OF THE PLANS

In France, the supplementary pension scheme comprises a defined benefit plan for all managerial employees granting a rent relating to salary tranche C.

In the United States, the three defined benefit pension plans are all closed to new participants, respectively since 1996, 2002 and 2011. The first plan covers 741 participants, the second one 407 and the third one 1,139.

In Germany, the main defined benefit pension plan still open covers 5,329 participants. The benefit granted is based on the number of years of service, starting after 15 years of presence.

The specific supplementary pension scheme for Executive Committee members, comprising a defined benefit plan for members who are French nationals and a defined contribution plan for those who are foreign nationals, which was approved during the year. It guarantees an annuity based on the amount of the reference salary.

A specific supplementary pension scheme for Executive Committee members who have an employment contract with Faurecia SA or any of its subsidiaries, comprising a defined benefit plan for members who are French nationals and a defined contribution plan for those who are foreign nationals, was approved by the Board of Directors on February 11, 2015. It guarantees an annuity based on the reference salary, the Group's operating income, and the budget approved by the Board of Directors.

B – ASSUMPTIONS USED

The Group's obligations under these plans are determined on an actuarial basis, using the following assumptions:

- retirement age between 62 and 65 for employees in France;
- staff turnover assumptions based on the economic conditions specific to each country and/or Group company;
- mortality assumptions specific to each country;
- estimated future salary levels until retirement age, based on inflation assumptions and forecasts of individual salary increases for each country;
- the expected long-term return on external funds;
- discount and inflation rates (or differential) based on local conditions.

The main actuarial assumptions used in the past two years to measure the pension liability are as follows:

(in %)	Euro Zone	United Kingdom	United States
DISCOUNT RATE			
2015	**2.30%**	**3.85%**	**4.16%**
2014	1.85%	3.60%	3.95%
INFLATION RATE			
2015	**1.80%**	**3.00%**	**N/A**
2014	1.80%	3.00%	2.00%

Note: the iboxx AA rate has been used as reference to determine the discount rate of the euro zone.

In the United States, the pension benefit obligations (closed to new participants) are not sensitive to the inflation rate.

The average duration of the various plans for the principal regions is as follows:

(in number of years)	Euro Zone	United Kingdom	United States
Average duration	17.1	20.2	9.2

C – INFORMATION ON EXTERNAL FUNDS

External funds are invested as follows:

	2015			2014		
(in %)	Equities	Bonds	Other	Equities	Bonds	Other
France	18%	78%	4%	16%	79%	5%
United Kingdom	45%	55%	0%	50%	50%	0%
United States	44%	39%	17%	53%	33%	14%

Fair value of shares and bonds belongs to level 1 category (price quoted in active markets) in 2015.

D – PROVISIONS FOR PENSION LIABILITIES RECOGNIZED ON THE BALANCE SHEET

	2015			2014		
(in € millions)	France	Abroad*	Total	France	Abroad	Total
Balance of provisions at the beginning of the year	**144.5**	**164.1**	**308.6**	**115.2**	**123.0**	**238.2**
IFRS 5 reclassifications	(14.1)	(0.7)	(14.8)			
Effect of change in scope of consolidation (provision net of plan surpluses)	0.0	0.0	0.0	0.0	0.0	0.0
Additions	14.2	7.7	21.9	8.0	13.0	21.0
Expenses charged to the provision	(2.4)	(4.8)	(7.2)	(2.4)	(5.0)	(7.4)
Payments to external funds	(1.2)	(7.7)	(8.9)	(3.0)	(5.4)	(8.4)
Restatement differences	(5.3)	(19.4)	(24.7)	26.7	35.0	61.7
Other movements	0.3	2.8	3.1	(0.0)	3.5	3.5
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**136.1**	**142.0**	**278.1**	**144.5**	**164.1**	**308.6**

* *The provision of €142.0 million as of December 31, 2015 relates mainly to Germany (€112.4 million).*

E – CHANGES IN PENSION LIABILITIES

(in € millions)	12/31/2015 France	12/31/2015 Abroad	12/31/2015 Total	12/31/2014 France	12/31/2014 Abroad	12/31/2014 Total
PROJECTED BENEFIT OBLIGATIONS						
At beginning of the period	**157.7**	**287.8**	**445.5**	**129.3**	**230.4**	**359.7**
IFRS 5 reclassifications	(15.3)	(0.7)	(16.0)	0.0	0.0	0.0
Service costs	14.8	24.7	39.5	7.2	9.2	16.4
Annual restatement	2.8	8.9	11.7	4.3	9.3	13.6
Benefits paid	(4.7)	(10.4)	(15.1)	(6.4)	(11.3)	(17.7)
Restatement differences	(5.0)	(21.2)	(26.2)	26.3	38.1	64.4
Other movements (including translation adjustment)	0.0	10.5	10.5	0.0	12.5	12.5
Curtailments and settlements	(3.2)	(0.4)	(3.6)	(3.0)	(0.4)	(3.4)
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0
AT THE END OF THE YEAR	**147.1**	**299.2**	**446.3**	**157.7**	**287.8**	**445.5**
PLAN ASSETS						
At beginning of the period	**13.2**	**123.7**	**136.9**	**14.1**	**107.4**	**121.5**
IFRS 5 reclassifications	(1.2)	0.0	(1.2)	0.0	0.0	0.0
Projected return on plan assets	0.2	25.5	25.7	0.5	5.1	5.6
Restatement differences	0.3	(1.8)	(1.5)	(0.4)	3.1	2.7
Other movements (including translation adjustment)	(0.3)	7.7	7.4	0.0	9.0	9.0
Employer contributions	1.2	7.7	8.9	3.0	5.4	8.4
Benefits paid	(2.3)	(5.6)	(7.9)	(4.0)	(6.3)	(10.3)
Curtailments and settlements	0.0	0.0	0.0	0.0	0.0	0.0
Effect of closures and plan amendments	0.0	0.0	0.0	0.0	0.0	0.0
AT THE END OF THE YEAR	**11.1**	**157.2**	**168.3**	**13.2**	**123.7**	**136.9**
BALANCE OF PROVISIONS AT THE END OF THE YEAR	**136.1**	**142.0**	**278.1**	**144.5**	**164.1**	**308.6**
TOTAL CHANGE EXPENSED AT THE END OF THE YEAR	**14.2**	**7.7**	**21.9**	**8.0**	**13.0**	**21.0**

Period pension cost is recognized:

- in operating loss for the portion relating to service cost;
- in “Other financial income and expenses” for restatement of vested rights and the expected return on external funds.

Actuarial differences can be analyzed as follows:

(in € millions)	12/31/2015 France	12/31/2015 Abroad	12/31/2015 Total
Detail of estimation differences of the period:			
• difference linked to financial assumptions	5.1	17.9	23.0
• difference linked to demographic assumptions	0.0	3.3	3.3
• other differences	0.2	(1.8)	(1.6)
TOTAL	**5.3**	**19.4**	**24.7**

In France, pension liability decreased by €10.6 million at year-end compared to 2014. This decrease breaks down as follows:

- +€17.6 million relating to service cost and interest cost for 2015;
- -€4.7 million relating to lump-sum retirement bonuses and rights to capital for supplementary pension schemes;
- -€3.2 million relating to headcount reduction plans;
- -€5.0 million resulting from actuarial gains and losses, including -€5.1 million relating to the discount rate, €0.1 million relating to experience;
- -€15.3 million resulting from the reclassification of pension liability from discontinued operations.

F – RETIREMENT PENSION LIABILITIES: SENSITIVITY TO CHANGES IN THE DISCOUNT RATE IN MAIN SCOPE

The impact of a 25 basis point increase in the discount rate and in the inflation rate for the projected benefit obligation is as follows:

(in %)	Discount rate +0.25 pt	Inflation rate +0.25 pt
France	-2.8%	+2.8%
Germany	-3.5%	+0.7%

25.3 Long-service awards

The Group evaluates its liability for the payment of long-service awards, given to employees based on certain seniority requirements. The Group calculates its liability for the payment of long-service awards using the same method and assumptions as for its pension liability. Provisions for long-service awards have been set aside as follows:

(in € millions)	12/31/2015	12/31/2014
French companies	6.7	7.8
Foreign companies	18.2	19.3
TOTAL	**24.9**	**27.1**

25.4 Healthcare costs

In addition to pension plans, some Group companies – mainly in the United States – cover the healthcare costs of their employees.

The related liability can be analyzed as follows:

(in € millions)	12/31/2015	12/31/2014
Foreign companies	23.5	26.9
TOTAL	**23.5**	**26.9**

The increase of 25 basis points in the discount rate and 1 percentage point in the healthcare cost trend rates would lead to the following variations on the Group's commitments:

(in %)	Discount rate +0.25 pt	Healthcare cost trend rate +1 pt.
Projected benefit obligation	-2.4%	+10.8%

Expenses recognized in connection with this liability break down as follows:

(in € millions)	12/31/2015	12/31/2014
Service cost	(0.1)	(0.1)
Interest cost*	(1.1)	(1.1)
Curtailment	0.0	0.0
TOTAL	**(1.2)**	**(1.2)**

* *Interest cost is recorded under "Other financial income and expense".*

The Group's financial liabilities fall within the IAS 39 categories of (i) financial liabilities at fair value through profit or loss, and (ii) other financial liabilities measured at amortized cost.

They are recorded on the following balance sheet items: "current financial liabilities" and "non current financial liabilities" (Note 26), Accrued taxes and payroll costs" (Note 27) and "Sundry payables" (Note 28).

Financial assets and liabilities are broken down into current and non-current components for maturities at the balance sheet date: under or over a year.

NOTE 26 NET DEBT

The Group's financial liabilities are generally measured at amortized cost using the effective interest method.

26.1 Analysis of net debt

(in € millions)	12/31/2015	12/31/2014
Bonds	692.4	709.3
Bank borrowings	246.3	288.9
Other borrowings	1.5	2.4
Obligations under finance lease	24.0	28.4
Non-current derivatives	2.0	0.0
SUB-TOTAL NON-CURRENT FINANCIAL LIABILITIES FROM DISCONTINUED OPERATIONS	**966.2**	**1,029.0**
Current portion of long-term debt	606.1	409.9
Short-term borrowings (1)	310.2	968.0
Current derivatives	2.6	5.5
SUB-TOTAL CURRENT FINANCIAL LIABILITIES FROM CONTINUED OPERATIONS	**918.9**	**1,383.4**
TOTAL FINANCIAL LIABILITIES FROM CONTINUED OPERATIONS	**1,885.1**	**2,412.4**
Derivatives classified under non-current and current assets	(6.8)	(7.9)
Cash and cash equivalents	(932.5)	(1,016.9)
NET DEBT FROM CONTINUED OPERATIONS	**945.8**	**1,387.6**
Net cash and cash equivalents	**932.5**	**1,016.9**
(1) Including bank overdrafts	*135.0*	*107.9*

DISCONTINUED OPERATIONS (SHARE OF DEBT RECORDED UNDER LIABILITIES FROM DISCONTINUED OPERATIONS)

Non-current financial liabilities from discontinued operations	3.6
Current financial liabilities from discontinued operations	15.8
Cash and cash equivalents from discontinued operations	(2.7)
Net debt from discontinued operations	**16.7**

TOTAL NET DEBT SYNTHESIS

Total financial liabilities	1,904.5
Cash and cash equivalents	(942.0)
Total net debt	**962.5**

With regards to the fact that financial liabilities for discontinued operations are not material, the debt analysis presented covers the entire Group.

26.2 Maturities of long-term debt

(in € millions)	2017	2018	2019	2020	2021 and beyond	Total
Bonds	0.8	0.0	0.0	0.0	691.6	692.4
Bank borrowings	61.3	25.4	12.8	136.0	10.8	246.3
Other borrowings	1.1	0.2	0.1	0.1	0.0	1.5
Obligation under finance leases	10.6	2.4	1.9	2.0	7.1	24.0
TOTAL AS OF DECEMBER 31, 2015	**73.8**	**28.0**	**14.8**	**138.1**	**709.5**	**964.2**

26.3 Financing

The principal Group financing items are described below:

2016 BONDS

On November 9, 2011 Faurecia issued €350 million worth of bonds, due December 15, 2016. The bonds bear annual interest of 9.375% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.479% of the nominal value. An additional €140 million bond was issued on February 21, 2012 with the same due date and same interest rate, at 107.5% of the nominal value. They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L over the life time of the bonds. The 2016 bonds benefit from guarantees from some Group subsidiaries.

2019 BONDS

On May 3, 2012, Faurecia issued €250 million worth of bonds, due June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.974% of the nominal value and are listed on the Luxembourg stock exchange. They include the same covenants as the bonds due December 2016. They do not benefit from guarantees from Group subsidiaries. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

As announced by Faurecia at the end of 2014, these bonds were redeemed early on April 17, 2015 after the issue of the new 2022 bonds.

2022 BONDS

Faurecia issued bonds, due June 15, 2022, bearing annual interest of 3.125%, payable on June 15 and December 15 each year, as from June 15, 2015.

A first part of these bonds has been issued on March 17, 2015 for €500 million. An additional €200 million bond was issued on April 9, 2015, with the same due date and same interest, at 100.25% of the nominal value. On May 19, 2015, the bonds of this second tranche were all deemed to be similar in nature to those issued on March 17, 2015.

They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than 2 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan.

They are listed on the Irish Stock Exchange (Global Exchange Market). The costs related to the bond issue are expensed in P&L over the life time of the bonds. The bonds benefit from guarantees from some group affiliates; the entities providing these guarantees are the same as those that guarantee the bonds due December 2016. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

SYNDICATED CREDIT FACILITY

Faurecia has renewed per anticipation its credit facility implemented in December 2011 and expiring in December 2016, which has enabled the Group to benefit from more favorable conditions than the previous credit facility, as well for its cost than for its covenants.

The new credit facility, signed on December 15, 2014, includes a single five-year maturity tranche, for an amount of €1,200 million.

As of December 31, 2015 this credit facility was not drawn.

This new credit facility includes only one covenant, concerning compliance with consolidated financial ratios (instead of two in the previous credit facility): net debt*/EBITDA** must be less than 2.50. The compliance with this ratio is a condition to the availability of this credit facility. As of December 31, 2015, the Group complied with this ratio.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates granting the December 2016 bonds. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

2018 OCEANE BONDS

On September 18, 2012 Faurecia issued €250 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2018. The bonds bear annual interest of 3.25% payable on January 1 each year, as from January 1, 2013. Each bond has a nominal value of €19.48.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2016, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue.

The criteria relating to their compulsory early redemption include a clause of change of control, but they do not include an ownership clause relating to PSA.

On December 7, 2015, Faurecia announced its intention to reimburse at par value on January 15, 2016 the 2018 OCEANE bonds convertible. Following the announcement of such operation, 94.5% of the OCEANE bonds have been converted as of December 31, 2015, and the nominal of remaining bonds outstanding at this date amounted €13.7 million. As of January 15, 2016, almost the entire amount has been converted and the residual nominal of €0.2 million has been reimbursed.

As of December 31, 2015, 94.5% of the OCEANE debt component has been reclassified in equity.

In accordance with IAS 39, the fair value of the OCEANE bonds is split into two components: a liability component calculated based on prevailing market interest rates for similar bonds with no conversion option and an equity component corresponding to the conversion option, calculated based on the difference between the fair value of the OCEANE bonds and the liability component. These two components were recognized at the bond issue date in respective amounts of €198.3 million and €46.5 million. At December 31, 2015, taking the conversions into account, the debt component is €12.9 million.

*   *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

The Group's global contractual maturity schedule as of December 31, 2015 breaks down as follows:

	Carrying Amount			Remaining contractual maturities				
(in € millions)	**Assets**	**Liabilities**	**Total**	**0-3 months**	**3-6 months**	**6-12 months**	**1-5 years**	**> 5 years**
Other non-current financial assets	69.4		69.4				69.4	
Loans and receivables	36.5		36.5				36.5	
Trade accounts receivable	1,696.9		1,696.9	1,678.9	18.0			
Cash and cash equivalents	932.5		932.5	932.5				
Interests on:								
Syndicated credit facility		*0.0*	*0.0*					
Bonds		*(3.0)*	*(199.1)*		*(33.9)*	*(33.9)*	*(109.4)*	*(21.8)*
OCEANE		*(0.4)*	*(0.4)*	*(0.4)*				
Other long term borrowings		*(4.7)*	*(4.7)*	*(1.9)*	*(0.3)*	*(2.5)*		
Obligations under finance leases (ST portion)		(7.1)	(7.1)	(6.6)	(0.3)	(0.2)		
Other current financial liabilities		(398.0)	(398.0)	(275.7)	(45.2)	(77.1)		
Trade accounts payables		(3,449.7)	(3,449.7)	(3,400.8)	(16.5)	(32.4)		
Bonds (excluding interest)								
2018 OCEANE bonds		*(12.9)*	*(13.7)*	*(13.7)*				
ORA		*(0.8)*	*(0.8)*	*(0.2)*	*(0.2)*	*(0.4)*		
2016 Bonds		*(490.1)*	*(490.0)*			*(490.0)*		
2022 Bonds		*(691.6)*	*(700.0)*					*(700.0)*
Bank borrowings								
Syndicated credit facility		*0.0*	*0.0*					
Other		*(246.3)*	*(246.3)*				*(235.5)*	*(10.8)*
Other borrowings		(1.6)	(1.6)				(1.6)	
Obligations under finance leases (LT portion)		(24.0)	(24.0)				(16.9)	(7.1)
Interest rate derivatives		**(2.0)**	**(2.0)**	**(0.2)**	**(0.2)**	**(0.4)**	**(1.2)**	
• o/w cash flow hedges		(2.0)	(2.0)	(0.2)	(0.2)	(0.4)	(1.2)	
• o/w derivatives not qualifying for hedge accounting under IFRS								
Currency hedges	**8.5**	**(7.6)**	**0.9**	**3.0**	**(2.0)**	**(0.1)**	**0.0**	
• o/w fair value hedges	7.9	(2.6)	5.3	5.3				
• o/w cash flow hedges	0.4	(5.0)	(4.6)	(2.5)	(2.0)	(0.1)		
• o/w derivatives not qualifying for hedge accounting under IFRS	0.2	0.0	0.2	0.2				
TOTAL	**2,743.8**	**(5,339.8)**	**(2,801.2)**	**(1,085.1)**	**(80.7)**	**(637.0)**	**(258.7)**	**(739.7)**

26.4 Analysis of borrowings

As of December 31, 2015, the floating rate portion was 28.1% of borrowings before taking into account the impact of hedging.

Derivatives have been set up to partially hedge interest payable on variable rate borrowings against increases in interest rates (see Note 30.2).

(in € millions)	12/31/2015	
Variable rate borrowings	534.7	28.1%
Fixed rate borrowings	1,369.8	71.9%
TOTAL	**1,904.5**	**100.0%**

Borrowings, taking into account exchange rate swaps, break down by repayment currency as follows:

(in € millions)	12/31/2015		12/31/2014	
Euros	1,469.1	77.2%	1,815.2	75.3%
US dollars	397.1	20.8%	447.1	18.5%
Other currencies	38.3	2.0%	150.1	6.2%
TOTAL	**1,904.5**	**100.0%**	**2,412.4**	**100.0%**

In 2015, the weighted average interest rate on gross outstanding borrowings was 5.12%.

NOTE 27 ACCRUED TAXES AND PAYROLL COSTS

(in € millions)	12/31/2015	12/31/2014
Accrued payroll costs	276.2	286.5
Payroll taxes	142.4	147.4
Employee profit-sharing	22.4	19.3
Other accrued taxes and payroll costs	98.0	126.4
TOTAL	**539.0**	**579.6**

NOTE 28 SUNDRY PAYABLES

(in € millions)	12/31/2015	12/31/2014
Due to suppliers of non-current assets	112.6	76.2
Prepaid income	15.3	17.1
Current taxes	46.0	52.1
Other	56.8	63.1
Currency derivatives for operations	5.0	6.4
TOTAL	**235.7**	**214.9**

NOTE 29 FINANCIAL INSTRUMENTS

29.1 Financial instruments recorded in the balance sheet

(in € millions)	12/31/2015		Breakdown by category of instrument (1)					
	Carrying amount	**Carrying amount not defined as financial instruments**	**Financial assets/ liabilities at fair value through profit or loss (2)**	**Financial assets/ liabilities at fair value through equity (2)**	**Available-for-sale assets**	**Loans and receivables**	**Payables at amortized cost**	**Financial liabilities measured at amortized cost**
Other equity interests	15.6				15.6			15.6
Other non-current financial assets	69.4					69.4		69.4
Trade accounts receivable	1,696.9					1,696.9		1,696.9
Other operating receivables	253.9		1.7			252.2		253.9
Other receivables and prepaid expenses	316.5	41.5				275.0		275.0
Currency derivatives	6.8		6.4	0.4				6.8
Interest rate derivatives	0.0							0.0
Cash and cash equivalents	932.5		932.5					932.5
ASSETS	**3,291.6**	**41.5**	**940.6**	**0.4**	**15.6**	**2,293.5**	**0.0**	**3,250.1**
Long-term debt*	966.2	1.6					964.6	965.4
Short-term debt	918.9						918.9	978.4
Prepayments from customers	125.9					125.9		
Trade payables	3,449.7					3,449.7		
Accrued taxes and payroll costs	539.0					539.0		
Sundry payables	235.7	15.3	2.6	7.0		210.8		
Of which Currency derivatives	*7.6*		*2.6*	*5.0*				
Interest rate derivatives	*2.0*			*2.0*				
LIABILITIES	**6,235.4**	**16.9**	**2.6**	**7.0**	**0.0**	**4,325.4**	**1,883.5**	**1,943.8**

(1) No financial instruments were transferred between categories in 2013.

(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition.

* *The fair value of the 2018 OCEANE bonds was established on the base of the end of year valuation (12/31/2015) of €46.0 at €32.3 million. In the balance sheet, OCEANE are recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option.*
The fair value of the bonds, excluding accrued interest, was established on the base of the end of year valuation (12/31/2015): for the 2016 bonds quoted 108.296% of par, at €530.7 million and for the 2022 bonds quoted 98.916% of par, at €692.4 million.

	12/31/2014		Breakdown by category of instrument [1]					
(in € millions)	Carrying amount	Carrying amount not defined as financial instruments	Financial assets/ liabilities at fair value through profit or loss [2]	Financial assets/ liabilities at fair value through equity (2)	Available-for-sale assets	Loans and receivables	Payables at amortized cost	Financial liabilities measured at amortized cost
Other equity interests	14.6				14.6			14.6
Other non-current financial assets	62.7					62.7		62.7
Trade accounts receivable	1,677.0					1,677.0		1,677
Other operating receivables	275.9		0.3			275.9		276.2
Other receivables and prepaid expenses	229.3	57.8				171.5		171.5
Currency derivatives	8.2		7.6	0.3				7.9
Interest rate derivatives	0.0							0.0
Cash and cash equivalents	1,016.9		1,016.9					1,016.9
FINANCIAL ASSETS	**3,284.6**	**57.8**	**1,024.8**	**0.3**	**14.6**	**2,187.1**	**0.0**	**3,226.8**
Long-term debt*	1,029.0	2.4					1,026.6	1,247.7
Short-term debt	1,377.9						1,377.9	1,384.0
Prepayments from customers	98.4					98.4		98.4
Trade payables	3,311.5					3,311.5		3,311.5
Accrued taxes and payroll costs	586.0					586.0		586.0
Sundry payables	214.9	17.1	4.5	7.4		185.9		197.8
Of which Currency derivatives	*10.9*		*4.5*	*6.4*				*10.9*
Interest rate derivatives	*1.0*			*1.0*				*1.0*
FINANCIAL LIABILITIES	**6,617.7**	**19.5**	**4.5**	**7.4**	**0.0**	**4,181.8**	**2,404.5**	**6,837.3**

(1) No financial instruments were transferred between categories in 2013.
(2) All of the instruments in this category are financial assets or liabilities designated as measured at fair value through profit or loss on initial recognition.
** The fair value of the OCEANE 2018 was established on the base of the end of year valuation (12/31/2014) of €28.8 at €369.6 million. In the balance sheet, OCEANE are recorded, on the one hand, as an amount of the component for bonds with no conversion option and, on the other hand, as a registered component of shareholder's equity that represents the value of the conversion option.*
The fair value of the bonds, excluding accrued interest, was established on the base of the end of year valuation (12/31/2014): for the 2016 bonds quoted 113.964% of par, at €558.4 million and for the 2019 bonds quoted 108.923% of par, at €272.3 million.

The main measurement methods applied are as follows:

- items accounted for at fair value through profit or loss, as well as hedging instruments, are measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank;
- financial assets are primarily recognized at amortized cost calculated using the effective interest rate method;
- the fair value of trade receivables and payables related to manufacturing and sales operations corresponds to their carrying value in view of their very short maturities.

The impact of financial instruments on income:

	2015	Breakdown by category of instrument				
(in € millions)	Impact Income	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Payables at amortized cost	Derivative instruments
Translation differences on commercial transactions	(7.7)	(8.8)				1.1
Income on loans, cash investments and marketable securities	12.1	12.1				
Finance costs	(173.6)				(173.6)	
Other financial income and expenses	(45.2)			(45.0)		(0.2)
Net income (expense)	**(214.4)**	**3.3**	**0.0**	**(45.0)**	**(173.6)**	**0.9**

	2014	Breakdown by category of instrument				
(in € millions)	Impact Income	Fair value through profit or loss	Available-for-sale assets	Loans and receivables	Payables at amortized cost	Derivative instruments
Translation differences on commercial transactions	(2.2)					(2.2)
Income on loans, cash investments and marketable securities	7.9	7.9				
Finance costs	(186.6)				(186.6)	
Other financial income and expenses	(60.0)			(70.1)		10.1
Net income (expense)	**(240.9)**	**7.9**	**0.0**	**(70.1)**	**(186.6)**	**7.9**

As of December 31, 2015, movements in provisions for impairment break down as follows by category of financial asset:

(in € millions)	Balance as of 01/01/2015	Additions	Utilizations	Reversals (surplus provisions)	IFRS 5 reclassifi-cations	Change in scope of consolidation and other changes	Balance as of 31/12/2015
Doubtful accounts	(25.3)	(13.4)	18.6	0.0	1.1	(0.2)	(19.2)
Shares in non-consolidated companies	(3.3)	0.0	1.5	0.0	0.0	0.0	(1.8)
Non-current financial assets	(24.6)	(9.7)	5.4	0.0	1.3	(0.4)	(28.0)
Other receivables	(9.5)	(2.8)	0.0	0.0	0.4	(6.5)	(18.4)
TOTAL	**(62.7)**	**(25.9)**	**25.5**	**0.0**	**2.8**	**(7.1)**	**(67.4)**

29.2 Financial instruments – fair value hierarchy

The Group's financial instruments that are measured at fair value break down as follows by level of fair value measurement:

Level 1 (prices quoted in active markets) for short-term cash investments and Level 2 (measured using a valuation technique based on rates quoted on the interbank market, such as Euribor and exchange rates set daily by the European Central Bank) for currency and interest rate instruments.

NOTE 30 HEDGING OF CURRENCY AND INTEREST RATE RISKS

30.1 Transactions in foreign currency and derivatives

Transactions in foreign currency are converted at the exchange rate prevailing on the transaction date. Receivables and payables are converted at the year-end exchange rate. Resulting gain or loss is recorded in the income statement as operating income or expenses for operating receivables and payables, and under "Other financial income and expense" for other receivables and payables.

Faurecia uses derivative instruments traded on organized markets or purchased over-the-counter from first-rate counterparties to hedge currency and interest rate risks.

They are recorded at fair value in the balance sheet.

30.2 Hedging of currency risks

Currency risks relating to the commercial transactions of the Group's subsidiaries are managed centrally by Faurecia using forward purchase and sale contracts and options as well as foreign currency financing. Faurecia manages the hedging of currency risks on a central basis, through the Group Finance and Treasury department, which reports to Group Executive Management. Hedging decisions are made by a Market Risk Committee that meets on a monthly basis.

Currency risks on forecast transactions are hedged on the basis of estimated cash flows determined in forecasts validated by Executive Management; these forecasts are updated on a regular basis. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies the IAS 39 criteria.

Subsidiaries with a functional currency different from the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in consolidation, they contribute to the Group's currency risk exposure and are therefore hedged through swaps.

The effective portion of changes in the fair value of instruments used to hedge future revenues is recorded in equity and taken to operating income when the hedged revenues are received.

Changes in the fair value of instruments used to hedge trade receivables and payables are recorded as operating income or expense.

The portion of the change in fair value of these hedges that is ineffective (time value of the hedges) is recorded under "Other financial income and expense" together with changes in the fair value of instruments used to hedge other receivables and payables.

AS OF DECEMBER 31, 2015

Currency exposure *(in € millions)*	**USD**	**CZK**	**CAD**	**RUB**	**GBP**	**PLN**	**MXN**	**ZAR**
Trade receivables (net of payables)	1.0	(6.5)	0.0	0.0	0.0	(13.1)	0.0	11.1
Financial assets (net of liabilities)*	375.9	0.0	(11.2)	11.7	(53.7)	0.0	0.0	26.6
Forecast transactions**	43.2	(56.3)	(9.1)	37.6	1.2	(135.1)	(57.1)	(18.8)
Net position before hedging	**420.1**	**(62.8)**	**(20.3)**	**49.3**	**(52.5)**	**(148.2)**	**(57.1)**	**18.9**
Currency hedges	(418.7)	58.0	21.9	(40.5)	53.7	140.9	52.3	(26.6)
Net position after hedging	1.4	(4.9)	1.6	8.7	1.2	(7.3)	(4.8)	(7.7)

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

AS OF DECEMBER 31, 2014

Currency exposure *(in € millions)*	**USD**	**CZK**	**CAD**	**RUB**	**GBP**	**PLN**	**ZAR**
Trade receivables (net of payables)	17.2	0.0	0.0	0.0	(1.7)	(16.9)	(0.3)
Financial assets (net of liabilities)*	357.1	0.0	115.6	(3.0)	(68.6)	0.0	34.5
Forecast transactions**	41.4	(59.3)	(9.6)	43.0	20.4	(108.1)	(0.8)
Net position before hedging	**415.7**	**(59.3)**	**106.0**	**40.0**	**(49.9)**	**(125.0)**	**33.4**
Currency hedges	(415.6)	50.7	(109.5)	(2.1)	50.4	117.4	(37.8)
Net position after hedging	0.1	(8.6)	(3.6)	37.9	0.5	(7.6)	(4.3)

* *Including inter-company financing.*
** *Commercial exposure anticipated over the next six months.*

Hedging instruments are recognized in the balance sheet at fair value. Said value is determined based on measurements confirmed by banking counterparts.

