OFFERING CIRCULAR

NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

Faurecia S.E.

(incorporated under the laws of France as a société européenne (societas europaea), i.e., a limited liability company)

€500,000,000
3.125% Senior Notes due 2026

Faurecia S.E. (the "**Issuer**" or "**Faurecia**") is offering €500,000,000 of its 3.125% Senior Notes due 2026 (the "**Notes**"). The Issuer will pay interest on the Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2019. The Notes will mature on 15 June 2026.

The Notes will be senior unsecured obligations of the Issuer. The Notes will rank equally with all of the Issuer's existing and future unsecured senior debt and senior to all its existing and future subordinated debt. The Notes will be effectively subordinated to all secured indebtedness, if any, of the Issuer to the extent of the value of the assets securing such indebtedness, if any. The Notes are not guaranteed by the Issuer's subsidiaries and will therefore also be structurally junior to all debt of the Issuer's subsidiaries. The proceeds of the Notes will be used to (i) repay in full the principal amount outstanding under the Bridge Loan (as defined below), which was used to finance the Clarion Acquisition (as defined below) and to pay related expenses and transaction costs and (ii) to pay fees and expenses incurred in connection with the offering of the Notes.

At any time prior to 15 June 2022, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus the relevant "make-whole" premium. The Issuer may also redeem the Notes, in whole or in part, at any time on or after 15 June 2022, at redemption prices that vary depending on the year of redemption, as set forth in this offering circular (the "**Offering Circular**"). In addition, prior to 15 June 2022, the Issuer may, at its option and on one or more occasions, redeem up to 35% of the aggregate principal amount of Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 103.125% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, holders of the Notes may cause the Issuer to repurchase the Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, if the Issuer undergoes specific kinds of changes of control.

Application has been made to list the Notes on the official list of Euronext Dublin (the "**Official List**") and to admit the Notes to trading on the Global Exchange Market. This Offering Circular constitutes listing particulars for the purpose of such application and has been approved by Euronext Dublin. There can be no assurance that any such application will be successful or that any such listing will be maintained.

Investing in the Notes involves risks. You should carefully consider the risk factors beginning on page 21 of this Offering Circular before investing in the Notes.

The Notes will be in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented on the issue date by one or more global notes, which will be delivered through Euroclear Bank SA/NV and Clearstream Banking, S.A, on or about 27 March 2019 or such later date as agreed between the Issuer and the Initial Purchasers (as such term is defined under "**Subscription and Sale of the Notes**"). See "Book-Entry, Delivery and Form".

Issue price: 100.000%, plus accrued and unpaid interest, if any, from the issue date.

The Notes have not been nor will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") nor with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes may be offered or sold solely to persons who are not U.S. Persons outside the United States in reliance on Regulation S.

Joint Global Coordinators and Joint Bookrunners

Citigroup **Crédit Agricole CIB** **HSBC**

Joint Bookrunners

Goldman Sachs International **J.P. Morgan** **MUFG**

Co-Managers

Bank of China **Bankinter**

The date of this Offering Circular is 27 March 2019.

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IMPORTANT INFORMATION ABOUT THIS OFFERING CIRCULAR

This Offering Circular has been prepared solely for use in connection with, and prospective investors are authorized to use this Offering Circular only in connection with, a private placement of the Notes by us to institutional investors outside of the United States. We and the Initial Purchasers reserve the right to reject any offer to subscribe for the Notes for any reason.

No person has been authorized to give any information or to make any representations in connection with the offering or sale of the Notes other than as contained in this Offering Circular, and, if given or made, such information or representations must not be relied upon as having been authorized by us, the Initial Purchasers, any of our or their affiliates, or by any other person. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs or the affairs of our subsidiaries since the date hereof or that the information contained herein is correct and complete as at any time subsequent to the date hereof.

We have prepared this Offering Circular and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. We have summarized certain documents and other information in a manner we believe to be accurate. However, we refer you to the actual documents for a more complete understanding of the matters discussed in this Offering Circular. Where information has been sourced from a third party, we confirm that this information has been accurately reproduced and that as far as we are aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been included, its source has been stated.

This Offering Circular has been prepared by us on the basis that any purchaser of the Notes is a person or entity having such knowledge and experience of financial matters as to be capable of evaluating the merits and risks of such purchase. Before making any investment decision with respect to the Notes, potential investors should conduct such independent investigation and analysis regarding us and the Notes as they deem appropriate to evaluate the merits and risks of such investment. In making any investment decision with respect to the Notes, investors must rely (and will be deemed to have relied) solely on their own independent examination of us and the terms of the Notes, including the merits and risks involved. Before making any investment decision with respect to the Notes, prospective investors should consult their own counsel, accountants, or other advisers, and carefully review and consider such investment decision in light of the foregoing.

To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, we confirm that the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. We accept responsibility for the information contained in this Offering Circular accordingly.

Neither us nor the Initial Purchasers nor any of our or their respective affiliates or representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Circular as legal, business, tax or other advice. You should consult with your own advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

The Initial Purchasers are not responsible for, and no representation or warranty, express or implied, is made by the Initial Purchasers or any of their respective affiliates or advisors or selling agents, nor any of their respective representatives, as to the accuracy or completeness of the information or representation set forth herein, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by any of them, whether as to the past or the future.

You are urged to pay careful attention to the risk factors described under the section "Risk Factors" of this Offering Circular, as well as the other information contained herein, before making your investment decision. The occurrence of one or more of the risks described herein, could have an adverse effect on our activities, financial condition, or results of operations. Furthermore, other risks not yet identified or not considered significant by us could have adverse effects, and you may lose all or part of your investment.

STABILIZATION

In connection with the issue of the Notes, Crédit Agricole Corporate and Investment Bank (the "**Stabilizing Manager**") (or any person acting on behalf of the Stabilizing Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over allotment must be conducted by the relevant Stabilizing Manager (or person(s) acting on behalf of any Stabilizing Manager) in accordance with all applicable laws and rules.

SELLING RESTRICTIONS

General

This Offering Circular does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular comes are required to inform themselves about and to observe any such restrictions. This Offering Circular may only be used for the purposes for which it has been published.

No action has been taken in any jurisdiction that would permit a public offering of the Notes. No offer or sale of the Notes may be made in any jurisdiction except in compliance with the applicable laws thereof. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this Offering Circular.

For a description of certain restrictions relating to the offer and sale of the Notes, see "Subscription and Sale of the Notes". We accept no liability for any violation by any person, whether or not a prospective purchaser of the Notes, of any such restrictions.

Notice to Prospective Investors in the United States

The Notes offered pursuant to this Offering Circular have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold outside the United States or to, or for the account or benefit of, U.S. Persons, as defined in Regulation S under the Securities Act ("**Regulation S**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the offer is not being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, any Notes in the United States.

Any person who subscribes or acquires Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this Offering Circular or delivery of the Notes, that it is subscribing or acquiring the Notes in compliance with Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notice to Prospective Investors in the United Kingdom

This Offering Circular is for distribution to and is directed solely at (i) persons located outside the United Kingdom, (ii) persons with professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**"), (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order and (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities of the Issuer or any member of its group may otherwise lawfully be communicated or caused to be communicated (all such persons in (i) to (iv) above being "**relevant persons**"). Any investment activity to which this Offering Circular relates will only be available to and will only be engaged with relevant persons. The Notes are being offered solely to "qualified investors" as defined in the Directive 2003/71/EC (the "**Prospectus Directive**") and accordingly the offer of Notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive. Any person who is not a relevant person should not act or rely on this communication or any of its contents.

MIFID II Product Governance/Professional Investors and ECPs Only Target Market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Notice to Prospective Investors in France

This Offering Circular has not been prepared and is not being distributed in the context of a public offering of financial securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411-1 of the French *Code Monétaire et Financier* and Title I of Book II of the *Règlement Général* of the *Autorité des marchés financiers* (the French financial markets authority) (the "**AMF**"). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and neither this Offering Circular nor any offering or marketing materials relating to the Notes must be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France. The Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in and in accordance with Articles L. 411-1, L. 411-2, D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier* and applicable regulations thereunder.

Prospective investors are informed that:

(i) this Offering Circular has not been and will not be submitted for clearance to the AMF;

(ii) in compliance with Articles L. 411-2, D. 411-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code, any qualified investors subscribing for the Notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French Monetary and Financial Code.

Notice to Prospective Investors in Canada, Australia and Japan

The Notes may not be offered, sold or purchased in Canada, Australia or Japan.

CERTAIN DEFINITIONS

In this Offering Circular (except as otherwise defined in "Terms and Conditions of the Notes", for purposes of that section only, or in our audited consolidated financial statements, which have been incorporated by reference into this Offering Circular):

- References to "**our group**" or the "**Group**" are to Faurecia and its consolidated subsidiaries, whereas references to "**Faurecia**" or the "**Issuer**" are to Faurecia S.E. References to "**us**", "**we**" or "**our**" are to the Group or to Faurecia, as the context requires;
- "**2023 Notes**" refers to €700 million in principal amount of 3.625% Senior Notes due 2023, which we issued on 1 April 2016;
- "**2025 Notes**" refers €700 million in principal amount of 2.625% Senior Notes due 2025, which we issued on 8 March 2018;
- "**Bridge Loan**" means the €500 million loan incurred under the €1,300 million facility agreement among us as borrower and Crédit Agricole Corporate and Investment Bank dated 25 October 2018 which we entered into in order to finance the Clarion Acquisition and to pay related expenses and transaction costs (the "**Bridge Facility Agreement**"). The Bridge Facility Agreement is a 1-year term loan facility with an option to extend the maturity by up to a year with two six-month extension options. In December 2018, we entered into a transaction to issue €700 million in principal amount of Schuldschein (a private placement under German law) in multiple tranches, which we issued in December 2018 and January 2019 (the "**Schuldschein**"). The receipt of the net proceeds of the issue of the Schuldschein enabled us to reduce the committed funds available under the Bridge Facility Agreement to €750 million by January 2019. The net proceeds of the Notes being offered hereby will repay the Bridge Loan in full.
- "**Clarion**" refers to Clarion Co, Ltd.;
- "**Clarion Acquisition**" has the meaning ascribed to it in "*Summary – Our Competitive Strengths – Attractive underlying market fundamentals – Cockpit of the Future*";
- "**CO_2**" refers to carbon dioxide;
- "**g**" refers to the unit of mass, "gram";
- "**g/km**" refers to grams per kilometer;
- "**HMI**" refers to human-machine interfaces;
- "**Initial Purchasers**" refers to Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Goldman Sachs International, J.P. Morgan Securities plc, MUFG Securities EMEA plc, Bank of China Limited, London Branch and Bankinter, S.A.;
- "**IVI**" refers to in-vehicle-infotainment;
- "**kg**" refers to the unit of mass, "kilogram";
- "**km**" refers to the unit of distance, "kilometer";
- "**OEMs**" refers to Original Equipment Manufacturers;
- "**Refinancing**" refers to the issuance of the Notes offered hereby and the use of proceeds therefrom to repay in full the Bridge Loan;
- "**Senior Credit Agreement**" means the €1,200 million senior credit agreement among us as borrower and various lenders, dated 15 December 2014 and amended and restated on 24 June 2016 and further amended and restated on 15 June 2018. The Senior Credit Agreement is composed of a five-year facility maturing in 2023 for an amount of €1,200 million and was undrawn as at 31 December 2018 and as at the date of this Offering Circular. The facility under the Senior Credit Agreement is referred to herein as the "**Senior Credit Facility**".

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Faurecia is the parent company of the Group. This Offering Circular includes audited consolidated financial statements of Faurecia as at and for the years ended 31 December 2018 and 2017. Our audited consolidated financial statements as at and for the year ended 31 December 2018, incorporated by reference herein, also present comparable financial data for the year ended 31 December 2017. Our audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (''**IFRS**'') as adopted by the European Union. Our audited consolidated financial statements for the year ended 31 December 2018 have been approved by our Board of Directors on 15 February 2019. Our statutory auditors are PricewaterhouseCoopers Audit and Ernst & Young Audit. From the date of our next annual general meeting on 28 May 2019, Mazars LLP will replace PricewaterhouseCoopers Audit as part of our standard auditor rotation policy.

In this Offering Circular, references to ''**euro**'' and ''**€**'' refer to the lawful currency of the member states participating in the third stage of the Economic and Monetary Union under the Treaty Establishing the European Community, as amended from time to time.

We publish our audited consolidated financial statements in euros. Some financial information in this Offering Circular has been rounded and, as a result, figures shown as totals in this Offering Circular may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Constant Basis Presentation and Other Non-IFRS Measures

Figures presented in this Offering Circular are calculated on an actual historical basis and, where noted, on a constant or ''like-for-like'' basis, which means that comparable items are presented using a constant consolidation scope but not using constant exchange rates, unless otherwise indicated. The percent change from one period to another has generally been given on a ''like-for-like'' basis in order to eliminate the impact of changes in consolidation scope (that is, changes in the entities that we consolidate in our audited consolidated financial statements due to acquisitions, divestures or mergers).

For comparison purposes, we restate sales to factor in acquisitions and joint ventures, which we refer to as ''bolt ons''. Exchange rates are restated only for sales which are reported in a currency other than euro and where we compare by applying the previous year U.S. dollar/euro exchange rate to both the previous year and the current year sales. The scope is restated by calculating this year sales as at the last year perimeter. In our consolidated financial statements as at and for the year ended 31 December 2017, we restated sales to factor in exchange rate fluctuations and changes in perimeter, which we referred to as organic growth.

In this Offering Circular, we present our estimated order book (calculated on a three-year rolling basis) as of 31 December 2018, 2017 and 2016. Our order book represents the sales that we expect to record when we receive firm production orders, under contracts for vehicle programs that we have been awarded but which are not yet in production. The value of our order book as of any given date is based on the estimated production volumes of vehicle programs as well as their estimated lifetime. We discount the production volumes indicated by our customers based on factors including our management's knowledge of such customer, our historical relationship with such customer and internal and external industry forecasts. We do not increase the estimated production volumes beyond those estimated provided to us by our customers.

In this Offering Circular, we present certain information relating to potential synergies which we believe may result from the Clarion Acquisition. These synergy estimates are based on a number of assumptions made in reliance on the information available to us and management's judgments based on such information. We have not included any estimate of the costs required to achieve these EBIT and cost reduction synergies and the costs we incur in trying to realize these synergies may be substantially higher than our current estimates and may outweigh any benefit. The assumptions used in estimating these synergies are inherently uncertain and are subject to a variety of significant business, economic and competitive risks and uncertainties. We cannot assure you that the information on which we have based our assumptions will not change or that we will be able to realize any of the synergies or other benefits we believe are possible from the Clarion Acquisition.

In addition, this Offering Circular includes certain supplemental indicators of performance and liquidity that we use to monitor our operating performance and debt servicing ability. These indicators include EBITDA, net cash flow, the value of our order book and, for periods prior to our implementation of IFRS 15, value added sales (as discussed below). These measures are unaudited and we are not required to present them under IFRS. Such indicators have limitations as analytical tools, and investors should not consider them in isolation from, or as a substitute for analysis of, related indicators derived in accordance with IFRS. We use these non-IFRS financial measures in this Offering Circular because we believe that they can assist investors in comparing our performance to that of other companies on a consistent basis. However, our computation of EBITDA, net cash flow, value added sales and other non-IFRS financial measures may not be comparable to similarly titled measures of other companies. For example, depreciation and amortization can vary significantly among companies depending on accounting methods, particularly where acquisitions or non-operating factors including historical cost bases are involved. We believe that EBITDA, and net cash flow, order book and the other non-IFRS financial measures, as we define them, are also useful because they enable investors to understand our performance over time, without the impact of various items that we believe do not durably affect our operating performance. However, investors should not consider these measures as alternatives to measures of financial performance, operating results or cash flows that are determined in accordance with IFRS.