INFORMATION ON HEDGED NOTIONAL AMOUNTS

(in € millions) 12/31/2015	Carrying amount Assets	Liabilities	Notional amount*	Maturities < 1 year	1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	1.1	0.0	29.0	29.0	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	6.8	(2.6)	555.2	555.2	0.0	0.0
• cross-currency swaps	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow hedges						
• forward currency contracts	0.4	(5.0)	327.3	327.3	0.0	0.0
Not eligible for hedge accounting	0.2	0.0	41.9	41.9	0.0	0.0
	8.5	**(7.6)**				

* Notional amounts based on absolute values.

(in € millions) 12/31/2014	Carrying amount Assets	Liabilities	Notional amount*	Maturities < 1 year	1 to 5 years	> 5 years
Fair value hedges						
• forward currency contracts	0.0	0.0	2.5	2.5	0.0	0.0
• inter-company loans in foreign currencies swapped for euros	5.6	(4.5)	753.8	753.8	0.0	0.0
• cross-currency swaps	2.3	0.0	17.4	9.1	8.3	0.0
Cash flow hedges						
• forward currency contracts	0.2	(6.4)	281.5	281.5	0.0	0.0
Not eligible for hedge accounting	0.1	0.0	2.1	2.1	0.0	0.0
	8.2	**(10.9)**				

* Notional amounts based on absolute values.

The sensitivity of Group income and shareholders' equity as of December 31, 2015 to a fluctuation in exchange rates against the euro is as follows for the main currencies to which the Group is exposed:

Currency exposure *(in € millions)*	USD	CZK	CAD	RUB	GBP	PLN	ZAR
As of 12/31/2015	1.09	27.02	1.51	80.67	0.73	4.26	16.95
Currency fluctuation scenario (depreciation of currency/EUR)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Exchange rate after currency depreciation	**1.14**	**28.37**	**1.59**	**84.71**	**0.77**	**4.48**	**17.80**
Impact on income before tax *(in € millions)*	(0.73)	0.32	0.56	1.33	0.13	0.59	(0.62)
Impact on equity *(in € millions)*	1.81	(2.76)	0.03	0.00	0.00	(6.67)	0.00

These impacts reflect the effect on the income statement of currency fluctuations on the year-end valuation of assets and liabilities recognized on the balance sheet, net of the impact of the change in the intrinsic value of hedging instruments (both those qualifying and not qualifying as fair value hedges) and the effect on equity of the change in the intrinsic value of hedging instruments for derivatives qualifying as cash flow hedges.

30.3 Interest-rate hedges

Faurecia manages the hedging of interest rate risks on a central basis. Said management is implemented through the Group Finance and Treasury department, which reports to Group Executive Management. Hedging decisions are made by a Market Risk Committee that meets on a monthly basis.

Changes in the fair value of interest rate hedges are recorded directly in "Other financial income and expense" when the hedging relationship cannot be demonstrated under IAS 39, or where the Group has elected not to apply hedge accounting principles.

The table below shows the Group's interest rate position, with assets, liabilities and derivatives broken down into fixed or variable rates. Financial assets include cash and cash equivalents and interest rate hedges include interest rate swaps as well as in-the-money options.

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **As of 12/31/2015**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
Financial assets		942.0								942.0
Financial liabilities	(516.7)	(412.1)	(36.2)	(21.8)	(90.3)	(100.8)	(726.6)	0.0	(1,369.8)	(534.7)
Net position before hedging	**(516.7)**	**529.9**	**(36.2)**	**(21.8)**	**(90.3)**	**(100.8)**	**(726.6)**	**0.0**	**(1,369.8)**	**407.3**
Interest rate hedges	0.0	0.0	(50.0)	50.0	(400.0)	400.0	0.0	0.0	(450.0)	450.0
Net position after hedging	**(516.7)**	**529.9**	**(86.2)**	**28.2**	**(490.3)**	**299.2**	**(726.6)**	**0.0**	**(1,819.8)**	**857.3**

	Under 1 year		1 to 2 years		2 to 5 years		More than 5 years		Total	
(in € millions) **As of 12/31/2014**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**	**Fixed rate**	**Variable rate**
Financial assets		1,016.9								1,016.9
Financial liabilities	(258.6)	(1,106.4)	(565.8)	(77.3)	(306.1)	(68.1)	(26.5)	(3.6)	(1,157.0)	(1,255.4)
Net position before hedging	**(258.6)**	**(89.5)**	**(565.8)**	**(77.3)**	**(306.1)**	**(68.1)**	**(26.5)**	**(3.6)**	**(1,157.0)**	**(238.5)**
Interest rate hedges	(470.0)	470.0	0.0	0.0	0.0	0.0	0.0	0.0	(470.0)	470.0
Net position after hedging	**(728.6)**	**380.5**	**(565.8)**	**(77.3)**	**(306.1)**	**(68.1)**	**(26.5)**	**(3.6)**	**(1,627.0)**	**231.5**

The main components of fixed-rate debt are:

- bonds maturing in December 2016 issued in November 2011 and February 2012 for a total amount of €490 million;
- the bonds maturing in December 2022 issued in March and April 2015 for a total amount of €700 million.

Approximately half of the gross borrowings (syndicated credit loan, short term loans, commercial paper) are at variable or renewable rates. The aim of the Group's interest rate hedging policy is to reduce the impact of changes in short-term rates on earnings. The hedges arranged comprise mainly euro denominated interest rate swaps. In order to benefit from historically low interest rates, 2- and 3-year maturity hedges have been set up during the first half of 2015. These hedges cover a part of the interest on variable rate borrowings, due in 2016 and 2017, against a rise in rates.

Interest rate hedging instruments are recognized in the balance sheet at fair value. Such value is determined based on measurements of market data, confirmed by banking counterparties.

The notional amounts of the Group's interest rate hedges break down as follows:

(in € millions) As of 12/31/2015	Carrying amount		Notional amounts by maturity		
	Assets	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable-rate/Fixed-rate swaps	0.0	(2.0)	0.0	450.0	0.0
Accrued premiums payables	0.0	0.0	0.0	0.0	0.0
	0.0	**(2.0)**	**0.0**	**450.0**	**0.0**

(in € millions) As of 12/31/2014	Carrying amount		Notional amounts by maturity		
	Assets	**Liabilities**	**< 1 year**	**1 to 5 years**	**> 5 years**
Interest rate options	0.0	0.0	0.0	0.0	0.0
Variable-rate/Fixed-rate swaps	0.0	(1.0)	470.0	0.0	0.0
Accrued premiums payables	0.0	0.0	0.0	0.0	0.0
	0.0	**(1.0)**	**470.0**	**0.0**	**0.0**

A part of the Group borrowings being at variable rates as stated in Note 26.4, a rise in short-term rates would therefore have an impact on financial expense.

The sensitivity tests performed, assuming a 100 bp increase in average interest rates compared to the rate curve as of December 31, 2015 show that the effect on financial expense (before taxes) would not be significant, taking into account the profile of the Group's borrowings and derivatives in place as of December 31, 2015.

30.4 Counterpart risk on derivatives

Faurecia's counterparty risk in relation to its derivatives is not significant as the majority of its derivatives are set up with banks with strong ratings that form part of its banking pool. The consideration of agreements for offsetting existing derivative products with counterparties is summed up in the tables below:

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fulfilling IAS 32 compensation criteria)		(e) = (c) - (d)
Financial assets as of 12/31/2015 *(in € millions)*	**Gross amount value (before compensation)**	**Gross amounts compensated (according to IAS 32)**	**Net amounts presented in the balance sheet**	**Financial instruments**	**Collaterals received**	**Net amount**
Derivatives	7.99	0.00	7.99	11.28	0.00	(3.29)
Other financial instruments	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**7.99**	**0.00**	**7.99**	**11.28**	**0.00**	**(3.29)**

	(a)	(b)	(c) = (a) - (b)	(d) Related amounts not set off in the balance sheet (not fulfilling IAS 32 compensation criteria)		(e) = (c) - (d)
Financial liabilities as of 12/31/2014 *(in € millions)*	**Gross amount value (before compensation)**	**Gross amounts compensated (according to IAS 32)**	**Net amounts presented in the balance sheet**	**Financial instruments**	**Collaterals received**	**Net amount**
Derivatives	9.54	0.00	9.54	11.28	0.00	(1.73)
Other financial instruments	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**9.54**	**0.00**	**9.54**	**11.28**	**0.00**	**(1.73)**

NOTE 31 ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets or disposal groups are held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

These assets (or disposal groups) are presented separately on a line "assets held for sale" in the consolidated balance sheet when they are significant. The asset (or disposal group) is being measured on initial recognition at the lower of its carrying amount and fair value less costs to sell. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated balance sheet.

An operation considered as held for sale is defined as a component of the Group, for which either a sale is ongoing, or being classified as assets or a disposal group as held for sale, and representing a business or a geographical area significant for the Group, or a business acquired only to be sold.

The contribution of discontinued operations is made of:

(in € millions)	2015	2014
SALES	**1,921.5**	**1,952.3**
Cost of sales	(1,751.2)	(1,784.5)
Research and development costs	(18.7)	(20.7)
Selling and administrative expenses	(69.0)	(68.5)
OPERATING INCOME	**82.6**	**78.6**
Other non-operating income	1.1	0.0
Other non-operating expenses	(0.1)	(6.7)
Income on loans, cash investments and marketable securities	0.2	0.1
Finance costs	(3.8)	(4.5)
Other financial income and expenses	(0.4)	(0.5)
INCOME (LOSS) BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**79.6**	**67.0**
Current taxes	(24.7)	(27.5)
Deferred taxes	7.1	7.2
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	**62.0**	**46.7**
Share of net income of associates	(1.2)	(3.6)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	**60.8**	**43.1**
Attributable to owners of the parent	**60.8**	**43.1**
Attributable to minority interests	0.0	0.0

In the same way, the lines "Assets held for sale" and "Liabilities linked to assets held for sale" in the consolidated balance sheet can be analyzed as follows:

ASSETS HELD FOR SALE

(in € millions)	12/31/2015
Goodwill	125.4
Intangible assets	28.7
Property, plant and equipment	244.7
Investments in associates	0.2
Other equity interests	0.0
Other non-current financial assets	1.0
Loans and receivables	0.9
Deferred tax assets	11.1
TOTAL NON-CURRENT ASSETS HELD FOR SALE	**412.0**
Inventories, net	123.1
Trade accounts receivable	38.0
Other operating receivables	15.9
Other receivables	21.7
Other current financial assets	0.0
Cash and cash equivalents	2.7
TOTAL CURRENT ASSETS HELD FOR SALE	**201.4**
TOTAL ASSETS HELD FOR SALE	**613.4**

LIABILITIES LINKED TO ASSETS HELD FOR SALE

(in € millions)	12/31/2015
Long-term provisions	18.1
Non-current financial liabilities	3.6
Other non-current liabilities	0.0
Deferred tax liabilities	11.2
TOTAL NON-CURRENT LIABILITIES HELD FOR SALE	**32.9**
Short-term provisions	7.4
Current financial liabilities	15.8
Prepayments from customers	11.6
Trade payables	230.9
Accrued taxes and payroll costs	62.5
Sundry payables	14.7
TOTAL CURRENT LIABILITIES HELD FOR SALE	**342.9**
TOTAL LIABILITIES LINKED TO ASSETS HELD FOR SALE	**375.8**

Finally, the lines "Operating cash flows from discontinued operations", "Investing cash flows from discontinued operations" and "Financing cash flows from discontinued operations" in the consolidated cash flow statement are made of:

(in € millions)	Fiscal year 2015	Fiscal year 2014 restated
I – OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS		
Operating income	82.6	78.6
Depreciation and amortization of assets	56.3	49.9
EBITDA	**138.9**	**128.5**
Operating short-term and long-term provisions	(1.7)	4.5
Capital (gains) losses on disposals of operating assets	(0.5)	0.0
Paid restructuring	(1.2)	(5.3)
Paid finance costs net of income	(3.4)	(4.6)
Other income and expenses paid	0.8	(5.0)
Paid taxes	(24.1)	(27.0)
Dividends from associates	0.0	0.0
Change in working capital requirement	**24.7**	**53.6**
Change in inventories	(29.3)	57.6
Change in trade accounts receivable	62.1	2.7
Change in trade payables	5.5	(32.0)
Change in other operating receivables and payables	(6.7)	31.4
Change in other receivables and payables (excl. tax)	(6.9)	(6.1)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES FROM DISCONTINUED OPERATIONS	**133.5**	**144.6**
II – INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS		
Additional property, plant and equipment	(54.4)	(44.5)
Additional intangible assets	(0.4)	(0.5)
Capitalized development costs	(12.6)	(7.5)
Acquisitions/Sales of investments and business (net of cash and cash equivalents)	0.0	0.0
Proceeds from disposal of property, plant and equipment	3.4	1.2
Proceed from disposal of financial assets	0.0	0.0
Change in investment-related receivables and payables	(3.2)	(1.4)
Other changes	2.2	(2.8)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS	**(65.0)**	**(55.5)**
CASH PROVIDED (USED) BY OPERATING AND INVESTING ACTIVITIES FROM DISCONTINUED OPERATIONS (I) + (II)	**68.5**	**89.1**
III – FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS		
Debt securities issued and increase in other financial liabilities	(33.4)	(25.8)
Repayment of debt and other financial liabilities	(4.8)	(2.6)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES FROM DISCONTINUED OPERATIONS	**(38.2)**	**(28.4)**

NOTE 32 COMMITMENTS GIVEN AND CONTINGENT LIABILITIES

32.1 Commitments given regarding continued operations

(in € millions)	12/31/2015	12/31/2014
Future minimum lease payments under operating leases	433.6	487.7
Debt collateral:		
• mortgages	5.6	6.3
Other debt guarantees	65.7	66.0
Firm orders for property, plant and equipment and intangible assets	105.2	98.1
Other	2.2	1.9
TOTAL	**612.3**	**660.0**

32.2 Commitments given regarding discontinued operations

(in € millions)	12/31/2015
Future minimum lease payments under operating leases	79.8
Debt collateral:	
• mortgages	0.0
Other debt guarantees	11.5
Firm orders for property, plant and equipment and intangible assets	10.6
Other	0.0
TOTAL	**101.9**

Future minimum lease payments under operating leases break down as follows:

(in € millions)	12/31/2015	12/31/2014
N+1	107.7	95.3
N+2	86.8	76.0
N+3	73.7	63.5
N+4	60.8	55.4
N+5 and above	184.4	197.5
TOTAL	**513.4**	**487.7**

Maturity schedule for mortgages and guarantees

(in € millions)	12/31/2015
• less than a year	58.8
• 1 to 5 years	15.4
• more than 5 years	8.6
TOTAL	**82.8**

NOTE 33 RELATED PARTY TRANSACTIONS

33.1 Transactions with PSA Peugeot Citroën

The Faurecia group is managed independently and transactions with the PSA Peugeot Citroën group are conducted at arm's length terms.

These transactions (including with companies accounted for by the equity method by the PSA Peugeot Citroën group) are recognized as follows in the Group's consolidated financial statements:

(in € millions)	12/31/2015	12/31/2014
Sales	2,178.8	1,976.1
of which discontinued operations	*269.7*	*243.2*
Purchases of products, services and materials	17.4	14.8
Receivables*	438.8	430.4
of which discontinued operations	*40.8*	*0.0*
Trade accounts payables	24.5	23.6
of which discontinued operations	3.2	0.0
* *Before no-recourse sales of receivables amounting to:*	*175.5*	*167.2*

33.2 Management compensation

Total compensation for 2015 awarded to the members of the Board of Directors and the Group Executive Committee serving in this capacity as at December 31, 2015 amounted to €9,258,730, including directors' fees of €413,200, compared with the year-earlier figures of €7,379,663 and €396,359 respectively.

No stock options were granted by Faurecia in 2015.

NOTE 34 FEES PAID TO THE STATUTORY AUDITORS

(in € millions)	Pricewaterhouse Coopers				Ernst & Young			
	Amount (excluding taxes)		%		Amount (excluding taxes)		%	
	2015	2014	2015	2014	2015	2014	2015	2014
AUDIT								
Statutory and contractual audits	3.8	3.1	95.0%	100.0%	4.8	4.4	88.9%	100.0%
Issuer	0.5	0.4	12.5%	12.9%	0.7	0.5	13.0%	11.4%
Fully consolidated companies	3.3	2.7	82.5%	87.1%	4.1	3.9	75.9%	88.6%
Other services relating directly to the auditor's duties	0.2	0.0	5.0%	0.0%	0.6	0.0	11.1%	0.0%
Issuer	0.2	0.0	5.0%	0.0%	0.6	0.0	11.1%	0.0%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**4.0**	**3.1**	**100.0%**	**100.0%**	**5.4**	**4.4**	**100.0%**	**100.0%**
Other services provided by the network to fully consolidated companies (advisory services relating to legal, tax or personnel matters)								
Issuer	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Fully consolidated companies	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
Other (disclosure required where > 10% of audit fees)	0.0	0.0	0.0%	0.0%	0.0	0.0	0.0%	0.0%
SUB-TOTAL	**0.0**	**0.0**	**0.0%**	**0.0%**	**0.0**	**0.0**	**0.0%**	**0.0%**
TOTAL	**4.0**	**3.1**	**100.0%**	**100.0%**	**5.4**	**4.4**	**100.0%**	**100.0%**

NOTE 35 INFORMATION ON THE CONSOLIDATING COMPANY

The consolidated accounts of the Faurecia group are included in the consolidated financial statements of its parent, the PSA Peugeot Citroën group, 75 avenue de la Grande-Armée, 75116 Paris, France.

As of December 31, 2015, Peugeot S.A. held 46.62% of the capital and 63.22% of the voting rights of Faurecia S.A.

NOTE 36 DIVIDENDS

The Board of Directors has decided to propose to the next Shareholders' Meeting a dividend of €0.65 per share.

9.6. List of consolidated companies as of December 31, 2015

	Country	Interest of (%)	Stake (%) [1]
I – FULLY CONSOLIDATED COMPANIES			
Faurecia	France	Parent company	Parent company
South Africa			
Faurecia Exhaust Systems South Africa, Ltd	South Africa	100	100
Faurecia Interior Systems South Africa (Pty), Ltd	South Africa	100	100
Faurecia Interior Systems Pretoria (Pty), Ltd	South Africa	100	100
Faurecia Emission Control Technologies South Africa (Cape Town) (Pty), Ltd	South Africa	100	100
Germany			
Faurecia Autositze GmbH	Germany	100	100
Faurecia Kunststoffe Automobilsysteme GmbH	Germany	100	100
Faurecia Abgastechnik GmbH	Germany	100	100
Faurecia Angell-Demmel GmbH	Germany	100	100
Faurecia Automotive GmbH	Germany	100	100
Faurecia Innenraum Systeme GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Germany GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Novaferra GmbH	Germany	100	100
Faurecia Emissions Control Technologies, Finnentrop GmbH	Germany	100	100
Faurecia Exteriors GmbH	Germany	100	100
Argentina			
Faurecia Sistemas De Escape Argentina S.A.	Argentina	100	100
Faurecia Argentina S.A.	Argentina	100	100
Faurecia Exteriors Argentina	Argentina	100	100
Belgium			
Faurecia Automotive Belgium	Belgium	100	100
Faurecia Industrie N.V.	Belgium	100	100
Faurecia Automotive Exteriors Belgium	Belgium	100	100
Automotive Exteriors Belgium	Belgium	100	100
Brazil			
Faurecia Automotive do Brasil Ltda	Brazil	100	100
Faurecia Emissions Control Technologies do Brasil S.A.	Brazil	100	100
Canada			
Faurecia Automotive Seating Canada, Ltd	Canada	100	100
Faurecia Emissions Control Technologies Canada, Ltd	Canada	100	100
China			
Faurecia Exhaust Systems Changchun Co., Ltd (ex-CLEC)	China	51	100
Changchun Faurecia Xuyang Automotive Seat Co., Ltd (CFXAS)	China	60	100
Faurecia – GSK (Wuhan) Automotive Seating Co., Ltd	China	51	100

(1) Cumulated percentages of interest for fully consolidated companies.

	Country	Interest of (%)	Stake (%) (1)
Faurecia (Wuxi) Seating Components Co., Ltd	China	100	100
Faurecia Tongda Exhaust Systems Wuhan Co., Ltd (ex-TEEC)	China	50	100
Faurecia Honghu Exhaust Systems Shanghai, Co., Ltd (ex-SHEESC)	China	66	100
Faurecia (Changchun) Automotive Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies Development (Shanghai) Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Seating Co., Ltd	China	100	100
Faurecia (Shanghai) Automotive Systems Co., Ltd	China	100	100
Faurecia (Qingdao) Exhaust Systems Co., Ltd	China	100	100
Faurecia (Wuhu) Exhaust Systems Co., Ltd	China	100	100
Faurecia (China) Holding Co., Ltd	China	100	100
Faurecia (Guangzhou) Automotive Systems Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Shanghai) Co., Ltd	China	66	100
Faurecia Emissions Control Technologies (Chongqing) Co., Ltd	China	72.5	100
Faurecia Emissions Control Technologies (Yantai) Co., Ltd	China	100	100
Faurecia (Chengdu) Emission Control Technologies Co., Ltd	China	51	100
Faurecia (Nanjing) Automotive Systems Co., Ltd	China	100	100
Faurecia (Shenyang) Automotive Systems Co., Ltd	China	100	100
Faurecia (Wuhan) Automotive Components Systems Co., Ltd	China	100	100
Changchun Faurecia Xuyang Interior Systems Co., Ltd	China	60	100
Chongqing Guangneng Faurecia Interior Systems Co., Ltd	China	50	100
Chengdu Faurecia Limin Automotive Systems Co., Ltd	China	79.19	100
Faurecia (Yancheng) Automotive Systems Co., Ltd	China	100	100
Faurecia NHK (Xiangyang) Automotive Seating Co., Ltd	China	51	100
Faurecia Emissions Control Technologies (Beijing) Co., Ltd	China	100	100
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd	China	51	100
Faurecia Emissions Control Technologies (Ningbo) Co., Ltd	China	91	100
Faurecia Emissions Control Technologies (Foshan) Co., Ltd	China	51	100
Foshan Faurecia Xuyang Interior Systems Co., Ltd	China	60	100
Faurecia PowerGreen Emissions Control Technologies (Shanghaï) Co., Ltd	China	91	100
Faurecia Emissions Control Technologies (Ningbo Hangzhou Bay New District) Co., Ltd	China	66	100
Shanghai Faurecia Automotive Seating Co., Ltd	China	55	100
Changsha Faurecia Emissions Control Technologies Co., Ltd	China	100	100
Dongfeng Faurecia Automotive Interior Systems Co., Ltd	China	50	100
South Korea			
Faurecia Emissions Control Systems Korea, Ltd (ex-Daeki)	South Korea	100	100
Faurecia Trim Korea, Ltd	South Korea	100	100
Faurecia Shin Sung Co., Ltd	South Korea	60	100
Faurecia JIT and Sequencing Korea	South Korea	100	100
Faurecia Automotive Seating Korea, Ltd	South Korea	100	100

(1) Cumulated percentages of interest for fully consolidated companies.

	Country	Interest of (%)	Stake (%) [1]
Spain			
Asientos de Castilla Leon, S.A.	Spain	100	100
Asientos del Norte, S.A.	Spain	100	100
Faurecia Asientos Para Automovil España, S.A.	Spain	100	100
Faurecia Sistemas De Escape España, S.A.	Spain	100	100
Tecnoconfort	Spain	50	100
Asientos de Galicia, S.L.	Spain	100	100
Faurecia Automotive España, S.L.	Spain	100	100
Faurecia Interior Systems España, S.A.	Spain	100	100
Faurecia Interior System SALC España, S.L.	Spain	100	100
Valencia Modulos de Puertas, S.L.	Spain	100	100
Faurecia Emissions Control Technologies, Pamplona, S.L.	Spain	100	100
Faurecia Automotive Exteriors España, S.A. (ex-Plastal Spain S.A.)	Spain	100	100
Incalpas, S.L.	Spain	100	100
United States			
Faurecia Emissions Control Systems NA, LLC	USA	100	100
Faurecia Automotive Seating, LLC	USA	100	100
Faurecia USA Holdings, Inc.	USA	100	100
Faurecia Emissions Control Technologies, USA, LLC	USA	100	100
Faurecia Interior Systems, Inc.	USA	100	100
Faurecia Madison Automotive Seating, Inc.	USA	100	100
Faurecia Interiors Louisville, LLC	USA	100	100
Faurecia Interior Systems Saline, LLC	USA	100	100
Faurecia Mexico Holdings, LLC	USA	100	100
FNK North America, Inc.	USA	100	100
Faurecia North America, Inc.	USA	100	100
France			
Faurecia Automotive Seating	France	100	100
Faurecia Industries	France	100	100
ECSA – Études Et Construction de Sièges pour l'Automobile	France	100	100
Siebret	France	100	100
Siedoubs	France	100	100
Sielest	France	100	100
Siemar	France	100	100
Faurecia Seatting Flers	France	100	100
Faurecia Investments	France	100	100
Trecia	France	100	100
Faurecia Automotive Holdings	France	100	100
Faurecia Automotive Industrie	France	100	100
Faurecia Intérieur Industrie	France	100	100

(1) Cumulated percentages of interest for fully consolidated companies.

	Country	Interest of (%)	Stake (%) [1]
Automotive Sandouville	France	100	100
Faurecia Systèmes d'Échappement	France	100	100
Faurecia Services Groupe	France	100	100
Faurecia Exhaust International	France	100	100
Faurecia Bloc Avant	France	100	100
Faurecia – Metalloprodukcia Holding	France	70	100
Faurecia ADP Holding	France	60	100
Faurecia Interieurs Saint-Quentin	France	100	100
Faurecia Interieurs Mornac	France	100	100
Faurecia Automotive Composites	France	100	100
Faurecia Exteriors International	France	100	100
Hambach Automotive Exteriors	France	100	100
Great Britain			
Faurecia Automotive Seating UK, Ltd	Great Britain	100	100
Faurecia Midlands, Ltd	Great Britain	100	100
SAI Automotive Fradley, Ltd	Great Britain	100	100
SAI Automotive Washington, Ltd	Great Britain	100	100
Faurecia Emissions Control Technologies UK, Ltd	Great Britain	100	100
Hungary			
Faurecia Emissions Control Technologies, Hungary Kft	Hungary	100	100
India			
Faurecia Automotive Seating India Private, Ltd	India	100	100
Faurecia Emissions Control Technologies India Private, Ltd	India	74	100
Faurecia Interior Systems India Private, Ltd	India	100	100
Faurecia Emissions Control Technologies Technical Center India Private, Ltd	India	100	100
Iran			
Faurecia Azin Pars Company	Iran	51	100
Italy			
Faurecia Emissions Control Technologies, Italy SRL	Italy	100	100
Japan			
Faurecia Japan K.K.	Japan	100	100
Faurecia Howa Interiors Co., Ltd	Japan	50	100
Luxembourg			
Faurecia AST Luxembourg S.A. (ex-SAI Automotive SILUX SA)	Luxembourg	100	100
Malaysia			
Faurecia Hicom Emissions Control Technologies (M)	Malaysia	65	100
Morocco			
Faurecia Equipements Automobiles Morocco	Morocco	100	100
Mexico			
Faurecia Sistemas Automotrices de Mexico, S.A. de C.V.	Mexico	100	100
Servicios Corporativos de Personal Especializado, S.A. de C.V.	Mexico	100	100

(1) Cumulated percentages of interest for fully consolidated companies.

	Country	Interest of (%)	Stake (%) [1]
Exhaust Services Mexicana, S.A. de C.V.	Mexico	100	100
ET Mexico Holdings II, S. de R.L. de C.V.	Mexico	100	100
Faurecia Howa Interior Mexico, S.A. de C.V.	Mexico	51	100
Netherlands			
Faurecia Automotive Seating B.V.	Netherlands	100	100
ET Dutch Holdings B.V.	Netherlands	100	100
Faurecia Emissions Control Technologies Netherlands B.V.	Netherlands	100	100
Faurecia Netherlands Holding B.V.	Netherlands	100	100
Poland			
Faurecia Automotive Polska S.A.	Poland	100	100
Faurecia Walbrzych S.A.	Poland	100	100
Faurecia Grojec R&D Center S.A.	Poland	100	100
Faurecia Legnica S.A.	Poland	100	100
Faurecia Gorzow S.A.	Poland	100	100
Portugal			
Faurecia – Assentos de Automovel, Lda	Portugal	100	100
SASAL	Portugal	100	100
Faurecia – SIstemas De Escape Portugal, Lda	Portugal	100	100
EDA – Estofagem de Assentos, Lda	Portugal	100	100
Faurecia Sistemas de Interior de Portugal, Componentes Para Automoveis S.A.	Portugal	100	100
Czech Republic			
Faurecia Exhaust Systems, S.R.O.	Czech Republic	100	100
Faurecia Automotive Czech Rebublic, S.R.O.	Czech Republic	100	100
Faurecia Interior Systems Bohemia, S.R.O.	Czech Republic	100	100
Faurecia Components Pisek, S.R.O.	Czech Republic	100	100
Faurecia Interiors Pardubice, S.R.O.	Czech Republic	100	100
Faurecia Emissions Control Technologies, Mlada Boleslav, S.R.O.	Czech Republic	100	100
Faurecia Plzen	Czech Republic	100	100
Romania			
Faurecia Seating Talmaciu S.R.L.	Romania	100	100
Euro Auto Plastic Systems S.R.L.	Romania	50	100
Russia			
OOO Faurecia ADP	Russia	60	100
OOO Faurecia Metalloprodukcia Exhaust Systems	Russia	70	100
OOO Faurecia Automotive Development	Russia	100	100
OOO Faurecia Automotive Exteriors Bumpers	Russia	100	100

(1) Cumulated percentages of interest for fully consolidated companies.