Restatement of Comparative Financial Statements

Application of IFRS 15 – Revenue from Contracts with Customers

We have adopted IFRS 15 (*Revenue from Contracts with Customers*) with effect from 1 January 2018. Our consolidated financial statements as at and for the year ended 31 December 2018 ("**2018 Consolidated Financial Statements**"), including "sales", therefore reflect the adoption of IFRS 15. As our application of IFRS 15 is retrospective, the consolidated financial figures as at and for the year ended 31 December 2017 which are included in our 2018 Consolidated Financial Statements for comparison purposes ("**2017 Comparative Consolidated Financial Information**") have been restated to reflect the application of IFRS 15. Financial information which is presented in this Offering Circular as at and for the year ended 31 December 2017 has been extracted from the 2017 Comparative Consolidated Financial Information, and is presented as 'Restated'.

We have set out at note 1.B to our 2018 Consolidated Financial Statements additional information relating to the adoption of IFRS 15, including tables setting out our consolidated statement of comprehensive income, consolidated balance sheet and consolidated cash flow statement as at and for the year ended 31 December 2017 showing the adjustments made as a result of the application of IFRS 15. We have also set out at note 1.7 to the Business Review section which is contained in our 2018 Annual Results (as defined below) (and incorporated by reference into this Offering Circular) further information showing the reconciliation of sales and operating income as a result of the adoption of IFRS 15 for each of our business groups and regions as at and for the year ended 31 December 2017. See note 1.B to our 2018 Consolidated Financial Statements and note 1.7 of the Business Review section of our 2018 Annual Results for further information.

We have not restated our consolidated financial statements as at and for the year ended 31 December 2016 or for any period prior to that date to reflect the adoption of IFRS 15 and therefore financial information presented in this Offering Circular in respect of such dates or periods may not be directly comparable to financial information extracted from our 2018 Consolidated Financial Statements or our 2017 Comparative Consolidated Financial Information.

Prior to the adoption of IFRS 15, we reported "total sales" and "value added sales" in our audited consolidated financial statements both for the Group and by operating segment. Total sales consisted of sales of automotive parts and components to customers, or product sales, sales of tooling, research and development ("**R&D**"), prototypes and other services and sales of catalytic converter monoliths. Value added sales consisted of our total sales excluding sales of catalytic converter monoliths. Catalytic converter monoliths are a pre-packaged raw material component for catalytic converters, which are chosen by customers and sold on a "pass-through" basis with no mark-up. There was no difference between value added sales and total sales for our Faurecia Interiors and Faurecia Seating business groups. Following the adoption of IFRS 15, we report "sales" and no longer report "total sales" or "value added sales", with operating margins calculated as a percentage of "sales".

We have included in this Offering Circular certain financial information in relation to Clarion including, in particular, Clarion's consolidated revenues, operating income and net income for the years ended 31 March 2018 and 31 March 2017. The financial data relating to Clarion has been extracted or derived from Clarion's published audited consolidated financial statements as at and for the year ended 31 March 2018. Accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data. We confirm that financial data relating to Clarion has been accurately reproduced and that as far as we are aware and are able to ascertain from information published by Clarion, no facts have been omitted which would render the reproduced information inaccurate or misleading.

MARKET AND INDUSTRY DATA

Unless otherwise stated, the information provided in this Offering Circular relating to market position, market share and the size of relevant markets and market segments for the Faurecia Seating, Faurecia Clean Mobility or Faurecia Interiors Markets is based on sales, solely determined on the basis of our own estimates, and is provided solely for illustrative purposes. We compile information on these markets through external sources including IHS Automotive, industry professionals, industry publications, annual reports from competitors, and market research from independent third parties. Our estimates of relative market position in each of our markets are based on this information. We compare our sales for each business group or region with the total market, which we calculate as the total number of passenger cars produced globally or for each region, multiplied by our estimate of the average value of the content we can supply per car. We believe that such data is useful in helping investors understand the industry in which we operate and our position within that industry. However, we do not have access to the data and assumptions underlying the data. Unless otherwise indicated, our estimates of market position and market share provided in this Offering Circular are for the year ended 31 December 2018.

The above-referenced estimates, which we consider reliable, have not been verified by independent experts. Neither we nor the Initial Purchasers guarantee that third parties using different methods to assemble, analyze or compute market data would obtain or generate the same results. In addition, our competitors may define their markets differently. To the extent the data relating to market share and market size included in this Offering Circular is based solely on our own estimates, it does not constitute official data and should not be relied on. Moreover, any information regarding market share, customer ranking, supplier percentages or similar data is based on the total value of consolidated sales, rather than on number of units sold or value added sales, unless otherwise noted. Neither we nor the Initial Purchasers make any representation as to the accuracy of such information.

INFORMATION INCORPORATED BY REFERENCE

The information set out below, which has previously been published or is being published simultaneously with this Offering Circular and has been filed with Euronext Dublin, shall be deemed to be incorporated in, and to form part of, this Offering Circular.

Such documents will be made available, free of charge, during normal business hours on any weekday at the specified office of the listing agent, unless such documents have been modified or superseded.

Documents incorporated by reference in this Offering Circular:

- the English translation of our 2018 Annual Results comprising (i) our audited 2018 Consolidated Financial Statements and (ii) the section headed ''Business Review'' (the ''**2018 Annual Results**''); and
- section 1 (Financial statements) of the English translation of our 2017 Registration Document (''**2017 Registration Document**''), including our audited consolidated financial statements as at and for the year ended 31 December 2017, which was filed with the *Autorité Marchés Financiers* on 26 April 2018.

The 2018 Annual Results were released on 18 February 2018 and have not been updated since, and speak only as of, such date.

The information contained in the 2017 Registration Document has not been updated since 26 April 2018 and speaks only as of such date. Any statement contained in the 2018 Annual Results or the sections of the 2017 Registration Document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Offering Circular to the extent that a statement contained in this Offering Circular (including any statement in an excerpt from a more recent document that is incorporated by reference in this Offering Circular) modifies or supersedes such statement. Any statement that is modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this Offering Circular. The 2018 Annual Results and the sections of the 2017 Registration Document incorporated by reference herein are important parts of this Offering Circular. All references herein to this Offering Circular include the 2018 Annual Results and the 2017 Registration Document hereto, as modified or superseded.

Any documents themselves incorporated by reference in the 2018 Annual Results or the 2017 Registration Document, or the sections of the 2017 Registration Document that are not expressly incorporated by reference herein, shall not form part of this Offering Circular.

The 2018 Annual Results and the 2017 Registration Document contain, among other things, a description of the Group's results of operations. It is important that you read this Offering Circular in its entirety, including the documents incorporated by reference herein, before making an investment decision regarding the Notes.

Copies of the documents incorporated by reference in this Offering Circular are available for viewing on our website (http://www.faurecia.com). Except for the information specifically incorporated by reference in this Offering Circular, the information provided on such website is not part of this Offering Circular and is not incorporated by reference in it.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements that reflect our current expectations with respect to future events and our financial performance. The words "*believe*", "*expect*", "*intend*", "*aim*", "*seek*", "*plan*", "*project*", "*anticipate*", "*estimate*", "*will*", "*may*", "*could*", "*should*" and similar expressions are intended to identify forward-looking statements. These forward-looking statements reflect our present expectations with regard to future events and are subject to a number of important factors and uncertainties that could cause actual results to differ significantly from those described in the forward-looking statements.

Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions given our knowledge of our industry, business and operations as at the date of this Offering Circular, we cannot give any assurance that these assumptions will prove to be correct, and we caution you not to place undue reliance on such statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or the industry's results, to be significantly different from any future results, performance or achievements expressed or implied in this Offering Circular. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Some of these factors are discussed under "Risk Factors" beginning on page 21 of this Offering Circular and include, among other things:

- risks related to the automotive sector and the commercial success of the models for which we supply components;
- risks related to the loss of key customers due to industry consolidation and risks that our customers could default on their financial obligations or enter bankruptcy;
- our dependence on suppliers to maintain production levels;
- risks relating to customers' demands and our ability to maintain product quality;
- risks relating to failure to identify risks when we tender for new contracts or appropriately monitor the performance of our programs;
- risks relating to any failure to attract key personnel;
- risks relating to difficulties integrating acquired businesses or achieving anticipated synergies;
- risks relating to any liabilities of Clarion which are not known to us;
- risks relating to any inability by us to realize anticipated synergies from the Clarion Acquisition;
- risks relating to incorrect assumptions about market trends and forecasted demand for our Cockpit of the Future and Sustainable Mobility Strategies;
- economic, political, tax, legal and other related risks relating to the international nature of our business;
- risks relating to the highly competitive automotive supply industry where customers can exert significant price pressure;
- risks relating to rises in interest rates which would increase the cost of servicing our debt;
- risks relating to liquidity and access to capital;
- risks relating to exchange rate fluctuations, primarily between the euro and other operating currencies;
- risks relating to information technology systems;
- risks relating to fluctuations in the prices of raw materials;
- litigation risks, including product liability, warranty and recall risk;
- insurance risks;
- intellectual and industrial property risks;
- industrial and environmental risks;
- risks related to negative incidents which affect our reputation;
- risks related to non-compliance with internal corporate governance requirements; and
- risks relating to changes to IFRS standards.

Our forward-looking statements speak only as at the date of this Offering Circular. We expressly disclaim any obligation or undertaking, and do not intend, to release publicly any updates or revisions to any forward-looking statements contained in this Offering Circular to reflect any change in our expectations or any change in events, conditions or circumstances, on which any forward-looking statement contained in this Offering Circular is based.

SUMMARY

The following summary highlights selected information contained elsewhere in this Offering Circular. Accordingly, this summary may not contain all of the information that may be important to you. We urge you to carefully read and review this Offering Circular in full, including the documents incorporated by reference herein, in order to fully understand the Group. You should also read the "Risk Factors" section in this Offering Circular to determine whether an investment in the Notes is appropriate for you.

Our Company

We are one of the world's largest automotive equipment suppliers. We develop, manufacture and sell high-quality and highly-engineered products and we operate through three business groups: Faurecia Seating, Faurecia Interiors and Faurecia Clean Mobility. We are adapting our business and aligning our strategy to take advantage of the significant trends impacting the automotive industry. As a result, we are developing into a technology company which provides solutions for sustainable mobility and cockpit systems. We have become one of the top 10 automotive technology suppliers in the world by revenue. Our acquisition of Clarion will provide us with critical mass as a leading player in cockpit electronic systems and software integration. Following our acquisition of Clarion, we intend to establish a fourth business group, Faurecia Clarion Electronics, with its head office in Japan. This new business group will incorporate our subsidiaries, Parrot Automotive SAS ("**Parrot Automotive**"), a leader in automotive connectivity and infotainment, and Jiangxi Coagent Electronics Co Ltd. ("**Jiangxi Coagent Electronics**"), which develops human-machine interfaces ("**HMI**") and in-vehicle-infotainment ("**IVI**"), including displays, voice recognition and smartphone applications. Faurecia Clarion Electronics will focus on manufacturing and developing products which advance our "Cockpit of the Future" strategy, in particular, cockpit integrations systems and our cockpit intelligence platform ("**CIP**"). We estimate that at least one third of vehicles in service in the world were originally equipped with at least one product manufactured by us.

Faurecia Seating. We are a global leader in seating solutions and we estimate we are currently the world's leading supplier of seat frames and mechanisms and number three supplier of complete seats. We design and manufacture seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and pneumatics. During the manufacturing process, we assemble the various components to create complete systems, front seats and rear seats, delivered on a just-in-time basis to our customers' plants. We develop solutions for the Cockpit of the Future with an emphasis on advanced safety, comfort, health and wellbeing, quality and versatility. In 2018, sales reached €7,438.0 million (43% of sales).

Faurecia Interiors. We estimate we are currently one of the two global leaders in the supply of automotive interior systems. We manufacture cockpit modules (instrument panels and central consoles), door panels, as well as smart surfaces and solutions for HMI, personalized cabin climate comfort and air quality. Our solutions incorporate the use of natural and recycled materials. In 2018, sales reached €5,471.7 million (31% of sales).

Faurecia Clean Mobility. We are a global leader in clean mobility solutions. We develop and manufacture innovative solutions for reducing emissions (including zero emissions solutions) and improving energy efficiency, acoustic performance and powertrain electrification. We estimate that we are currently the world's leading supplier of exhaust systems and components (including mufflers, manifolds, particulate filters and catalytic converters). We develop and manufacture complete exhaust systems, including components reducing emissions as well as components for exhaust system acoustics. In 2018, sales reached €4,615.0 million (26% of sales).

We are undertaking a significant transformation in our business and strategy to enable us to seize new opportunities in a rapidly changing automotive industry. Our strategy seeks to accelerate profitable growth by developing higher value and innovative products in response to the significant global trends impacting the automotive sector. These global trends include, in particular, CO_2 and emissions regulation, the increasing electrification, connectedness, autonomy of vehicles and the emergence of ride-sharing. We refer to our strategic priorities in these areas as "Sustainable Mobility" and "Cockpit of the Future". Even though growth in the Chinese market slowed down in the second half of 2018, we believe that the Asian markets represent a significant source of growth potential and high profitability. Our strategy is therefore to continue to expand our portfolio in China with our current customers and strengthen our relationship with major Chinese automakers to accelerate our business activity. In 2018, we concluded two new joint ventures with FAW Group and Wuling Industry to develop Cockpit of the Future technologies and Sustainable Mobility solutions. Our current target is to achieve 40% of our sales in China with Chinese Original Equipment Manufacturers ("**OEMs**") by 2020.

In order to accelerate the development and integration of new products, technology and services, we have developed a collaborative approach to innovation which we refer to as our innovation ecosystem. Our innovation ecosystem has four principal aspects:

(i) strategic and technology partnerships with key parties in different industrial and technology sectors, in particular, with HELLA GmbH & Co. KGaA ("**HELLA**") on lighting and electronics, ZF Friedrichshafen AG ("**ZF**") for advanced safety, Mahle GmbH ("**Mahle**") for thermal comfort, Stelia Composites for fuel cell tanks and Accenture PLC ("**Accenture**") for data analytics;

(ii) academic partnerships with universities and scientific institutions such as Massachusetts Institute of Technology (MIT), Stanford University and the Collège de France, as well as with technical universities;

(iii) investments in start-ups through Faurecia Ventures; and

(iv) technology platforms to collaborate with local start-ups.

We operate 35 research and development centers worldwide and employ approximately 7,300 engineers.

We have introduced digital technology to improve operational efficiency and transform working practices in our production facilities. In 2017, we deployed digital management tools as part of our Digital Enterprise strategy, including real-time information sharing, collaborative robots and autonomous guided vehicles, to optimize assembly automation, quality control and production efficiency. By the end of 2018, over 550 collaborative robots and 800 automated guided vehicles had been installed at Faurecia production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines. Over 300 machines are connected to a data pool allowing monitoring and easing predictive maintenance.

We maintain close relationships with almost all of the world's leading car manufacturers and work closely with customers to develop the design and functionality of our products. Each of Ford, Volkswagen, the Renault-Nissan-Mitsubishi group, the PSA Peugeot Citroën group and Fiat Chrysler accounted for more than €1.0 billion of our sales in 2018. We have a broad geographic footprint, and are one of the few automotive equipment suppliers with the capacity to supply automakers' global programs where the same car model is produced throughout several regions. We have experienced significant growth in Asia with sales increasing from approximately 5.9% of total sales in 2008 to 19% of sales in 2018.

We are involved in all stages of the automotive equipment development and supply process. We design and manufacture automotive equipment adapted to each new car model or platform, and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Our customers rely increasingly on global platforms, based upon which they will produce a variety of car models. This allows us to decrease costs through a greater commonality of components, and to benefit from components or modules which can be used in more than one generation of cars. We participate in this evolution by offering generic products associated with our customers' platforms, such as standard seats frames. At the end of 2018, we had over 700 programs in the development phase and, in 2018, we successfully launched over 220 programs, including for vehicles such as the Peugeot 508, Dodge RAM 150, Nissan Altima and Ford Focus. In addition, we tend to benefit from a high renewal rate of our programs (91.7% in 2018).

The quality of our products is widely acknowledged among automakers. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of our engineers and technicians who design products and develop technological solutions. In 2018, we launched our Total Customer Satisfaction program to collect customer feedback in real-time digitally through an application. As a result, for the six months ended 31 December 2018, our customers rejected less than 15 defective parts per million parts delivered, below the target set by the Group. The Faurecia Excellence System, renamed "FES X.0", was updated in 2018 to make it more pragmatic and accessible to employees as well as to accelerate digitization. FES X.0 is being deployed during 2019 and will be an important contributor to our Total Customer Satisfaction program and our financial performance.

We proactively maintain very close relationships with our customers and seek to be their strategic suppliers. Among others, we reached the following milestones in 2018 and 2017:

- being awarded a record contract for our seating business by the BMW Group, which was the highest single order intake ever for us in terms of sales volume;
- being recognized with two German Innovation Awards for our ''Morphing Instrument Panel'' and ''Immersive Sound Experience'', two of our Cockpit of the Future solutions, in 2018;
- being recognized with the Innovation award at the 2018 Groupe Renault Suppliers event, for our innovative concept for future vehicle interiors;
- being recognized with the EcoVadis Sustainable Procurement Leadership Award for the global excellence of our ''Buy Beyond'' sustainable procurement program in 2018;
- being awarded first prize in the Environment category for our exhaust heat recovery system (''**EHRS**'') at the Auto-Moto Innovation Awards in 2017;
- being recognized at the JEC World 2017 Innovation Awards with two awards for our Lightweight Solutions;
- being recognized with over 40 awards for quality and operational performance in 2017, many of which were awarded by Chinese Original Equipment Manufacturers;
- being recognized ''Best supplier'' and being awarded with the ''5 star quality'' award by Hyundai Kia in 2017;
- being part of the 44 suppliers selected by Volkswagen as strategic partners, in their FAST (''**Future Automotive Supply Tracks**'') corporate initiative;
- being a member of the ''Supplier Councils'' for Ford, the PSA Peugeot Citroën group and Fiat Chrysler; and
- being awarded with a Supplier Diversity and Inclusion Award by Ford Europe in 2017.

For the year ended 31 December 2018, our sales amounted to €17,524.7 million compared to €16,962.1 million in 2017 and our EBITDA amounted to €2,140.6 million compared to €1,950.9 million in 2017. As at 31 December 2018, we employed around 114,693 people (including temporary workers) in 37 countries, spread over approximately 320 sites.

For the year ended 31 December 2018, our order book for sales (calculated over a three-year rolling basis) was €63 billion, a record level for us, compared to €62 billion at the end of 2017 and €53 billion at the end of 2016. We refer to the opportunities to develop products and services to meet our strategic priorities of Smart Mobility and Cockpit of the Future as ''New Value Spaces''. In 2018, our order intake for sales in New Value Spaces represented €2.7 billion of which commercial vehicles and high horsepower engines represented €1.2 billion of orders and Cockpit of the Future represented €1.5 billion of orders.

Our Competitive Strengths

Leading market positions in our business groups

Based on our estimates, we have leading market positions in each of our three business groups. In 2018, we estimate that we were, globally, a leader in seating solutions and the leading supplier of frames and mechanisms for seats, the number three supplier of complete seats, one of the two leading suppliers of interior systems and the leading supplier of clean mobility solutions. In 2018, our business groups achieved the following results:

- Faurecia Seating's sales reached €7,438.0 million (43% of sales). We believe that in 2018 we had a 11.4% global market share by value;
- Faurecia Interiors' sales reached €5,471.7 million (31% of sales). We believe that in 2018 we had a 13.0% global market share by value; and
- Faurecia Clean Mobility's sales reached €4,615.0 million (26% of sales). We believe that in 2018 we had a 32.7% global market share by value.

Our market leadership in each business group and our global platforms are significant strategic advantages as customers typically look to well-established suppliers when awarding new business. This has allowed us in recent years to win new business from both existing and new customers. For instance, we entered into a partnership with Cummins, a leading manufacturer of medium and heavy-duty engines for on and off-highway commercial vehicles.

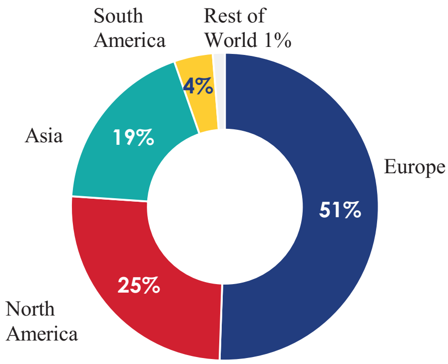
This partnership provides significant new opportunities for our Clean Mobility business group in the commercial vehicle market to take advantage of global regulatory pressure to reduce carbon footprint and toxic emissions. We also benefit from sales visibility and stability, due to the difficulty for automakers to change suppliers in the midst of development and production of a car model, and from a high renewal rate of our programs (91.7% in 2018). We believe that our leading market share in each of our business groups positions us well for future growth, allows us to negotiate favorable terms from our suppliers and to further diversify our business model.

Highly diversified business model

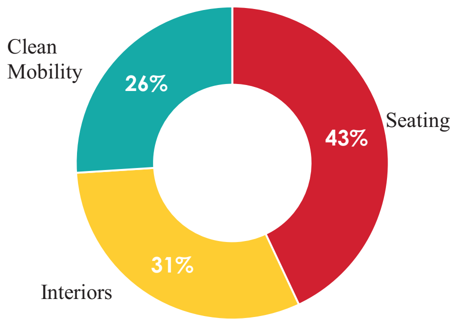
We believe that the high degree of diversification through our business groups, our geographic presence, and our number of customers and range of products limits our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating counterparty risk. This high degree of diversification in turn supports the resilience of our sales and our profitability.

The following charts show our sales in 2018 by region, business group and customer.

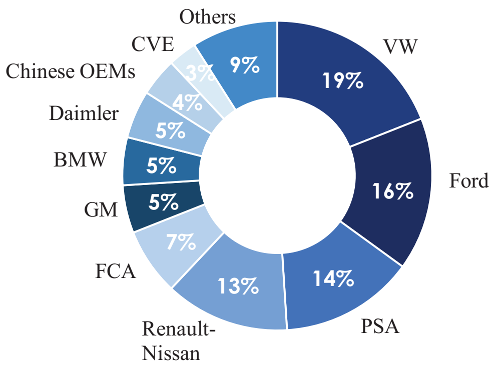
Sales by region (2018)



Sales by business group (2018)



Sales by customer (2018)



In recent years we have further increased our customer diversification. In 2018, our two largest customers accounted for 34.8% of sales compared to approximately 48% of total sales in 2008. We also further increased our geographic diversification by increasing the share of our Asian sales. In 2018, sales in Europe, North America and Asia were 51%, 25% and 19% of sales, respectively compared to approximately 74.4%, 14.8% and 5.9% of total sales, respectively, in 2008. This increased diversification reduces our exposure to a single geographic area, end-market, automaker or car model.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their own network of suppliers, we managed to become a supplier to Nissan and Hyundai. We are present on most market segments, from entry-level models to premium and luxury cars, which make us less vulnerable to the parameters which may affect one particular segment.

Attractive underlying market fundamentals

We are undertaking a significant transformation in our business and strategy to enable us to take advantage of the major trends impacting the automotive industry. In particular, CO_2 and other emissions regulation, the increasing electrification, connectedness and autonomy of vehicles and the emergence of ride-sharing. As a result, we are developing into a technology company which provides solutions for sustainable mobility and cockpit systems. We believe that our global footprint and technological leadership enable us to benefit from attractive underlying market fundamentals.

Sustainable Mobility

Social and political pressures on the automotive industry to reduce emissions have never been higher. Regulatory changes which seek to reduce the impact of automobiles on the environment and the increasing demand for electrified vehicles, have had, and will continue to have, a significant impact in our markets. This creates significant business opportunities for us and we have made sustainable mobility a strategic priority.

For example, in 2018 the European Commission confirmed its drastic tightening of average CO_2 targets. The current requirement for passenger vehicles is 95g/km CO_2 by 2020. The next requirement will be a reduction of 15% to around 80g/km CO_2 by 2025. In China, the government has set a target of 90g/km CO_2 for passenger vehicles by 2025 and certain cities and provinces have also introduced emissions regulations which require passenger vehicles to reduce particulate matter ahead of national regulations. India is also implementing stricter CO_2 targets for passenger vehicles of around 110 g/km CO_2 by 2022, a reduction of 15% from current requirements. In February 2019, the European Commission also proposed stricter CO_2 requirements for commercial vehicles with reductions from current levels of 15% by 2025 and 30% by 2030. We also expect stricter emissions regulations for commercial vehicles in China and India.

Our strategic roadmap for Sustainable Mobility focuses on the following three areas:

- developing innovative solutions for hybrid vehicles that improve fuel economy, such as exhaust heat recovery solutions and lightweighting;
- developing ultra-clean solutions for commercial vehicles and high horsepower engines, and;
- developing solutions for zero emissions, in particular fuel cell technology and battery housing sub-systems and modules.

For example, on hybrid vehicles, we developed our exhaust heat recovery system ("**EHRS**"), which reduces fuel consumption by up to 7% by recovering heat produced by drivetrains and lost through the vehicle exhaust system and using the recovered heat to maintain appropriate engine temperature and heat the cabin, which is particularly important in hybrid vehicles. We also developed our electric heated catalyst ("**EHC**") technology to minimize the emission of pollutants from internal combustion engines in order to bring vehicles in line with more stringent new emissions regulations. We expect increasing regulation to reduce emissions, which will drive the demand for our clean mobility solutions and significantly increase the overall value of our exhaust line.

For zero emissions vehicles (that is, pure electric vehicles), we developed lightweight battery housing with integrated battery thermal management. We have also developed lightweight hydrogen tanks and stacks for fuel cell vehicles, which we regard as a credible alternative for zero emissions vehicles such as long range SUV vehicles or commercial vehicle application.

The market for emissions purification systems for high horsepower engines also presents significant business opportunities. High horsepower engines are used in marine propulsion, power generation, rail, agricultural and other industries. Hug Engineering, which we acquired in 2018, is a leader in gas purification systems for high horsepower engines. We believe that it is well positioned to capitalize on opportunities which will arise as a result of the enforcement of new environmental regulations which are expected to cover over 75% of the global market for high horsepower engines by 2030.

Cockpit of the Future

The increasing connectedness and autonomy of vehicles, as well as the significant potential growth in "shared mobility" such as ride-hailing or car-pooling, will radically alter the driving experience and as a consequence vehicle seating and interiors. Customers' expectations for infotainment are increasing and autonomous vehicles will allow the driver to engage in activities not previously possible while driving, such as relaxing, working and socializing. Users of shared mobility will expect more personalized interiors and digital continuity in vehicles. As a result, vehicle seating and interiors will be substantially redesigned and enhanced to deliver the "Cockpit of the Future". Our "Cockpit of the

Future" strategy is designed to respond to these trends by focusing on pioneering technological development which will provide users with versatile architecture, advanced safety, health and wellbeing, cockpit integration systems, connectivity, infotainment and HMI systems. As part of this strategy, in 2017 we signed a strategic partnership with Parrot Automotive, an automotive connectivity and infotainment specialist for the joint development of integrated smart surfaces manufactured by us, HMI, infotainment and connectivity solutions, and in October 2018 we announced our acquisition of 100% of Parrot Automotive. On 26 October 2018, we announced our intention to acquire Clarion, a leading Japanese developer, manufacturer and supplier of IVI, audio equipment, connected service platforms for vehicles and HMI and advanced driver assistance systems (the "**Clarion Acquisition**"). We believe that Clarion's core competence in electronics and software integration and our complementary geographic presence and customer portfolio will help to position us as a leading provider of cockpit systems integration and advance our Cockpit of the Future strategy.

Additionally, safety standards impose higher levels of performance and seating plays a key role in driver and passenger safety. As the leading supplier of frames and mechanisms for seats, we continue to play a key role by working in partnership with automakers on the development of new products and believe we are well positioned to benefit from further requirements in terms of safety applicable to seats.

We believe that we will also benefit from favorable macro-economic factors, such as increased gross domestic product in many of the markets we operate in, that should improve consumers' spending. In China, we maintained a high level of profitability in 2018, demonstrating that we are adapting well to changes in the Chinese market (such as the higher presence of domestic automakers) by strengthening our relationship with major Chinese automakers. Although growth in the Chinese automotive market slowed down in the second half of 2018 due to a weaker domestic economy, we believe that China remains the primary driver of growth in the global automotive industry, particularly for electric vehicles.

Pioneer in technological innovations

We are a pioneer in technological innovations in the automotive sector, as highlighted by our consistent track record of award winning innovations. We operate 35 research and development centers worldwide and employ approximately 7,300 engineers. In 2018, we filed 403 new patents, compared to 330 in 2017.

We are accelerating our investment in innovation in order to capitalize on the significant global trends impacting the automotive sector including, in particular, CO_2 and other emissions regulation and the increasing electrification, connectedness and autonomy of vehicles. In 2018, we allocated €1,093 million to gross R&D costs of which management estimates that €180 million was allocated to research and innovation expenses, an increase of €20 million compared to 2017.

Given the pace of technological change and the need for the efficient development of new products, we have adopted a co-innovation policy involving external research institutes, investment in start-ups and strategic partnerships.

Since 2011, we have developed numerous partnerships and chairs with research institutions, such as Massachusetts Institute of Technology (MIT), Stanford University and the Collège de France, and technical universities in France and Germany such as Centrale Supélec and Technische Universität Dortmund. In France, we work with the Jules-Verne and M2P Technological Research Institutes to develop innovative production processes for composite and metallic materials. We have a five-year agreement in place with the French CEA (Commissariat for Atomic Energy and Alternative Energy) for the research and development of fuel cell technology, among other areas. In 2017, we established a new partnership with the Indian Institute of Science in order to develop innovative HMI systems and sensors.