	Country	Interest of (%)	Stake (%) [1]
Slovakia			
Faurecia Slovakia, S.R.O.	Slovakia	100	100
Sweden			
Faurecia Interior Systems Sweden AB	Sweden	100	100
Thailand			
Faurecia Interior Systems (Thailand) Co., Ltd	Thailand	100	100
Faurecia Emissions Control Technologies, Thailand Co., Ltd	Thailand	100	100
Faurecia & Summit Interior Systems (Thailand) Co., Ltd	Thailand	50	100
Tunisia			
Société Tunisienne d'Équipements d'Automobile	Tunisia	100	100
Faurecia Informatique Tunisia	Tunisia	100	100
Turkey			
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret Anonim Sirketi	Turkey	100	100
Uruguay			
Faurecia Automotive Del Uruguay, S.A.	Uruguay	100	100
II – COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
Germany			
SAS Autosystemtechnik GmbH und Co., KG	Germany	50	50
Brazil			
FMM Pernambuco Componentes Automotivos Ltda	Brazil	35	35
China			
Changchun Xuyang Faurecia Acoustics & Soft Trim Co., Ltd	China	40	40
Zhejiang Faurecia Limin Interior & Exterior Systems Co., Ltd	China	50	50
Changchun Huaxiang Faurecia Automotive Plastic Components Co., Ltd	China	50	50
Xiangtan Faurecia Limin Interior & Exterior Systems Co., Ltd	China	50	50
Lanzhou Limin Automotive Parts Co., Ltd	China	50	50
Jinan Jidao Auto Parts Co., Ltd	China	50	50
CSM Faurecia Automotive Parts Co., Ltd	China	50	50
Changchun Faurecia Xuyang Automotive Components Technologies R&D Co., Ltd	China	45	45
Dongfeng Faurecia Automotive Exterior Co., Ltd	China	50	50
Dongfeng Faurecia (Wuhan) Automotive Parts Sales Co., Ltd	China	50	50
Wuhan Hongtai Changpeng Automotive Components Co., Ltd	China	49	49
South Korea			
Kwang Jin Faurecia Co., Ltd	South Korea	50	50
Denmark			
Amminex Emissions Systems ApS	Denmark	42	42
Spain			
Componentes de Vehiculos de Galicia, S.A.	Spain	50	50
Copo Iberica, S.A.	Spain	50	50
Industrias Cousin Frères, S.L.	Spain	50	50

(1) Cumulated percentages of interest for fully consolidated companies.

	Country	Interest of (%)	Stake (%) [1]
United States			
Detroit Manufacturing Systems, LLC	USA	45	45
DMS leverage lender, LLC	USA	45	45
France			
Automotive Performance Materials (APM)	France	50	50
India			
NHK F. Krishna India Automotive Seating Private, Ltd	India	19	19
Japan			
Faurecia – NHK Co., Ltd	Japan	49.99	49.99
Portugal			
Vanpro Assentos, Lda	Portugal	50	50
Turkey			
Teknik Malzeme Ticaret Ve Sanayi AS	Turkey	50	50

(1) Cumulated percentages of interest for fully consolidated companies.

9.7. Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Faurecia;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I – Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II – Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.B.2 to the consolidated financial statements describes the criteria applied to classify and recognize discontinued operations in accordance with IFRS 5. Our work consisted in verifying the correct application of this accounting principle and ensuring that the appropriate information is provided in Note 1.B.2 and Note 31 to the consolidated financial statements, "Net assets held for sale and discontinued activities";
- your group performs impairment tests on goodwill at each reporting date and also assesses whether fixed assets show any indication of impairment, based on the methods described in notes 10 and 12 to the consolidated financial statements. We have reviewed the methods used to carry out these impairment tests as well as the corresponding assumptions applied by your group;
- Note 8 to the consolidated financial statements concerning deferred taxes specifies that deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which they can be utilized. Our work consisted in verifying that this method has been correctly applied and in reviewing the assumptions supporting the probability of recovery of these deferred income tax assets;

- as part of our assessment of the accounting principles used by your group, we verified the methods used to capitalize and amortize development costs. We also verified the recoverable amount of these assets and the appropriateness of the disclosures provided in Note 11 to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III – Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 17, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

10

Legal and financial information

CONTENTS

10.1 Faurecia parent company financial statements and management report

10.1.1. FAURECIA MANAGEMENT REPORT

Report of the Managing Board of the holding company

The parent company, Faurecia S.A., is a holding company which directly and indirectly provides financial, accounting, IS, executive management and administrative services to companies in the Group.

Sales rose significantly in 2015, increasing to €253 million from €213.6 million the previous year, in line with continued growth in the Group's business. Since 2010, the parent company, Faurecia SA, has had a pivotal role for the rebilling of services to Group entities. In 2015, Faurecia SA absorbed its subsidiary Financière Faurecia and now centralizes all of the Group's cash management activities.

In addition to providing services to Group subsidiaries, Faurecia invoices trademark royalties, calculated as a proportion of the subsidiaries' sales. In 2015, royalties collected in this manner were extended to all companies wholly owned by the Group and totaled €86.5 million.

Results of operations

The Company ended 2015 with an operating profit of €56.8 million, compared with an operating loss of €8.1 million in 2014.

Net financial income totaled €152.8 million compared to net financial income of €101.2 million in 2014.

This change is primarily due to the absorption of Financière Faurecia by way of a universal transfer of assets and liabilities (TUP), partially offset by the decrease in dividends received to €54.7 million, from €123.8 million the previous year, plus allocations to other provisions and other expenses in the amount of €25.6 million, compared with €37.4 million in 2014. These allocations comprise in particular the amortization of the 2019 bond redemption premium for €20.2 million and an allocation for foreign exchange losses of €5.4 million.

There was a net non-recurring loss for the fiscal year of €2.9 million, compared with a loss of €40.2 million in 2014. It related mainly to the voluntary liquidation of EAK SNC. Tax income amounted to €19.3 million, compared with €39.6 million for fiscal year 2014. This corresponds to the tax income recognized from the positive earnings of French subsidiaries that are part of the consolidated tax group, which amounted to €27.2 million, adjusted for withholding taxes, which came to €7.8 million.

Net income for the fiscal year showed a profit of €226 million. This compares with a profit of €92.5 million in 2014.

Financial structure and net debt

The principal operations which affected the Company's financial structure are as follows:

- on December 7, 2015, Faurecia announced its intention to reimburse at par value on January 15, 2016 the OCEANE bonds issued in September 2012, with a principal amount of €250 million, maturing on January 1, 2018. Following the announcement of such operation, 94.5% of the OCEANE bonds have been converted as of December 31, 2015, and the nominal of remaining bonds in life at this date amounted €13.7 million. As of January 15, 2016, almost the entire amount has been converted and the residual nominal of €0.2 million has been reimbursed;
- Faurecia has renewed per anticipation its credit facility implemented in December 2011 and expiring in December 2016, which has enabled the Group to benefit from more favorable conditions than the previous credit facility, as well for its cost than for its covenants. The new credit facility, signed on December 15, 2014, includes a single five-year maturity tranche, for an amount of €1,200 million.

As of December 31, 2015 this credit facility was not drawn.

This new credit facility include only one covenant, concerning compliance with consolidated financial ratios (instead of two in the previous credit facility): net debt*/EBITDA** must be lower than 2.50. The compliance with this ratio is a condition to the availability of this credit facility. As of December 31, 2015, the Group complied with this ratio.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

* *Net debt = published consolidated net debt.*

** *Operating margin plus depreciation, amortization and provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past twelve months.*

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates granting the December 2016 bonds. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

The breakdown of the debt is provided in Note 17 to the parent company financial statements.

At December 31, 2015, the shareholders' equity in the Company before distribution of the period's earnings amounted to €3,020.7 million compared to €2,564.1 million at the close of 2014. It thus increased by €456.6 million.

At December 31, 2015, Faurecia had positive net cash and cash equivalents of 80.8 million, taking into account its gross debt, net of available funds, marketable securities and advances net of intra-group cash and loans, compared with net debt of €34.9 million at December 31, 2014.

As of December 31, 2015, 13.37% of the Company's debt was at floating rates. The Company hedges its exposure to changes in interest rates on this debt through interest rate derivatives.

Trade accounts payable equaling €14.8 million do not include invoices past due; these break down as follows:

(in € millions)	12/31/2015	12/31/2014
Provision for invoices not yet received	11.7	8.5
Invoices not yet due	3.1	2.2
Invoices between 1 and 30 days past due		
Invoices between 31 and 60 days past due		
Invoices between 61 and 90 days past due		
Invoices more than 90 days past due		
TOTAL	**14.8**	**10.7**

The carrying amount of investments in subsidiaries and affiliates recognized in the balance sheet at December 31, 2015 came to €2,895.5 million (€2,534 million at end 2014).

Business review relating to the Company's subsidiaries

The operations and results of the Company's subsidiaries in 2015 are analyzed in detail in the review of the consolidated financial statements.

The most significant events of 2015 were as follows:

- the French company Financière Faurecia was merged into Faurecia, its sole shareholder, by way of a universal transfer of assets and liabilities (TUP) effective January 1, 2015;
- the Hungarian company Faurecia Magyarorszag Kipufogo-rendszer Kft was liquidated in January 2015, as was also the case for the French company EAK SNC in December 2015;
- in January 2015, the French company Faurecia Automotive Holdings became a 50% shareholder in the newly created French company Automotive Performance Materials;
- in May 2015, the French company Hennape Quatre changed its corporate purpose and its corporate name and is now known as Faurecia Exteriors International. In May and June 2015, this company acquired the entire capital stock of the French companies Hambach Automotive Exteriors and Faurecia Bloc Avant, and in December it acquired a stake in the newly created Belgian company Automotive Exterior Belgium.

As this management report is being presented in the form of this Registration Document, the various chapters in this document supplement the report.

Accordingly, the risks to which Faurecia is exposed are analyzed in Section 3.4 of this Registration Document.

Research & development activities are discussed in Chapter 6 and the information on how Faurecia addresses the social and environmental consequences of its activities as well as on sustainable development commitments as part of corporate social responsibility are also discussed in that chapter and in Chapters 4 and 7.

The current capital structure, the crossing of thresholds and employee shareholding, via the Faurecia Actionnariat corporate mutual fund, are described in Section 10.3.2.

Other information on the stock capital (including the table of financial authorizations and their use in 2015, changes to the capital stock, potential capital stock and treasury stock) can be found in Section 10.4.2.2.

Details relating to the fixed, variable and exceptional compensation and benefits in kind paid to company officers as well as the fees paid to the Statutory Auditors are provided in Sections 8.1.2.1, 8.1.2.2 and 10.4.2.4. Provisions recognized by Faurecia and its subsidiaries for pensions and other employee benefits are analyzed in Note 25 to the consolidated financial statements.

The list of directorships and other positions held in 2015 by each corporate officer is provided in Section 8.1.2.1.

Details of the stock options and performance shares granted by Faurecia during the year, the principal beneficiaries thereof and the number of shares subscribed for or vesting during the year, are provided in a special report. This information is provided and, in certain cases, supplemented in Note 22.2 to the consolidated financial statements and in Section 10.4.2.2 of the Registration Document.

The procedures of the Board of Directors and its specialized committees, as well as the main data on Group internal control, are covered in the Chairman's report as required by Article L. 225-37 of the French Commercial Code, comprising Section 8.1.1 and Section 8.4.

Lastly, other information, as required by Article L. 225-100-3 of the French Commercial Code is shown in Section 10.4.2.1.

The draft resolutions along with explanatory notes presented in Chapter 11, including the disclosure of the amount of dividends paid over the last three years, are an integral part of this report and supplement this information.

10.1.2. PARENT COMPANY FINANCIAL STATEMENTS

10.1.2.1. Income statement

(in € thousands)	*Notes*	2015	2014	2013
Services sold		253,055	213,601	203,478
Sales		**253,055**	**213,601**	**203,478**
Outside services		(261,889)	(219,755)	(198,692)
Taxes other than on income		(4,568)	(5,712)	(4,494)
Salaries and wages		(9,237)	(12,193)	(9,375)
Payroll taxes		(4,919)	(7,211)	(8,045)
Amortization, depreciation and provisions (net of reversals) and expense transfers	*3*	(1,741)	(1,503)	(5,301)
Other income/(expenses)	*4*	86,101	24,671	24,294
Total operating expenses		**(196,253)**	**(221,703)**	**(201,613)**
NET OPERATING INCOME (LOSS)		**56,802**	**(8,102)**	**1,865**
Financial income	*5*	319,472	285,354	184,322
Financing costs	*5*	(166,692)	(184,141)	(164,223)
NET FINANCIAL INCOME (EXPENSE)	*5*	**152,780**	**101,213**	**20,099**
OPERATING INCOME (LOSS) AFTER NET FINANCIAL INCOME (EXPENSE)		**209,582**	**93,111**	**21,964**
Non-recurring income	*6*	2,793	72,797	79,090
Extraordinary expenses	*6*	(5,696)	(113,015)	(20,176)
NET NON-RECURRING INCOME (EXPENSE)	*6*	**(2,903)**	**(40,218)**	**58,914**
Corporate income tax	*7*	19,348	39,644	18,188
NET INCOME		**226,027**	**92,537**	**99,066**

10.1.2.2. Balance sheet as of December 31, 2015

ASSETS *(in € thousands)*	*Notes*	12/31/2015 Gross	12/31/2015 Depreciation and provisions	12/31/2015 Net	12/31/2014 Net	12/31/2013 Net
Intangible assets	8	9,468	9,387	81	84	95
Property, plant and equipment	9	11,831	10,505	1,326	1,321	963
Investments	10	3,279,411	73,242	3,206,169	2,534,195	2,602,969
TOTAL FIXED ASSETS		**3,300,710**	**93,134**	**3,207,576**	**2,535,600**	**2,604,027**
Operating receivables		32,074		32,074	3,738	4,498
Other receivables	11	2,719,527		2,719,527	2,046,936	1,521,699
Marketable securities						
and related receivables	12	186,910	488	186,422	3,072	3,145
Cash and cash equivalents		69,302		69,302	95	115
TOTAL CURRENT ASSETS		**3,007,813**	**488**	**3,007,325**	**2,053,841**	**1,529,457**
Prepaid expenses	13	256		256	1,858	1,618
Unrealized foreign exchange losses		5,393		5,393	23,006	6,420
Bond redemption premiums		391		391	764	1,104
Deferred charges	14	19,718		19,718	20,089	21,919
TOTAL ASSETS		**6,334,281**	**93,622**	**6,240,659**	**4,635,158**	**4,164,545**

LIABILITIES *(in € thousands)*	*Notes*	12/31/2015	12/31/2014	12/31/2013
Capital stock		960,349	867,476	858,117
Additional paid-in capital		615,823	434,755	414,185
Statutory reserve		84,017	79,390	74,437
Untaxed reserves		8,939	8,939	8,939
Retained earnings		1,125,519	1,080,999	1,023,644
Net profit or loss of the year		226,027	92,537	99,066
TOTAL SHAREHOLDERS' EQUITY	15	**3,020,674**	**2,564,096**	**2,478,388**
Provisions for liabilities and charges	16	**11,604**	**42,048**	**9,941**
TOTAL DEBT	17	**1,476,053**	**1,945,522**	**1,589,511**
Operating payables	18	27,577	18,133	13,741
Sundry payables	18	1,690,112	34,466	49,963
TOTAL OPERATING PAYABLES AND OTHER PAYABLES		**1,717,689**	**52,599**	**63,704**
Prepaid income		2,118	3,676	5,349
Unrealized foreign exchange gains		12,521	27,217	17,652
TOTAL EQUITY AND LIABILITIES		**6,240,659**	**4,635,158**	**4,164,545**

10.1.2.3. Notes to the 2015 parent company financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements were established in accordance with the general principles for preparing and presenting annual financial statements (ANC Regulation No. 14-03 of June 5, 2014), relating to the PCG [*Plan Comptable Général* (General Accounting Plan)], amended by the regulations of the *Comité de la Réglementation Comptable* [Accounting Regulations Committee] and the *Autorité des Normes Comptables* [Accounting Standards Authority]. The main policies applied are as follows:

1.1 Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost. Depreciation is calculated by the straight-line method over the estimated useful life of the assets, as follows:

- buildings: twenty to thirty years;
- leasehold improvements, fixtures and fittings: seven to ten years;
- other fixtures and fittings: ten years;
- office equipment and computers: three to five years;
- software: one to three years;
- furniture: ten years.

1.2 Investments

Gross value is equal to contribution value or cost. A provision is made if the value in use of a security is lower than its entry value. Value in use is based on the subsidiary's revalued net assets, profitability and future outlook.

For investments intended to be sold, value-in-use estimates also take into account prices at which prior transactions were carried out, if any.

1.3 Marketable securities and related receivables

Marketable securities are stated at the lower of cost or market value.

1.4 Foreign currency transactions

Unhedged payables and receivables in foreign currency are translated at the exchange rate prevailing on the transaction date. At the balance sheet date, they are remeasured at the year-end exchange rate. Gains or losses resulting therefrom are recognized under "Unrealized foreign exchange losses" for unrealized losses and under "Unrealized foreign exchange gains" for unrealized gains.

Hedged payables and receivables are translated at the hedging rate.

1.5 Provisions for pensions and other post-employment benefits

The vested rights of employees under supplementary pension and retirement bonus plans are determined on an actuarial basis using the projected unit credit method. The valuation takes into account the probability of employees staying with the Company up to retirement age and expected future salary levels. In cases where the funds are permanently allocated to the benefit plan concerned, their value is deducted from the related liability.

1.6 Non-recurring items

Unusual or non-recurring items are included under "Non-recurring income" and "Non-recurring expense".

1.7 Financial instruments

Interest-rate risks are hedged, where appropriate, using financial instruments traded on organized or over-the-counter markets.

Hedging gains and losses are recognized on a symmetrical basis with the loss or gain on the hedged item.

NOTE 2 HIGHLIGHTS AND POST-BALANCE SHEET EVENTS

On January 1, 2015, all the assets of Financière Faurecia, a wholly owned subsidiary of Faurecia, were transferred to its sole shareholder.

On December 7, 2015, Faurecia decided to proceed with the early redemption of all outstanding bonds. As of December 31, 2015, 94.5% of the bonds had been converted and the remaining nominal value of outstanding bonds at this date was €13.7 million.

By the close of the conversion period, nearly all of the bondholders had opted for the conversion of their bonds into Faurecia shares rather than a cash payment.

The redemption of the outstanding OCEANE bonds took place on January 15, 2016, in the amount of €0.2 million.

NOTE 3 DEPRECIATION, AMORTIZATION AND PROVISIONS (NET OF REVERSALS) AND EXPENSE TRANSFERS

(in € thousands)	2015	2014	2013
Provision reversals	324	1,358	2,045
Expense transfers [(1)]	9,928	12,111	2,934
Depreciation and amortization	(8,487)	(14,107)	(9,342)
Provisions for impairment of current assets			
Provisions for contingencies and charges	(3,506)	(865)	(938)
TOTAL	**(1,741)**	**(1,503)**	**(5,301)**
(1) of which: Transfer of fees included in "Outside services" relating to financings:	*9,928*	*12,111*	*2,934*

NOTE 4 OTHER INCOME AND EXPENSES

(in € thousands)	2015	2014	2013
Operating income			
Trademark royalties	86,512	25,027	24,585
Other income	27	46	109
TOTAL	**86,539**	**25,073**	**24,694**
Operating expenses			
Other non-operating expenses	438	402	400
TOTAL	**438**	**402**	**400**
OTHER INCOME/(EXPENSES)	**86,101**	**24,671**	**24,294**

NOTE 5 NET FINANCIAL INCOME (EXPENSE)

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2015	2014	2013
Financial income			
Income from investments in subsidiaries and affiliates (1)	54,657	123,808	108,816
Other interest and related income	202,477	85,407	71,766
Net proceeds from sales of marketable securities	175		
Provision reversals (2)	62,163	76,139	3,740
TOTAL	**319,472**	**285,354**	**184,322**
Financing costs			
Interest expense	134,895	119,006	120,691
Charges to provisions for impairment of investments (3)	6,200	27,749	36,800
Charges to other provisions and other financial expenses	25,597	37,386	6,732
TOTAL	**166,692**	**184,141**	**164,223**
NET FINANCIAL INCOME (EXPENSE)	**152,780**	**101,213**	**20,099**

	2015	2014	2013
(1) This item corresponds to dividends received from subsidiaries and affiliates, which include the following:			
• Financière Faurecia		*22,770*	*31,856*
• Faurecia Automotive Holdings		*59,728*	*46,845*
• Faurecia Services Groupe	*909*	*710*	*1,838*
• SFEA			
• Faurecia Automotive España	*12,355*	*6,372*	*3,252*
• Faurecia Automotive GmbH	*12,906*	*12,570*	
• Faurecia Tongda Exhaust System	*14,229*	*12,313*	*12,442*
• Faurecia Honghu Exhaust Systems Shanghai	*14,253*	*9,345*	*12,578*
(2) of which:			
• reversals of provisions for Faurecia Automotive GmbH shares	*23,500*		
• reversals of provisions for Faurecia Magyarorszag Kipufogo-rendszer Kft shares	*94*		
• reversals of provisions for Faurecia Systèmes d'Échappement shares		*38,200*	
• reversals of provisions for Faurecia Automotive Belgium shares		*29,100*	
• reversals of provisions for EAK SAS shares	*2,734*	*2,420*	
• reversals of provisions for financial contingencies and charges	*34,828*	*6,419*	*3,740*
(3) of which:			
• Faurecia Systèmes d'Échappement shares			*3,200*
• EAK SNC shares		*1,949*	
• Faurecia Automotive GmbH shares		*25,800*	*33,600*
• Faurecia Automotive Belgium shares	*6,200*		

NOTE 6 NET NON-RECURRING INCOME (EXPENSE)

Net non-recurring income (expense) breaks down as follows:

(in € thousands)	2015	2014	2013
Non-recurring income			
Proceeds from management activities			
Proceeds from disposals of fixed assets [(1)]	793	72,797	79,090
Provision reversals	2,000		
TOTAL	**2,793**	**72,797**	**79,090**
Extraordinary expenses			
On management transactions	2,250		28
Carrying amount of fixed and financial assets sold [(2)]	3,446	111,015	20,148
Depreciation, amortization and charges to provisions		2,000	
TOTAL	**5,696**	**113,015**	**20,176**
NET NON-RECURRING INCOME (EXPENSE)	**(2,903)**	**(40,218)**	**58,914**
(1) Of which:			
• proceeds from the sale of investments in subsidiaries and affiliates:	*8*	*72,100*	*78,301*
• Faurecia Systèmes d'Échappement shares sold to Faurecia Exhaust International		*72,100*	
• Faurecia Exhaust Systems SRO shares sold to Faurecia Exhaust International			*78,301*
(2) of which:			
• carrying amounts of investments in subsidiaries and affiliates sold or transferred:			
• Faurecia Systèmes d'Échappement shares sold to Faurecia Exhaust International		*110,316*	
• EAK SNC shares	*2,734*		
• Faurecia Exhaust Systems SRO shares sold to Faurecia Exhaust International			*19,759*

NOTE 7 CORPORATE INCOME TAX

Faurecia has elected to file a consolidated tax return. The resulting tax group includes the parent company and its main French subsidiaries. This system allows Faurecia to obtain group relief by offsetting any tax losses recorded by the Company and certain of its subsidiaries against the taxable income of other subsidiaries in the tax group:

(in € thousands)	2015	2014	2013
Tax benefit arising from group relief	27,155	39,647	18,185
Other tax (expense) income	(7,807)	(3)	3
TOTAL	**19,348**	**39,644**	**18,188**

NOTE 8 INTANGIBLE ASSETS

This can be broken down as follows:

(in € thousands)	Concessions, patents and similar rights	Other intangible fixed assets	Total
NET CARRYING AMOUNT AS OF JANUARY 1, 2013	**80**	**47**	**127**
Additions (including own work capital)		4	4
Disposals			0
Funding of depreciation, amortization and impairment provisions		(36)	(36)
Amortization/depreciation written off on disposals			0
Other movements			
NET CARRYING AMOUNT AS OF DECEMBER 31, 2013	**80**	**15**	**95**
Additions (including own work capital)		2	2
Disposals			0
Funding of depreciation, amortization and impairment provisions		(13)	(13)
Amortization/depreciation written off on disposals			0
Other movements			
NET AS OF DECEMBER 31, 2014	**80**	**4**	**84**
Additions (including own work capital)			
Disposals			
Funding of depreciation, amortization and impairment provisions		(3)	(3)
Amortization/depreciation written off on disposals			
Other movements			
NET AS OF DECEMBER 31, 2015	**80**	**1**	**81**

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

This can be broken down as follows:

(in € thousands)	12/31/2015 Gross	12/31/2015 Net	12/31/2014 Net	12/31/2013 Net
Land	53	53	53	53
Buildings	271	0	0	0
Other property, plant and equipment	11,507	1,273	1,268	910
TOTAL	**11,831**	**1,326**	**1,321**	**963**

(in € thousands)	Land	Buildings	Other property, plant and equipment	Total
NET CARRYING AMOUNT AS OF JANUARY 1, 2013	**53**	**0**	**356**	**409**
Additions (including own work capital)			687	687
Disposals			(330)	(330)
Funding of depreciation, amortization and impairment provisions			(133)	(133)
Amortization/depreciation written off on disposals			330	330
NET CARRYING AMOUNT AS OF DECEMBER 31, 2013	**53**	**0**	**910**	**963**
Additions (including own work capital)			512	512
Disposals			(3)	(3)
Funding of depreciation, amortization and impairment provisions			(151)	(151)
Amortization/depreciation written off on disposals				0
NET AS OF DECEMBER 31, 2014	**53**	**0**	**1,268**	**1,321**
Additions (including own work capital)			186	186
Disposals				0
Funding of depreciation, amortization and impairment provisions			(181)	(181)
Amortization/depreciation written off on disposals				0
NET AS OF DECEMBER 31, 2015	**53**	**0**	**1,273**	**1,326**

NOTE 10 INVESTMENTS

(in € thousands)	12/31/2015 Gross	12/31/2015 Provisions	12/31/2015 Net	12/31/2014 Net	12/31/2013 Net
Equity investments	2,968,706	73,242	2,895,464	2,533,991	2,602,806
Loans to subsidiaries and affiliates	310,453	0	310,453	0	0
Other non-current securities	252	0	252	204	163
TOTAL	**3,279,411**	**73,242**	**3,206,169**	**2,534,195**	**2,602,969**

Movements in investments in subsidiaries and affiliates break down as follows:

(in € thousands)	Gross value	Provisions	Carrying amount
NET CARRYING AMOUNT AS OF JANUARY 1, 2013	**2,767,855**	**98,541**	**2,669,314**
Acquisitions			0
Capital increases			0
Charges to and reversals of provisions		36,800	(36,800)
Transfer of all assets	(9,947)		(9,947)
Sale of shares	(19,761)		(19,761)
NET CARRYING AMOUNT AS OF DECEMBER 31, 2013	**2,738,147**	**135,341**	**2,602,806**
Acquisitions			0
Capital increases	1,949		1,949
Charges to and reversals of provisions		(41,971)	41,971
Company liquidation (EAK SNC)	(2,419)		(2,419)
Sale of shares	(110,316)		(110,316)
NET AS OF DECEMBER 31, 2014	**2,627,361**	**93,370**	**2,533,991**
Acquisitions			0
Capital increases	398,014		398,014
Transfer of all assets	(53,833)		(53,833)
Charges to and reversals of provisions		(20,128)	20,128
Company liquidation (EAK SNC)	(2,828)		(2,828)
Sale of shares	(8)		(8)
NET AS OF DECEMBER 31, 2015	**2,968,706**	**73,242**	**2,895,464**

NOTE 11 RECEIVABLES

(in € thousands)	12/31/2015	12/31/2014	12/31/2013
Cash advances	2,676,528	1,994,551	1,493,308
Provisions against cash advances	0	(872)	(869)
Tax due by subsidiaries in the tax group	3,890	16,012	294
Prepaid and recoverable corporate income tax	35,912	33,392	27,186
Recoverable VAT	2,967	1,536	1,497
Sundry receivables	230	2,317	219
Other			64
TOTAL	**2,719,527**	**2,046,936**	**1,521,699**

NOTE 12 MARKETABLE SECURITIES AND RELATED RECEIVABLES

As of December 31, 2015, this item included:

Treasury shares held by Faurecia	21,888	Shares – €7	810
Rothschild mutual funds (UCITS)	2,018	Equities	4,563
Investment funds (SICAV)	7,577	Equities	181,049
TOTAL MARKETABLE SECURITIES			**186,422**

NOTE 13 PREPAID EXPENSES

Prepaid expenses mainly comprise:

(in € thousands)	12/31/2015	12/31/2014	12/31/2013
Premiums on currency and interest-rate instruments			
Commissions and bank charges	88	67	91
Interest on commercial paper	88	1,055	689
Rent		618	615
Other	80	118	223
TOTAL	**256**	**1,858**	**1,618**

NOTE 14 DEFERRED CHARGES

Deferred charges as of December 31, 2015 refer to financing fees.