We are seeking to identify, incubate and invest in start-up companies to develop technological innovations and generate long-term value. In 2017, we established a "technology platform" in Silicon Valley and intend to establish further platforms in Canada, France, Israel, China and India. Through our technology platforms, we intend to research and identify new innovations, assess their commercial value and determine whether to make an investment. In 2018, through our subsidiary Faurecia Ventures, we invested in American start-ups which have assisted us in developing wireless charging technology (Powersphyr Inc.), climate control technology (Promethient Inc.) and innovative audio solutions (SUBPAC Inc.). We also invested in Enogia in 2017, a French start-up specializing in energy recovery, and ESP Consulting, a laboratory that uses cognitive science to optimize human well-being and performance in different situations, to study the effect of our technologies under different test conditions. On 26 February 2019, we signed a partnership with Japan Display Inc. aimed at enhancing the passengers' cockpit by developing innovative displays adapted to different uses.

In order to accelerate our investment in key areas, we develop partnerships with other industrial or technology groups. In particular, HELLA for lighting and electronics, ZF for advanced safety, Mahle for thermal comfort, Stelia Composites for fuel cell tanks and Accenture for data analytics. In 2017, we signed a strategic partnership with Parrot Automotive, an automotive connectivity and infotainment specialist for the joint development of integrated smart surfaces manufactured by us, HMI, infotainment and connectivity solutions, and in October 2018 we announced our acquisition of 100% of Parrot Automotive. We have acquired a 50.1% stake in Jiangxi Coagent Electronics in order to develop HMI and IVI such as displays, voice recognition, radio and navigation and smartphone applications. On 26 October 2018, we announced our intention to acquire Clarion, a leading Japanese developer, manufacturer and supplier of IVI, audio equipment, connected service platforms for vehicles and HMI and advanced driver assistance systems.

We have also established multidisciplinary teams from our Seating and Interiors business groups to focus on our development of products and technology for the "Cockpit of the Future". We have established "Cockpit of the Future Labs" in Paris, San Francisco, Yokohama and Shanghai. We aim to develop, for and with manufacturers, applications and solutions that integrate and develop our products. We also collaborate with local start-ups via technology platforms. They help us to discover new start-ups, establishing strong connections in major innovation clusters and to closely follow emerging trends and new technologies. Our platforms are located in the Silicon Valley, Toronto, Shenzhen and Tel Aviv. In order to keep abreast of the latest technology and market trends, we have created two advisory councils, one in Silicon Valley and one in China. Our council members are experts in different fields such as start-up incubators, venture capital, artificial intelligence, new mobility solutions and economics. Their role is to bring a new perspective and challenge our ideas as well as to identify relevant technology and strategic topics for discussion. We have also joined with, amongst others, Amazon, Google, Microsoft, NAVER LABS and Valeo to form the "Prairie Institute" (Paris Artificial Intelligence Research Institute) in Paris, an international center for research and training relating to artificial intelligence.

We have more than ten years of experience in energy recovery systems, having introduced the first generation of EHRS in 2006 and, more recently, introducing our compact EHRS to the market which reduces fuel consumption by up to 7%. We have been selected to install our compact EHRS in Hyundai IONIQ Hybrids and plug-in Hybrids.

Strong focus on operational performance, profitability and financial discipline

Our operational performance, profitability, and financial discipline and close relationship with customers form an important foundation for our transformation and sustainable value creation. Over the past several years we have achieved significant improvements in our profitability. Our operating income increased from 3.5% of value added sales in 2013 to 7.3% of sales in 2018. In particular, our operating income in North America increased from around 2.8% of value added sales in 2013 to 6.5% of sales in 2018, and our Faurecia Interiors business group improved its operating income from 1.8% of its value added sales in 2013 to 6.0% of its sales in 2018.

We are also implementing a Digital Enterprise strategy in order to improve operational performance. For example, we have introduced into our development, manufacturing and logistics activities various digital technologies. These include the use of collaborative robots for manufacturing tasks, deployment of automated guided vehicles to transport parts within plants, tracking parts coming in and out of factories using Radio Frequency Identification ("**RFID**"), use of data from connected machines for predictive maintenance to avoid breakdowns, and implementation of fully digital production monitoring systems to facilitate the control of production lines. By the end of 2018, over 550 collaborative robots and 800 automated guided vehicles had been installed at our production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines. Over 300 machines are connected to a data pool allowing monitoring and easing predictive maintenance.

We generally seek to pass through increased raw material costs to our customers through a variety of means. Certain raw material cost fluctuations, such as for monoliths, are directly passed through, whilst others are passed through (typically with a time lag) through indexation clauses in our contracts. In addition, we seek to pass through certain other raw material costs to customers through periodic price reviews that are part of our contract management. Our ability to pass through such costs has had a positive impact on our margins and profitability. In an environment of increasing raw material prices, we believe we have been generally successful in passing on the higher costs of our raw materials to our customers.

Our selective cost structure and our focus on more profitable businesses has enabled us to improve our operating margin, in particular for our Faurecia Clean Mobility business group. Our Faurecia Seating operating margin (as a percentage of sales) increased from 5.7% in 2017 to 6.0% in 2018. Our Faurecia Interiors operating margin (as a percentage of sales) increased from 5.6% in 2017 to 6.0% in 2018. Our Faurecia Clean Mobility operating margin (as a percentage of sales) increased from 10.2% in 2017 to 10.8% in 2018. To lower costs, we continue to further standardize our equipment and production processes.

We seek to achieve steady and predictable levels of capital expenditure and working capital. We are still planning to grow while limiting our capital expenditure and capitalized R&D requirements by seeking better capital expenditure allocation. Our three-year order intake for the period 2016 to 2018 was €63 billion, compared to €53 billion for the period 2014 to 2016. Subject to the global growth of vehicle production, we believe that our order book strongly supports our future sales and growth objectives.

We successfully completed a refinancing plan in 2018 which involved amending and extending our €1,200 million Senior Credit Agreement, issuing the 2025 Notes and redeeming in full €700 million in principal amount of our notes due 2022 following a tender offer. In addition, in 2018 we entered into the €1,300 million Bridge Facility Agreement in order to finance the Clarion Acquisition. In December 2018, we entered into a transaction to issue €700 million in principal amount of Schuldschein (a private placement under German law) in multiple tranches, which we issued in December 2018 and January 2019. The receipt of the net proceeds from the issue of the Schuldschein enabled us to reduce the committed funds available under the Bridge Facility Agreement to €750 million by January 2019. As a result, we have increased our financial flexibility and improved our financial condition. We currently have no significant long-term debt repayment prior to December 2022. The issuance of the Notes in this offering is intended to refinance in full the outstanding principal amount under the Bridge Loan.

Over the past several years we have also developed a close relationship with our key customers through regular contact and meetings from all levels of our organization from our management to our site teams, including close monitoring of customer feedback through our Total Customer Satisfaction. This relationship has also been developed by maintaining the high quality of our products through our Faurecia Excellence System, in future FES X.0, and through technology reviews and co-development projects. The success of our relationships is reflected in our order intake, a record €63 billion at the end of 2018 calculated on a three-year rolling basis, and the awards we have received in recent years. For more information on the awards we have received, see "– *Our Company*".

We believe that we will benefit from our strong focus on operational performance, profitability, capital expenditure and working capital management and our close relationship with our customers.

Experienced management team

Our management team and Board of Directors have significant experience in the industry. Patrick Koller, our Chief Executive Officer, has been with the Group since 2006. Prior to becoming our Chief Executive Officer, he was Executive Vice President at our Faurecia Seating business group from 2006 to 2015. Michel Favre, our Chief Financial Officer, has been with the Group since 2013. Prior to becoming our Chief Financial Officer, he was Executive Vice President (Financial Controlling and Legal) at Rexel SA from 2009 to 2013, Chief Financial Officer at Casino Guichard-Perrachon SA from 2006 to 2009 and Chief Financial Officer of Altadis SA from 2001 to 2006. He also held a number of senior financial and operational roles with Valeo SA over a 13-year period including Vice President of the Lighting Branch from 1999 to 2001. The majority of the members of our Executive Committee have spent most of their careers in the automotive industry. We believe that the experience, industry knowledge and leadership of our management team will help us implement our strategy described below and achieve further profitable growth.

Strategy

Focus on Sustainable Mobility and Cockpit of the Future

Our strategy is designed to respond to the significant global trends impacting the automotive sector including, in particular, CO_2 and other emissions regulation, the increasing electrification, connectedness and autonomy of vehicles and the emergence of ride-sharing.

We are seeking to accelerate our growth by focusing on two strategic priorities which we refer to as "Sustainable Mobility" and "Cockpit of the Future". "Sustainable Mobility" involves our development of products and processes which improve weight reduction, size reduction, air quality, energy recovery and the development of bio-sourced and renewable materials. "Cockpit of the Future" involves the development of products and technology which are aligned with the increasing connectedness and autonomy of vehicles. We believe this trend will radically alter the driving experience. As a result, vehicle seating and interiors will be substantially redesigned and enhanced to deliver the "Cockpit of the Future". We are pioneering technological development in the "Cockpit of the Future", which will provide users with versatile architecture, advanced safety, health and wellbeing, cockpit integration systems, connectivity, infotainment and intuitive HMI systems. We are focusing our product development on higher value, innovative products with a high technology content.

Regulatory changes, which seek to reduce the impact of automobiles on the environment, will also have a significant impact in our markets and we anticipate that this will present a significant business opportunity. We believe that the Asian markets represent a significant source of growth potential and high profitability. For example, we believe that the likely introduction of more stringent CO_2 and other emission regulations in Asia, in particular in China and India, will lead to significant upgrades in vehicle content and provide substantial opportunities for growth in our Asian markets. Our strategy is to continue to expand our portfolio in China with our current customers and strengthen our relationship with major Chinese automakers to accelerate our business activity.

Our strategic roadmap for Sustainable Mobility focuses on the following three areas:

- developing innovative solutions for hybrid vehicles;
- developing ultra-clean solutions for commercial vehicles and high horsepower engines; and
- developing solutions for zero emissions.

Sustainable Mobility – Innovative Solutions for Passenger Vehicles: Our "Sustainable Mobility" strategy for passenger vehicles is focused on two main areas. Firstly, we continue to develop innovations for passenger vehicles that improve fuel economy such as low-pressure exhaust gas recirculation for gasoline engines, a technology that re-injects a precise amount of cooled engine-exhaust gas back into the engine to improve combustion cycle efficiency, which improves fuel economy by up to 6%. Our EHRS improves vehicle efficiency by recovering up to 75% of exhaust heat for re-use in either warming up the vehicle cabin or heating the engine, improving fuel economy by up to 6% in cold conditions in all types of hybrid vehicles. Our EHC is an innovative system that activates catalysts in low-temperature phases during the use of a vehicle by using electric energy, which improves vehicle depollution performance. Secondly, we are expanding our capabilities in lightweight materials. In 2017, we joined the German carbon fiber composites network based in Augsburg, Germany to develop manufacturing processes for mass production of carbon composite parts in vehicles. We expect carbon composite vehicle parts to weigh 50% less than equivalent parts made from steel. Ten kilograms of weight savings could reduce CO_2 emissions by 1g/km. We also recently developed a resonance free pipe which reduces weight and packaging complexity by eliminating resonators. This award-winning innovation was launched in 2018 in the United States, in collaboration with General Motors.

Sustainable Mobility – Ultra-clean Solutions for Commercial Vehicles, High Horsepower Engines: Our strategy for commercial vehicles and high horsepower engines is focused on developing innovative "Sustainable Mobility" and ultra-clean diesel technologies for these markets.

Sustainable Mobility – Solutions for Zero Emissions: Our strategy for zero emissions is focused on battery electric vehicles ("**BEV**") and fuel cell technology. We are seeking to become a leading player in battery housing for BEVs, including thermal management. Based on our experience of composites, we have already begun supplying battery pack covers which will be combined with functional thermal management and crash resistance.

Whilst they have not reached large scale production yet, fuel cell electric vehicles offer some advantages over BEVs, in particular for heavy and long range vehicles in terms of autonomy and charging time. Fuel cell electric vehicles and battery electric vehicles will probably coexist for different applications.

Cockpit of the Future: We believe that our existing product portfolio and competencies give us an extremely strong position to become the leading interior supplier to the automotive industry. We are focusing in particular on developing our capabilities in the following areas:

- *Cockpit Technologies*: As vehicles become increasingly autonomous, the way occupants spend their time in the vehicle becomes increasingly important. Our cockpit technologies include versatile architecture and intelligent HMI systems which adapt to passengers' needs to ensure a personalized experience in all driving modes. Our "Smart Control Unit" allows smartphones to be integrated in the most convenient place in the car for the passenger and then be used to control the displays, seat position, thermal or audio settings, and lighting. Our cockpit technologies also include adaptive displays which adjust depending upon the driving mode, transforming from a central instrument and information cluster in driving mode to a large infotainment screen in autonomous mode.
- *Advanced Safety, Health and Wellness*: We expect that by 2030, 15% of all vehicles will have reached "level 4 automated driving", which means passengers will have more freedom to do other tasks during their journey and safety features will be imperative. Accordingly, we are adapting and developing safety systems so that passengers can continue to travel safely in any seated position, whether they are driving, working or relaxing. In 2017, we signed a partnership agreement with ZF to develop the Advanced Versatile Structure ("**AVS**") seat frame which allows the driver to recline, lift, adjust and swivel their seat and return it quickly back to the upright driving position. The seat belt and belt retractor are both integrated into the seat allowing the seat belt to function in different seat positions. Our R&D teams have developed technology solutions that provide drivers and passengers with a personalized comfort experience, in terms of thermal management, undisturbed personal sound environment, with individual preferences stored in the cloud and using artificial intelligence to anticipate user needs.
- *Cockpit Integration Systems*: We are developing our "cockpit intelligence platform" ("**CIP**") that will connect and manage all interior cabin electronics, integrating the key functions of the cockpit including infotainment and audio, safety and comfort and thermal management. Our CIP aims to simplify hardware and software integration for car manufacturers by utilising a "single brain" electronic control unit that replaces current multiple domain controllers. It uses artificial intelligence to learn a driver's preferences in the vehicle and predict when the driver will need certain in-vehicle-adjustments to be made. Our CIP is being developed with open source technologies so that software developers can develop new applications for it. In-vehicle infotainment is moving towards open platforms which allow for easy integration with the driver's own digital devices, also known as "digital continuity". Our strategic partnership with Jiangxi Coagent Electronics, our acquisition of Parrot Automotive and the Clarion Acquisition will allow us to develop flexible connectivity and infotainment solutions quickly.

Sustainable Development

We recognise our responsibility as a company to make a positive contribution to society and to all stakeholders. We seek to ensure that our commitment to sustainable development is an integral part of our corporate culture. We intend to remain focused on our strong quality, environmental and health and safety standards while continuing to be proactive and innovative in protecting the environment. For example, we recognise the need to reduce the carbon footprint of our activities and we will continue to offer solutions for sustainable mobility. We work to improve air quality by developing products which reduce pollutant emissions. We also recognise that we are a member of the communities in which we operate. We contribute to economic development by hiring locally, providing career training and advancement for our employees and by our commitment to ethics and social responsibility.

Accelerate our Asian development

The Asian market represents a significant source of growth potential and high profitability. Although growth in the Chinese automotive market slowed down in the second half of 2018, we believe that China remains the primary driver of growth in the global automotive industry, particularly for electric vehicles. We believe that the likely introduction of more stringent CO_2 and other emission regulations in Asia, in particular in China and India, will lead to significant increases in vehicle content and provide substantial opportunities for growth in our Asian markets. Our strategy is to continue expanding our portfolio with our current customers, and strengthen the relationship with major Chinese automakers to accelerate our business activity. Sales to Chinese OEMs as a percentage of our China sales has grown from 16% in full year 2017 to 25% in the first half of 2018 and 32% in the third quarter of 2018.