NOTE 15 SHAREHOLDERS' EQUITY

15.1 Change in shareholders' equity

(in € thousands)	Balance as of 12/31/2014	Appropriation decision at the AGM of 05/27/2015	Capital increase	Net income for the fiscal year	Balance as of 12/31/2015
Capital stock	867,476	5,602	87,271		960,349
Additional paid-in capital	434,755	25,032	156,036		615,823
Statutory reserve	79,390	4,627			84,017
Untaxed reserves	8,939				8,939
Other reserves	0				0
Retained earnings	1,080,999	44,520			1,125,519
Net profit or loss of the year	92,537	(92,537)		226,027	226,027
Untaxed provisions	0				0
TOTAL	**2,564,096**	**(12,756)**	**243,307**	**226,027**	**3,020,674**

15.2 Capital and premiums from equity issues, mergers and acquisitions

As of December 31, 2015, Faurecia's capital stock totaled €960,349,446, divided into 137,192,778 fully paid-up shares with a par value of €7 each, including 64,145,151 registered shares with double voting rights.

Stock options granted to corporate officers and employees not yet exercised on December 31, 2015 (636,500 options at an average subscription price of €39.9) could potentially increase:

- the capital by €4.5 million (636,500 shares with a par value of €7 each);
- additional paid-in capital by €20.9 million.

The capital increases carried out during the period mainly related to the payment of the dividend in shares and the conversion of the 2018 OCEANE bonds.

NOTE 16 PROVISIONS FOR CONTINGENCIES AND CHARGES

(in € thousands)	12/31/2015	12/31/2014	12/31/2013
Provision for contingencies			
Foreign exchange losses	5,393	23,005	6,419
Other		2,000	
SUB-TOTAL	**5,393**	**25,005**	**6,419**
Provisions for charges			
Provision for pensions and other post-employment benefits [1]	6,210	3,025	3,518
Provision for bond redemption premiums		14,013	
Other provisions for charges	1	5	4
SUB-TOTAL	**6,211**	**17,043**	**3,522**
TOTAL	**11,604**	**42,048**	**9,941**

(1) Provisions for pensions and other post-employment benefits cover the following costs payable by the Company on retirement of employees:
- lump-sum retirement payments;
- supplementary pensions paid to some employees.

For the latter, it is freed of its commitments by a capital deduction that covers the annuity for the insurance company, which is responsible for the service; the deduction is made from a fund established to cover pension benefits which are not yet fully acquired. Consequently, the Company has no further pension commitments towards former employees.

The actuarial valuation was carried out by independent actuaries. The calculations were based on a discount rate of 2.3% and an inflation rate of 1.8%.

The change in the provision in 2015 was mainly due to the commitment relating to the specific supplementary pension scheme for Executive Committee members, comprising a defined benefit plan for members who are French nationals and a defined contribution plan for those who are foreign nationals, which was approved during the year. It guarantees an annuity based on the amount of the reference salary.

(in € thousands)	2015	2014	2013
Projected benefit obligation	10,483	9,093	7,863
Hedging of obligations	(83)	(180)	(345)
Deferred items	(4,190)	(5,888)	(4,000)
PROVISIONS	**6,210**	**3,025**	**3,518**

(in € thousands)	2015	2014	2013
Service cost	(3,288)	(601)	(665)
Interest cost	(221)	(274)	(316)
Expected return on plan assets	3	11	43
Curtailment and settlements			
Amortization of deferred differences			
Other changes			
TOTAL	**(3,506)**	**(864)**	**(938)**

Changes in provisions for liabilities and charges in 2015 were as follows:

(in € thousands)	Balance as of 12/31/2014	Provisions arising from agreements for the universal transfer of assets and liabilities (TUP)	Additions	Expenses charged	Reversals (surplus provisions)	Payments to retirement funds	Balance as of 12/31/2015
Provision for contingencies	25,005	7,843	5,393		(32,848)		5,393
Provisions for pensions and other employee obligations	3,025		3,506		(321)		6,210
Provisions for bond redemption premiums	14,013				(14,013)		0
Other provisions for charges	5				(4)		1
TOTAL	**42,048**	**7,843**	**8,899**	**0**	**(47,186)**	**0**	**11,604**

NOTE 17 BORROWINGS

(in € thousands)	12/31/2015	12/31/2014	12/31/2013
Convertible bonds	13,669	249,990	250,000
Other bonds	1,190,000	740,000	740,000
Bank borrowings	267,674	942,450	586,284
Other borrowings	4,710	13,082	13,227
TOTAL	**1,476,053**	**1,945,522**	**1,589,511**

13.37% of the Company's debt is at variable rates. This debt is hedged using interest-rate caps as described in Note 20.1.

The breakdown of the Company's debt by maturity is as follows:

(in € thousands)	12/31/2015
Maturing in 2016	603,237
Maturing in 2017	21,909
Maturing in 2018	13,964
Maturing in 2019	6,021
Maturing in 2020	130,922
Maturing in 2021	700,000
TOTAL	**1,476,053**

The principal Group financing items are described below:

2016 bonds

On November 9, 2011 Faurecia issued €350 million worth of bonds, due December 15, 2016. The bonds bear annual interest of 9.375% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.479% of the nominal value and are listed at the Luxembourg stock exchange. An additional €140 million has been issued on February 21, 2012 with the same due date and same interest rate, at 107.5% of the nominal value. They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than 2.5 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan. The costs related to the bond issue are expensed in P&L over the life time of the bonds. The 2016 bonds benefit from guarantees from some Group subsidiaries.

2019 bonds

On May 3, 2012, Faurecia issued €250 million worth of bonds, due June 15, 2019. The bonds bear annual interest of 8.75% payable on June 15 and December 15 each year, as from June 15, 2012; they have been issued at 99.974% of the nominal value and are listed on the Luxembourg stock exchange. They include the same covenants as the bonds due December 2016. They do not benefit from guarantees from Group subsidiaries. The costs related to the bond issue are expensed in P&L over the life time of the bonds.

As announced by Faurecia at the end of 2014, these bonds were redeemed early on April 17, 2015 after the issue of the new 2022 bonds.

2022 bonds

Faurecia issued bonds, due June 15, 2022, bearing annual interest of 3.125%, payable on June 15 and December 15 each year, as from June 15, 2015.

A first part of these bonds was issued on March 17, 2015 for €500 million. An additional €200 million bond was issued on April 9, 2015, with the same due date and same interest, at 100.25% of the nominal value. The bonds of the second tranche issued on May 19, had exactly the same characteristics as those issued on March 17.

They include a covenant restricting the additional indebtedness if the EBITDA after some adjustments is lower than 2 times the gross interest costs, and restrictions on the debt similar to the ones of the syndicated credit loan.

They are listed on the Irish Stock Global (Exchange Market). The costs related to the bond issue are expensed in P&L over the life time of the bonds. The bonds benefit from guarantees from some Group affiliates; the entities providing these guarantees are the same as those that guarantee the bonds due December 2016. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

Syndicated credit facility

Faurecia has renewed per anticipation its credit facility implemented in December 2011 and expiring in December 2016, which has enabled the Group to benefit from more favorable conditions than the previous credit facility, as well for its cost than for its covenants.

The new credit facility, signed on December 15, 2014, includes a single five-year maturity tranche, for an amount of €1,200 million.

As of December 31, 2015 this credit facility was not drawn.

This new credit facility includes only one covenant, concerning compliance with consolidated financial ratios (instead of two in the previous credit facility): net debt*/EBITDA** must be less than 2.50. The compliance with this ratio is a condition to the availability of this credit facility. As of December 31, 2015, the Group complied with this ratio.

Furthermore, this credit facility includes some restrictive clauses on asset disposals (disposal representing over 25% of the Group's total consolidated assets requires the prior approval of banks representing two-thirds of the syndicate) and on the debt level of some subsidiaries.

The credit facility benefits from guarantees from some Group affiliates, which are the same affiliates granting the December 2016 bonds. These guarantees will disappear automatically as soon as the 2016 bonds will be fully reimbursed.

2018 OCEANE bonds

On September 18, 2012 Faurecia issued €250 million worth of OCEANE bonds convertible into or exchangeable for new or existing shares, due January 1, 2018. The bonds bear annual

* *Net debt = published consolidated net debt.*

** *Operating income plus depreciation, amortization and funding of provisions for impairment of property, plant and equipment and intangible assets, corresponding to the past 12 months.*

interest of 3.25% payable on January 1 each year, as from January 1, 2013. Each bond has a nominal value of €19.48.

Subject to certain conditions, Faurecia may redeem the bonds early, at any time beginning on January 15, 2016, at a price equal to their par value plus accrued interest, provided that all of the outstanding bonds are redeemed. The bonds can be converted by their holders at any time as from their date of issue.

The criteria relating to their compulsory early redemption include a clause of change of control, but they do not include an ownership clause relating to PSA.

On December 7, 2015, Faurecia announced its intention to reimburse at par value on January 15, 2016 the OCEANE bonds issued in September 2012, with a principal amount of €250 million, maturing on January 1, 2018. Following the announcement of such operation, 94.5% of the OCEANE bonds have been converted as of December 31, 2015, and the nominal of remaining bonds in life at this date amounted €13.7 million. As of January 15, 2016, almost the entire amount has been converted and the residual nominal of €0.2 million has been reimbursed.

Commercial paper

A commercial paper program is active on the French domestic market for a total amount of €1,000 million, the liquidity of this program being guaranteed by the syndicated credit facility; a total of €46 million had been issued at end-2015.

NOTE 18 OPERATING PAYABLES AND OTHER LIABILITIES

(in € thousands)	12/31/2015	12/31/2014	12/31/2013
Trade payables	14,779	10,717	7,056
Other operating payables	12,798	7,416	6,685
SUBTOTAL OPERATING PAYABLES	**27,577**	**18,133**	**13,741**
Cash advances from subsidiaries	1,689,724	33,338	48,861
Other liabilities	388	1,128	1,102
SUBTOTAL OTHER PAYABLES	**1,690,112**	**34,466**	**49,963**
TOTAL	**1,717,689**	**52,599**	**63,704**

NOTE 19 DEFERRED TAXES

Deferred taxes relate to:

- temporary differences between the recognition of income and expenses for financial reporting and tax purposes;
- tax loss carry forwards of the tax group;
- tax savings arising from the use of tax losses of subsidiaries in the tax group which will have to be restored to them if and when they return to profit.

Deferred taxes are computed-based on the tax rate for the year in which they are expected to reverse (i.e. 34.43% for 2015 and beyond).

Deferred taxes can be analyzed as follows:

(in € thousands)	12/31/2015	12/31/2014	12/31/2013
Deferred tax liabilities on temporary differences			
Deferred taxes relating to the tax savings arising from using losses in tax-group subsidiaries	(631,250)	(707,029)	(653,860)
SUBTOTAL DEFERRED TAX LIABILITIES	**(631,250)**	**(707,029)**	**(653,860)**
Tax paid on taxable income that is not yet recognized	2,454	1,601	4,269
Charges recognized that are deductible for tax purposes in future years	6,210	13,120	6,235
Future tax savings on tax loss carry forwards of the tax group	492,524	544,098	530,491
SUBTOTAL DEFERRED TAX ASSETS	**501,188**	**558,819**	**540,995**
NET DEFERRED TAX ASSETS (LIABILITIES)	**(130,062)**	**(148,210)**	**(112,865)**

NOTE 20 FINANCIAL COMMITMENTS

Endorsements, sureties and guarantees include commitments to subsidiaries and direct and indirect equity investments for an amount of €59.3 million (€71.8 million as of December 31, 2014 and nil as of December 31, 2013).

NOTE 21 FINANCIAL INSTRUMENTS USED TO HEDGE MARKET RISKS

21.1 Interest-rate hedges

The hedges arranged comprise mainly euro-denominated interest rate swaps, designed to hedge interest payable on variable rate borrowings.

The notional amounts of the Group's interest rate hedges break down as follows:

12/31/2015	Notional amounts by maturity		
(in € millions)	< 1 year	1 to 5 years	> 5 years
Variable-rate/fixed-rate swaps		450	

21.2 Currency hedges

Currency risk on inter-company loans and borrowings to/from subsidiaries outside the eurozone that are denominated in the subsidiaries' functional currency but referenced in euros is hedged through swaps.

As of December 31, 2015, the cross-currency swaps in place relate to the following currencies:

12/31/2015	Position	
(in € millions)	Long	Short
RUB		1,277.8
USD	12.2	421.4
GBP	39.4	
JPY		707.4
CNY		80.4
THB		405.0
ZAR		451.0

NOTE 22 AVERAGE HEADCOUNT

	2015	2014	2013
Management	15	41	46
Staff	1	2	1
TOTAL	**16**	**43**	**47**

NOTE 23 COMPENSATION

In 2015, total attendance fees paid to directors amounted to €413,200 compared with €396,359 in 2014.

NOTE 24 RELATED-PARTY TRANSACTIONS

(in € thousands)	12/31/2015	12/31/2014	12/31/2013
In the income statement			
• Services invoiced to subsidiaries	332,628	238,534	227,963
• Income from subsidiaries and affiliates	54,654	181,192	149,109
• Interest income	130,410	19,757	27,812
• Services invoiced by subsidiaries	(221,100)	(192,464)	(181,077)
• Interest expense	(6,952)		
In the balance sheet			
• Loans to subsidiaries and affiliates	305,829	0	0
• Trade and other receivables	2,698,777	2,014,019	1,495,526
• Supplier and other payables	1,699,721	33,517	49,061

Related parties: companies fully consolidated in the Faurecia group consolidated financial statements.

NOTE 25 IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS

Peugeot SA – 75 avenue de la Grande-Armée – 75116 Paris – France

10.1.2.4. Five-year financial summary

	2015 (in €)	2014 (in €)	2013 (in €)	2012 (in €)	2011 (in €)
1 – Capital at the end of the fiscal year					
a) Share capital	960,349,446	867,476,470	858,116,945	775,836,215	772,578,415
b) Number of ordinary shares outstanding	137,192,778	123,925,210	122,588,135	110,833,745	110,368,345
c) Maximum number of future shares to be created: by exercising stock options	636,500	931,025	1,113,600	1,126,725	1,475,348
2 – Operations and results for the fiscal year					
a) Sales excluding tax	253,055,437	213,600,660	203,477,926	191,915,579	171,388,534
b) Income before tax, employee profit-sharing, depreciation, amortization and provisions	185,983,522	57,503,003	128,905,888	72,402,124	(71,657,003)
c) Corporate income tax (1)	(19,348,402)	(39,644,632)	(18,187,531)	(45,279,780)	32,198,556
d) Employee profit-sharing	0	0	0	0	0
e) Income after tax, employee profit-sharing, depreciation, amortization and provisions	226,027,199	92,537,243	99,066,092	107,332,169	250,171,226
f) Total dividend (2) (3)	89,175,306	43,373,824	36,776,441	0	38,628,921
3 – Earnings per share					
a) Income after tax and employee profit-sharing, but before depreciation, amortization and provisions	1.50	0.78	1.20	1.06	(0.36)
b) Income after tax, employee profit-sharing, depreciation, amortization and provisions	1.65	0.75	0.81	0.97	2.27
c) Net dividend per share	0.65	0.35	0.30	0.00	0.35
4 – Personnel					
a) Average number of employees during the fiscal year	16	43	47	44	42
b) Total payroll for the fiscal year	9,237,393	12,193,239	9,374,348	8,939,563	9,242,938
c) Total employee benefits paid for the fiscal year (social security, other social benefits, etc.)	4,918,450	7,210,631	8,045,296	4,455,472	4,799,326

(1) Amounts in parentheses represent tax savings recognized under the tax consolidation agreement.
(2) The 2015 dividend is pending approval by the Shareholders' Meeting of the proposed appropriation of 2015 net income.
(3) The part of the 2015 dividend corresponding to shares that the Company holds on its own behalf at the payment date will be allocated to "Retained earnings".

10.1.3. SUBSIDIARIES AND AFFILIATES AS OF DECEMBER 31, 2015

(in € thousands)	Capital stock	Reserves and retained earnings before appropriation of net income	Share of capital owned (as a %)	Gross carrying amount of investment
I – Detailed information				
A. Subsidiaries (at least 50% of capital owned by the Company)				
Faurecia Investments	103,567	41,063	100	480,395
Faurecia Automotive Belgium	10,000	12,420	100	60,196
Faurecia USA Holdings Inc.	715,124	(15,521)	85	600,699
ET Dutch Holdings BV	18	18,399	100	271,600
Faurecia Automotive Holdings	23,423	122,870	100	918,260
Faurecia Exhaust International	7,301	(2,230)	100	82,301
Faurecia Exteriors International	250,000	74	100	250,000
B. Affiliates (10%-50% of capital owned by the Company)				
Faurecia Automotive España, S.L.	7,138	407,560	11	76,449
Faurecia Automotive GmbH	196,420	105,128	26	225,184
FaureciaTongda Exhaust System (WUHAN) Co, Ltd	6,458	63,228	50	2,217
II – Summarized information				
Subsidiaries and affiliates not included in Section A				1,404
Subsidiaries and affiliates not included in Section B				0
TOTAL				**2,968,706**

Net carrying amount of investment	Outstanding loans and advances granted by the Company and not yet paid	Amounts of guarantees and securities given by the Company	Sales excluding sales tax from the last fiscal year	Profit or loss (-) from the previous year-end	Dividends received by the Company during fiscal year or to be received	Exchange rates used for non-French subsidiaries and affiliates
480,395	522,758	0	0	15,415	0	
22,900	0	0	77,776	13,400	0	
600,699	226,466	0	75,947	3,733	0	EUR 1 = USD 1.0887
271,600	325,412	0	0	(26,313)	0	
918,260	1,093,165	0	214,783	46,541	0	
82,301	93,658	0	0	(1,931)	0	
250,000	0	0	0	74	0	
76,449	0	0	224,314	84,943	12,355	
189,284	0	0	4,451	47,143	12,906	
2,217	0	0	173,778	28,344	14,229	EUR 1 = CNY 7.0608
1,359	0				15,162	
0					0	
2,895,464	**2,261,458**				**54,652**	

10.2. Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Faurecia;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

Note 1.2 to the financial statements presents the accounting rules and methods applied to investments. A provision for impairment is set aside if the value in use of an investment falls below its gross value. Value in use is based on the subsidiary's revaluated net assets, profitability and future outlook. As part of our assessment of the accounting principles and methods applied by your company, we have verified the appropriateness of the above-mentioned accounting methods and examined the application methods and the assumptions used by your company.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

10.3. Capital and share performance

10.3.1. FAURECIA AND ITS SHAREHOLDERS

2016 FINANCIAL CALENDAR

February 11, 2016	10:30 am	2015 yearly earnings announced
April 14, 2016	After market hours	First-quarter 2016 sales announced
May 27, 2016	10:00 am	Annual Shareholders' Meeting
July 26, 2016	Before market hours	First-quarter 2016 interim results announced
October 13, 2016	After market hours	Third-quarter 2016 sales announced

The relationship between Faurecia and its shareholders is described in Section 7.2 (Section 7.2.2.1).

10.3.2. FAURECIA'S CAPITAL

No shares have been issued that do not represent the Company's capital.

As of December 31, 2015, the Company's capital stock amounted to €960,349,446, divided into 137,192,778 fully paid-up shares with a par value of €7 each, all in the same class.

The distribution of Faurecia's capital and voting rights at December 31, 2015 is shown in the following table.

For the purposes of this Registration Document and in compliance with AMF Recommendation No. 2009-16 (amended on April 13, 2015), it shows the total number of theoretical voting rights, excluding shares (such as treasury shares) with no such rights, and the total number of votes that may be cast in the Annual Shareholders' Meeting.

Shareholders as of December 31, 2015	Shares	% capital stock	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the General Meeting*	% voting rights exercisable in the Shareholders' Meeting
Peugeot S.A.	63,960,006	46.62	127,277,956	63.22	127,277,956	63.22
Faurecia Actionnariat Corporate Mutual fund	329,685	0.24	631,353	0.31	631,353	0.31
Company officers	93,916	0.07	154,107	0.08	154,107	0.08
Treasury stock	21,888	0.02	21,888	0.01	0	0.00
o/w liquidity contract	0	0	0	0	0	0.00
Other shareholders (registered and bearer)	72,787,283	53.05	73,252,625	36.38	73,252,625	36.39
TOTAL	**137,192,778**	**100%**	**201,337,929**	**100%**	**201,316,041**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2015.*

As reported to the Company and the *Autorité des Marchés Financiers* (AMF, the French securities regulator), the following crossings of legal ownership thresholds occurred in fiscal year 2015:

Shareholder name	Reference and date of the AMF decision/ notice	Date crossed	Date of the declaration	Upwards/ downwards	Threshold	Number of shares afterwards	Number of voting rights afterwards	% capital afterwards	% voting rights afterwards
PSA	215C1900 of December 7, 2015	December 3, 2015	December 4, 2015	Downwards	two-thirds of voting rights and 50% of capital stock	63,960,006	127,277,956	49.48%	65.81%

In addition, as reported to the Company, the following crossings of thresholds provided for in the bylaws occurred in fiscal year 2015:

Shareholder name	Date crossed	Upwards/ downwards	Threshold	Number of shares afterwards	% capital afterwards	% voting rights afterwards
Financière de l'Échiquier	March 31, 2015	Downwards	2% of voting rights	3,745,172	3.02%	1.99%
Financière de l'Échiquier	August 19, 2015	Upwards	2% of voting rights	3,792,750	3.03%	2.006%
Financière de l'Échiquier	September 2, 2015	Downwards	2% of voting rights	3,759,050	3%	1.98%

To the best of the Company's knowledge and as of the date of drafting of this Registration Document, no other shareholder directly or indirectly, individually or in concert, owned more than 2% of the Company's capital or voting rights.

To the best of the Company's knowledge, no shareholder made a pledge on the Faurecia securities that he/she/it holds.

Changes in ownership structure over the last three years are presented in Section 10.4.2.2.

The corporate officers hold approximately 0.05% of the Company's capital stock and 0.06% of its theoretical and exercisable voting rights.

10.3.3. CHANGE IN FAURECIA'S SHARE PRICE

Faurecia shares are traded on Euronext Paris (compartment A) of NYSE Euronext.

In 2015, Faurecia's share price recorded a rise of 19.7%. It closed 2015 at €37.01, compared with €30.92 at end-2014.

Faurecia's average share price in 2015 was €36.75, with a high of €46.31 on April 21, 2015 and a low of €25.46 on September 23, 2015.

The average monthly trading volume in 2015 was 14,969 million shares and €541.01 million.

10.3.3.1. Share price and trading volumes (source: Euronext)

	Price *(in €)*				Trading volume	
Share price and trading volume	**High**	**Average**	**Low**	**Close**	**Equities**	**Value** *(in € thousands)*
2015						
January	36.48	33.02	28.69	35.82	10,911,320	360,934
February	40.81	38.48	35.59	40.73	9,555,532	366,510
March	43.80	41.04	37.95	40.70	15,313,245	624,719
April	46.31	43.14	39.70	42.38	13,665,248	592,501
May	44.40	42.60	40.65	40.97	10,499,719	445,121
June	42.01	38.85	34.90	36.89	16,932,480	653,363
July	38.80	36.61	34.85	34.97	20,978,989	770,306
August	37.41	33.84	29.30	32.17	14,803,086	503,781
September	33.34	30.30	25.46	27.77	23,672,272	699,724
October	36.70	32.42	27.38	36.03	19,508,371	626,272
November	36.95	35.75	34.25	35.53	10,415,793	372,235
December	37.42	35.83	32.36	37.01	13,036,479	464,449

	Price *(in €)*				Trading volume	
Share price and trading volume	**High**	**Average**	**Low**	**Close**	**Equities**	**Value** *(in € thousands)*
2014						
January	29.80	28.56	26.61	29.27	9,700,995	276,386
February	32.34	30.32	27.21	32.28	9,841,865	296,880
March	33.18	31.09	28.65	30.68	7,859,235	242,693
April	33.21	31.54	29.47	32.40	7,719,972	242,319
May	32.43	29.83	26.42	30.17	7,822,911	229,305
June	32.57	30.27	27.42	27.56	6,398,799	193,011
July	29.84	28.49	26.25	26.47	6,092,233	172,456
August	26.81	25.65	23.52	25.61	6,261,141	159,413
September	27.84	26.15	24.70	25.32	6,111,226	159,417
October	26.80	24.41	21.74	25.79	9,471,602	228,615
November	29.56	27.13	25.55	29.38	5,871,444	158,977
December	31.54	30.02	28.52	30.92	6,743,696	202,094

10.3.3.2. Stock market data

	12/31/2015	12/31/2014
Stock market capitalization at year-end *(in € millions)*	5,077.5	3,831.8
Share price *(in €)*		
• High	46.31	33.21
• Low	25.46	21.74
Share price at year end *(in €)*	37.01	30.92
Shareholders' equity per share *(in €)*	17.48	13.85

10.3.3.3. Dividends

Fiscal year	Number of shares carrying dividend rights	Dividends paid
2012	110,833,745	-
2013	122,588,135	€0.30 per share
2014	123,925,210	€0.35 per share
2015	137,192,778	€0.65 per share

10.3.3.4. Dividend payment policy

The Company pays dividends in line with the practices of other similar companies, based on the Group's results for the year.

10.3.3.5. Per share data

(in €)	12/31/2015	12/31/2014
Diluted earnings per share – Attributable to equity holders of the parent	2.97	1.34
Cash flow per share from operating activities	10.01	8.42

The method used to calculate the weighted average number of shares after dilution to determine per share data is explained in Note 9 to the consolidated financial statements.

10.4. Additional information on Faurecia

10.4.1. BACKGROUND

Origins

1891. The first automobiles, in the modern sense, are made, powered by gasoline engines. The first steel tubes follow, patented by Peugeot. They are produced mainly at Audincourt, in the Doubs region of eastern France.

1914. Bertrand Faure opens his first workshop, making seats for Paris trams and underground trains, at Levallois-Perret.

1929. Bertrand Faure acquired the license for the Epeda process, enabling the Company to improve its seats for the automotive industry and develop a new product, the spring mattress. Both businesses took off significantly after the Second World War. Bertrand Faure clients include Renault, Peugeot, Citroën, Talbot, Panhard-Levassor, Berliet and Simca.

1950. Bernard Deconinck, son-in-law of Allibert, founder of the Allibert company in Isère (eastern France) in 1910, decides to invest in a huge injection press, imported from the USA, able to mold large plastic parts in a single piece. He changed his customer base from refrigerator manufacturers to the automotive industry.

1955. The Frères Peugeot company, with subsidiaries including Peugeot et Cie, started producing automotive equipment. The companies diversified over the years, making seats, exhaust systems, and steering columns. They extended operations outside France, dropping some products to concentrate on new lines.

1972. François Sommer, grandson of Alfred Sommer, merged his automotive floor coverings company with that of Bernard Deconinck's company, Allibert. They combined their know-how in textiles and plastics to found the Sommer Allibert group.

In the early 1980s, Sommer Allibert invested heavily to meet the needs of the automotive industry and became a leading specialist in interior vehicle fittings for all of the major car makers. International expansion followed, with the acquisition of Spain-based Lignotock, and an extended presence in Germany from 1993.

1987. Cycles Peugeot merged with Aciers & Outillages Peugeot to form Ecia *(Équipements et Composants pour l'Industrie Automobile)*, the PSA Peugeot Citroën group's specialist automotive equipment subsidiary. Over the next ten years, Ecia underwent concentrated industrial and geographical development.

1990. Epeda Bertrand Faure, a company having started out manufacturing seats for transport vehicles such as automobiles, railroad passenger cars, and trams, gradually diversifies into various business segments: first of all, bedding with the Epeda and Mérinos brands, then luggage with Delsey in 1982, and lastly aeronautics with Ratier-Figeac in 1987. Nevertheless, its core business was still manufacturing components for car seats, particularly for the French market. From 1977, it acquired businesses in Portugal, Spain and Canada and gained a toehold in Germany, but the Company's international expansion entered a new phase in 1990 when it acquired the Rentrop group in Germany. Epeda Bertrand Faure then became the European leader in automotive seating. Throughout the 1990s until 1998, the Company concentrated its expertise in automotive equipment, selling off its other businesses in bedding (Epeda and Mérinos), aeronautics (Ratier-Figeac) and luggage (Delsey).

1992. Ecia sold its cycle business, then its tool business the following year and made significant acquisitions in companies specializing in exhaust, with Tubauto and Eli Échappement in France, Leistritz Abgastechnik in Germany and Silenciadores PCG in Spain. Ecia then became the European leader in exhaust systems. At the same time, its Automotive Seating Division joined forces with the Spanish automotive equipment supplier Irausa to form Ardasa. The Company supplied exhaust systems, seats, interior fittings and front ends to Volkswagen, Renault, Daimler Chrysler, Opel, Honda and Mitsubishi.

December 11, 1997. Ecia made a friendly takeover bid for Bertrand Faure, bringing its direct and indirect stake in the Group to 99%. While Bertrand Faure sold its luggage (Delsey) and aeronautics (Ratier-Figeac) businesses, Ecia sold its motorcycle business (Peugeot Motocycles) to the PSA Peugeot Citroën group in 1998.

June 1, 1999. Ecia and Bertrand Faure merged giving birth to the Faurecia company, resulting in the PSA Peugeot Citroën group holding a 52.6% stake in Faurecia by the end of 1999. Faurecia then reported sales of over €4 billion, with a workforce of 32,000. Apart from boosting its size and its global position in automotive seating, Bertrand Faure also provided Ecia with a broader geographical and commercial presence, especially in Germany, where the Company had strong links with manufacturers such as Volkswagen and BMW.

Late 1999. The Faurecia group developed its exhaust systems business in North America by acquiring the US company AP Automotive Systems.

October 2000. Faurecia purchased Sommer Allibert. The PSA Peugeot Citroën group finances the transaction, thus increasing its shareholding in Faurecia to 71.5%. Well established in Germany and Spain, the Group commanded a significant European market share for vehicle interior fittings, especially door and instrument panels and acoustic modules.

2001. The acquisition of Sommer Allibert was completed with a public offer to buy out Sommer Allibert's minority shareholders. The resulting Group has a turnover of €9.6 billion. Faurecia then bought out the remaining minority shares held by external shareholders in Sommer Allibert's German subsidiary SAI Automotive AG.

2002. The Faurecia group acquired 49% of the South Korean catalytic converter maker Daeki Industrial, number two in its market. The same year, Faurecia formed a joint venture with the Taiwanese automotive equipment company GSK, with a view to making seats at Wuhan, in China.

2003. Faurecia followed up these acquisitions by buying the South Korean exhaust systems company Chang Heung Precision, which had market share of over 20%. This gave Faurecia's Exhaust Systems business a manufacturing presence in all continents. In Europe, the Group signs an agreement with Siemens-VDO, which strengthens and expands their joint venture (SAS): this company assembles cockpits for BMW, Daimler Chrysler, the Ford group, Renault-Nissan and the Volkswagen group.

2005. The Group strengthened its presence in Korea by increasing its shareholding in Daeki (specializing in exhaust systems for Hyundai) to 100%, and signed a joint-venture agreement with the South Korean company Kwang Jin Sang Gong (specializing in door modules for Hyundai Motors and Kia Motors).

2007. The Group took over the bumper activity of Cadence Innovation France, thus strengthening its market position in this sector in France.

2009. Faurecia acquired Emcon Technologies (formerly Arvin Industries), and became the world leader in exhaust systems. This business combination strengthens Faurecia's position with automakers in Germany (as Arvin Industries acquired Zeuna Stärker in 1998), the USA (particularly Ford), South America, India and Thailand. It gave Faurecia a route into the niche commercial-vehicles market (trucks and off road). With this all-equity acquisition, One Equity Partners, (JP Morgan Chase & Co.'s private equity arm) holds a 17.3% stake in Faurecia and PSA Peugeot Citroën's interest was reduced to 57.4%.

Faurecia bought out its joint-venture partner Tata to become the sole owner of Taco Faurecia Design Center. The Company was renamed Faurecia Automotive Engineering India and became Faurecia's development center in India.

2010. Faurecia becomes the European leader in automotive exterior parts by acquiring the German activities of Plastal, and subsequently Plastal España SA. With these transactions, the Faurecia Automotive Exteriors Business Group enlarges its customer base, which now includes Ford and Germany's four premium automakers, upgrades its product range, and strengthens both its industrial presence and its R&D capacity. It was able to expand internationally, setting up a joint venture in China with Huaxiang, supplier of exterior parts to FAW-Volkswagen.

By acquiring an 18.75% stake in the Chinese automotive equipment supplier Changchun Xuyang Industry (Group) Co., Ltd., Faurecia expands the range of products and services supplied in the following strategic fields: complete seats, interior systems, acoustic modules, and interior upholstery. A strategic alliance with the Geely and Limin groups marks a significant new development stage for Faurecia Interior Systems and Faurecia Automotive Exteriors in China.

In the fourth quarter of 2010, Faurecia Automotive Seating bought the "seat comfort technology" business of the German company Hoerbiger Automotive Komfortsysteme GmbH, and diversified its technological offer in seating systems.

Finally, to strengthen the technological prowess of Faurecia Interior Systems, the Group acquired Angell-Demmel Europe GmbH, the world leader in decorative metal parts for automobile interiors.

2011. In January, Faurecia takes a 21.2% stake in the Danish company, Amminex A/S, thus strengthening its technology towards diesel-emission control.

Faurecia also reinforced its presence in China by signing, in January, a new joint venture agreement with Ningbo Huazhong Plastic Products Co. Ltd to make exterior automobile parts; and, in June, by enlarging the scope of its cooperation with the Changchun Xuyang group. This allowed it to develop locally, specifically with the FAW group. In July, it signed an agreement with the Economic and Technological Development Zone of Yancheng for an investment project allowing Faurecia to develop its seat-mechanism activity.

In November, Faurecia launches a €350 million bond issue maturing in December 2016. (The issue is supplemented by another €140 million issue in February 2012 with the same maturity date.) Another syndicated line of credit is arranged for €1,150 billion, in two tranches: A (€690 million) and B (€460 million), maturing in November 2014 and November 2016 respectively.

2012. On May 3, Faurecia announced its acquisition of the Ford ACH interior components plant in Saline, Michigan (USA). This plant supplied cockpit modules, instrument panels, door panels and central consoles for twelve automotive programs assembled in eight Ford plants across North America.

In parallel with this acquisition, Faurecia signed a joint venture agreement with Rush group Ltd, a Rush group company. The joint venture, called Detroit Manufacturing Systems (DMS), took over activities such as the assembly and sequencing of interior parts at a new plant in Detroit.

On February 14, Faurecia announced that in addition to its €350 million bond issue in November 2011, it had placed another issue with a nominal value of €140 million.

On April 27, Faurecia announced that it had placed a new bond issue with a nominal value of €250 million, maturing in June 2019.

On August 30, Faurecia announced that with effect from that date, it had acquired Plastal France (Plastal SAS), a supplier of plastic body parts for Smart branded vehicles (Daimler group). The transaction followed the previous acquisitions of Plastal Allemagne and Plastal Espagne in 2010, and included the manufacturing and assembly plant and the operational headquarters in Hambach (France).

On September 10, Faurecia issues convertible bonds (OCEANE), maturing on January 1, 2018. After exercising an over-allotment option on September 12, 2012, it raises €249,999,989.00 (12,833,675 bonds).

On November 29, Faurecia launched a level 1 ADR program listed on the "over-the-counter" (OTC) market in the USA. Each Faurecia ordinary share (listed on the NYSE Euronext Paris market) comprised two ADR shares.

2013. On April 10, Faurecia Interior Systems signed a joint venture agreement with the Thai component manufacturer Summit Auto Seats to support Ford in its development in South-East Asia, particularly in Thailand.

On April 22, Faurecia and Chang'an Automobile Group, one of the largest car manufacturers in China, signed a joint-venture agreement.

On November 19, Faurecia and Magneti Marelli announced their agreement to cooperate in designing, developing and manufacturing HMI products for vehicle interiors. The agreement will enhance the added value of interior solutions for the vehicles that Faurecia and Magneti Marelli supply to car manufacturers and end customers.

On December 30, Faurecia redeemed early the OCEANE bonds maturing on January 1, 2015 (ISIN FR0010827055). Bond-holders opt virtually unanimously to convert their bonds into Faurecia shares: 11,284,793 shares (99.83% of the total outstanding) are converted into 11,736,190 new Faurecia shares.

2014. On January 29, Faurecia announced the establishment, with the Japanese automotive equipment manufacturer Howa, of a joint venture called Faurecia Howa Interiors, for the production in Mexico of interior systems for Renault-Nissan. The agreement signed opens up new commercial prospects for Faurecia: with Nissan in Mexico, Thailand, Spain, Brazil and in South Africa.

On October 3, Faurecia announced the establishment of 50:50 joint venture with Interval, a major French agricultural cooperative.

This agreement resulted in the establishment of Automotive Performance Materials (APM), which aims to develop and produce biosourced raw materials in order to continue Faurecia's drive to reduce vehicle weight while respecting the environment.

Note that in 2014 Faurecia celebrated 20 years of presence in China. It was also the year in which Faurecia returned to the Paris Motor Show after an absence of 12 years.

2015. On March 27, Faurecia and Dongfeng Hongtai, a subsidiary majority owned by Dongfeng Motor Corporation, one of the largest automotive groups in China, enter into a broad partnership agreement covering all of Faurecia's business activities. The first result of this partnership is the formation, in May 2015, of two joint ventures, one with a view to the development, manufacture and delivery of automotive interior components (Dongfeng Faurecia Automotive Interior Co., Ltd.) and the other with a view to the development, manufacture and delivery of automotive exterior components (Dongfeng Faurecia Automotive Exterior Co., Ltd.).

On September 24, Faurecia and Beijing WKW Automotive Parts Co., Ltd., one of China's leading manufacturers of automotive interior and exterior decorative parts, sign a joint venture agreement. Together, the two partners aim to unlock synergies in the area of aluminum interior decorative parts for light vehicles.

On December 7, Faurecia announces the early redemption, effective January 15, 2016, of the OCEANE bonds convertible into or exchangeable for new or existing shares issued in September 2012.

On December 14, 2015, Faurecia signs a Memorandum of Understanding (MoU) for the sale of its worldwide Automotive Exteriors business to Compagnie Plastic Omnium. The business that would be sold, which is comprised of bumpers and front end modules, has sales of €2 billion in 2014 and employs 7,700 people in 22 industrial sites. The Automotive Composites business, the Faurecia plant supplying components to Smart in Hambach (France), and two joint ventures in Brazil and China are not included in the deal. The transaction is based on an enterprise value of €665 million. The transaction is expected to close during 2016.

10.4.2. LEGAL INFORMATION ABOUT FAURECIA

10.4.2.1. General information about Faurecia

COMPANY NAME AND HEADQUARTERS

Company name: Faurecia

Head office: 2, rue Hennape – 92000 Nanterre – France

Tel.: +33 (0)1 72 36 70 00

Fax: +33 (0)1 72 36 70 07

www.faurecia.com

LEGAL FORM

Faurecia is a *société anonyme* (joint-stock corporation) listed on Euronext Paris governed by the French Commercial Code and the related implementing regulations. It complies with generally accepted corporate governance principles for companies in France, notably the AFEP-MEDEF Corporate Governance Code of Listed Corporations.

Faurecia abides by the legal and regulatory provisions that apply to the governing bodies of listed companies and reports in this Registration Document on the application of the recommendations made in relation to said Code.

STATUTORY AUDITORS

The Company's financial statements are audited by two Statutory Auditors appointed in accordance with Article L. 225-228 of the French Commercial Code.

DATE OF INCORPORATION AND TERM

Incorporated on July 1, 1929

Term expires on December 31, 2027

INCORPORATION DETAILS

The Company is registered with the Nanterre Trade and Companies Registry under number 542,005,376.

APE (Business Identifier Code) is: 7010Z.

CONSULTATION OF CORPORATE DOCUMENTS

During the period of validity of this Registration Document, the following documents (or copies thereof) can be consulted at the Company's headquarters:

a. the Company's articles of incorporation and bylaws;
b. historical financial information about Faurecia S.A. and its subsidiaries for each of the two fiscal years preceding the publication of the Registration Document.

CONTACT DETAILS

Faurecia

Legal department

2, rue Hennape

92000 Nanterre

The documents may also be viewed on the Company's website at www.faurecia.com.

CORPORATE PURPOSE

The Company's purpose, as set out in Article 3 of the bylaws, is summarized below:

- to establish, acquire, operate directly or indirectly or invest in any and all industrial, trading or service companies in France or abroad;
- to provide administrative, financial and technical assistance to subsidiaries and affiliates;
- to manufacture and sell any and all products, accessories or equipment for the automotive and other industries, and generally to conduct any and all related commercial, industrial, real estate and other transactions.

ROLE OF THE COMPANY IN RELATION TO ITS SUBSIDIARIES

Faurecia is a holding company, whose assets are primarily made up of investments in subsidiaries and affiliates. The Company's industrial assets are held by the operating subsidiaries.

Faurecia provides direct and indirect financial, accounting, management, administrative and other services to Group companies.

The list of consolidated companies at December 31, 2015 is provided in Chapter 9. This information is usefully supplemented by a simplified organization chart of the operational companies in the Faurecia group, provided in Section 10.4.2.3 of this Registration Document.

Group subsidiaries are financed on a centralized basis, primarily through Faurecia and its subsidiary Financière Faurecia, which performs a cash pooling role. This way of functioning enables the subsidiaries to benefit from the favorable market conditions obtained from lenders by Faurecia and compensates for the borrowing and lending positions of the different entities.

At December 31, 2015, Faurecia had positive net cash and cash equivalents of €80.8 thousand, taking into account its gross debt, net of available funds, marketable securities and advances net of intra-group cash and loans, compared with consolidated net Faurecia group debt of €962.5 million.

FISCAL YEAR

The Company's fiscal year covers the 12-month period from January 1 to December 31.

DISTRIBUTION OF PROFITS

Income available for distribution corresponds to net income for the year, less any losses carried forward from prior years and any amounts appropriated to reserves in compliance with the law or the bylaws, plus any retained earnings.

Out of this income, the Shareholders' Meeting determines the portion attributed to shareholders in the form of dividends and deducts the amounts it considers appropriate to allocate to any reserve funds or to carry forward.

However, except in the case of a capital reduction, no distributions may be made to shareholders if the Company's shareholders' equity represents – or would represent after the planned distribution – less than its capital stock plus any reserves which, according to the law or the bylaws, are not available for distribution.

The Shareholders' Meeting may also decide to distribute amounts deducted from optional reserves in order to pay or increase a dividend or pay a special dividend.

The Company's bylaws provide that the Ordinary Shareholders' Meeting approving the financial statements for the year may also decide to offer each shareholder the option between the payment of the dividend or the interim dividend in cash or in shares.

DIVIDENDS – STATUTE OF LIMITATIONS

Dividends not collected within five years of the payment date will be time-barred and paid over to the French Treasury.

REGISTRAR AND PAYING AGENT

The registrar and paying agent for Faurecia shares is Caceis Corporate Trust, 14 rue Rouget-de-Lisle, 92862 Issy-les-Moulineaux Cedex 9, France.

STOCK MARKET DATA

Faurecia shares are listed on Euronext Paris (compartment A) of NYSE Euronext under ISIN code FR 0000121147.

They are included in the SBF 80, MID & SMALL 190 and NEXT 150 indexes.

They are eligible for inclusion in personal equity plans (PEA) and the deferred settlement service (SRD).

SHAREHOLDERS' MEETINGS

The particular rules governing the participation of shareholders in General Meetings are described in Article 22 and 23 of the Company's bylaws, and may be consulted at www.faurecia.com.

Shareholders' Meetings are held at the Company's headquarters or at any other venue specified in the notice of meeting.

Holders of registered shares are notified by mail; the other shareholders are notified via the relevant banks and brokers through the financial notices provided for by the applicable regulations.

A continually updated schedule of all of the Group's financial events, including the date of the Shareholders' Meeting, is available on Faurecia's website at www.faurecia.com.

The right to participate in General Meetings shall be substantiated in accordance with the current statutory provisions.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

VOTING RIGHTS

The Company's bylaws do not provide for any restrictions on voting rights. Voting rights at Ordinary, Extraordinary and Special Shareholders' Meetings are exercisable by the beneficial owner of the shares.

DOUBLE VOTING RIGHTS

The Articles of Association assign double voting rights to all fully paid-up shares that have been registered in the name of the same holder for at least two (2) years. In the case of a bonus share issue paid up by capitalizing retained earnings, income or additional paid-in capital, the bonus shares allotted in respect of registered shares carrying double voting rights will also carry double voting rights as from the date of issue. This double voting right may be canceled following a decision of the Extraordinary Shareholders' Meeting and after having informed a special meeting of the beneficiary shareholders.

Shares that are transferred or converted to bearer form are stripped of double voting rights. However, double voting rights are not lost and the above-mentioned two-year period continues to run when shares are transferred following the liquidation of a marital estate, or by way of an inheritance or in the form of an inter vivos gift to a spouse or a relative in the direct line of succession.

EQUITY THRESHOLDS THAT MUST BE DISCLOSED TO THE COMPANY

Under Article 29 of the bylaws, when any natural person or legal entity, acting alone or with others as defined in Article L. 233-10 of the French Commercial Code, owns or ceases to own a number of shares so that the stock capital or voting rights held cross a threshold of 2% or any multiple of 2% (or when the holding crosses the thresholds defined in the law and regulation), that person must notify the Company by registered letter with acknowledgement of receipt of the total number of shares and voting rights he or she holds, within four (4) trading days of the threshold being crossed. This applies in addition to the obligations relating to crossing legally-defined thresholds.

In the case of failure to comply, at the request of one or several shareholders present or represented at the meeting with combined holdings representing at least 2% of the capital or voting rights, the undisclosed shares will be stripped of voting rights. Said request must be recorded in the minutes of the Shareholders' Meeting.

This provision supplements the statutory requirements concerning disclosure thresholds in Article L. 233-7 of the French Commercial Code.

The rights of shareholders, which may only be amended in accordance with the conditions laid down by French law, are not affected by any other provision of the bylaws.

AGREEMENT THAT, IF IMPLEMENTED, COULD CHANGE THE CONTROL OF THE COMPANY OR THAT COULD DELAY, POSTPONE, DEFER OR PREVENT A CHANGE IN CONTROL

To the best of the Company's knowledge there are no arrangements in place whose operation could result in a change in control of the Company at a future date.

There are currently no deeds, articles of incorporation, charters, regulations or provisions in place that could delay, postpone or prevent such a change in control.

AGREEMENTS ENTERED INTO BY THE COMPANY WHICH ARE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE IN CONTROL OF THE COMPANY

The syndicated loan agreement entered into by the Company on December 15, 2014 includes an acceleration clause under which – subject to certain conditions – each bank may require immediate payment of outstanding sums in the event of a change of ownership of the Company.

The convertible bond issued on September 18, 2012 (redeemed early effective January 15, 2016), as well as the bonds issued on November 9, 2011 and on March 17, 2015, contain clauses authorizing the bondholders to call for a mandatory prepayment of the bonds including in the event of a change of control in the issuer.

None of the above transactions include a minimum PSA shareholding clause.

MEASURES TAKEN BY THE COMPANY TO ENSURE THAT CONTROL IS NOT EXERCISED IN AN ABUSIVE MANNER

The Company is controlled in the sense of Article L. 233-3 of the French Commercial Code, as shown in the table breaking down ownership in Section 10.3.2.

The measures taken by the Company to avoid abuse of control are described in this Registration Document:

- Section 8.4 of the Registration Document: internal control;
- Section 8.1.1 of the Registration Document: presence of independent directors on the Board of Directors and its specialized committees;
- Section 8.1.2.1: conflicts of interest.

MAJOR CONTRACTS

To date, Faurecia has not entered into any major contracts that would entail a significant obligation or commitment for the Group, other than those that fall within the ordinary course of business.

DEPENDENCE

Faurecia is not currently dependent on any patents or manufacturing processes owned by third parties or on any specific supply contracts to conduct its business.

In the automotive-industry sector in which Faurecia operates, subcontractors do not generally define the technical specifications for subcontracted parts. When on rare occasions subcontractors are in a position to do this, the Group's policy is to contractually arrange for the subcontractor concerned to transfer the relevant design work in order for it to be used in conjunction with other services.

SIGNIFICANT PROPERTY, PLANT AND EQUIPMENT

The Group's 330 manufacturing sites, including 30 research and development centers spanning 34 countries worldwide, enable it to maximize its local presence and implement its just-in-time delivery strategy. None of its manufacturing equipment taken on an individual basis represents a material value in relation to the property, plant and equipment of the Group as a whole. They are mostly dedicated to client programs. As a result, utilization rates are largely dependent on business levels. With very few exceptions, utilization rates for equipment and facilities are not monitored centrally or systematically.

Note 12 to the consolidated financial statements provides further information on the Group's property, plant and equipment.

FACTORS THAT COULD IMPACT A PUBLIC OFFERING

The information provided by Article L. 225-100-3 of the French Commercial Code is mentioned in Sections 8.1.1, 10.3.2, and Sections 10.4.2.1 and 10.4.2.2 of this Registration Document.

10.4.2.2. Additional information on the Company's capital

As of December 31, 2015, the Company's capital amounted to €960,349,446, divided into 137,192,778 fully paid-up shares with a par value of €7 each, all of the same class. Excluding shares with no voting rights, they represented 201,337,929 theoretical voting rights and 201,316,041 exercisable voting rights. No shares have been issued that do not represent the Company's capital.

AUTHORIZED CAPITAL

The table below summarizes the status of the current financial authorizations, as voted by the Shareholders' Meeting on May 27, 2015, and how they were used during 2015.

Type of authorization	Amount in €/par value	Term	Use in 2015
Fourteenth resolution Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company, with pre-emptive subscription rights for existing shareholders, including capital increases by capitalization of earnings, premiums or reserves	• €400 million (ceiling common to this Resolution and to Resolutions 15-18 of this same Meeting) • €1 billion for debt securities (ceiling common to this Resolution and to Resolutions 15 and 16 of this same Meeting)	26 months	No
Fifteenth resolution Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company, without pre-emptive subscription rights for existing shareholders, through a public offering	• €110 million • €1 billion in debt securities	26 months	No
Sixteenth resolution Authorization for the Board of Directors to issue ordinary shares and/or securities carrying rights to shares in the Company or to debt securities, as part of a private placement, without pre-emptive subscription rights for existing shareholders	• €110 million • €1 billion in debt securities	26 months	No
Seventeenth resolution Authorization for the Board of Directors to set the issue price on the issuance of ordinary shares and/or securities carrying rights to shares without pre-emptive subscription rights for existing shareholders, subject to the conditions set by the Shareholders' Meeting and a ceiling of 10% of the Company's capital	Up to the statutory ceiling of 10% of the share capital per 12-month period	26 months	No
Eighteenth resolution Authorization for the Board of Directors to increase the number of securities to be issued as part of a capital increase – either with or without pre-emptive subscription rights for existing shareholders – in order to grant a greenshoe option	Up to a limit of 15% of the initial issue and at the same price as that for the initial issue	26 months	No
Nineteenth resolution Delegation of authority to be given to the Board of Directors in order to decide on a stock capital increase reserved for Company employees under the conditions provided for in Article L. 3332-19 of the French Labor Code by issuing stock and/or marketable securities providing access to the Company stock capital	3% of the Company's capital at the date on which the Board of Directors decides to use the authority	26 months	No
Twentieth resolution Authorization to be given to the Board of Directors to grant free shares	Up to a maximum limit of 2 million shares on the day the Board takes its decision	26 months	Yes. On July 23, 2015 the Board of Directors allotted performance shares (maximum of 889,931 shares)

POTENTIAL CAPITAL

As of December 31, 2015, the potential capital comprises stock options, performance shares and OCEANE bonds convertible into or exchangeable for shares.

Stock options

As of December 31, 2015, a total of 636,500 employee stock options were outstanding.

As an indication, and based on the capital stock existing at December 31, 2015, if all options were exercised, they would represent 0.46% of the Company's stock capital.

Please see the table below and also Note 22.2 of the consolidated financial statements for details of the stock option plans approved as of December 31, 2015.

Following the capital increase for cash with pre-emptive subscription rights carried out in April/May 2009, the exercise price and number of shares under option were adjusted for stock option plans in order to preserve the rights of beneficiaries under existing plans. These adjustments were calculated in accordance with Articles L. 228-99 and R. 228-91 of the French Commercial Code.

ALLOCATION HISTORY FOR STOCK SUBSCRIPTION AND PURCHASE PLANS

TABLE 8 (IN ACCORDANCE WITH AMF RECOMMENDATION NO. 2009-16, AS AMENDED ON APRIL 13, 2015)

Information on the stock subscription options	Plan No. 16	Plan No. 17	Plan No. 18
Date of Shareholders' Meeting Date of Board meeting	SM May 23, 2005 BM, April 13, 2006	SM May 23, 2005 BM, April 16, 2007	SM May 29, 2007 BM, April 10, 2008
Adjusted total number of shares available for subscription	340,800	346,200	357,000
Adjusted total number of shares available for subscription by Mr. Yann Delabrière	-	48,000	60,000
Earliest exercise date	April 13, 2010	April 17, 2011	April 10, 2012
Last exercise date	April 12, 2016	April 16, 2017	April 9, 2016
Adjusted exercise price	€45.20	€44.69	€28.38
Exercise conditions (where the plan includes more than one tranche)*	-	-	-
Number of shares purchased on exercise of stock options as of December 31, 2015	**0**	**0**	**108,100**
Accumulated number of stock options cancelled or forfeited	**145,800**	**99,000**	**54,600**
Stock options outstanding at the end of 2015	**195,000**	**247,200**	**194,300**

* *None of these plans has performance conditions.*

Historical data in respect of stock subscription or purchase is provided in Note 22.2 to the consolidated financial statements.

STOCK OPTIONS GRANTED TO/EXERCISED BY THE TEN EMPLOYEES WHO RECEIVED THE HIGHEST NUMBER OF OPTIONS

TABLE 9 (IN ACCORDANCE WITH AMF RECOMMENDATION NO. 2009-16, AS AMENDED ON APRIL 13, 2015)

Stock options granted to/exercised by the ten employees who received the highest number of options	Total number of options granted/ shares subscribed or purchased	Weighted average price *(in €)*
Options granted during 2015 by the issuer or any other company entitled to grant the options to the ten employees of those companies who were allocated the highest number of options. *(Overall information)*	0	0.00
Options previously granted by the issuer and the companies defined above that were exercised during 2015 by the ten employees of those companies who bought or subscribed for the highest number of options. *(Overall information)*	39,200	28.38

No stock purchase or subscription options were granted in 2015.

Performance shares

Further to the authorization granted at the Shareholders' Meeting of May 27, 2015 to the Board of Directors to award performance shares, on July 23, 2015 the Board of Directors of Faurecia adopted the rules for performance share plan No. 7 and decided on the list of 330 beneficiaries eligible to receive, subject to achieving the plan's attendance conditions and performance targets, a maximum of 889,981 Faurecia shares.

ALLOCATION HISTORY FOR PERFORMANCE SHARES

TABLE 10 (IN ACCORDANCE WITH AMF RECOMMENDATION NO. 2009-16, AS AMENDED ON APRIL 13, 2015)

Information on the allocation of performance shares	**Plan No. 1 of June 23, 2010**	**Plan No. 2 of July 21, 2010**	**Plan No. 3 of July 25, 2011**	**Plan No. 4 of July 23, 2012**
Date of Shareholders' Meeting (SM)/Board meeting (BM)	• SM, February 8, 2010 • BM, June 23, 2010	• SM, February 8, 2010 • BM, July 21, 2010	• SM, May 26, 2011 • BM, July 25, 2011	• SM, May 26, 2011 • BM, July 23, 2012
Max. number of shares granted during the relevant period	860,600	887,250	933,400	1,049,100
Total maximum number of shares that may be allotted to Yann DELABRIÈRE	37,050	37,050	52,000	52,000
Maximum total number of shares that may be granted to Patrick KOLLER*	14,250	19,500	19,500	19,500
Target number of shares granted during the relevant period	662,000	682,500	718,000	807,000
Grant date	June 23, 2012 for beneficiaries working and tax resident in France/June 23, 2014 for others	July 21, 2013 for beneficiaries working in France and tax resident in France/July 21, 2014 for others	July 25, 2014 for beneficiaries working in France and tax resident in France/July 25, 2015 for others	July 23, 2015 for beneficiaries working in France and tax resident in France/July 23, 2016 for others
Vesting date	June 23, 2014 for all plan beneficiaries working, tax residents or abroad	July 21, 2015 for beneficiaries working in France and tax resident in France/July 21, 2014 for all other beneficiaries	July 25, 2016 for beneficiaries working in France and tax resident in France/July 25, 2015 for all other beneficiaries	July 23, 2017 for beneficiaries working in France and tax resident in France/July 23, 2016 for all other beneficiaries
Performance condition	Net income before tax of the Group as of December 31, 2011, before taking into account capital gains from the disposal of assets and changes in the scope of consolidation, as approved by the Board of Directors, assessed against net income for the same fiscal year as forecast in the Group's medium-term plan reviewed by the Board of Directors on the date when the shares are allocated.	Net income before tax of the Group as of December 31, 2012, before taking into account capital gains from the disposal of assets and changes in the scope of consolidation, as approved by the Board of Directors, assessed against net income for the same fiscal year as forecast in the Group's medium-term plan reviewed by the Board of Directors on the date when the shares are allocated.	Net income before tax of the Group as of December 31, 2013, before taking into account capital gains from the disposal of assets and changes in the scope of consolidation, as approved by the Board of Directors, assessed against net income for the same fiscal year as forecast in the Group's medium-term plan reviewed by the Board of Directors on the date when the shares are allocated.	• Net income before tax of the Group as of December 31, 2014, before taking into account capital gains from the disposal of assets and changes in the scope of consolidation, as approved by the Board of Directors, assessed against net income for the same fiscal year as forecast in the Group's medium-term plan reviewed by the Board of Directors on the date when the shares are allocated; and • Growth in Faurecia's net earnings per share between fiscal year 2011 and fiscal year 2014, assessed against the average growth of a reference group comprised of global automotive equipment suppliers.
Number of shares granted at December 31, 2015	**707,200**	**0**	**0**	**0**
Accumulated number of shares cancelled or forfeited at December 31, 2015**	**153,400**	**682,500**	**718,000**	**807,000**
Shares allocated free of charge remaining at the end of the period	**0**	**0*****	**0******	**0*******

* *Shares granted to Patrick Koller under Plan No. 1, 2, 3, 4, 5 or 6 were awarded before he became a company officer.*
** *The maximum performance condition for Plan No. 1 was fulfilled, so the plan is based on the maximum number of shares. The other Plans are based on the target number.*
*** *The performance condition for Plan No. 2 was not met: no shares were granted to the beneficiaries under this plan.*
**** *The performance condition for Plan No. 3 was not met: no shares were granted to the beneficiaries under this plan.*
***** *The performance condition for Plan No. 4 was not met: no shares were granted to the beneficiaries under this plan.*

Information on the allocation of performance shares	Plan No. 5 of July 24, 2013	Plan No. 6 of July 28, 2014	Plan No. 7 of July 23, 2015
Date of Shareholders' Meeting (SM)/ Board meeting (BM)	• SM, May 30, 2013 • BM, July 24, 2013	• SM, May 30, 2013 • BM, July 28, 2014	• SM, May 27, 2015 • BM, July 23, 2015
Max. number of shares granted during the relevant period	1,215,500	957,125	889,981
Total maximum number of shares that may be allotted to Yann DELABRIÈRE	71,500	68,900	55,798
Maximum total number of shares that may be granted to Patrick KOLLER*	26,000	18,525	26,383
Target number of shares granted during the relevant period	935,000	736,250	684,674
Grant date	July 24, 2017 for all plan beneficiaries, working and tax resident in France or abroad	July 28, 2018 for all plan beneficiaries, working and tax resident in France or abroad	July 23, 2019 for all plan beneficiaries, working and tax resident in France or abroad
Vesting date	July 24, 2017 for all plan beneficiaries, working and tax resident in France or abroad	July 28, 2018 for all plan beneficiaries, working and tax resident in France or abroad	July 23, 2019 for all plan beneficiaries, working and tax resident in France or abroad
Performance condition	• Net income before tax of the Group as of December 31, 2015, before taking into account capital gains from the disposal of assets and changes in the scope of consolidation, as approved by the Board of Directors, assessed against net income for the same fiscal year as forecast in the Group's medium-term plan reviewed by the Board of Directors on the date when the shares are allocated; and • Growth in Faurecia's net earnings per share between fiscal year 2012 and fiscal year 2015, assessed against the average growth of a reference group comprised of global automotive equipment suppliers.	• Net income before tax of the Group as of December 31, 2016, before taking into account capital gains from the disposal of assets and changes in the scope of consolidation, as approved by the Board of Directors, assessed against net income for the same fiscal year as forecast in the Group's medium-term plan reviewed by the Board of Directors on the date when the shares are allocated; and • Growth in Faurecia's net earnings per share between fiscal year 2013 and fiscal year 2016, assessed against the average growth of a reference group comprised of global automotive equipment suppliers.	• Net income before tax of the Group as of December 31, 2017, before taking into account capital gains from the disposal of assets and changes in the scope of consolidation, as approved by the Board of Directors, assessed against net income for the same fiscal year as forecast in the Group's medium-term plan reviewed by the Board of Directors on the date when the shares are allocated; and • Growth in Faurecia's net earnings per share between fiscal year 2014 and fiscal year 2017, assessed against the average growth of a reference group comprised of global automotive equipment suppliers.
Number of shares granted at December 31, 2015	-	-	-
Accumulated number of shares cancelled or forfeited at December 31, 2015**	**138,000**	**58,450**	**16,425**
Shares allocated free of charge remaining at the end of the period	**797,000**	**677,800**	**668,249**

* *Shares granted to Patrick Koller under Plan No. 1, 2, 3, 4, 5 or 6 were awarded before he became a company officer.*

** *The maximum performance condition for Plan No. 1 was fulfilled, so the plan is based on the maximum number of shares. The other Plans are based on the target number.*

All shares allocated free of charge remaining at December 31, 2015 (2,143,049 shares) represent 1.56% of the Company's stock capital at this date.