We have developed joint ventures in China across our business groups, including a joint venture with Dongfeng Hongtai Holdings Co Ltd (''**Dongfeng Hongtai**'') (involving our Faurecia Clean Mobility group) and Liuzhou Wuling Industry Co Ltd (''**Wuling Industry**'') and BYD Co Ltd (''**BYD**''). We have also acquired a 50.1% stake in Jiangxi Coagent Electronics in order to develop HMI and IVI such as displays, voice recognition, radio and navigation and smartphone applications.

In July 2018, we signed a strategic partnership framework agreement with FAW Group, a leading Chinese automobile manufacturer, to develop technology and solutions for the cockpit of the future and sustainable mobility. We also recently announced a new joint venture with Liuzhou Wuling Automotive Industry Co., Ltd, a leading Chinese automotive manufacturing company. The new joint venture will be controlled equally by each party and will focus on developing automotive emissions control systems.

In China, certain cities and provinces have already introduced regulations which require fuel consumption and CO_2 emissions to be reduced for passenger and commercial vehicles. We intend to capture the growth of the commercial vehicle market for clean mobility solutions through the strong partnership our Faurecia Clean Mobility business group has with Cummins, a world leader in medium to heavy-duty on and off-road diesel engines. We supply major Chinese engine manufacturers, Weichai and Yuchai. India is also considering implementing emissions standards by 2021 which will be equivalent to Euro-6 emissions standards.

We also intend to increase our business activity with other Asian automakers, in particular through the continuous development of our relationship with Nissan and Hyundai.

The Clarion Acquisition

On 26 October 2018, we announced our intention to acquire Clarion, a leading Japanese developer, manufacturer and supplier of IVI, audio equipment, connected service platforms for vehicles and HMI and advanced driver assistance systems. In addition, Faurecia and Hitachi Automotive Systems Ltd (''**Hitachi Automotive Systems**'') agreed to enter into a business alliance within which Clarion and Hitachi Automotive Systems Ltd will be able to combine their products in order to offer innovative autonomous driving solutions to OEMs.

Clarion is a public company domiciled in Japan whose shares are currently listed on the Tokyo Stock Exchange. For the full year ended 31 March 2018, Clarion had sales of approximately €1.4 billion. Sales in North and South America, Japan, Asia-Pacific and Europe were 44%, 32% 17% and 7% of sales, respectively. Clarion's OEM customers include Ford, PSA, GM, FCA, Suzuki, Mazda, Subaru, Daihatsu, Tata and certain Chinese OEMs. Clarion has over 7,500 employees globally, including more than 2,000 engineers (of which 1,150 are software engineers). It operates from seven manufacturing sites, one in each of Japan, Malaysia, Thailand, Hungary and Mexico and two in China. Clarion also has nine R&D centers in eight countries and 26 local and regional sales offices across 16 countries. For the year ended 31 March 2018, Clarion generated revenues of JPY183,056 million (as compared to JPY194,841 million for the year ended 31 March 2017), operating income of JPY4,792 million (as compared to JPY11,367 million for the year ended 31 March 2017) and net income of JPY2,095 million (as compared to JPY7,736 million for the year ended 31 March 2017). A significant proportion of Clarion's revenues for the year ended 31 March 2018 were generated in Asia (including Japan) and the Americas.

This financial data relating to Clarion has been extracted or derived from Clarion's published audited consolidated financial statements as at and for the year ended 31 March 2018 which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data. On 29 January 2019, Clarion issued revised guidance for its full-year earnings for the year ended 31 March 2019 which indicated that Clarion expects its net sales to decrease as a result of a stagnating level of new car sales globally and, in particular, in the Chinese market, stagnation of bus sales in Japan and the delayed launch of new service operations.

We believe that Clarion's core competences in electronics and software integration and our complementary geographic presence and customer portfolios will help to position Faurecia as a leading provider of cockpit systems integration and advance our ''Cockpit of the Future'' strategy.

Under the terms of an agreement between us, Hitachi, Ltd (''**Hitachi**'') (Clarion's parent company) and Hennape Six SAS (''**Hennape**''), our wholly owned subsidiary, Hitachi agreed to tender all of the common shares it held in Clarion (representing an ownership percentage of 63.81% of Clarion) pursuant to a tender offer to be launched by Hennape once certain conditions, including regulatory and competition authority approvals had been obtained. The agreed tender offer price of JPY2,500 per common share, represented a premium of 10.47% on the closing price of Clarion's common shares on the First Section of the Tokyo Stock Exchange on 25 October 2018 for all outstanding shares and a total purchase price of JPY140.9 billion (approximately €1.1 billion).

Following the launch of the tender offer by Hennape on 30 January 2019 and the expiry of the tender offer period on 28 February 2019, a total of 95.28% of Clarion's common shares were tendered for settlement on 7 March 2019. Following the successful completion of the tender offer, we will require all remaining shareholders to sell their shares in Clarion to Hennape at the original tender offer price pursuant to a squeeze-out procedure in compliance with the Japanese Companies Act. We currently anticipate that Clarion's shares will be delisted from the Tokyo Stock Exchange on 25 March 2019.

Following the Clarion Acquisition, we intend to establish a fourth business group, Faurecia Clarion Electronics, which will integrate our existing electronic cockpit systems businesses, Parrot Automotive and Jiangxi Coagent Electronics with Clarion. This new business group will employ almost 9,200 people with more than 1,650 software engineers. Our management has previously estimated that Faurecia Clarion Electronics will achieve sales of approximately €2 billion by 2022 and potential synergies arising as a result of the Clarion Acquisition of around €90 million of earnings before interest and tax by 2022. Our management has estimated that these synergies will comprise EBIT synergies of approximately €40 million, primarily driven by our ability to capitalize on Clarion's network with Japanese OEMs and our existing relationship with U.S. and European OEMs. In addition, our management has estimated cost synergies of approximately €50 million of earnings before interest and tax which will be achieved as a result of savings resulting from our combined purchasing power, footprint optimization and the delisting of Clarion common shares. In addition, our management has estimated that our ratio of net debt to EBITDA, excluding the impact of the adoption of IFRS 16, for each year from 2019 to 2021 (inclusive) will remain below 1.0x after the Clarion Acquisition. In section 1.8 of our 2018 Annual Results we identified certain financial targets for the full-year 2019, based on our assumption that worldwide automotive production will decline by 1% in 2019, including: (i) sales growth at constant currencies outperforming worldwide automotive production by 1.5% to 3.5% (excluding the consolidation of Clarion as from 1 April 2019); (ii) operating income increasing in value and operating margin of at least 7% (including the consolidation of Clarion as from 1 April 2019); and (iii) net cash flow of at least €500 million (including the consolidation of Clarion from 1 April 2019). *These forward-looking statements are based on management's current beliefs, expectations, assumptions and business plan and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from the trends and objectives described. No assurance can be given that the aforementioned trends and objectives will occur or be achieved. These forward-looking statements involve assessments about matters that are inherently uncertain and actual results may differ for a variety of reasons including those described in ''Forward-Looking Statements'' and ''Risk Factors''. No assurance can be given that actual results will track those described in the aforementioned forward-looking statements.*

We expect the integration will give critical mass to our cockpit systems business and create significant commercial and cost synergies. For example, Clarion will provide a cloud platform and cyber security systems for our infotainment and connectivity products and technology systems which were not previously developed by Parrot Automotive and Jiangxi Coagent Electronics. Clarion will also enhance our safety and information offering by providing driver and passenger monitoring and car and environment monitoring. We expect Clarion's expertise in IVI, digital sound design, sensing and image processing, connectivity and cloud management and application integration, combined with Parrot Automotive and Jiangxi Coagent Electronics' existing competencies, will allow us to develop new products and technology which will form part of our ''Cockpit of the Future'' offering. The Clarion Acquisition will immediately provide us with Advanced Driver Assistance Systems (''**ADAS**'') and automated parking capabilities as well as cloud-based services for our ''Cockpit of the Future''. We will also be able to offer full autonomous driving solutions through our business alliance with Hitachi Automotive Systems Ltd and the combination of ADAS and artificial intelligence systems in the cockpit.

On 25 October 2018 we entered into a €1,300 million facility agreement among us as borrower and Crédit Agricole Corporate and Investment Bank in order to finance the Clarion Acquisition and to pay related expenses and transaction costs (the ''**Bridge Facility Agreement**''), which remained undrawn as at 31 December 2018. The Bridge Facility Agreement is a 1-year term loan facility with an option to extend the maturity by up to a year with two six-month extension options.

In December 2018, we entered into a transaction to issue €700 million in principal amount of Schuldschein (a private placement under German law) in multiple tranches, which we issued in December 2018 and January 2019 and which matures in December 2022, December 2023 and December 2024. The receipt of the net proceeds from the issue of the Schuldschein enabled us to reduce the committed funds available under the Bridge Facility Agreement to €750 million by January 2019. We applied (a) €700 million of the net proceeds from the issue of the Schuldschein and (b) €500 million of funds borrowed under the Bridge Facility Agreement to finance the acquisition of Clarion's shares following the successful completion of the tender offer. For further information, see ''Business Description – Description of Other Indebtedness''.

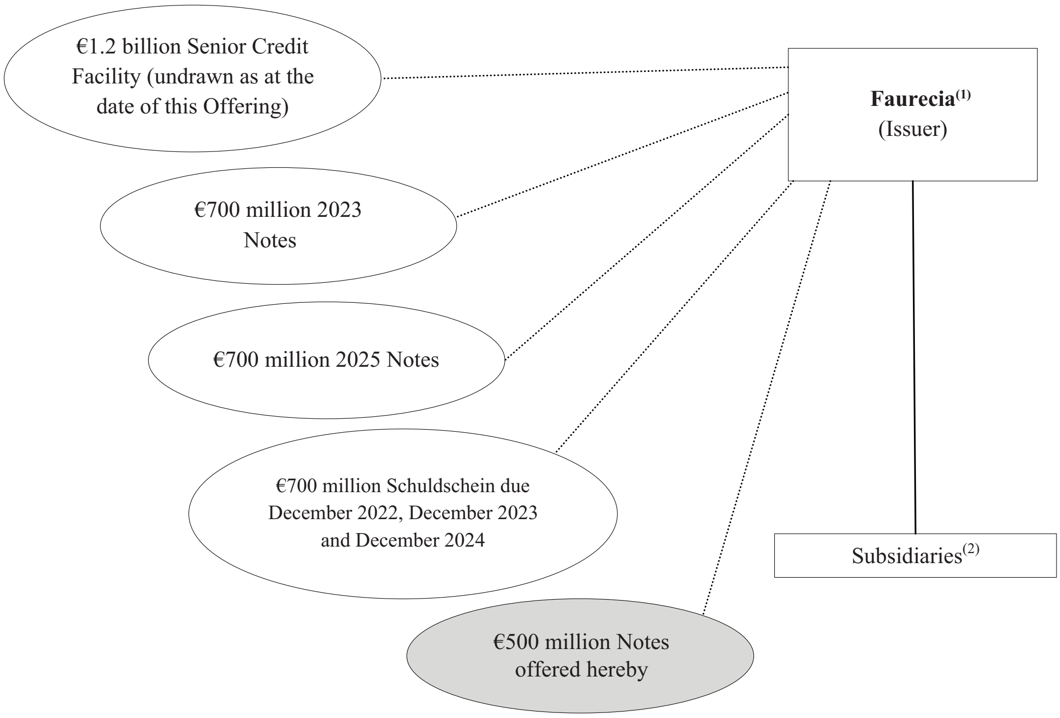
Refinancing

The issuance of the Notes in this offering is intended to repay the Bridge Loan in full and further strengthen our balance sheet.

See ''Description of Other Indebtedness'' for further details regarding our outstanding indebtedness and the principal terms and conditions of our other debt instruments.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following is a simplified summary of our corporate and financing structure after giving effect to the Refinancing but excludes the impact of Clarion's net debt following the completion of the Clarion Acquisition. This structure chart excludes certain financing arrangements and indebtedness borrowed by our Group, some of which is at the subsidiary level, including bank loans, overdrafts, factoring arrangements and finance lease obligations. For more information on our capitalization, see "Capitalization" and "Description of Other Indebtedness".



(1) All of our debt is *pari passu* and ranks equally in terms of right of payment.

(2) As at 31 December 2018, our subsidiaries had €286.3 million of gross financial debt to third parties and a net cash position of €918.5 million. Such indebtedness will be structurally senior to the Senior Credit Facility, the Schuldschein, the 2023 Notes, the 2025 Notes and the Notes.

THE OFFERING

The summary below describes the principal terms of the offering of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the "Terms and Conditions of the Notes" section of this Offering Circular for a more detailed description of the terms and conditions of the Notes.

Issuer	Faurecia, *société européenne*, a company with limited liability, *societas europaea* incorporated under the laws of the Republic of France.
Notes Offered	€500.0 million aggregate principal amount of 3.125% senior notes (the "**Notes**").
Maturity Date	15 June 2026.
Issue Date	27 March 2019.
Issue Price	100.00%, plus accrued and unpaid interest, if any, from the issue date.
Interest Payment Dates	Semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2019. Interest will accrue from the issue date of the Notes, and will be computed on the basis of a 360-day year comprised of twelve 30-day months.
Denomination	€100,000 and integral multiples of €1,000 in excess thereof.
Ranking	The Notes will be senior unsecured and unguaranteed obligations of the Issuer and will: • rank equally in right of payment with all existing and future unsecured senior indebtedness of the Issuer, including indebtedness under the Senior Credit Facility, the Bridge Loan, the Schuldschein, the 2023 Notes and the 2025 Notes; • rank senior in right of payment to any existing and future subordinated obligations of the Issuer; • rank effectively junior to all existing and future secured indebtedness of the Issuer to the extent of the value of the assets securing such indebtedness; and • rank structurally junior to all existing and future indebtedness, liabilities and commitments (including trade payables and lease obligations) of the Issuer's subsidiaries. As the Issuer is a holding company with no trading operations of its own, substantially all of the Group's trade payables are incurred by our subsidiaries. As at 31 December 2018, the Issuer's Subsidiaries had €286.3 million of indebtedness outstanding and our consolidated trade payables amounted to €4,563 million. See "Risk Factors – Risk Factors Related to the Notes – The Notes are solely obligations of the Issuer and will be structurally subordinated to all of the claims of the creditors of the Issuer's subsidiaries".
Optional Redemption	At any time prior to 15 June 2022, the Issuer may, at its option, redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, plus the applicable "make whole" premium set forth in "Terms and Conditions of the Notes – Condition 3: Optional Redemption". At any time on or after 15 June 2022, the Issuer may, at its option, redeem the Notes, in whole or in part, at redemption prices that vary by year, as set forth in "Terms and Conditions of the Notes – Condition 3: Optional Redemption", plus accrued and unpaid interest, if any, to the redemption date.