Convertible or exchangeable bonds (OCEANE)

On September 18, 2012, based on the authority given to the Board of Directors at the Shareholders' Meeting on May 23, 2012, the Board's decision on August 31, 2012, and subsequent decisions by the Chairman and Chief Executive Officer on September 10 and 12, 2012, Faurecia issued 12,833,675 bonds maturing on January 1, 2018 (gross issue value €249,999,989).

The unit nominal value for the bonds was set at €19.48 and they are redeemable at par on January 1, 2018. The bonds bear annual interest of 3.25% (i.e. €0.63 per bond) payable on January 1, each year, as from January 1, 2013.

On December 7, 2015, Faurecia announced its decision to proceed with the early redemption of all 8,479,891 outstanding bonds, effective January 15, 2016.

As of December 31, 2015, there were 701,693 outstanding bonds.

TRADING BY THE COMPANY IN ITS OWN SHARES DURING 2015 (ARTICLE L. 225-211 OF THE FRENCH COMMERCIAL CODE)

The Shareholders' Meeting on May 27, 2015 authorized the implementation of a share-buyback program, superseding that authorized in the tenth resolution of the Shareholders' Meeting on May 27, 2014.

TREASURY STOCK (EXCLUDING THE LIQUIDITY AGREEMENT)

At December 31, 2015 the Company held 21,888 shares in treasury (see Note 12 in the Appendix to the parent company financial statements).

Outside the scope of the liquidity agreement, the Company did not trade in its own shares.

LIQUIDITY AGREEMENT

Since April 27, 2009, Faurecia has set up a liquidity agreement that complies with the AMAFI Code of Ethics. This agreement is valid for one year and is automatically renewable. Share buybacks are used for a number of reasons, including to maintain a liquid market for the Company's shares and to purchase shares for allocation to employees or corporate officers, notably under stock option or share grant plans.

The maximum amount that may be invested by the Company in a share buyback program may not exceed 10% of the Company's capital. The maximum authorized may not exceed 10% of the Company's share capital and the per-share purchase price may not exceed €60.

In accordance with the law, when treasury shares are purchased in order to maintain a liquid market, the calculation of the above-mentioned 10% ceiling is based on the number of shares purchased less the number of shares sold during the term of the buyback program.

As required under Article L. 225-210 of the French Commercial Code, the value of all the Company's treasury shares does not exceed the amount of its available reserves, excluding the legal reserve, as shown in the parent company financial statements for the year ended December 31, 2015.

In 2015, a total of 999,445 shares were purchased in relation to the liquidity agreement, (0.73% of the capital stock, cost €36,506,951.24) and 1,011,751 shares were sold for €37,012,530.13.

As of December 31, 2015, assets in the liquidity account relating to the liquidity agreement comprised 0 shares and €4,563,042.55 in cash.

In 2015, the capital gain relating to the liquidity agreement was €119,564.40, and the return on cash was €247.18. Management fees under the liquidity agreement came to €45,833.33 (excluding VAT) in 2015.

DESCRIPTION OF THE BUY-BACK PROGRAM

(Defined according to Article 241-2 of the AMF's General Regulation)

A new share buyback authorization will be submitted to the Shareholders' Meeting of May 27, 2016, with the following terms and conditions:

Eleventh resolution – Authorization to be granted to the Board of Directors to have the Company buy back its own shares within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code, term of authorization, purpose, terms and conditions, and ceiling

After having considered the report of the Board of Directors, in accordance with Article L. 225-209 et seq. of the French Commercial Code, shareholders grant the Board authorization, for a period of 18 months, to purchase up to 10% of the shares that make up the Company's capital, in one or more stages and at the times it deems appropriate, following an adjustment if necessary to take into account any capital increases or reductions that take place during the term of the program.

This authorization would bring an end to the authorization granted to the Board of Directors by shareholders under their sixth ordinary resolution at their combined General Meeting of May 27, 2015.

Shares could be purchased with a view to:

- supporting the secondary market and maintaining a liquid market for Faurecia shares through an investment services provider under a liquidity agreement in accordance with the AMAFI Code of Ethics permitted by applicable regulations;
- retaining the purchased shares and subsequently offering them in exchange or payment in the context of potential external acquisitions;
- providing cover for stock option plans and/or free share plans (or like plans) for the Group's employees and/or corporate officers as well as all share allotments under a company or Group savings plan (or like plan), in connection with profit sharing and/or any other form of share allotment to the Group's employees and/or corporate officers;
- providing cover for securities that entitle their holders to shares in the Company in accordance with applicable regulations; and
- cancelling (if necessary) the shares acquired, subject to the authorization granted or to be granted by shareholders at an Extraordinary General Meeting.

These share purchases could take place by any means, including through the acquisition of blocks of securities, at such times as the Board of Directors deemed appropriate.

The Board of Directors should obtain prior authorization from shareholders at a General Meeting in order to exercise this authority during a public offering initiated by a third party in relation to shares in the Company, until the offer period had ended.

The Company reserves the right to use these optional mechanisms or derivatives in accordance with applicable regulations.

The maximum purchase price has been set at €60 per share. Should an operation be carried out on the Company's capital, particularly a stock split, reverse stock split or free share allotment, the above amount would be adjusted in the same proportions (coefficient equal to the ratio between the number of shares that made up the capital prior to the operation and the number of shares after the operation).

Accordingly, by way of a guide, the maximum amount the Company could be required to pay should shares be purchased at the maximum price of €60 would be €821,843,388 based on the Company's capital as of December 31, 2015 (made up of 137,192,778 shares) in view of the 21,888 treasury shares held by the Company on that date.

Shareholders give full powers to the Board of Directors, with the option for the Board to sub-delegate the powers in accordance with French law, in order to carry out these operations, set the terms and conditions thereof, enter into all agreements and complete all formalities.

CHANGE IN FAURECIA'S SHARE CAPITAL OVER THE LAST FIVE YEARS

	Capital increase/reduction in capital stock *(in €)*				
Year and type of transaction	**Nominal amount**	**Premium**	**New capital stock** *(in €)*	**Resulting share premium** *(in €)*	**New number of shares**
02/2011 Share capital increased by 69 new shares following bond conversions	483	806.61	772,567,579	742,080,959.10	110,366,797
04/2011 Stock capital increased by 1,006 new shares following bond conversions	7,042	11,760.14	772,574,621	742,092,719.20	110,367,803
07/2011 Share capital increased by 300 new shares following bond conversions	2,100	3,507	772,576,721	742,096,226.20	110,368,103
02/2012 Stock capital increased by 242 new shares following bond conversions	1,694	2,828.98	772,578,415	742,099,055.18	110,368,345
06/2012 Stock capital increased by creating 465,400 shares under performance-share Plan No. 1	3,257,800	-	775,836,215	-	110,833,745
03/2013 Stock capital increased by creating 5,200 shares under performance-share Plan No. 1	36,400	-	775,872,615	-	110,838,945
08/2013 Stock capital increased by creating 7,800 shares under performance-share Plan No. 1	54,600	-	775,927,215	-	110,846,745
09/2013 Stock capital increased by creating 5,200 shares under performance-share Plan No. 1	36,400	-	775,963,615	-	110,851,945
12/2013 Stock capital increased by 11,736,190 new shares following the early redemption of the OCEANE bonds maturing on January 1, 2015	82,153,330	128,759,451.17	858,116,945	870,858,506.35	122,588,135

Year and type of transaction	Capital increase/reduction in capital stock *(in €)* Nominal amount	Premium	New capital stock *(in €)*	Resulting share premium *(in €)*	New number of shares
06/2014 Stock capital increased by creating 1,102,775 shares as part of the 2013 dividend payment in shares, creating 221,000 shares under performance-share Plan No. 1 and creating 13,300 shares under Plan No. 18	9,359,525	22,152,382.25	867,476,470	893,010,888.86	123,925,210
06/2015 Capital increase resulting from the creation of 800,251 shares in connection with the payment of the 2014 dividend in shares, the creation of 96,960 shares in response to requests for the conversion of OCEANE bonds, and the creation of 93,600 shares following the exercise of stock options under Plan No. 18	6,935,677	28,224,379.28	874,412,147	921,235,268.14	124,916,021
11/2015 Capital increase resulting from the creation of 4,341,813 shares in response to requests for the conversion of OCEANE bonds	30,392,691	52,527,571.76	904,804,838	973,762,839.90	129,257,834
12/2015 Capital increase resulting from the creation of 7,933,744 shares in response to requests for the conversion of OCEANE bonds and the creation of 1,200 shares following the exercise of stock options under Plan No. 18	55,544,608	96,008,745.04	960,349,446	1,069,771,584.94	137,192,778

CHANGE IN SHAREHOLDER STRUCTURE OVER THE LAST THREE YEARS

Shareholders as of December 31, 2015	Shares	% capital stock	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the Shareholders' Meeting*	% voting rights exercisable in the Shareholders' Meeting
Peugeot S.A.	63,960,006	46.62	127,277,956	63.22	127,277,956	63.22
Faurecia Actionnariat Corporate Mutual fund	329,685	0.24	631,353	0.31	631,353	0.31
Company officers	93,916	0.07	154,107	0.08	154,107	0.08
Treasury stock	21,888	0.02	21,888	0.01	0	0.00
o/w liquidity contract	0	0	0	0	0	0.00
Other shareholders (registered and bearer)	72,787,283	53.05	73,252,625	36.38	73,252,625	36.39
TOTAL	**137,192,778**	**100%**	**201,337,929**	**100%**	**201,316,041**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2015.*

Shareholders at December 31, 2014	Shares	% capital stock	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the Shareholders' Meeting*	% voting rights exercisable in the Shareholders' Meeting
Peugeot S.A.	63,380,509	51.14	126,698,459	67.35	126,698,459	67.36
Faurecia Actionnariat Corporate Mutual fund	316,482	0.26	586,797	0.31	586,797	0.31
Company officers	60,552	0.05	105,793	0.06	105,793	0.06
Treasury stock	36,266	0.03	36,266	0.02	0	0.00
o/w liquidity contract	13,812	0.01	13,812	0.00	0	0.00
Other shareholders (registered and bearer)	60,131,401	48.52%	60,692,995	32.26%	60,692,995	32.27%
TOTAL	**123,925,210**	**100%**	**188,120,310**	**100%**	**188,084,044**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2014.*

Shareholders at December 31, 2013	Shares	% capital stock	Theoretical voting rights*	% theoretical voting rights	Voting rights exercisable in the Shareholders' Meeting*	% voting rights exercisable in the Shareholders' Meeting
Peugeot S.A.	63,380,509	51.70	126,761,018	68.00	126,761,018	68.02
Faurecia Actionnariat Corporate Mutual fund	302,053	0.25	510,299	0.27	510,299	0.27
Corporate officers	47,196	0.04	55,387	0.03	55,387	0.03
Treasury stock	44,162	0.04	44,162	0.02	0	0.00
o/w liquidity contract	13,371	0.01	13,371	0.00	0	0.00
Other (registered and bearer)	58,814,215	47.98%	59,025,237	31.67%	59,025,237	31.67%
TOTAL	**122,588,135**	**100%**	**186,396,103**	**100%**	**186,351,941**	**100%**

* *Calculated based on information from the Caceis Corporate Trust Register on December 31, 2013.*

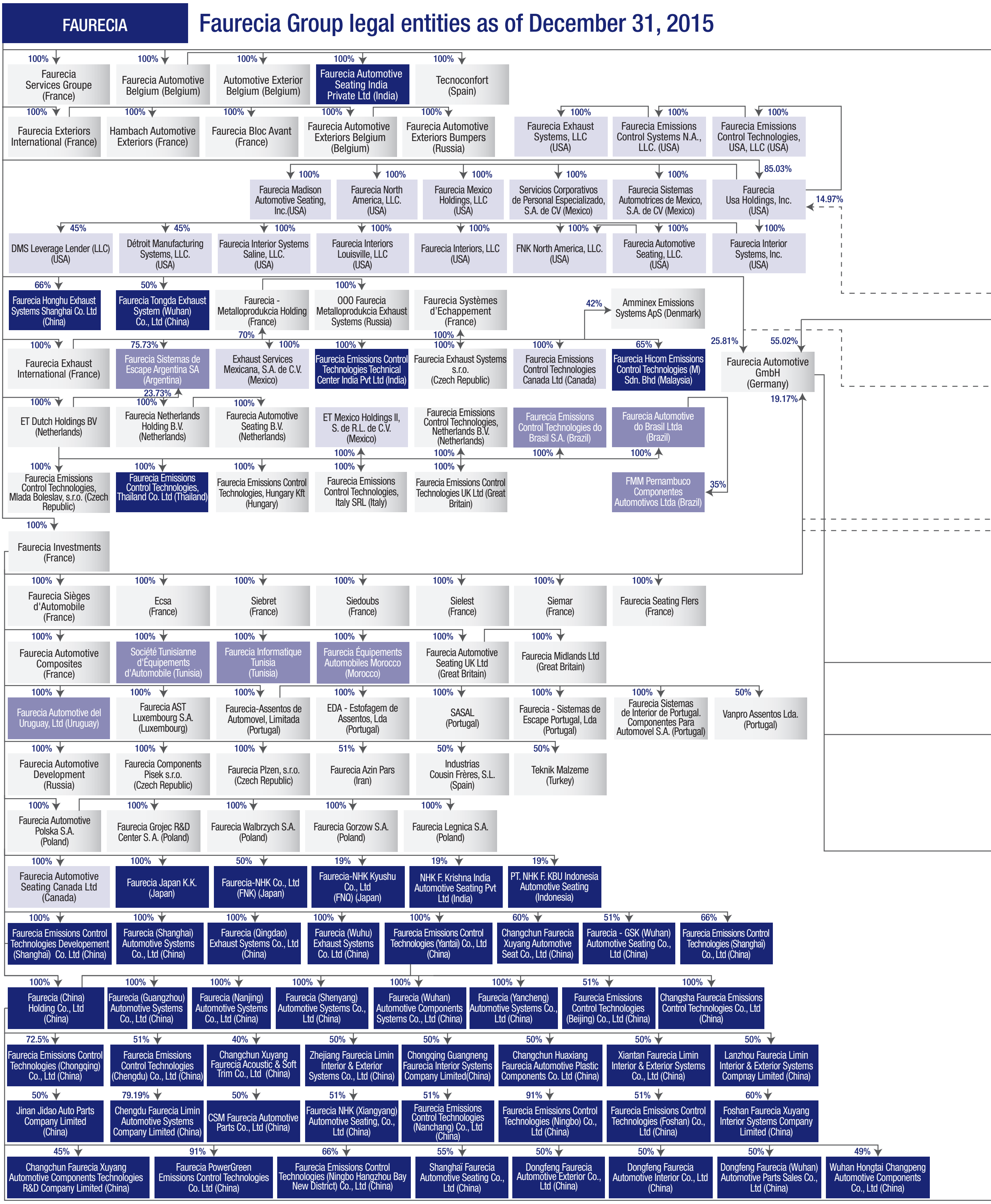
MAJORITY SHAREHOLDER

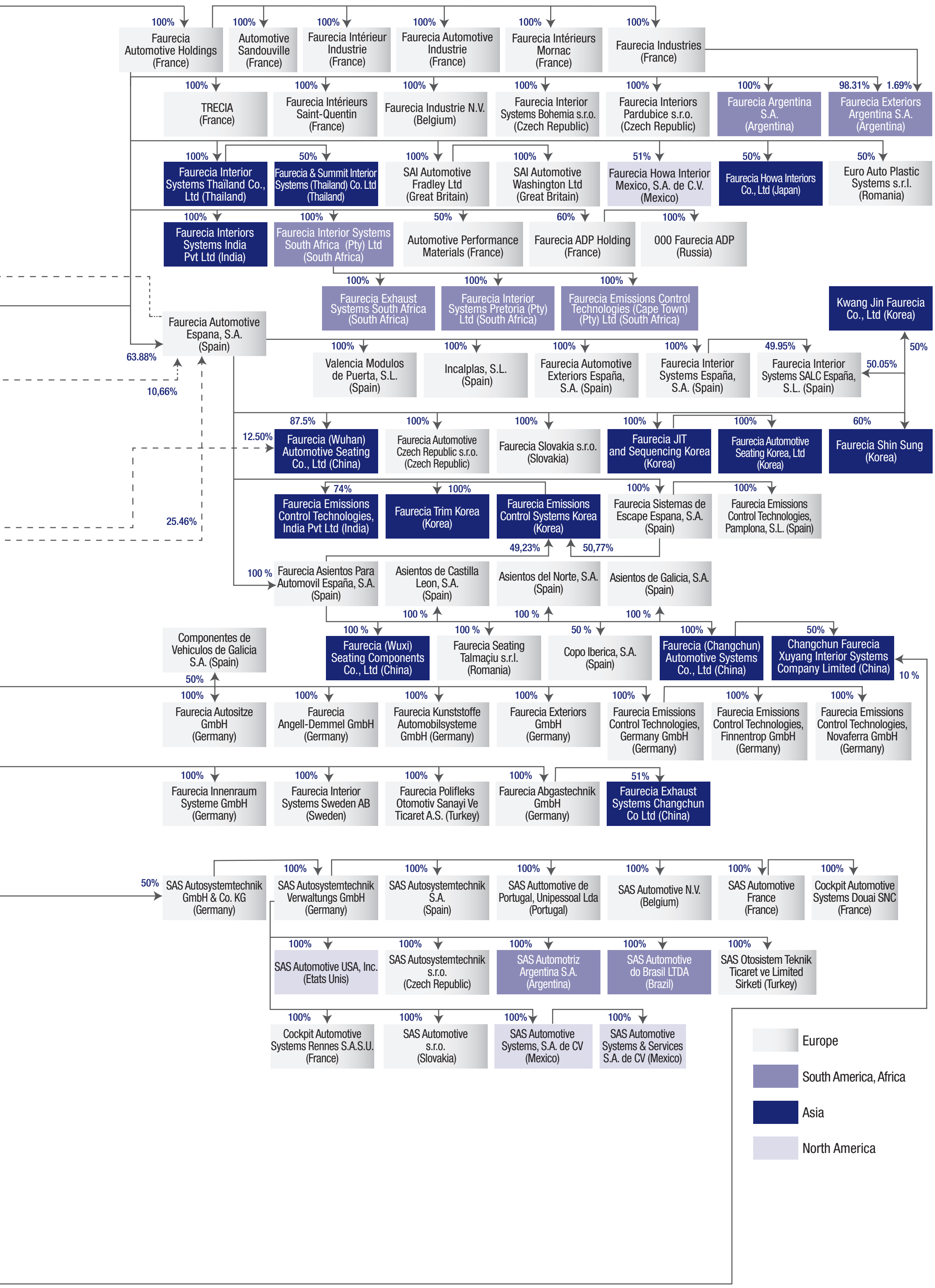
As of December 31, 2015, Peugeot S.A. owned 46.62% of the stock capital of Faurecia.

IDENTIFICATION OF SHAREHOLDERS

The Company is entitled to ask the central depository at any time for the names of holders of securities carrying immediate or future voting rights at Shareholders' Meetings, the number of securities held by each, plus details of any restrictions applicable to the securities.

10.4.2.3. Group organization chart




Faurecia Automotive Holdings (France)
Automotive Sandouville (France)
Faurecia Intérieur Industrie (France)
Faurecia Automotive Industrie (France)
Faurecia Intérieurs Mornac (France)
Faurecia Industries (France)
TRECIA (France)
Faurecia Intérieurs Saint-Quentin (France)
Faurecia Industrie N.V. (Belgium)
Faurecia Interior Systems Bohemia s.r.o. (Czech Republic)
Faurecia Interiors Pardubice s.r.o. (Czech Republic)
Faurecia Argentina S.A. (Argentina)
Faurecia Exteriors Argentina S.A. (Argentina)
Faurecia Interior Systems Thailand Co., Ltd (Thailand)
Faurecia & Summit Interior Systems (Thailand) Co. Ltd (Thailand)
SAI Automotive Fradley Ltd (Great Britain)
SAI Automotive Washington Ltd (Great Britain)
Faurecia Howa Interior Mexico, S.A. de C.V. (Mexico)
Faurecia Howa Interiors Co., Ltd (Japan)
Euro Auto Plastic Systems s.r.l. (Romania)
Faurecia Interiors Systems India Pvt Ltd (India)
Faurecia Interior Systems South Africa (Pty) Ltd (South Africa)
Automotive Performance Materials (France)
Faurecia ADP Holding (France)
000 Faurecia ADP (Russia)
Faurecia Exhaust Systems South Africa (South Africa)
Faurecia Interior Systems Pretoria (Pty) Ltd (South Africa)
Faurecia Emissions Control Technologies (Cape Town) (Pty) Ltd (South Africa)
Kwang Jin Faurecia Co., Ltd (Korea)
Faurecia Automotive Espana, S.A. (Spain)
Valencia Modulos de Puerta, S.L. (Spain)
Incalplas, S.L. (Spain)
Faurecia Automotive Exteriors España, S.A. (Spain)
Faurecia Interior Systems España, S.A. (Spain)
Faurecia Interior Systems SALC España, S.L. (Spain)
Faurecia (Wuhan) Automotive Seating Co., Ltd (China)
Faurecia Automotive Czech Republic s.r.o. (Czech Republic)
Faurecia Slovakia s.r.o. (Slovakia)
Faurecia JIT and Sequencing Korea (Korea)
Faurecia Automotive Seating Korea, Ltd (Korea)
Faurecia Shin Sung (Korea)
Faurecia Emissions Control Technologies, India Pvt Ltd (India)
Faurecia Trim Korea (Korea)
Faurecia Emissions Control Systems Korea (Korea)
Faurecia Sistemas de Escape Espana, S.A. (Spain)
Faurecia Emissions Control Technologies, Pamplona, S.L. (Spain)
Faurecia Asientos Para Automovil España, S.A. (Spain)
Asientos de Castilla Leon, S.A. (Spain)
Asientos del Norte, S.A. (Spain)
Asientos de Galicia, S.A. (Spain)
Componentes de Vehiculos de Galicia S.A. (Spain)
Faurecia (Wuxi) Seating Components Co., Ltd (China)
Faurecia Seating Talmaçiu s.r.l. (Romania)
Copo Iberica, S.A. (Spain)
Faurecia (Changchun) Automotive Systems Co., Ltd (China)
Changchun Faurecia Xuyang Interior Systems Company Limited (China)
Faurecia Autositze GmbH (Germany)
Faurecia Angell-Demmel GmbH (Germany)
Faurecia Kunststoffe Automobilsysteme GmbH (Germany)
Faurecia Exteriors GmbH (Germany)
Faurecia Emissions Control Technologies, Germany GmbH (Germany)
Faurecia Emissions Control Technologies, Finnentrop GmbH (Germany)
Faurecia Emissions Control Technologies, Novaferra GmbH (Germany)
Faurecia Innenraum Systeme GmbH (Germany)
Faurecia Interior Systems Sweden AB (Sweden)
Faurecia Polifleks Otomotiv Sanayi Ve Ticaret A.S. (Turkey)
Faurecia Abgastechnik GmbH (Germany)
Faurecia Exhaust Systems Changchun Co Ltd (China)
SAS Autosystemtechnik GmbH & Co. KG (Germany)
SAS Autosystemtechnik Verwaltungs GmbH (Germany)
SAS Autosystemtechnik S.A. (Spain)
SAS Auttomotive de Portugal, Unipessoal Lda (Portugal)
SAS Automotive N.V. (Belgium)
SAS Automotive France (France)
Cockpit Automotive Systems Douai SNC (France)
SAS Automotive USA, Inc. (Etats Unis)
SAS Autosystemtechnik s.r.o. (Czech Republic)
SAS Automotriz Argentina S.A. (Argentina)
SAS Automotive do Brasil LTDA (Brazil)
SAS Otosistem Teknik Ticaret ve Limited Sirketi (Turkey)
Cockpit Automotive Systems Rennes S.A.S.U. (France)
SAS Automotive s.r.o. (Slovakia)
SAS Automotive Systems, S.A. de CV (Mexico)
SAS Automotive Systems & Services S.A. de CV (Mexico)
Europe
South America, Africa
Asia
North America

10.4.2.4. Additional information on the audit of the financial statements

A. THE AUDIT OF THE FINANCIAL STATEMENTS

In accordance with French company law, Faurecia's Statutory Auditors certify the parent company and Group financial statements and review the situation of its fully consolidated subsidiaries through members of their networks.

In 2015, Ernst & Young Audit and PricewaterhouseCoopers Audit received €5.4 million and €4.0 million respectively for their audit assignments.

The table in Note 34 of the Appendix to the consolidated financial statements shows the fees that Faurecia and its fully consolidated subsidiaries recorded in their 2015 financial statements for work assigned to the Statutory Auditors.

B. PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

	Date of first appointment	Expiry of current term
STATUTORY AUDITORS		
ERNST & YOUNG Audit represented by Mr. Denis THIBON (Member of the Versailles Regional Association of Statutory Auditors) Tour First TSA 14444 92037 Paris – La Défense Cedex France	June 17, 1983	2019 OSM
PricewaterhouseCoopers Audit represented by Mr. Éric BERTIER (Member of the Versailles Regional Association of Statutory Auditors) 63, rue de Villiers 92208 Neuilly-sur-Seine France	May 27, 2003	2019 OSM
ALTERNATE STATUTORY AUDITORS		
Auditex	May 27, 2003	2019 OSM
Mr. Étienne Boris	May 23, 2005	2019 OSM

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Combined Shareholders' Meeting of May 27, 2016

CONTENTS

11.1. Agenda

ORDINARY BUSINESS

First resolution – Approval of the statutory financial statements for the fiscal year ended December 31, 2015 – Approval of non-tax-deductible expenses and charges;

Second resolution – Approval of the consolidated financial statements for the fiscal year ended December 31, 2015;

Third resolution – Appropriation of income for the fiscal year, setting of dividend;

Fourth resolution – Statutory Auditors’ special report on regulated agreements and undertakings, and approval of new agreements;

Fifth resolution – Advisory opinion on the compensation due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, for the fiscal year ended December 31, 2015;

Sixth resolution – Advisory opinion on the compensation due or granted to the Deputy Chief Executive Officer, Mr. Patrick Koller, for the fiscal year ended December 31, 2015;

Seventh resolution – Renewal of the term of office of Ms. Linda Hasenfratz as a director;

Eighth resolution – Appointment of Ms. Olivia Larmaraud as a director;

Ninth resolution – Appointment of Ms. Odile Desforges as a director;

Tenth resolution – Appointment of Mr. Michel de Rosen as a director;

Eleventh resolution – Authorization to be granted to the Board of Directors to have the Company buy back its own shares within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code, term of authorization, purpose, terms and conditions, and ceiling.

EXTRAORDINARY BUSINESS

Twelfth resolution – Authorization to be granted to the Board of Directors to cancel the shares bought back by the Company within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code, term of authorization and ceiling;

Thirteenth resolution – Authorization to be granted to the Board of Directors to allocate existing and/or new shares for free to employees and/or certain corporate officers of the Company or its affiliates, waiver by shareholders of their preferential subscription right, term of authorization, ceiling, vesting period particularly in the event of invalidity, and performance requirements;

Fourteenth resolution – Powers to complete formalities.

11.2. Explanatory notes to the resolutions

1. ORDINARY BUSINESS

The first three resolutions that are put to your vote concern the approval of the financial statements for the 2015 fiscal year and the appropriation of income.

The fourth resolution concerns 'regulated' agreements and undertakings.

In accordance with the AFEP-MEDEF Code, the fifth and sixth resolutions are intended to seek your opinion on the compensation due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, and to the Deputy Chief Executive Officer, Mr. Patrick Koller, in respect of the 2015 fiscal year based on the 'Say on Pay' principle.