	At any time prior to 15 June 2022, the Issuer may, at its option, redeem up to 35% of the aggregate principal amount of the Notes using the net proceeds from one or more specified equity offerings, at a redemption price equal to 103.125% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date. See "Terms and Conditions of the Notes – Condition 3: Optional Redemption".
Additional Amounts	Any payments made by the Issuer with respect to the Notes will be made without withholding or deducting for taxes in any relevant taxing jurisdiction, unless required by law. If the Issuer is required by law to withhold or deduct for such taxes with respect to a payment to the holders of the Notes, the Issuer will pay the additional amounts necessary (subject to certain exceptions) so that the net amount received by the holders of the Notes after the withholding is not less than the amount they would have received in the absence of the withholding subject to certain exceptions. See "Terms and Conditions of the Notes – Condition 4: Taxation".
Tax Redemption	The Issuer may, but is not required to, redeem the Notes at any time in whole, but not in part, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, in the event the Issuer has become or would become obligated to pay "additional amounts" with respect to the Notes as a result of certain changes in tax laws or their interpretation. See "Terms and Conditions of the Notes – Condition 4: Taxation".
Change of Control	Upon the occurrence of certain specified changes of control, the holders of the Notes will have the right to require the Issuer to repurchase all or part of the Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. See "Terms and Conditions of the Notes – Condition 5: Change of Control".
Covenants	The trust deed (the "**Trust Deed**") governing the Notes will, among other things, limit the ability of the Issuer and its Restricted Subsidiaries (as that term is defined below under "Terms and Conditions of the Notes – Condition 19: Definitions") to: • incur or guarantee additional indebtedness; • create liens; and • merge or consolidate with other entities. Each of the covenants is subject to a number of important exceptions and qualifications. See "Terms and Conditions of the Notes – Condition 6: Covenants". Certain of the above covenants will be suspended upon achievement and during maintenance of investment grade status for the Notes, in the event that the Notes have been assigned at least two of the following ratings: (x) BBB- or higher by S&P, (y) Baa3 or higher by Moody's or (z) BBB- or higher by Fitch. See "Terms and Conditions of the Notes – Condition 7: Suspension of Covenants During Achievement of Investment Grade Status".
Form of Notes	The Notes will be represented on issue by a global note which will be delivered through Euroclear Bank SA/NV, and Clearstream Banking, S.A. Interests in the global note will be exchangeable for the relevant definitive Notes only in certain limited circumstances. See "Book-Entry, Delivery and Form".

Transfer Restrictions	The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Notes offered hereby are being offered and sold to investors outside the United States in reliance on Regulation S under the Securities Act. See "Subscription and Sale of the Notes".
No Prior Market	The Notes will be new securities. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and may discontinue market making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained. See "Risk Factors – Risks Related to the Notes – There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes".
Use of Proceeds	We expect the net proceeds from the offering of the Notes to amount to approximately €494.8 million, after deduction of estimated costs and commissions. The net proceeds will be used to (i) repay in full the Bridge Loan of €500 million which was used to finance the Clarion Acquisition and to pay related expenses and transaction costs of the Clarion Acquisition and (ii) to pay fees and expenses incurred in connection with the issue of the Notes. See "Use of Proceeds" and "Capitalization".
Listing	Application has been made to list the Notes on the Official List of Euronext Dublin and to admit the Notes for trading on the Global Exchange Market thereof. Currently there is no public market for the Notes.
Trustee	Citibank, N.A., London Branch.
Principal Paying Agent	Citibank, N.A., London Branch.
Registrar	Citigroup Global Markets Europe AG
Listing Agent	Walkers Listing Services Limited.
Governing Law of the Notes and the Trust Deed	England and Wales.
Risk Factors	You should refer to "Risk Factors" beginning on page 21 of this Offering Circular for a description of certain risks involved in investing in the Notes.

SUMMARY FINANCIAL AND OPERATING DATA

The following tables set forth our summary financial and operating data for the years ended and as at the dates indicated below. Our summary financial information as at and for the years ended 31 December 2016, 2017 and 2018 has been derived from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2017 and 2018, an English translation of which is incorporated by reference in this Offering Circular. The tables below also set out summary financial and operating data at and for the year ended 2017 which has been restated to reflect the implementation of IFRS 15 (*Revenue from Contracts with Customers*). The consolidated financial statements of the Issuer incorporated by reference in this Offering Circular have been prepared in accordance with IFRS as adopted by EU.

The following information should be read in conjunction with the section headed "Business Review" contained in the 2018 Annual Results incorporated by reference herein, "Presentation of Financial and Other Information" and our consolidated financial statements and the related notes thereto, an English translation of which is incorporated by reference in this Offering Circular. Our historical results do not necessarily indicate results that may be expected for any future period.

Summary consolidated income statement data

	For the year ended 31 December			
	2016	2017 (published)	2017 (restated)*	2018*
(in € millions)				
Total sales	**18,710.5**	**20,181.7**	—	—
Value added sales	**15,613.6**	**16,962.2**	—	—
SALES	—	—	**16,962.2**	**17,524.7**
Cost of sales	(16,784.6)	(18,066.0)	(14,842.4)	(15,248.8)
Research and development costs	(289.5)	(265.0)	(281.7)	(298.8)
Selling and administrative expenses	(666.2)	(680.4)	(680.4)	(703.2)
OPERATING INCOME	**970.2**	**1,170.3**	**1,157.6**	**1,273.9**
Amortization of intangible assets acquired in business combinations	—	(1.2)	(1.2)	(10.9)
Other non-operating income and expenses	(105.8)	(96.1)	(96.1)	(147.3)
Income from loans, cash investments and marketable securities	11.4	12.6	12.6	9.6
Finance costs	(150.5)	(120.9)	(120.9)	(117.7)
Other financial income and expenses	(23.3)	(23.0)	(23.0)	(55.7)
INCOME BEFORE TAX OF FULLY CONSOLIDATED COMPANIES	**702.0**	**941.7**	**929.0**	**951.9**
Taxes	(189.2)	(261.8)	(260.7)	(190.0)
of which deferred taxes	32.6	(23.7)	(22.6)	112.7
NET INCOME OF FULLY CONSOLIDATED COMPANIES	**512.8**	**679.9**	**668.3**	**761.9**
Share of net income of associates	19.7	34.6	34.6	31.4
NET INCOME FROM CONTINUED OPERATIONS	**532.5**	**714.5**	**702.9**	**793.3**
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	**188.3**	**(7.4)**	**(7.4)**	**—**
CONSOLIDATED NET INCOME	**720.8**	**707.1**	**695.5**	**793.3**
Attributable to owners of the parent	637.8	610.2	599.4	700.8
Attributable to minority interests	83.0	96.9	96.1	92.5

* Restated to reflect the implementation of IFRS 15. Note that financial information as at and for the full year ended 31 December 2018 was prepared on the same basis.

Summary consolidated cash flow statement data

	For the year ended 31 December			
	2016	2017 (published)	2017 (restated)*	2018*
(in € millions)				
Net cash provided (used) by:				
Operating activities	1,296.7	1,612.6	1,791.6	1,642.6
of which discontinued activities	(121.5)	—	—	—
Investing activities	(483.9)	(1,448.2)	(1,627.2)	(1,356.1)
of which discontinued activities	(53.5)	—	—	—
Financing activities	(180.9)	(115.5)	(115.5)	276.2
of which discontinued activities	(8.6)	—	—	—

* Restated to reflect the implementation of IFRS 15. Note that financial information as at and for the full year ended 31 December 2018 was prepared on the same basis.

Summary consolidated balance sheet data

	As at 31 December			
	2016	2017 (published)	2017 (restated)*	2018*
Assets				
(in € millions)				
TOTAL NON-CURRENT ASSETS	**5,367.3**	**5,910.6**	**6,218.0**	**6,933.9**
of which intangible assets	1,107.7	1,281.3	1,634.7	1,959.4
of which property, plant and equipment	2,468.2	2,649.7	2,589.4	2,784.6
TOTAL CURRENT ASSETS	**5,177.1**	**5,581.9**	**5,643.4**	**6,460.8**
of which inventories, net	1,264.0	1,419.2	1,387.5	1,431.7
of which trade accounts receivables	1,652.1	1,766.1	1,859.3	1,947.5
of which cash and cash equivalents	1,562.2	1,563.0	1,563.0	2,105.3
of which assets held for sale	—	—	—	—
TOTAL ASSETS	**10,544.4**	**11,492.5**	**11,861.4**	**13,394.7**

* Restated to reflect the implementation of IFRS 15. Note that financial information as at and for the full year ended 31 December 2018 was prepared on the same basis.

	As at 31 December			
	2016	2017 (published)	2017 (restated)*	2018*
Liabilities				
(in € millions)				
Equity attributable to owners of the parent	2,942.0	3,233.6	3,178.6	3,709.7
Total shareholders' equity	3,157.1	3,508.3	3,453.9	4,071.3
Total non-current liabilities	2,009.6	2,015.7	2,015.7	2,292.3
Total current liabilities	5,377.7	5,968.5	6,391.8	7,031.1
Liabilities linked to assets held for sale	—	—	—	—
TOTAL EQUITY AND LIABILITIES	**10,544.4**	**11,492.5**	**11,861.4**	**13,394.7**

* Restated to reflect the implementation of IFRS 15. Note that financial information as at and for the full year ended 31 December 2018 was prepared on the same basis.

Other consolidated financial data

	As at and for the year ended 31 December			
	2016	2017 (published)	2017 (restated)*	2018*
(in € millions, except ratios)				
EBITDA[(1)]	1,639.3	1,889.3	1,950.9	2,140.6
Gross finance costs	(150.5)	(120.9)	(120.9)	(117.7)
Gross cash interest expense[(2)]	(150.5)	(120.9)	(120.9)	(117.7)
Total capital expenditure[(3)]	(638.0)	(738.6)	(738.6)	(673.2)
Capitalized development costs	(406.9)	(468.9)	(648.0)	(529.7)
Net debt[(4)]	341.5	451.5	451.5	477.7
Ratio of net debt to EBITDA[(5)]	0.2x	0.2x	0.2x	0.2x
Ratio of EBITDA to gross cash interest expense[(6)]	10.9x	15.6x	16.1x	18.2x
Adjusted for the Refinancing				
Pro forma net debt[(7)]				1,585.9
Pro forma gross cash interest expense[(8)]				(135.2)
Ratio of EBITDA to *pro forma* gross cash interest expense[(9)]				15.8x
Ratio of *pro forma* net debt to EBITDA[(10)]				0.7x

* Restated to reflect the implementation of IFRS 15. Note that financial information as at and for the full year ended 31 December 2018 was prepared on the same basis.

(1) EBITDA is a non-IFRS measure, which represents operating income before depreciation, amortization and provisions for impairment of property, plant and equipment and capitalized R&D expenditures. It should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. Companies with similar or different activities may calculate EBITDA differently than us. See "Presentation of Financial and Other Information".

EBITDA reconciliation	For the year ended 31 December			
	2016	2017 (published)	2017 (restated)*	2018*
(in € millions)				
Operating income / (loss)	**970.2**	**1,170.3**	**1,157.6**	**1,273.9**
Depreciation and amortizations of assets	669.1	719.0	793.3	866.7
EBITDA	**1,639.3**	**1,889.3**	**1,950.9**	**2,140.6**

* Restated to reflect the implementation of IFRS 15. Note that financial information as at and for the full year ended 31 December 2018 was prepared on the same basis.

(2) Cash interest expense equals gross finance cost.

(3) Total capital expenditures include Property, Plant & Equipment and Intangibles.

(4) Net debt represents total non-current and current financial liabilities, less derivatives classified under non-current and current assets, less cash and cash equivalents, as reported.

(5) Net debt to EBITDA represents net debt divided by EBITDA.

(6) EBITDA to cash interest expense represents EBITDA divided by cash interest expense.

(7) Pro forma net debt (adjusted for the Refinancing) for the year ended 31 December 2018 is based on our net debt for the year ended 31 December 2018, as defined above, as adjusted to give effect to the offering of the Notes offered hereby and the repayment of the Bridge Loan in full as if such transactions had occurred on 31 December 2018.

(8) Pro forma gross cash interest expense for the year ended 31 December 2018 is based on our gross cash interest expense for the year ended 31 December 2018, as defined above, as adjusted to give effect to the offering of the Notes offered hereby and the repayment of the Bridge Loan in full as if such transactions had occurred on 1 January 2018; it does not reflect the margin in the Senior Credit Facility, which remains undrawn as at the date of this Offering Circular. Pro forma gross cash interest expense (adjusted for the Refinancing) has been presented for illustrative purposes only and does not purport to represent what our gross interest expense would have actually been had the issuance of the Notes offered hereby occurred on the date assumed, nor does it purport to project our interest expenses for any future period or our financial condition at any future date.

(9) Ratio of EBITDA to *pro forma* cash interest expense for the year ended 31 December 2018 is based on our ratio of EBITDA to *pro forma* cash interest expense, as defined above.

(10) Ratio of *pro forma* net debt to EBITDA for the year ended 31 December 2018 is based on our ratio of net debt to EBITDA for the year ended 31 December 2018, as adjusted to give effect to the offering of the Notes offered hereby and repayment of the Bridge Loan in full, as if such transactions had occurred on 31 December 2018 and, for the avoidance of doubt, does not include Clarion's net debt or EBITDA.

RISK FACTORS

Potential investors should carefully read and consider the risk factors described below and the other information contained in this Offering Circular before they make a decision about acquiring the Notes. The realization of one or more of these risks could individually or together with other circumstances adversely affect our business, financial condition and results of operations. The market price of the Notes could decline as the result of any of these risks, and investors could lose all or part of their investment. The risks described below may not be the only risks we face. Additional risks that are presently not known to us or that are currently considered immaterial could also adversely affect our operations and have material adverse effects on our business, financial condition and results of operations. The sequence in which the risks factors are presented below is not indicative of their importance, their likelihood of occurrence or the scope of their financial consequences.

Risks Related to Our Operations

Our business is dependent on the automotive sector and the commercial success of the models for which we supply components.

Given that we specialize in the manufacture of original equipment for our automaker customers, our business is directly related to vehicle production levels of these customers in their markets. The cyclical nature that characterizes our customers' businesses can have a significant impact on our sales and results. The level of sales and production for each of our customers depends on numerous parameters, notably the general level of consumption of goods and services in a given market; confidence levels of participants in that market; buyers' ability to access credit for vehicle purchases; and in some cases governmental aid programs (such as the financial support provided to the automotive sector and incentives introduced for the purchase of vehicles).

Therefore, our sales are directly linked to the performance of the automotive industry in the major geographic regions where we and our customers operate (see note 4.5 to our audited 2018 Consolidated Financial Statements), especially in Europe (which constituted 51% of our sales in 2018), North America (which constituted 25% of our sales in 2018) and Asia (which constituted 19% of our sales in 2018).

Moreover, our sales are related to the commercial success of the models for which we produce components and modules. At the end of a vehicle's life cycle, there is significant uncertainty around whether our products will be taken up again for the replacement model. In addition, orders placed with us are open orders without any guarantees of minimum volumes and are generally based on the life of the vehicle model concerned. A shift in market share away from the vehicles for which we produce components and modules could have a material adverse effect on our business, financial condition and results of operations.

We may be adversely affected by the loss of key customers due to industry consolidation, and by the risk that our customers could default on their financial obligations or enter bankruptcy.

Given the economic context in the automotive sector, we cannot rule out the possibility that one or more of our customers may not be able to honor certain contracts or may suffer financial difficulties. Furthermore, changes in the automotive sector could accelerate the concentration of automakers, ultimately resulting in the disappearance of certain brands or vehicle models for which we produce equipment. Our major customers could also face a slowdown in activity, including as a result of the potential impact of increased regulatory scrutiny of emissions tests, among other factors.

In 2018, our four largest customers accounted for over 61.3% of sales, as follows: Volkswagen (18.6%), Ford (16.2%), PSA Peugeot Citroën group (13.9%) and Renault-Nissan-Mitsubishi group (12.6%).