The seventh to tenth resolutions concern governance:

- the seventh resolution concerns the renewal of the term of office of Ms. Linda Hasenfratz as a director; and
- the eighth, ninth and tenth resolutions concern the appointment of Ms. Olivia Larmaraud, Ms. Odile Desforges and Mr. Michel de Rosen as directors.

At the close of this General Meeting and in view of these appointments and of the fact that Mr. Thierry Peugeot's office is due to expire, the Board of Directors will henceforth have 15 rather than 13 members, in accordance with Article 11 of the bylaws which stipulates that your Company's Board of Directors can have up to 15 members.

The eleventh resolution concerns the share buyback program.

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

APPROVAL OF THE STATUTORY FINANCIAL STATEMENTS FOR 2015 (1ST RESOLUTION)

You are asked to approve these financial statements, which show a profit of €226,027,198.85.

You are also asked to approve the total amount of expenses and charges referred to in Article 39-4 of the French General Tax Code, i.e., €136,639.53, with the understanding that no tax was paid in connection with these expenses and charges.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2015 (2ND RESOLUTION)

You are asked to approve these financial statements, which show a net profit (Group share) of €370.1 million.

APPROPRIATION OF INCOME (3RD RESOLUTION)

We are asking you to appropriate the income in accordance with French law and our bylaws.

Accordingly, you are asked to approve the appropriation of income for the 2015 fiscal year, i.e., €226,027,198.85, as follows:

Origin

• Profit for the fiscal year	€226,027,198.85
• Retained earnings carried forward	€1,125,519,175.92
Total to be appropriated	**€1,351,546,374.77**

Appropriation

• Legal reserve	€11,301,359.94
• Dividend	€89,175,305.70
• Retained earnings	€1,251,069,709.13
Total appropriated	**€1,351,546,374.77**

In view of the Group's performance, the Board of Directors has decided to suggest distributing a gross dividend of €0.65 per share. For private individuals resident for tax purposes in France, the distribution would be eligible for the 40% reduction referred to in Article 158-3 2° of the French General Tax Code.

Should the number of shares carrying dividend entitlement change compared to the 137,192,778 shares that made up the capital as of December 31, 2015, the total dividend will be adjusted accordingly and the amount appropriated to the retained earnings account will be determined based on the dividend effectively distributed.

The ex-dividend date will be June 1, 2016 and the dividend will be paid on June 3, 2016.

In accordance with Article 243 bis of the French General Tax Code, we remind you that the following dividends were distributed in respect of the last three fiscal years:

	Income eligible for reduction		
Fiscal year	**Dividends**	**Other distributed income**	**Income not eligible for reduction**
2012	-	-	-
2013	€36,780,430.50* i.e., €0.30 per share	-	-
2014	€43,406,583.50* i.e., €0.35 per share	-	-

* *Amount including the dividend corresponding to treasury shares not paid and appropriated to the retained earnings account.*

1.2. 'Regulated' agreements and undertakings (4th resolution)

In light of the Statutory Auditors' report on regulated agreements and undertakings, you are asked to approve the new agreements referred to in said report, which were authorized by the Board of Directors on February 11, 2015.

These agreements are as follows:

- an agreement entered into between Faurecia and Mr. Patrick Koller setting out Mr. Koller's rights and obligations as Deputy CEO; and
- implementation of an additional defined-benefit pension plan for all Executive Committee members who hold an employment contract that is in progress or has been suspended and who have been members of the Executive Committee for at least three calendar years from the date of implementation of the plan or from the date they joined the Executive Committee, with the understanding that Mr. Patrick Koller is a beneficiary of this plan.

In their report, the Statutory Auditors also point out that an agreement relating to the defined-contribution and defined-benefit pension plan implemented for the entire Group in France, of which Mr. Yann Delabrière is a beneficiary, was authorized prior to the last fiscal year and that it remained in effect during said year.

1.3. Say on Pay (5th and 6th resolutions)

The elements of compensation due or granted to Mr. Yann Delabrière for the fiscal year ended December 31, 2015 and that are put to shareholders for their opinion are set out in the table below:

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Fixed compensation	€800,000.04 (amount paid)	Mr. Delabrière's fixed compensation was increased to €800,000 as from the 2015 fiscal year by decision of the Board of Directors taken on February 11, 2015. Previously, it had been set at €700,000 as from the 2011 fiscal year by decision of the Board of Directors taken on February 7, 2011 and had not changed until that time. The Board of Directors decided to increase his compensation based on the following: • a review of the situation of a representative sample of listed manufacturers comparable to Faurecia revealed a significant discrepancy (more than 10%) compared to the fixed compensation paid to Mr. Delabrière; • Mr. Delabrière's fixed compensation had remained the same since 2011; and • the financial results for the 2014 fiscal year provided proof of the implementation of a medium- and long-term strategy for Faurecia and an organizational structure adapted to this strategy.

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Annual variable compensation	€1,380,000 (amount paid in respect of 2015)	At its meeting of February 11, 2015, the Board set the procedure for determining Mr. Delabrière's variable compensation for 2015. His variable compensation is determined depending on whether he reaches quantitative targets, in which case he is entitled to variable compensation ranging from 0 to 150% of his fixed compensation. Qualitative targets have also been set in addition to quantitative targets. If some or all of these quantitative targets are met, the qualitative targets met are used to determine a potential multiplier of the quantitative targets of between 0.70 and 1.20. As a result, if a quantitative target is 0, no qualitative target multiplier will apply. Mr. Delabrière's total variable compensation can range from 0 to 180% of his annual fixed compensation. This variable component is paid to Mr. Delabrière once the Board of Directors has confirmed that the relevant results have been achieved. The quantitative targets set by the Board of Directors on February 11, 2015 are linked to the operating margin and free cash flow: • Mr. Delabrière is entitled to variable compensation of between 0 and 150% (maximum percentage) of his fixed compensation, depending on the operating margin set with reference to the 2015 budget. Forty per cent of his variable compensation is based on the operating margin; • Mr. Delabrière is entitled to variable compensation of between 0 and 150% (maximum percentage) of his fixed compensation, depending on the free cash flow set with reference to the 2015 budget. Sixty per cent of his variable compensation is based on free cash flow. The expected levels of achievement of these targets were set by the Board of Directors with reference to the 2015 budget but are not made public for confidentiality reasons. The qualitative targets set by the Board of Directors concern the following: • effective management of the switch to the new senior management structure (criterion with a weighting of 25%); • definition of the phases of completion of Faurecia's strategy (criterion with a weighting of 25%); • completion of cross-functional strategic projects: *Being Faureci*a; digital company; factory of the future; strategic innovation (criterion with a weighting of 25%); and • the strategy in Asia with the expansion of business and strengthening of relationships with Asian manufacturers (criterion with a weighting of 25%).

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Annual variable compensation		On a recommendation made by the Appointments and Compensation Committee on February 4, 2016, at its meeting of February 10, 2016, the Board of Directors reviewed the extent to which the quantitative criteria had been met: • as regards the criterion linked to the operating margin, the Board of Directors formally noted that 150% of this initial quantitative objective had been reached; and • as regards the criterion linked to free cash flow, the Board of Directors formally noted that 150% of this second quantitative objective had been reached. As a result of these two achievements, 150% of targets according to the scale adopted by the Board of Directors were reached: Mr. Delabrière is therefore entitled to quantitative variable compensation of €1,200,000 before the achievement of qualitative targets is reviewed. The Board of Directors then reviewed the achievement of each of the four qualitative targets described above: • as regards the effective management of the switch to the new senior management structure, based on the decisions made in terms of governance, rotation, implementation of the rotation and management of the changeover plan, the Board of Directors estimated that 120% of this criterion had been met; • as regards the definition of the phases of completion of Faurecia's strategy, based notably on the strategic presentation given by management to the Board in October 2015 and the importance of the proposed sale of the business of the Business Group Faurecia Automotive Exteriors, the Board of Directors estimated that 120% of this criterion had been met; • as regards the completion of cross-functional strategic projects (Being Faurecia; digital company; factory of the future; and strategic innovation), based on the presentations given by management at the Board meetings held in October and December 2015, the Board of Directors estimated that 100% of this criterion had been met; and • as regards the strategy in Asia with the expansion of business and strengthening of relationships with Asian manufacturers, based on the presentation given by management at the Board meeting held in December 2015 concerning implementation of the partnership with Dongfeng in particular, the Board of Directors estimated that 120% of this criterion had been met. As a result, the Board of Directors felt that the standard achieved in relation to these four qualitative targets was such that a multiplier of 1.15 should apply to the two quantitative targets. On this basis, at its meeting of February 10, 2016, the Board of Directors decided that for 2015, Mr. Delabrière's variable compensation should equate to 150% x 1.15, i.e. 172.5%, of his fixed compensation for 2015, i.e., the sum of €1,380,000.
Deferred variable compensation	Not applicable	No deferred variable compensation
Multi-annual variable compensation	Not applicable	No multi-annual variable compensation
Exceptional compensation	Not applicable	No exceptional compensation

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Stock options, performance shares or other long-term compensation components	Options = not applicable	No stock subscription or purchase options allotted
	Performance shares = €1,985,069 (accounting valuation)	At its meeting of July 23, 2015, the Board of Directors decided to allot up to 55,798 shares to Mr. Delabrière in the context of free performance share allotment plan number 7, based on the authorization granted by shareholders at their General Meeting of May 27, 2015 (20th resolution adopted in extraordinary session). These 55,798 shares correspond to 0.04% of the capital as of December 31, 2015. The Board of Directors made the definitive acquisition of these shares contingent on the following: • the acquisition of 60% of the shares was made contingent on an internal performance objective linked to the Group's net pre-tax income as of December 31, 2017, before taking into account any capital gains on sales of assets and changes in scope, as set by the Board of Directors compared to the same income for the same fiscal year according to the Group's medium-term plan examined by the Board of Directors on the share allotment date; and • the acquisition of 40% of the shares was made contingent on an external objective based on an increase in net income per Faurecia share assessed between 2014 and 2017 and compared to the average growth of a reference global group of car manufacturers in the same period. If these performance requirements laid down in plan number 7 have been met in full at the end of the 2017 fiscal year, Mr. Delabrière will be allotted the maximum 55,798 shares.
	Other long-term compensation component = not applicable	
Attendance fees	Not applicable	Mr. Delabrière does not receive any attendance fees
Valuation of all benefits	€7,371.60 (accounting valuation)	Car

Components of compensation due or granted for the fiscal year ended December 31, 2015 voted by shareholders at a General Meeting in connection with the procedure applicable to regulated agreements and undertakings	Amounts put to the vote	Presentation
Severance pay	Not applicable	No severance pay
Non-competition indemnity	Not applicable	No non-competition clause
Defined-contribution and defined-benefit supplementary pension plans	No payment made during the fiscal year	Overview of defined-benefit plan • minimum seniority: 5 years within the Group upon retirement; • progressive increase in potential rights compared to seniority and compensation: potential rights increase each year by 1% in bracket C; • reference period taken into account to calculate benefits: seniority as from March 1, 1990; • reference income and maximum percentage of income permitted under the supplementary pension plan: the reference income taken into account is the average annual compensation received over the last three years, benefits are calculated solely with regard to bracket C (between 4 and 8 times the annual social security limit) and potential individual rights amount to an annual pension of €37,540 (as of December 31, 2015), i.e., 3% of reference income. Overview of defined-contribution plan • defined-contribution plan according to brackets A and B of 1% of compensation with regard to bracket A and 6% of compensation with regard to bracket B, with no contribution by the beneficiary; • contributions paid by the Company in 2015: €7,227.60; • estimated annual pension as of December 31, 2015: €4,055. These two plans are always open to all Group executives who, upon their retirement, have at least 5 years' seniority (defined-benefit plan) or at least 1 year's seniority (defined-contribution plan). The above plan, of which Mr. Delabrière is a beneficiary, was authorized by the Board of Directors on February 11, 2014 and by shareholders at their General Meeting of May 27, 2014 (4th resolution adopted in ordinary session).

The elements of compensation due or granted to Mr. Patrick Koller, Deputy Chief Executive Officer since February 2, 2015, for the fiscal year ended December 31, 2015 and that are put to shareholders for their opinion are set out in the table below:

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Fixed compensation	€568,333.37 (amount paid to Mr. Koller in connection with his corporate office as from February 2, 2015)	Mr. Koller's annual fixed compensation was set at €620,000 by the Board of Directors at its meetings of December 9, 2014 and February 11, 2015. This compensation was set based on an examination of the situation of a representative sample of listed manufacturers comparable to Faurecia.

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Annual variable compensation	€784,290 (amount paid in respect of 2015)	At its meetings of December 9, 2014 and February 11, 2015, the Board of Directors set the terms and conditions for determining Mr. Patrick Koller's variable compensation for 2015. His variable compensation is determined depending on whether he reaches quantitative targets, in which case he is entitled to variable compensation ranging from 0 to 150% of 80% of his fixed compensation. The Board of Directors has also set qualitative targets in addition to quantitative targets. If some or all of these quantitative targets are met, the qualitative targets met are used to determine a potential multiplier of the quantitative targets of between 0.70 and 1.20. As a result, if a quantitative target is 0, no qualitative target multiplier will apply. Mr. Koller's total variable compensation can range from 0 to 144% of his annual fixed compensation. This variable component is paid to Mr. Koller once the Board of Directors has confirmed that the relevant results have been achieved. The quantitative targets set by the Board of Directors on February 11, 2015 are identical to those set for Mr. Delabrière and are linked to operating margin and free cash flow: • Mr. Koller is entitled to variable compensation of between 0 and 150% (maximum percentage) of 80% of his fixed compensation, depending on the operating margin set with reference to the 2015 budget. Forty per cent of his variable compensation is based on the operating margin; • Mr. Koller is entitled to variable compensation of between 0 and 150% (maximum percentage) of 80% of his fixed compensation, depending on the free cash flow set with reference to the 2015 budget. Sixty per cent of his variable compensation is based on free cash flow. The expected levels of achievement of these targets were set by the Board of Directors with reference to the 2015 budget but are not made public for confidentiality reasons. The qualitative targets set by the Board of Directors concern the following: • effective management of the switch to the new senior management structure (criterion with a weighting of 25%); • definition of the phases of completion of Faurecia's strategy (criterion with a weighting of 25%); • completion of cross-functional strategic projects: Being Faurecia; digital company; factory of the future; strategic innovation (criterion with a weighting of 25%); and

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Annual variable compensation		• the reorganization of business in North America (criterion with a weighting of 25%). On a recommendation made by the Appointments and Compensation Committee on February 4, 2016, at its meeting of February 10, 2016, the Board of Directors reviewed the extent to which the quantitative criteria had been met: • as regards the criterion linked to the operating margin, the Board of Directors formally noted that 150% of this initial quantitative objective had been reached; and • as regards the criterion *linked to free cash flow*, the Board of Directors formally noted that 150% of this second quantitative objective had been reached. As a result of these two achievements, 150% of targets according to the scale adopted by the Board of Directors were reached: Mr. Koller is therefore entitled to quantitative variable compensation of €852,489 before the achievement of qualitative targets is reviewed. The Board of Directors then reviewed the achievement of each of the four qualitative targets described above: • as regards the effective management of the switch to the new senior management structure, based on the decisions made in terms of governance, rotation, implementation of the rotation and management of the changeover plan, the Board of Directors estimated that 120% of this criterion had been met; • as regards the definition of the phases of completion of Faurecia's strategy, based notably on the strategic presentation given by management to the Board in October 2015 and the importance of the proposed sale of the business of the Business Group Faurecia Automotive Exteriors, the Board of Directors estimated that 120% of this criterion had been met; • as regards the completion of cross-functional strategic projects (Being Faurecia; digital company; factory of the future; and strategic innovation), based on the presentations given by management at the Board meetings held in October and December 2015, the Board of Directors estimated that 100% of this criterion had been met; and • as regards the reorganization of business in North America, based on the excellent results obtained in this region in 2015 as well as the structural changes implemented in 2015, the Board of Directors estimated that 120% of this criterion had been met. As a result, the Board of Directors felt that the standard achieved in relation to these four qualitative targets was such that a multiplier of 1.15 should apply to the two quantitative targets. On this basis, at its meeting of February 10, 2016, the Board of Directors decided that for 2015, Mr. Koller's variable compensation should equate to 80% x 150% x 1.15, i.e. 138%, of his fixed compensation for 2015, i.e., the sum of €784,290.
Deferred variable compensation	Not applicable	No deferred variable compensation
Multi-annual variable compensation	Not applicable	No multi-annual variable compensation
Exceptional compensation	Not applicable	No exceptional compensation

Components of compensation due or granted for the fiscal year ended December 31, 2015	Amounts or accounting valuation put to the vote	Presentation
Stock options, performance shares or other long-term compensation components	Options = not applicable	No stock subscription or purchase options allotted
	Performance shares = €938,601 (accounting valuation)	At its meeting of July 23, 2015, the Board of Directors decided to allot up to 26,383 shares to Mr. Koller in the context of free performance share allotment plan number 7, based on the authorization granted by shareholders at their General Meeting of May 27, 2015 (20th resolution adopted in extraordinary session). These 26,383 shares correspond to 0.01% of the capital as of December 31, 2015. The Board of Directors made the definitive acquisition of these shares contingent on the following: • the acquisition of 60% of the shares was made contingent on an internal performance objective linked to the Group's net pre-tax income as of December 31, 2017, before taking into account any capital gains on sales of assets and changes in scope, as set by the Board of Directors compared to the same income for the same fiscal year according to the Group's medium-term plan examined by the Board of Directors on the share allotment date; and • the acquisition of 40% of the shares was made contingent on an external objective based on an increase in net income per Faurecia share assessed between 2014 and 2017 and compared to the average growth of a reference global group of car manufacturers in the same period. If these performance requirements laid down in plan number 7 have been met in full at the end of the 2017 fiscal year, Mr. Koller will be allotted the maximum 26,383 shares.
	Other long-term compensation component = not applicable	
Attendance fees	Not applicable	Mr. Koller does not receive any attendance fees
Valuation of all benefits	€18,651.93 (accounting valuation)	Car and contribution paid by the Company under the Company manager social guarantee

Components of compensation due or granted for the fiscal year ended December 31, 2015 voted by shareholders at a General Meeting in connection with the procedure applicable to regulated agreements and undertakings	Amounts put to the vote	Presentation
Severance pay	Not applicable	No severance pay
Non-competition indemnity	Not applicable	No non-competition clause

Components of compensation due or granted for the fiscal year ended December 31, 2015 voted by shareholders at a General Meeting in connection with the procedure applicable to regulated agreements and undertakings	Amounts put to the vote	Presentation
Defined-contribution and defined-benefit supplementary pension plans	No payment made during the fiscal year	Overview of defined-benefit plan • minimum seniority: 5 years within the Group upon retirement; • progressive increase in potential rights compared to seniority and compensation: potential rights increase each year by 1% in bracket C; • reference period taken into account to calculate benefits: seniority as from December 18, 2006; • reference income and maximum percentage of income permitted under the supplementary pension plan: the reference income taken into account is the average annual compensation received over the last three years, benefits are calculated solely with regard to bracket C (between 4 and 8 times the annual social security limit) and potential individual rights amount to an annual pension of €13,514 (as of December 31, 2015), i.e., 3% of reference income. Overview of defined-contribution plan • defined-contribution plan according to brackets A and B of 1% of compensation with regard to bracket A and 6% of compensation with regard to bracket B, with no contribution by the beneficiary; • contributions paid by the Company in 2015 in connection with Mr. Koller's corporate office: €6,625.30; • estimated annual pension as of December 31, 2015: €2,357. These two plans are always open to all Group executives who, upon their retirement, have at least 5 years' seniority (defined-benefit plan) or at least 1 year's seniority (defined-contribution plan). The above plan, of which Mr. Koller is a beneficiary, was authorized by the Board of Directors on April 13, 2016 and will be put to shareholders for approval at their General Meeting to be held in 2017.

Components of compensation due or granted for the fiscal year ended December 31, 2015 voted by shareholders at a General Meeting in connection with the procedure applicable to regulated agreements and undertakings	Amounts put to the vote	Presentation
Additional defined-benefit pension plan	No payment made during the fiscal year	This plan, which was implemented by decision of the Board of Directors taken on February 11, 2015, is for the benefit of Executive Committee members who have an employment contract in progress or that has been suspended and who have sat on the Executive Committee for a minimum term of three consecutive calendar years from the date the plan was implemented or from the date they joined the Executive Committee. Beneficiaries are also required to pursue the rest of their career within the Faurecia group. 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: $\sum Xi * R$ R = annual reference compensation Xi = 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. In any event, on retirement, the annual pension paid under this plan plus any rights granted by other supplementary plans implemented by the Faurecia group are subject to two limits: • the sums paid by the Faurecia group must not exceed 25% of the reference compensation; and • the sums paid by the Faurecia group will be capped at 8 times the annual social security limit (€304,320 in 2015). Should either of these limits be exceeded, the relevant pension will be reduced accordingly.

Components of compensation due or granted for the fiscal year ended December 31, 2015 voted by shareholders at a General Meeting in connection with the procedure applicable to regulated agreements and undertakings	Amounts put to the vote	Presentation
		The total annual pension paid under the Faurecia group's mandatory and specific plans must not exceed 45% of the reference compensation, i.e., the total average gross annual compensation (basic annual compensation and all premiums and variable compensation relating to the last three calendar years of activity prior to the date the beneficiary stops work) received by the beneficiary within Faurecia over the last three calendar years prior to the date he stops work or steps down from the Executive Committee. Mr. Koller is potentially entitled to the following individual rights as of December 31, 2015: • reference compensation as of December 31, 2015: €783,485 • potential annual entitlement for 2015: 3% • total potential annual entitlement as of December 31, 2015: 3% • maximum potential entitlement (all Faurecia plans): 25%, combined with 8 times the annual social security limit • seniority requirement: 3 calendar years on the Executive Committee as from January 1, 2015 • estimated annual pension as of December 31, 2015: €23,504 The above plan, of which Mr. Koller is a beneficiary, was authorized by the Board of Directors on February 11, 2015 and will be put to shareholders for approval at their General Meeting of May 27, 2016 (4th resolution to be adopted in ordinary session).

1.4. Governance (7th to 10th resolutions)

You are also asked to renew the term of office of Ms. Linda Hasenfratz as a director.

Ms. Linda Hasenfratz has reached the end of an initial five-year directorship during which Faurecia has benefitted from her extensive professional experience in the automotive industry.

You are also asked to appoint Ms. Olivia Larmaraud, Ms. Odile Desforges and Mr. Michel de Rosen as new directors. These appointments will increase the number of members of your Company's Board of Directors from 13 to 15 (Mr. Thierry Peugeot's office will expire at the close of this meeting) in accordance with Article 11 of the bylaws, which stipulates that the Board of Directors can have up to 15 members.

At the close of this General Meeting, five members of your Company's Board of Directors, i.e., one third of its members, will be women.

Ms. Linda Hasenfratz, Ms. Olivia Larmaraud, Ms. Odile Desforges and Mr. Michel de Rosen will remain in office for a term of four years, i.e., until the close of the General Meeting held in 2020 to vote on the financial statements for the 2019 fiscal year.

Information on the expertise and career path of each of these persons is set out in Section 11.4 of the 2015 Registration Document.

The Board of Directors has already decided that Ms. Linda Hasenfratz, Ms. Odile Desforges and Mr. Michel de Rosen will be deemed independent directors with regard to the independence criteria set out in the AFEP-MEDEF Corporate Governance Code of Listed Corporations, which Faurecia has chosen as a reference corporate governance code.

As a result, at the close of this General Meeting, 10 of the 15 members of your Company's Board of Directors, i.e., more than one third of its members, will be independent.

1.5. Share buyback program (11th resolution)

The Board of Directors will be authorized to buy back shares in 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 retain the shares and subsequently offer them in the context of external acquisitions;
- to allot shares to employees and senior corporate officers of the Company or its affiliates, through the allotment of stock options or free shares, 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 granting entitlement to shares in the Company; and
- to cancel shares.

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

The Board of Directors must obtain prior authorization from shareholders at a General Meeting in order to exercise this authority during a public offering initiated by a third party in relation to shares in the Company, until the offer period has ended.

The Company reserves the right to use these optional mechanisms or derivatives in accordance with applicable regulations.

The authorization to be granted to the Board of Directors includes a maximum purchase price (€60), a maximum limit on the overall amount that may be appropriated to the buyback program (€821,843,388) and a maximum limit on the number of shares that may be purchased (10% of the Company's capital on the date of purchase).

This authorization will be granted for a period of 18 months and will bring an end to the authorization granted to the Board of Directors by shareholders at their General Meeting of May 27, 2015 under their sixth ordinary resolution.

2. EXTRAORDINARY BUSINESS

The 12th resolution will allow the Board of Directors to reduce the capital by cancelling treasury shares.

The purpose of the 13th extraordinary resolution is to seek your authorization to enable your Board of Directors to allot performance shares free of charge to the Group's employees and corporate officers who benefit from the mechanism introduced by French Act No. 2015-990 of August 6, 2015 (the Macron Act) for the expansion, activity and equality of economic opportunities. This resolution will therefore cancel any unused part of the current authorization granted for a period of 26 months by shareholders at their General Meeting of May 27, 2015.

At their meeting of May 27, 2015, shareholders authorized your Board of Directors to grant up to 2,000,000 performance shares, with the total number of shares allotted to corporate officers not to exceed 15% of this amount.

The Board of Directors exercised this authority in the 2015 fiscal year:

- by decision of July 23, 2015, the Board allotted the maximum 889,981 shares, including the maximum 82,181 shares to corporate officers.

The Board therefore exercised the authority granted to it by shareholders at their General Meeting of May 27, 2015 in relation to 889,981 shares.

Generally, with the exception of two plans set up in 2010, your Board of Directors sets up one performance share plan every year. To date, seven plans have been set up on the basis of the authorizations granted by you:

- two plans in 2010;
- one plan in 2011;
- one plan in 2012;
- one plan in 2013;
- one plan in 2014; and
- one plan in 2015.

In practice, the requirement for the first plan of 2010 was met and beneficiaries of the plan acquired the maximum number of shares.

The requirements linked to the 2013 plan were also met and beneficiaries of this plan will definitively acquire shares in July 2017.

However, the requirements stipulated by the Board in relation to the second plan of 2010, the 2011 plan and the 2012 plan were not met. As a result, beneficiaries did not acquire any shares under these three plans.

The 2014 and 2015 plans are currently under way.

2.1. Cancellation of treasury shares (12th resolution)

This resolution will authorize the Board of Directors to cancel shares in the Company purchased pursuant to the 11th resolution or under previously authorized share buyback programs, within the limit of 10% of capital, and to reduce the capital accordingly.

This authorization will be granted for a period of 18 months.

2.2. Employee and corporate officer share ownership: authorization to allocate performance shares for free to employees and/or certain corporate officers (13th resolution)

Under the 13th resolution, the Board of Directors will be authorized to allocate existing and/or new shares for free to employees and/or corporate officers of the Company and/or companies or groupings linked directly or indirectly to the Company in accordance with Article L. 225-197-2 of the French Commercial Code.

It is understood that the definitive allotment of shares will be subject to the fulfillment of performance requirements assessed with regard to the following criteria set under the resolution:

- the Group's net result before or after tax and before taking into account any extraordinary items for the year prior to the acquisition date, as set by the Board of Directors, compared to the same result for the same year anticipated in the Group's medium-term plan examined by the Board of Directors on the share allotment date; and
- growth in net earnings per Faurecia share assessed between the last fiscal year ended on the allotment date and the last fiscal year ended on the acquisition date, compared to the average growth of a reference global group of car manufacturers in the same period.

Accordingly, the total number of shares allotted free of charge must not exceed 2,000,000 (two million) shares, with the understanding that this figure is the maximum number of shares that may be allotted throughout the term of this authorization.

The total number of shares that may be allotted free of charge to the Company's senior officers must not exceed 10% of the above allotment.

Shares will be definitively allotted to beneficiaries at the end of a vesting period to be set by the Board of Directors, such period not to be less than three years. Shareholders authorize the Board of Directors to stipulate a lock-up period at the end of the vesting period should it see fit.

This authorization will be granted for a term of 26 months.

To conclude, the **14th resolution** concerns the powers to be given to complete formalities relating to the General Meeting, particularly filing and publicity formalities.

11.3. Resolutions

ORDINARY BUSINESS

FIRST RESOLUTION

Approval of the statutory financial statements for the fiscal year ended December 31, 2015 – Approval of non-tax-deductible expenses and charges

After having considered the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors on the statutory financial statements as of December 31, 2015, shareholders approve the financial statements as presented to them, which show a profit of €226,027,198.85.

In particular, shareholders approve the total amount of expenses and charges referred to in Article 39-4 of the French General Tax Code, i.e., €136,639.53, which corresponds to the non-deductible share of lease payments for passenger vehicles, with the understanding that no tax has been paid in connection with these expenses and charges.

SECOND RESOLUTION

Approval of the consolidated financial statements for the fiscal year ended December 31, 2015

After having considered the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors on the consolidated financial statements as of December 31, 2015, shareholders approve the financial statements as presented to them, which show a net profit (Group share) of €370.1 million.

THIRD RESOLUTION

Appropriation of income for the fiscal year, setting of dividend

On a proposal by the Board of Directors, shareholders resolve to appropriate the profit for the fiscal year ended December 31, 2015 as follows:

Origin

• Profit for the fiscal year	€226,027,198.85
• Retained earnings carried forward	€1,125,519,175.92
Total to be appropriated	**€1,351,546,374.77**

Appropriation

• Legal reserve	€11,301,359.94
• Dividend	€89,175,305.70
• Retained earnings	€1,251,069,709.13
Total appropriated	**€1,351,546,374.77**

Shareholders formally note that the total gross dividend payable in connection with each share has been set at €0.65.

The full amount of this dividend is eligible for the 40% reduction referred to in Article 158-3-2° of the French General Tax Code.

Should the number of shares carrying dividend entitlement change compared to the 137,192,778 shares that made up the capital as of December 31, 2015, the total dividend would be adjusted accordingly and the amount appropriated to the retained earnings account would be determined based on the dividend effectively distributed.