The occurrence of one or more of these events could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on many suppliers to maintain production levels.

We use a large number of suppliers based in different countries for our raw materials and basic parts supplies. In 2018, our ten largest suppliers together accounted for 16% of our purchases and 10% of our sales.

If one or more of our main suppliers were to go bankrupt, or experience an unforeseen stock-out, quality problems, social unrest, a strike or any other incident disrupting the supplies for which it is committed to us, this could negatively impact our image or production output or lead to additional costs, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We may not always be able to satisfy our customers' demands or maintain the quality of our products.

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

In addition, any actual or alleged instances of inferior product quality, or of damage caused or allegedly caused by our products, could damage our reputation and brand and could lead to new or existing customers becoming less willing to conduct business with us.

Our gross margins may be adversely affected if we fail to identify risks when we tender for new contracts or appropriately monitor the performance of our programs.

The contracts which we enter into are awarded after a complex equipment supply bidding process by our customers. Each contract with our customer is a program with a lifespan of up to ten years from the development phase through to the production phase. As part of the tender process, we carry out a detailed risk assessment to ensure that we identify and manage the nature and level or risks that we may be exposed to and, during the life of the program, we monitor the program in order to ensure operational and financial performance.

If we fail to identify and manage risks in connection with the bidding for and establishment of new programs, or fail to appropriately monitor our operational and financial performance, our gross margins could be adversely affected, which could also have a material adverse effect on our business, financial condition and results of operations.

If we fail to attract and retain key personnel could adversely affect our business.

Our success depends to a large degree on the services of our senior management team and key personnel with particular expertise. In particular, the loss or unavailability of our senior management team for an extended period of time could have an adverse effect on our operations. In addition, we must compete with other companies for suitably qualified personnel, including technical and engineering personnel. Our inability to attract and retain key personnel could have a material adverse effect on our business, financial condition and results of operations.

We may experience difficulties integrating acquired businesses or achieving anticipated synergies.

As part of our external growth policy, we have made, and may make in the future, acquisitions of varying sizes, some of which have been, and may yet be, significant to us.

These acquisitions entail risks, such as:

- the assumptions of the business plans on which valuations are made may prove incorrect, especially concerning synergies and assessments of market demand, trend and forecasts;
- we may not have appropriately assessed associated risks related to the acquisitions, in particular in the course of performing our due diligence investigations;
- we may not succeed in integrating the acquired companies, their technologies, product ranges and employees;
- we may not be in a position to retain some key employees, customers or suppliers of the acquired companies;
- we may be forced or wish to terminate pre-existing contractual relationships with costly and/or unfavorable financial conditions; and
- we may increase our 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 or to the extent anticipated, which could have a material adverse effect on our business, financial conditions and results of operations.

Clarion may have liabilities that are not known to us and which could have a material adverse effect on our business, financial conditions and results of operations

Following the Clarion Acquisition, Clarion will become a consolidated subsidiary of Faurecia. There may be liabilities that we failed, or were unable to discover, in the course of performing our due diligence investigations on Clarion. As we integrate Clarion, we may learn additional information that adversely affects us, such as unknown or contingent liabilities and issues relating to non-compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to realize anticipated synergies from the Clarion Acquisition

Following the Clarion Acquisition, we will seek to establish a fourth business group, Faurecia Clarion Electronics, with its head office in Japan. This new business group will incorporate our subsidiaries Parrot Automotive, a leader in automotive connectivity and infotainment, and Jiangxi Coagent Electronics, which develops HMI and in-vehicle-infotainment, including displays, voice recognition and smartphone applications. Faurecia Clarion Electronics will focus on manufacturing and developing products which advance our "Cockpit of the Future" strategy, in particular, cockpit electronic systems and software integration and our CIP. Our management has previously estimated that we will achieve significant potential synergies arising as a result of the Clarion Acquisition which will arise both from EBIT synergies and cost synergies. For more information, see "Business – Clarion Acquisition". This estimated level of synergies is based upon our assumptions about our ability to implement the integration of Clarion in a timely fashion and within certain cost parameters. Our ability to achieve synergies is dependent on various factors, including the information available to us prior to completing the Clarion Acquisition. If one or more of our underlying assumptions proves to be incorrect, then we may not be able to realize these synergies in full or within the anticipated timeframe, and the costs we incur in trying to realize these synergies may be substantially higher than our current estimates.

The Clarion Acquisition, and more generally, our Cockpit of the Future and Sustainable Mobility strategies may prove to be based on incorrect assumptions about market trends and forecasted demand.

The Clarion Acquisition is expected to reinforce our ability to produce technological content for use in IVI, audio equipment, connected service platforms for vehicles and HMI and advanced driver systems, which we will leverage to develop our Cockpit of the Future and Sustainable Mobility strategy. Our strategic choices, such as the Clarion Acquisition, Cockpit of the Future and Sustainable Mobility, are based on assumptions and expectations of market demand. If one or more of those assumptions or expectations proves to be incorrect, expected sales and performance can be negatively impacted, which could have a material adverse effect on our business, financial condition and results of operation.

The international nature of our business exposes us to a variety of economic, political, tax, legal and other related risks.

Due to the international nature of our business activities, we are exposed to economic, political, fiscal, legal and other types of risks.

Our sales are mostly generated in Europe, North America and Asia. Our international business activities, notably in emerging countries, and following the Clarion Acquisition, in Japan, are exposed to certain risks inherent in any activity carried out abroad, including:

- any potential legislative or regulatory changes such as the UK's withdrawal from the EU or commercial, monetary or fiscal policies applied in some foreign countries and, in particular, risks of expropriation and nationalization;
- customs regulations, monetary control policies, investment restrictions or requirements or any other constraints such as levies or other forms of taxation on settlements and other payment terms adopted by subsidiaries; and
- difficulties in enforcing agreements, collecting payments due and protecting property through foreign legal systems, in particular, where intellectual property protection is less stringent.

Our business is affected by general economic conditions and macroeconomic trends which can impact overall demand for our products and the markets in which we operate including, for example, trade tensions between the EU and the US and between the US and China. Furthermore, while the regions in which we operate were affected differently by the global economic downturn which began in 2008, any weakening in economic conditions may affect the automotive supply industry globally and negative economic conditions in one or more regions may affect the automotive supply industry in other regions. In China, for example, light vehicle production fell by 5.1% in 2018 (source: IHS Automotive February, 2019). Our business, financial condition and results of operations may be materially and adversely affected by an economic downturn on a global scale or in significant markets in which we operate.

We operate in the highly competitive automotive supply industry where customers can exert significant price pressure.

The global automotive supply sector is highly competitive. Competition is based mainly on price, global presence, technology, quality, delivery, design and engineering capabilities, new product innovation and customer service as a whole. There are no guarantees that our products will be able to compete successfully with those of our competitors. Supply contracts are mostly awarded through competitive bids, and are often subject to renewed bidding when their terms expire. Although the overall number of competitors has decreased due to on-going industry consolidation, we face significant competition within each of our major product areas, including from new competitors entering the markets that we serve. We cannot assure you that we will be able to continue to compete favorably in these competitive markets or that increased competition will not have a material adverse effect on our business, financial condition and results of operation by reducing our ability to increase or maintain sales and profit margins.

The failure to obtain new business projects on new models, or to retain or increase business projects on redesigned existing models, could adversely affect our business, financial condition and results of operations. In addition, as a result of the relatively long lead times required for many of our structural components, it may be difficult for us to adequately manage the execution of a program from development to launch, adequately respond to any deterioration in the profitability of a program or to obtain new revenues in the short-term to replace any unexpected decline in the sale of existing products.

A rise in interest rates would increase the cost of servicing our debt.

Before taking into account the impact of interest rate hedges, 37.7% of our borrowings were at variable rates as at 31 December 2018 and 24.1% of our borrowings were at variable rates as at 31 December 2017. Our variable rate financial debt mainly relates to the Senior Credit Facility, when drawn, as well as our short-term debt. Our main fixed rate debt consists of the 2023 Notes, the 2025 Notes and the Schuldschein.

We manage hedging of interest rate risks centrally. This management is handled by our Finance and Treasury Department, which reports to our General Management. Interest rate hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis.

Since a significant part of our borrowings are at variable rates, the aim of our interest rate hedging policy is to reduce the impact of short-term rate changes on earnings. Our hedges primarily comprise euro-denominated interest rate swaps. They hedge a part of our interest payable in 2017 and 2018 against a rise in interest rates. Our interest rate position with respect to the different types of financial instruments used is detailed in note 30.3 to our audited 2018 Consolidated Financial Statements.

We rely on capital markets to provide liquidity to operate and grow our business.

The capital and credit markets provide us with liquidity to operate and grow our business beyond the liquidity that operating cash flows provide. A worldwide economic downturn and/or disruption of the credit markets could reduce our access to capital necessary for our operations and executing our strategic plan. If our access to capital were to become constrained significantly, or if costs of capital increased significantly, due to lowered credit ratings, prevailing industry conditions, the volatility of the capital markets or other factors, our financial condition, results of operations and cash flows could be adversely affected.

We are subject to fluctuations in exchange rates, primarily between the euro and other operating currencies.

We are exposed to risks arising from fluctuations in the exchange rates of certain currencies, particularly due to the location of some of our 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.

See note 30.1 of our audited 2018 Consolidated Financial Statements for more information on changes in exchange rates of transaction currencies (other than their functional currency) used by our subsidiaries (with all other variables remaining constant).

We centrally manage currency risks relating to the commercial transactions of our subsidiaries, mainly using forward purchase and sale contracts and options as well as foreign currency financing. We manage foreign exchange risks centrally, through our Finance and Treasury Department, which reports to our General Management.

Hedging decisions are made by a Market Risk Management Committee that meets on a monthly basis. Currency risks on forecast transactions are hedged based on estimated cash flows determined in forecasts validated by our General Management. The related derivatives are classified as cash flow hedges when there is a hedging relationship that satisfies IFRS 9 financial instruments: recognition and measurement (which outlines the requirements for the recognition and measurement of financial assets) ("**IFRS 9**") criteria.

Subsidiaries whose functional currency is not the euro are granted inter-company loans in their operating currencies. Although these loans are refinanced in euros and eliminated in the consolidation of our audited consolidated financial statements, they contribute to our currency risk exposure and are therefore hedged through swaps.

Details of net balance sheet positions and hedges by currency are provided in note 30.2 to our audited 2018 Consolidated Financial Statements.

A failure of our information technology (IT) and data protection and security infrastructure could adversely impact our business, operations and reputation.

We rely upon the capacity, reliability and security of our IT and data protection and security infrastructure, as well as our ability to expand and update this infrastructure in response to the changing needs of our business.

If we experience a problem with the functioning of an important IT system or a security breach of our IT systems, including during system upgrades and/or new system implementations, the resulting disruptions could have an adverse effect on our business. We implement security measures in relation to our IT systems but we, like other companies, are vulnerable to damage from computer viruses, natural disasters, unauthorized access, cyber-attacks and other similar disruptions.

Any system failure, accident or security breach could result in disruptions to our operations. A material network breach in the security of our IT systems could result in the theft of our intellectual property, trade secrets, customer information, human resources information or other confidential information. To the extent that any disruptions or security breach result in a loss or damage to our data, or an inappropriate disclosure of confidential, proprietary or customer information, it could cause significant damage to our reputation, affect our relationships with our customers, lead to claims against us and ultimately harm our business. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future.

We are subject to fluctuations in the prices of raw materials.

We are exposed to commodity risk through our direct purchases of raw materials and indirectly through components purchased from our suppliers. The proportion of our direct purchases of raw materials, mainly steel and plastics, represented approximately 15% of purchases in 2018. Our operating and net income can be adversely affected by changes in the prices of the raw materials we use, notably steel and plastics.

To the extent that our sales contracts with customers do not include price indexation clauses linked to the price of raw materials, we are exposed to risks related to unfavorable fluctuations in commodity prices. We do not use derivatives to hedge our purchases of raw materials or energy.

If commodity prices were to rise steeply, we may not be able to pass on all such price increases to our customers, which could have an unfavorable impact on our sales, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We face litigation risks, including product liability, warranty and recall risk.

We are currently and may in the future become subject to legal proceedings and commercial or contractual disputes. These are typically lawsuits, claims and proceedings that arise in the normal course of business including, without limitation, claims pertaining to product liability, product safety, environmental, safety and health, intellectual property, employment, commercial and contractual matters and various other matters. We are also subject to investigations by competition authorities relating to alleged anti-competitive practices in certain jurisdictions. See "Business – Litigation" for further information.

The outcome of such lawsuits, investigations, claims or proceedings cannot be predicted with certainty. There exists the possibility that such claims may have an adverse impact on our results of operations that is greater than we anticipate, and/or negatively affect our reputation.

We are also subject to a risk of product liability or warranty claims if our products actually or allegedly fail to perform as expected or the use of our products results, or is alleged to result, in bodily injury and/or property damage. While we maintain reasonable limits of insurance coverage to appropriately respond to such exposures, large product liability claims, if made, could exceed our insurance coverage limits and further insurance may not continue to be available on commercially acceptable terms, if at all. We may incur significant costs to defend these claims or experience product liability losses in the future. In addition, if any of our designed products are, or are alleged to be, defective, we may be required to participate in recalls and exchanges of such products. The future cost associated with providing product warranties and/or bearing the cost of repair or replacement of our products could have a material adverse effect on our business, financial condition and results of operations.

Our insurance coverage may not be adequate to cover all the risks we may face and it may be difficult to obtain replacement insurance on acceptable terms or at all.

Our production plants, equipment and other assets are insured for property damage and business interruption risks, and we carry insurance for products liability risks. Our insurance policies are subject to deductibles and other coverage limitations and we cannot ensure you that we are fully insured against all potential hazards incident to our business, including losses resulting from risks of war or terrorist acts, certain natural hazards (such as earthquakes), environmental damage or all potential losses, including damage to our reputation. We have entered into liability insurance which includes specific policies such as environmental liability insurance and coverage of liability for damages resulting from accidents.

However, as some risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out. Should such loss or damage occur, this could have a material adverse effect on our business, financial conditions and results of operations.

If we incur a significant liability for which we are not fully insured or if premiums and deductibles for certain insurance policies were to increase substantially as a result of any incidents for which we are insured, this could have a material adverse effect on our business, financial condition and results of operations.

We face risks related to the intellectual and industrial property we use.

We consider that we either own or may validly use all the intellectual and industrial property rights required for our business operations and that we have taken all reasonable measures to protect our rights or obtain guarantees from the owners of third party rights. However, we cannot rule out the risk that our intellectual and/or industrial property rights may be disputed by a third party on the grounds of pre-existing rights or for any other reason. Furthermore, for countries outside France, we cannot be sure of holding or obtaining intellectual and industrial property rights offering the same level of protection as those in France.

Industrial and environmental risks could disrupt our business and a have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing sites are subject to risks associated with fire, explosion, natural disaster (including extreme weather events), systems failure, accidental pollution and non-compliance with current or future regulations. For example, in 2018, we suffered losses of approximately €7 million due to product delays arising from an explosion fire at the Meridian mill in Eaton Rapids, Michigan, mostly covered by our liability insurance. These various risks may result in us incurring additional costs. These additional costs could have a material adverse effect on our business, financial condition and results of operations. The occurrence of any natural disaster could cause the total or partial destruction of a plant and thus prevent us from supplying products to our customers, causing further disruption at their plants for an indeterminate period of time, which in turn could have a material adverse effect on our business, financial condition and results of operation.