The dividend would be paid on June 3, 2016.

The ex-dividend date would be June 1, 2016.

In accordance with Article 243 bis of the French General Tax Code, shareholders formally note that they have been reminded of the fact that the following dividends and income has been distributed in respect of the last three fiscal years:

Fiscal year	Income eligible for reduction: Dividends	Income eligible for reduction: Other distributed income	Income not eligible for reduction
2012	-	-	-
2013	€36,780,430.50* i.e., €0.30 per share	-	-
2014	€43,406,583.50* i.e., €0.35 per share	-	-

* *Amount including the dividend corresponding to treasury shares not paid and appropriated to the retained earnings account.*

FOURTH RESOLUTION

Statutory Auditors' special report on regulated agreements and undertakings, and approval of new agreements

After having considered the Statutory Auditors' special report on regulated agreements and undertakings, shareholders approve the new agreements referred to in said report.

FIFTH RESOLUTION

Advisory opinion on the compensation due or granted to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, for the fiscal year ended December 31, 2015

Having been consulted in accordance with the recommendation set out in sub-section 24.3 of the AFEP-MEDEF Corporate Governance Code of November 2015, the Company's reference code pursuant to Article L. 225-37 of the French Commercial Code, shareholders issue an opinion in favor of the compensation due or granted for the fiscal year ended December 31, 2015 to the Chairman and Chief Executive Officer, Mr. Yann Delabrière, as set out in the explanatory notes to the resolutions.

SIXTH RESOLUTION

Advisory opinion on the compensation due or granted to the Deputy Chief Executive Officer, Mr. Patrick Koller, for the fiscal year ended December 31, 2015

Having been consulted in accordance with the recommendation set out in Subsection 24.3 of the AFEP-MEDEF Corporate Governance Code of November 2015, the Company's reference code pursuant to Article L. 225-37 of the French Commercial Code, shareholders issue an opinion in favor of the compensation due or granted for the fiscal year ended December 31, 2015 to Mr. Patrick Koller, Deputy Chief Executive Officer since February 2, 2015, as set out in the explanatory notes to the resolutions.

SEVENTH RESOLUTION

Renewal of the term of office of Ms. Linda Hasenfratz as a director

Shareholders resolve to renew the term of office of Ms. Linda Hasenfratz as a director for a term of four years, such term to expire at the close of the General Meeting held in 2020 to vote on the financial statements for the previous fiscal year.

EIGHTH RESOLUTION

Appointment of Ms. Olivia Larmaraud as a director

Shareholders resolve to appoint Ms. Olivia Larmaraud as a director for a term of four years, such term to expire at the close of the General Meeting held in 2020 to vote on the financial statements for the previous fiscal year.

NINTH RESOLUTION

Appointment of Ms. Odile Desforges as a director

Shareholders resolve to appoint Ms. Odile Desforges as a director for a term of four years, such term to expire at the close of the General Meeting held in 2020 to vote on the financial statements for the previous fiscal year.

TENTH RESOLUTION

Appointment of Mr. Michel de Rosen as a director

Shareholders resolve to appoint Mr. Michel de Rosen as a director for a term of four years, such term to expire at the close of the General Meeting held in 2020 to vote on the financial statements for the previous fiscal year.

ELEVENTH RESOLUTION

Authorization to be granted to the Board of Directors to have the Company buy back its own shares within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code, term of authorization, purpose, terms and conditions, and ceiling

After having considered the report of the Board of Directors, in accordance with Article L. 225-209 et seq. of the French Commercial Code, shareholders grant the Board authorization, for a period of 18 months, to purchase up to 10% of the shares that make up the Company's capital, in one or more stages and at the times it deems appropriate, following an adjustment if necessary to take into account any capital increases or reductions that take place during the term of the program.

This authorization would bring an end to the authorization granted to the Board of Directors by shareholders under their sixth ordinary resolution at their combined General Meeting of May 27, 2015.

Shares could be purchased with a view to:

- supporting the secondary market and maintaining a liquid market for Faurecia shares through an investment services provider under a liquidity agreement in accordance with the AMAFI Code of Ethics permitted by applicable regulations;

- retaining the purchased shares and subsequently offering them in exchange or payment in the context of potential external acquisitions;
- providing cover for stock option plans and/or free share plans (or like plans) for the Group's employees and/or corporate officers as well as all share allotments under a company or Group savings plan (or like plan), in connection with profit sharing and/or any other form of share allotment to the Group's employees and/or corporate officers;
- providing cover for securities that entitle their holders to shares in the Company in accordance with applicable regulations; and
- cancelling (if necessary) the shares acquired, subject to the authorization granted or to be granted by shareholders at an Extraordinary General Meeting.

These share purchases could take place by any means, including through the acquisition of blocks of securities, at such times as the Board of Directors deemed appropriate.

The Board of Directors should obtain prior authorization from shareholders at a General Meeting in order to exercise this authority during a public offering initiated by a third party in relation to shares in the Company, until the offer period had ended.

The Company reserves the right to use these optional mechanisms or derivatives in accordance with applicable regulations.

The maximum purchase price has been set at €60 per share. Should an operation be carried out on the Company's capital, particularly a stock split, reverse stock split or free share allotment, the above amount would be adjusted in the same proportions (coefficient equal to the ratio between the number of shares that made up the capital prior to the operation and the number of shares after the operation).

Accordingly, by way of a guide, the maximum amount the Company could be required to pay should shares be purchased at the maximum price of €60 would be €821,843,388 based on the Company's capital as of December 31, 2015 (made up of 137,192,778 shares) in view of the 21,888 treasury shares held by the Company on that date.

Shareholders give full powers to the Board of Directors, with the option for the Board to sub-delegate the powers in accordance with French law, in order to carry out these operations, set the terms and conditions thereof, enter into all agreements and complete all formalities.

EXTRAORDINARY BUSINESS

TWELFTH RESOLUTION

Authorization to be granted to the Board of Directors to cancel the shares bought back by the Company within the framework of the mechanism provided for by Article L. 225-209 of the French Commercial Code, term of authorization and ceiling

After having considered the Board of Directors' report and the Statutory Auditors' report, shareholders:

1. authorize the Board of Directors to cancel, at its sole discretion, in one or more stages, up to 10% of the capital existing on the date of the cancellation decision, less any shares cancelled during the previous 24 months, which the Company holds or might hold following the repurchases made in accordance with Article L. 225-209 of the French Commercial Code, and to reduce the capital accordingly in accordance with applicable law and regulations;
2. set the term of validity of this authorization at 18 months from the date of this meeting;
3. give full powers to the Board of Directors, with the option for the Board to sub-delegate the powers in accordance with French law, in order to carry out the operations required to cancel shares and reduce the capital accordingly, amend the Company's bylaws accordingly and complete all the required formalities.

THIRTEENTH RESOLUTION

Authorization to be granted to the Board of Directors to allocate existing and/or new shares for free to employees and/or certain corporate officers of the Company or its affiliates, waiver by shareholders of their preferential subscription right, term of authorization, ceiling, vesting period particularly in the event of invalidity, and performance requirements

After having considered the Board of Directors' report and the Statutory Auditors' special report, shareholders authorize the Board of Directors to allocate, in one or more stages in accordance with Articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code, ordinary existing and/or new shares in the Company, to:

- employees of the Company or of its direct or indirect affiliates within the meaning of Article L. 225-197-2 of the French Commercial Code; and/or
- corporate officers who meet the requirements laid down in Article L. 225-197-1 of the French Commercial Code.

The total number of free shares allotted should not exceed 2,000,000.

The total number of shares that may be allotted for free to the Company's senior executives should not exceed 10% of the above amount.

Beneficiaries would be definitively entitled to the shares allotted to them at the end of a vesting period to be set by the Board of Directors, such term not to be less than three years. Shareholders authorize the Board of Directors to decide whether to stipulate a mandatory lock-up period at the end of the vesting period.

Exceptionally, the shares would be definitively allotted before the end of the vesting period should the beneficiary be classed as a category 2 or category 3 invalid under Article L. 341-4 of the French Social Security Code.

According to a decision by the Board of Directors, the definitive allotment of shares would be subject to the fulfillment of performance requirements assessed with regard to the following criteria:

- the Group's net result before or after tax and before taking into account any extraordinary items for the year prior to the acquisition date, as set by the Board of Directors, compared to the same result for the same year anticipated in the Group's medium-term plan examined by the Board of Directors on the share allotment date; and
- growth in net earnings per Faurecia share assessed between the last fiscal year ended on the allotment date and the last fiscal year ended on the acquisition date, compared to the average growth of a reference global group of car manufacturers in the same period.

Full powers are given to the Board of Directors, with the option for the Board to sub-delegate the powers in accordance with French law, in order to:

- determine the terms and conditions applicable to the allotments and record the fulfillment of the performance requirements as set out above;
- determine who should benefit from the allotment as well as the number of shares to be allotted to each beneficiary; and
- where appropriate:
    - record the existence of adequate reserves and, on each allotment of new shares, transfer the sums needed to pay up the new shares to be allotted to an unavailable reserve account,
    - record, at the appropriate time, the capital increase or increases via the capitalization of reserves, premiums or profit following the issue of the new shares definitively allotted, set the ex date of the shares to be issued, amend the bylaws accordingly and, generally, take all the required steps and complete all the required formalities,
    - purchase the required number of shares in the context of the share buyback program and allocate them to the allotment plan relating to shares already in circulation,
    - determine the impact on beneficiaries' rights of the operations on capital carried out during the vesting period and consequently adjust, if necessary, the number of shares allotted in order to protect beneficiaries' rights,
    - decide whether or not to stipulate a lock-up obligation at the end of the vesting period and, where appropriate, determine the term of said period and take all appropriate steps to ensure that beneficiaries fulfill said obligation, and
    - generally, do all that is necessary in order to implement this authorization in accordance with applicable legislation.

This authorization would automatically entail a waiver by shareholders of their preferential right to subscribe for the new shares issued via the capitalization of reserves, premiums and profit.

It is granted for a period of 26 months from the date of this meeting.

It cancels any previous authorization concerning the same subject that had not been exercised.

FOURTEENTH RESOLUTION

Powers to complete formalities

Shareholders gave full powers to the bearer of an original or a copy of, or an excerpt from, these minutes to complete all the filing and publicity formalities required by law.

11.4. Profiles of current Board member proposed for re-appointment and of candidates whose appointment is put to the vote

11.4.1. PROFILE OF CURRENT BOARD MEMBER PROPOSED FOR RE-APPOINTMENT

Linda Hasenfratz

Ms. Linda Hasenfratz earned an Executive MBA from the Ivey School of Business at the University of Western Ontario and holds an Honors Bachelor of Science degree from this same university.

Ms. Linda Hasenfratz has been Chief Executive Officer of Linamar Corporation (Canada) since August 2002. She also served as Chairman of Linamar Corporation from April 1999 to August 2004. In addition, Ms. Hasenfratz was Chief Operating Officer of Linamar Corporation from September 1997 to September 1999 and has been a member of its Board of Directors since 1998.

Ms. Linda Hasenfratz, 49, is a Canadian national.

Ms. Linda Hasenfratz's business address is that of the Company.

MAIN FUNCTION CURRENTLY HELD:

Chief Executive Officer of Linamar Corporation (Canada).

OTHER CURRENT FUNCTIONS AND MANDATES:

- Director of Linamar Corporation (Canada)
- Vice-President of the Board of Governors, Royal Ontario Museum (Canada)
- Director of Canadian Imperial Bank of Commerce (CIBC) (Canada)
- Member of the Board of Directors, Original Equipment Suppliers Association (OESA) (United States)
- Member, Entrepreneurs' Circle, Business Council of Canada, formerly the Canadian Council of Chief Executives (Canada)
- Member of the Catalyst Canadian Board of Advisors (Canada)

FUNCTIONS AND MANDATES HELD WITHIN THE FIVE PAST YEARS AND WHICH HAVE EXPIRED:

-

Ms. Linda Hasenfratz currently holds 100 Faurecia shares.

11.4.2. PROFILES OF CANDIDATES WHOSE APPOINTMENT IS PUT TO THE VOTE

Olivia Larmaraud

Ms. Olivia Larmaraud is a certified public accountant and earned an MSTCF (a Master's degree in accounting and finance) from *Université Paris-Dauphine*.

Ms. Olivia Larmaraud also holds a Company Director Certificate, awarded by the *Institut Français des Administrateurs* and the Institut d'Études Politiques in 2013.

Ms. Olivia Larmaraud began her career at Deloitte, where she worked for three years as an external auditor. She followed this position with another three-year stint at Compagnie Générale des Eaux as a member of the consolidation team before joining Sanofi, where she served as a financial controller for eight years. Since 1995, she has been working within the Finance department of the PSA Peugeot Citroën group, where she was promoted to the rank of senior manager in 2008. She has served as PSA Peugeot Citroen's Director of Consolidation and Accounting Standards since 2002.

Ms. Olivia Larmaraud, 58, is a French national.

Ms. Olivia Larmaraud's business address is that of the Company.

MAIN FUNCTION CURRENTLY HELD:

Director of Consolidation and Accounting Standards of PSA Peugeot Citroën* (France).

* *Listed companies.*

OTHER CURRENT FUNCTIONS AND MANDATES:

- Director and Chairman of the Audit Committee of SNEF (France) since July 2015
- Member of the Board of Directors of ACTEO (France) since 2008
- Member of the International Standards Committee of the *Autorité des Normes Comptables*, the French accounting standards authority, since 2010, and Member of the *Conseil National de la Comptabilité*, the French national accounting council, in 2008–2009
- Member of the Global Preparer Forum of the International Accounting Standards Board since 2008

FUNCTIONS AND MANDATES HELD WITHIN THE FIVE PAST YEARS AND WHICH HAVE EXPIRED:

-

Ms. Olivia Larmaraud currently does not hold any Faurecia shares.

Odile Desforges

Ms. Odile Desforges is an engineer and graduate of *École Centrale de Paris*. She also holds a diploma from the European Center for Executive Development (CEDEP)

Ms. Odile Desforges began her career in 1973 as a research analyst at the *Institut de Recherche des Transports* before joining Renault in 1981, where she held several positions of responsibility in planning, product development, and purchasing. Subsequently, after serving as Executive Vice-President of Renault VI/Mack and as a member of the Executive Committee with responsibility for planning, purchasing and program development from 1999 until 2001, she was appointed President of the Volvo 3P business unit of AB Volvo, where she remained until 2003. From 2003 to 2009, Ms. Odile Desforges was a member of Renault's Management Committee and served as Head of Worldwide Purchasing for Renault/Nissan. In 2009, she was named to Renault's Executive Committee and appointed as Group Director of Engineering and Quality. She was made a *Chevalier de l'Ordre National du Mérite* and a *Chevalier de la Légion d'Honneur* by the French government.

Ms. Odile Desforges, 66, is a French national.

Ms. Desforges' business address is that of the Company.

MAIN FUNCTION CURRENTLY HELD:

-

OTHER CURRENT FUNCTIONS AND MANDATES:

- Director of Johnson Matthey PLC (United Kingdom) since June 2013
- Director of Dassault Systèmes* (France) since May 2013
- Director of Sequana* (France) since 2012
- Director and Chairman of the Audit Committee of Safran* (France) since May 2011

Ms. Odile Desforges' term of office as director of Sequana will end in May 2016.

* *Listed companies.*

FUNCTIONS AND MANDATES HELD WITHIN THE FIVE PAST YEARS AND WHICH HAVE EXPIRED:

- Director of GIE Regienov (France) until January 2013
- Director of Renault España SA (Spain) until December 2012
- Director of RNTBCI (India) until June 2012
- Director of Renault Nissan BV (Netherlands) until June 2012

Ms. Odile Desforges currently does not hold any Faurecia shares.

Michel de Rosen

Mr. Michel de Rosen is a graduvate of the *École des Hautes Études Commerciales* (HEC) and the *École Nationale d'Administration* (ENA).

Over the course of his career, Mr. Michel de Rosen has successively held positions first as a senior public official and then as a senior executive at companies in France and the United States.

Mr. Michel de Rosen began his career at the Inspectorate General of Finance (IGF), a division of the French Ministry of Finance. He was an advisor to the French Minister of Defense between 1980 and 1981 and served as chief of staff for the French Minister for Industry and Telecommunications from 1986 to 1988.

Within the Rhône-Poulenc group, he served as Chief Executive Officer of Pharmuka from 1983 to 1986 and of Rhône Poulenc Fibres et Polymères from 1988 to 1993, after which he was Chief Executive Officer and then Chairman and Chief Executive Officer of Rhône Poulenc Rorer in the United States from 1993 to 1999. In 2000, Mr. Michel de Rosen was named Chairman and Chief Executive Officer of the US company ViroPharma. He became Chairman and Chief Executive Officer of SGD in 2008, before joining Eutelsat in 2009.

At Eutelsat, Mr. Michel de Rosen was named Chief Operating Officer on July 1, 2009, before being appointed Chief Executive Officer and Director on November 9 that same year. From September 2013 to February 2016, he served as Chairman and Chief Executive Officer. On March 1, 2016, Mr. Michel de Rosen was named Chairman of Eutelsat's Board of Directors.

Mr. Michel de Rosen, 65, is a French national.

Mr. Michel de Rosen's business address is that of the Company.

MAIN POSITION CURRENTLY HELD:

Chairman of the Board of Directors of Eutelsat Communications S.A. *.

OTHER CURRENT POSITIONS AND OFFICES:

Director of ABB Ltd.

POSITIONS AND OFFICES HELD WITHIN THE FIVE PAST YEARS AND WHICH HAVE EXPIRED:

Chairman and Chief Executive Officer of Eutelsat Communications S.A. * until February 29, 2016.

Mr. Michel de Rosen currently does not hold any Faurecia shares.

11.5. Reports

11.5.1. REPORTS OF THE STATUTORY AUDITORS

11.5.1.1. Statutory Auditors' report on related party agreements and commitments

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed those procedures which we considered necessary to comply with professional guidance issued by the national auditing body *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorised during the previous year

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments which were authorized by the Board of Directors.

1. With Mr. Patrick Koller, Deputy Chief Executive Officer of your company

Nature and purpose

Agreement setting up the obligations and remuneration conditions of Mr. Patrick Koller as executive corporate officer of the Company.

The elements making up the remuneration are as follows:

- gross annual remuneration: €620,000;
- variable remuneration determined according to the achievement of quantitative and qualitative objectives.

Conditions

- The achievement of quantitative objectives entitles to a variable remuneration ranging from 0 to 120% of his fixed remuneration. They are linked to operating margin (for 40%) and free cash flow (for 60%);
- The achievement of qualitative objectives entitles to a potential multiplying effect of the quantitative objectives ranging from 0.7 to 1.2. These qualitative objectives concern (each for 25%) the management of the transition to the new structure of the executive management, the definition of the steps for implementing Faurecia's strategy; carrying out strategic, cross functional projects and the turnaround of businesses in North America.

In all, the variable remuneration of Mr. Patrick Koller can vary from 0 to 144% of his fixed annual remuneration.

Reasons justifying the interest of the agreement for the Company

The Board of Directors has justified the agreement as follows: "This agreement is part of rigorous and transparent governance and its contents are a strict reflection of legal provisions and commitments taken by the Board of Directors".

2. With the Executive Committee members of the Company

Nature and purpose

Establishment of an additional defined benefit pension plan for all Executive Committee members including Mr. Patrick Koller.

Mr. Yann Delabrière is not a beneficiary of this plan.

Conditions

This regime is made up an annual pension determined according to the operating income of the Company and the budget approved by the Board of Directors.

The amount of the annual pension ranges from 1% to 3% of the annual reference remuneration, for each year of seniority, according to the level of achievement of objectives determined on the basis of the operating margin of the Company and the budget as approved by the Board of Directors.

The amount of the annual pension is submitted to two ceilings: 25% of the reference remuneration and eight annual social security ceilings (€ 304,320 in 2015).

The total annual pension paid under the Faurecia group's mandatory and specific plans must not exceed 45% of the reference remuneration, i.e., the total average gross annual remuneration received by the beneficiary within Faurecia over the last three calendar years prior to the date he/she stops work or steps down from the Executive Committee.

Reasons justifying the interest of the agreement for the Company

The Board of Directors has justified the agreement as follows: "This plan, which is subject to performance conditions, is part of a long-term strategy to retain corporate officers and encourage closer involvement in the Group's results".

Agreements and commitments already approved by the General Meeting of shareholders

In accordance with R. 225-30 of the French Commercial Code *(Code de commerce)*, we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

With Mr. Yann Delabrière, Chief Executive Officer of your company

Nature and purpose

Since 2008, Mr. Yann Delabrière is a member of the supplementary pension plan set up by your company, which comprises:

- a defined contribution plan relating to salary tranches A and B with total contributions representing 1% on the tranche A and 6% on the tranche B of the compensation without the beneficiary's contribution;
- a defined benefit plan relating to salary tranche C whose contribution rate corresponds to 1% of salary tranche C multiplied by the beneficiary's years of seniority within the Company.

Conditions

During the year ended December 31, 2015, your company paid €7,227.60 in respect of the pension contributions.

No payment has been made to the beneficiary under these plans for fiscal year 2015.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.1.2. Statutory Auditors' report on the capital reduction

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2016 –TWELFTH RESOLUTION)

To the Shareholders,

In our capacity at Statutory Auditors of your Company and in compliance with Article L. 225-209 of the French Commercial Code *(Code de Commerce)* on capital reductions by means of cancellation of own shares purchased, we have prepared this report with the aim of informing you of our assessment of the reasons for, and terms and conditions of, the proposed capital reduction.

Your Board of Directors is proposing that it should be invested, for a period of 18 months from the date of this Shareholders' Meeting, with full authority, to cancel shares purchased by virtue of your Company's authorization to purchase its own shares within the context of the provisions of the aforementioned article, up to a maximum of 10% of its capital stock per 24 month period.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body *(Compagnie nationale des commissaires aux comptes)* for this type of assignment. These procedures led us to examine whether the reasons for, and terms and conditions of, the proposed capital reduction, which is not likely to affect shareholder equality, are in order.

We have no matters to report as to the reasons for, and terms and conditions of, the proposed capital reduction.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.1.3 Statutory Auditors' report on the authorization of grants of free shares, existing or new

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

(ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2016 – THIRTEENTH RESOLUTION)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to Article L. 225-197-1 of the French Commercial Code *(Code de commerce)*, we hereby report on the proposed authorization of the attribution of free shares, existing or new, in favor of (i) the employees of your Company or companies that are directly or indirectly related to it within the meaning of Article L. 225-197-2 of the French Commercial Code *(Code de commerce)* and/or (ii) officers who meet the conditions laid down by Article L. 225-197-1 of the French Commercial Code *(Code de commerce)*, for which your approval is required.

Your Board of Directors asks, on the basis of its report, that you invest it, for a period of 26 months, with the power to grant free shares, existing or new.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to be authorized to make. Our responsibility is to give you our observations, if any, on the information and data provided to you in respect of the proposed transaction.

We performed the procedures we deemed necessary to comply with the professional standards of the national auditing body *(Compagnie nationale des commissaires aux comptes)* for this type of assignment. These procedures consist mainly in verifying that the proposed terms and conditions contained in the report of the Board of Directors were within the framework of applicable legal provisions.

We have no comments to make on the information given in the report of the Board of Directors on the proposed authorization to grant free shares.

Neuilly-sur-Seine and Paris-La Défense, April 19, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Éric Bertier	Denis Thibon

11.5.2. INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our quality as an independent verifier accredited by the COFRAC [1], under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the Company Faurecia, we present our report on the consolidated social, environmental and societal information established for the year ended on the December 31, 2015, presented in the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the Article L. 225-102-1 of the French Commercial Code *(Code de commerce)*.

Responsibility of the Company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*, in accordance with the protocols used by the Company (hereafter referred to as the "Criteria"), and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the Article L. 822-11 of the French Commercial Code *(Code de commerce)*. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code *(Code de commerce)* (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work was undertaken by a team of 6 people between September 28, 2015 and our report's signature date, for an estimated duration of 6 weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000 [2].

1. ATTESTATION OF PRESENCE OF CSR INFORMATION

Interviews with the management of relevant departments allowed us to obtain an understanding of the Company's strategy on sustainable development based on the social and environmental consequences linked to the Company's activities and related to its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

(1) Scope available at www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements "other than audits or reviews of historical information".

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial Code *(Code de commerce)*.

We verified that the CSR Information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 of the French Commercial Code *(Code de commerce)* and the entities which it controls, as aligned with the meaning of the Article L. 233-3 of the French Commercial Code *(Code de commerce)* with the limitations specified in the management report.

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR Information.

2. LIMITED ASSURANCE ON CSR INFORMATION

Nature and scope of the work

We undertook around 10 interviews with the people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process – Human resources, Committee on legal affairs, Quality, Health, Safety & Environment department (HSE) – in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important [(1)]:

- at the level of the parent company, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of the representative selection of entities that we selected [(2)], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average 15% of the total workforce and between 15 and 23% of the quantitative environmental information.

For the other consolidated CSR Information, we assessed their consistency in relation to our knowledge of the Company.

Eventually, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgement allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due

(1) **Environmental and societal information:** *general environmental policy and organization, approaches to evaluation and certification (environmental certification rate), waste generation prevention, waste recycling and disposal (quantity of wastes produced and their distribution by disposal type), measures undertaken to improve energy efficiency (energy consumption, use of renewable energy), GHG emissions, measures undertaken to prevent, reduce or remediate air emissions (emissions of volatile organic compounds), raw materials consumption and measures undertaken to enhance resource efficiency (consumption of recycled plastic), importance of subcontracting and the consideration of environmental and social issues in the purchasing policies and the relations with suppliers and subcontractors.*

Social information: *employment (total headcount and breakdown by contract, gender and geography, hiring and terminations), absenteeism (absenteeism rate), labour relations, health and safety, work accidents (frequency and gravity), total number of trainings, measures undertaken to improve gender equality.*

(2) *BG FAS: Regional Business Unit Mexico for environmental information, Division North America for social indicators, including the sites of Puebla Covers, Puebla JIT (Mexico), and, for the indicators consumption of raw materials and energy consumption, the site of San Luis Potosi (Mexico); BG FIS: Division North America, including the sites of Saline and Fraser (United States of America); BG FAE: site of Marines (France); BG FECT: site of Gladstone (United States of America).*

to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Concerning the indicator "Total number of training hours", various discrepancies have been identified and can lead to a risk for the consolidated indicator.

Concerning the indicator "Metallic raw material consumption," various discrepancies have been identified for the data collected by one of the Business Groups contributing 63% of the consolidated value. These discrepancies can lead to a risk for the consolidated indicator in question.

Based on our work, except for the incidence of the discrepancies identified for the indicators "Total number of training hours" and "Metallic raw material consumption" as mentioned above, we have not identified any other significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, April 13, 2016

French original signed by:

Independent Verifier

ERNST & YOUNG et Associés

Éric Mugnier	Bruno Perrin
CSR Associate	Associate

Appendices

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Declaration by the person responsible for the Registration Document and Information Officer

Person responsible for the Registration Document

Mr. Yann Delabrière

Chairman and Chief Executive Officer

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and the results of the Company and the consolidated companies making up the Group, and that the management report, the contents of which are shown on page 307, provides a true and fair picture of the business, results and financial position of the Company and its consolidated companies, as well as a description of the main risks and uncertainties they face.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein.

The Statutory Auditors issued a report on the consolidated financial statements for the year ended December 31, 2013, included in the 2014 Registration Document filed with the *Autorité des Marchés Financiers* (AMF, the French securities regulator) on April 24, 2014, which contains an observation shown on page 205 of said document.

Mr. Yann Delabrière

Nanterre, April 21, 2016

Information Officer

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Cross-reference table on information required in the annual financial report

For easier reading, the cross-reference table identifies information in this Registration Document that also appears in the annual financial report that listed companies are required to publish under Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulation.

Cross-reference table for information required in the Chairman's report on corporate governance and internal control

The following cross-reference table is intended to guide readers in identifying the disclosures included in this Registration Document that constitute the Chairman's report on corporate governance and internal control, as provided for by Article L. 225-37 of the French Commercial Code.

Cross-reference table with Annex I of Commission Regulation (EC) No. 809/2004 of April 29, 2004

In order to make this Registration Document easier to understand, the cross-reference table below makes it possible to identify the key items of information required by Annex I of European Regulation No. 809/2004 of April 29, 2004.

Cross-reference table for information required under French Decree 2012-557 dated April 24, 2012 on business's transparency obligations in social and environmental matters (Article R. 225-105-1 of the French Commercial Code)

NOTE ON METHODOLOGY RELATING TO REPORTING ON SOCIAL AND ENVIRONMENTAL INDICATORS

Social and environmental indicators are reported following the guidance in the relevant Faurecia Core Procedure (FCP). The procedures form part of the Faurecia Excellence System (FES), which defines the working methods for Group employees worldwide and underpins the Group's identity.

The aim of the FCP covering environmental reporting is to organize the annual collection, compilation and communication of data in this area via a Group software operated by Tennaxia. The scope of reporting covers Group sites identified by the HSE managers in each Business Group (sites with a low environmental impact are excluded).

The Group software rolled out at the relevant sites describes, among other things, the list of indicators being reported, the checks, in particular consistency, carried out throughout the reporting process as well as the instructions for use.

The data, duly collected, checked and input into the software is approved at division, Business Group and Group level before being consolidated.

The FCPs covering employee-related matters notably define the reporting standards as regards headcount and other key employee data within the Group. All Faurecia group sites are covered. These procedures are based on monthly reporting via the Metis_HR software, which is then used to consolidate the data. Checks are carried out throughout the data reporting process, and at the end of this process the data are analyzed by the Group Human Resources department.

The environmental and social data in this Registration Document are independently audited by Ernst & Young et Associés. The opinion given in Section 11.5.2 summarizes their conclusions from their work.

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This document is printed in compliance with ISO14001:2004 for an environment managment system.

Designed & published by Labrador +33 (0)1 53 06 30 80

Translated by Labrador TRANSLATIONS +33 (0)1 53 06 80 20