Our reputation is critical to our business

Our results of operations depend on maintaining a positive reputation with customers. Any negative incident could significantly affect our reputation and damage our business.

We may be adversely affected by any negative publicity, regardless of its accuracy, including without limitation with respect to:

- the quality of our products;
- damage to the environment
- employee or customer injury;
- failure of our information technology (IT) and data security infrastructure, including security breaches of confidential customer or employee information;
- employment-related claims relating to alleged employment discrimination, wages and hours;
- violations of law or regulations;
- labour standards or healthcare and benefits issues; or
- our brand being affected globally for reasons outside of our control.

While we try to ensure that our suppliers maintain the reputation of our brand, suppliers may take actions that adversely affect our reputation. In addition, through the increased use of social media, individuals and non-governmental organisations have the ability to disseminate their opinions regarding the safety of our products, and our business, to an increasingly wide audience at a faster pace. Any failure to effectively respond to any negative opinions or publicity in a timely manner could harm the perception of our brand and products and damage our reputation, regardless of the validity of the statements against us and ultimately harm our business.

Non-compliance with internal corporate governance requirements

We have a number of company-wide policies and measures, including our "Code of Ethics", which addresses the latest requirements of applicable French anti-corruption legislation, our management code and other measures such as our Code of Conduct for the Prevention of Corruption and our Guide to Good Practice in Combating Anti-Competitive Practices, which put into practice many of the principles set out in the Code of Ethics. There can be no assurance that violations of our internal corporate governance requirements will not occur. In the event violations do occur, they could harm our reputation and result in fines, which could in turn have a material adverse effect on our business, financial condition and results of operations and therefore on our ability to fulfil our obligations under the Notes.

Changes to IFRS standards for lease accounting may adversely affect our financial results and position.

Changes to IFRS have been proposed in recent years, and further changes may be proposed in the future. In particular, the International Accounting Standards Board ("**IASB**") released a new standard ("**IFRS 16**") on lease accounting, which replaced International Accounting Standards ("**IAS**") 17 Leases and which became effective for financial reporting periods beginning on or after 1 January, 2019. The application of IFRS 16 is expected to have a significant impact on our consolidated balance sheet, as we will be required to recognize the present value of minimum lease payments as a liability and record rights of usage as assets. It is also expected to have a significant impact on our consolidated statement of comprehensive income, as we will be required to report depreciation expenses related to such additional assets and interest expenses related to such additional liabilities (instead of lease expenses). This and any other changes to IFRS that may be proposed in the future could have a material adverse effect on our results of operations or financial condition.

Although we are still in the process of analyzing the detailed consequences of IFRS 16's application, we currently believe that had IFRS 16 been applicable as at and for the year ended 31 December, 2018, the estimated impact on our consolidated financial statements would have been as follows: (a) an increase of up to €700 million in our consolidated assets; (b) an increase of up to €700 million in our consolidated liabilities; (c) an increase in our consolidated depreciation expense; (d) an increase in our consolidated interest expense; and (e) a decrease in our consolidated lease expense.

Risks Related to the Notes

The Notes are solely obligations of the Issuer and will be structurally subordinated to all of the claims of creditors of the Issuer's subsidiaries.

None of the Issuer's subsidiaries will guarantee the Notes. You will therefore not have any direct claim on the cash flows or assets of the Issuer's subsidiaries, and the Issuer's subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments.

Generally, claims of creditors of a subsidiary, including lenders and trade creditors, will effectively have priority with respect to the assets and earnings of the subsidiary over the rights of its ordinary shareholders, including the Issuer. Accordingly, claims of creditors of a subsidiary will also effectively have priority over the claims of creditors of the Issuer, including claims of holders of the Notes. In the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Issuer. The Notes, therefore, will be effectively junior and structurally subordinated to all debt and other liabilities of our subsidiaries, including liabilities owed to trade creditors. As at 31 December 2018, the subsidiaries of the Issuer had €286.3 million of gross financial debt to third parties and a net cash position of €918.5 million. In addition, as at 31 December 2018, our consolidated trade payables amounted to €4,563 million, substantially all of which was incurred by our subsidiaries. Pursuant to the Trust Deed governing the Notes, our subsidiaries will be permitted to incur additional indebtedness, which will rank structurally ahead of the Notes. See ''Terms and Conditions of the Notes – Condition 6.1: Limitation on Indebtedness''.

We will rely on payments from our subsidiaries to pay our obligations under the Notes.

The Issuer is primarily a holding company, with business operations principally located at the level of our subsidiaries. Accordingly, we will have to rely largely on dividends and other distributions from our subsidiaries to make payments under the Notes. We cannot be certain that the earnings from, or other available assets of, these operating subsidiaries will be sufficient to enable us to pay principal or interest on the Notes when due.

The payment of dividends and the making of loans and advances to us by our subsidiaries are subject to various restrictions, including:

- restrictions under applicable company law that restrict or prohibit companies from paying dividends unless such payments are made out of profits available for distribution;
- restrictions under the laws of certain jurisdictions that can make it unlawful for a company to provide financial assistance in connection with the acquisition of its own shares or the shares of any of its holding companies;
- statutory or other legal obligations that affect the ability of our subsidiaries to make payments to us on account of intercompany loans; and
- existing or future agreements governing our or our subsidiaries' debt may prohibit or restrict the payment of dividends or the making of loans or advances to us.

If we are not able to obtain sufficient funds from our subsidiaries, we will not be able to make payments on the Notes.

We may not have the ability to repay the Notes.

We may not be able to repay the Notes at maturity. Moreover, we may be required to repay all or part of the Notes prior to their scheduled maturity upon an event of default. If you were to require us to repay the Notes following an event of default, we cannot guarantee that we would be able to pay the required amount in full. Our ability to repay the Notes will depend, in particular, on our financial condition at the time of the required repayment, and may be limited by applicable law, or by the terms of our indebtedness and the terms of new facilities outstanding on such date, which may replace, increase or amend the terms of our existing or future indebtedness.

Our other creditors, in particular the lenders under the loans and creditors under factoring arrangements and other indebtedness described in ''Description of Other Indebtedness'', would be able to accelerate their loans or claims if certain events occur, such as breach of certain financial covenants that would not permit the acceleration of the Notes. Such an event would have a significant impact on our ability to repay the Notes. Furthermore, our failure to repay the Notes could result in a cross-default under other indebtedness.

A substantial amount of our indebtedness will mature before the Notes, and we may not be able to repay this indebtedness or refinance this indebtedness at maturity on favorable terms, or at all.

Substantially all of our indebtedness will mature prior to the maturity of the Notes.

Our ability to service our current debt obligations and to repay or refinance our existing debt will depend in part on a combination of generation of cash flow from our operations and cash produced by the disposal of selected assets, as well as on our ability to obtain financing. There can be no assurance that we will continue to generate sufficient cash flow in the future to service our current debt obligations and our other operating costs and capital expenditures, particularly if global or regional economies were to experience another significant economic downturn. Further, there can be no assurance that we will be able to consummate such disposals or, if consummated, that the terms of such transactions will be advantageous to us.

In addition, our ability to refinance our indebtedness, on favorable terms, or at all, will depend in part on our financial condition at the time of any contemplated refinancing. Any refinancing of our indebtedness could be at higher interest rates than our current debt and we may be required to comply with more onerous financial and other covenants, which could further restrict our business operations and may have a material adverse effect on our business, financial condition, results of operations and prospects and the value of the Notes. We cannot assure you that we will be able to refinance our indebtedness as it comes due on commercially acceptable terms or at all and, in connection with the refinancing of our debt or otherwise, we may seek additional financing, dispose of certain assets, reduce or delay capital investments or seek to raise additional capital.

If there were an event of default under any of our debt instruments that was not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and cause all amounts outstanding with respect to such indebtedness to be due and payable immediately, which in turn could result in cross defaults under our other debt instruments, including the Notes. Any such actions could force us into bankruptcy or liquidation, and we may not be able to repay the Notes in such an event.

Restrictions imposed by the Senior Credit Facility, the Bridge Facility Agreement, the Schuldschein, the Trust Deed and the trust deeds governing the 2023 Notes and the 2025 Notes limit our ability to take certain actions.

The Senior Credit Facility, the Bridge Facility Agreement, the Schuldschein, the Trust Deed and the trust deeds governing the 2023 Notes and the 2025 Notes limit our flexibility to operate our business. For example, certain of these agreements restrict our and certain of our subsidiaries' ability to, among other things:

- borrow money;
- create certain liens;
- guarantee indebtedness; or
- merge, consolidate or sell, lease or transfer all or substantially all of our assets.

In addition, the Senior Credit Facility and the trust deed governing the 2023 Notes limit, among other things, our ability and our subsidiaries' ability to pay dividends or make other distributions, make certain asset dispositions, make certain loans or investments, issue or sell share capital of our subsidiaries or enter into transactions with affiliates. The operating and/or financial restrictions and/or covenants in the Senior Credit Facility, the Bridge Facility Agreement, the Schuldschein, the Trust Deed and the trust deed governing the 2023 Notes and the 2025 Notes may adversely affect our ability to finance our future operations or capital needs or engage in other business activities that may be in our interest. In addition to limiting our flexibility in operating our business, a breach of the covenants in the Senior Credit Facility, the Bridge Facility Agreement, the Schuldschein, the Trust Deed or the trust deeds governing the 2023 Notes and the 2025 Notes could cause a default under the terms of each of those agreements, causing all the debt under those agreements to be accelerated. If this were to occur, we may not have sufficient assets to repay our debt.

We may be unable to raise funds necessary to finance any change of control repurchase offers required by the Notes.

If we experience specified changes of control, pursuant to the Trust Deed, each holder of the Notes will have the right to require that we purchase all or any of the outstanding Notes of such holder at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. Additionally, a change of control under the Senior Credit Facility, the Bridge Facility Agreement or the Schuldschein, unless waived by a lender, would result in cancellation of such lender's commitments under such facility and all amounts outstanding under such facility owed to such lender would become immediately due and payable. In addition, a change of control under the 2023 Notes and the 2025 Notes would give bondholders the option to have their bonds redeemed early at par or 101% of the principal amount thereof, respectively, in each case plus accrued and unpaid interest.

We may not have the resources to finance the redemption of the Notes or the early repayment of certain of our indebtedness following a change of control. Therefore, we expect that we would require third party financing to make an offer to repurchase the Notes upon a change of control. We cannot give any assurances that we would be able to obtain such financing. Our failure to effect a change of control offer when required would constitute an event of default under the Trust Deed.

In addition, the change of control provision in the Notes may not necessarily afford investors protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transactions involving our Group that may adversely affect holders of Notes, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Terms and Conditions of the Notes.

The Notes are not necessarily suitable for all investors.

Investors must have sufficient knowledge and experience in financial markets and familiarity with our Group to evaluate the benefits and risks of investing in the Notes, as well as knowledge and access to analytical tools in order to assess these benefits and risks in the context of their financial situation. The Notes are not suitable for investors who are not familiar with concepts such as amortization prior to or at maturity at our option, events of default or other financial terms governing these types of securities.

Investors must also be sure that they have sufficient financial resources to bear the risks inherent in the purchase of Notes and that an investment in this type of security is appropriate in the context of their financial situation.

Exchange rate risks exist for certain holders of the Notes.

We will make all payments under the Notes in euros. Any holder of the Notes who conducts its financial activities mainly in a currency other than the euro should take into consideration the risk that the rates of exchange could fluctuate and the risk that the authorities of the countries of the relevant currencies could modify any exchange controls. An appreciation of the value of the currency of the holder of the Notes compared to the euro would decrease, in the currency of the holder of the Notes, the value of payments (interest and principal) received under the terms of the Notes, the market value of the Notes, and thus the return of the Notes for such holder of the Notes.

Moreover, governments and monetary authorities could impose (as some have done in the past) exchange controls that could affect the applicable exchange rate. In such a case, holders of the Notes could receive principal or interest in amounts lower than expected, or even no principal or interest.

There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes.

The Notes will be new securities for which there currently is no market. Application has been made to list the Notes on the Official List of Euronext Dublin and to admit the Notes for trading on the Global Exchange Market. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk of not being able to sell Notes at any time at fair market prices or at all.

The liquidity of any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our financial condition, results of operations and prospects, as well as recommendations of securities analysts. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on investors in the Notes, regardless of our financial condition, results of operations and prospects.

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates and the level of demand for the Notes and for high yield securities generally, as well as our financial condition, results of operations and prospects. The Notes may thus trade at prices that are lower than their initial purchase price. The holders are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the holders sell the Notes prior to the final maturity.

The Notes may not become, or remain, listed on Euronext Dublin.

Although the Issuer has, pursuant to the Trust Deed, agreed to use its commercially reasonable efforts to have the Notes listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market thereof and to maintain such listing as long as the Notes are outstanding, the Issuer cannot assure you that the Notes will become, or remain, listed. If the Issuer cannot maintain the listing on the Official List of Euronext Dublin and the admission to trading on the Global Exchange Market or it becomes unduly burdensome to make or maintain such listing, the Issuer may cease to make or maintain such listing on the Official List of Euronext Dublin, provided that it will use reasonable best efforts to obtain and maintain the listing of the Notes on another recognized stock exchange in Europe, although there can be no assurance that the Issuer will be able to do so. Although no assurance can be made as to the liquidity of the Notes as a result of listing on the Official List of Euronext Dublin or another recognized stock exchange in Europe in accordance with the Trust Deed, failure to be approved for listing or the delisting of the Notes from the Official List of Euronext Dublin or another listing exchange in accordance with the Trust Deed may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

The market value of the Notes could decrease if our creditworthiness worsens.

The market value of the Notes will suffer if the market perceives us to be less likely to fully perform all our obligations under the Notes, which could occur, for example, because of the materialization of any of the risks listed above regarding our Group. Even if the likelihood that we will be in position to fully perform all our obligations under the Notes has not actually decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as us could adversely change, causing the market value of the Notes to fall. If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes will decrease.

The rights of holders of the Notes will be limited so long as the Notes are issued in book-entry interests.

Owners of the book-entry interests will not be considered owners or holders of Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, Euroclear or Clearstream, or their nominees, will be the sole holders of the Notes.

Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made by the Issuer to the Trustee or the Principal Paying Agent, which will make payments to the clearing system. Thereafter, such payments will be credited to the clearing system participants' accounts that hold book-entry interests in the Notes in global form and credited by such participants to indirect participants. After payment to the clearing system, neither we, nor the Trustee nor the Principal Paying Agent, will have any responsibility or liability for any aspect of the records relating to, or payments of, interest, principal or other amounts to the clearing system, or to owners of book-entry interests.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions for holders of the Notes. Instead, holders of the Notes may be entitled to act only to the extent that they have received appropriate proxies to do so from the clearing system or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Early redemption of the Notes may reduce an investor's expected yield.

The Notes may be redeemed at our option at the principal amount of the Notes plus accrued and unpaid interest, if any, to the date fixed for redemption as more fully described in ''Terms and

Conditions of the Notes – Condition 3: Optional Redemption''. In the event that we exercise the option to redeem the Notes, you may suffer a lower than expected yield and may not be able to reinvest the funds on the same terms.

Transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

Because the Notes have not been, or will not be, and are not required to be, registered under the Securities Act or the securities laws of any other jurisdiction, they may not be offered or sold in the United States and may only be sold outside the United States in offshore transactions in accordance with Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See ''Selling Restrictions''.

The insolvency laws of France may not be as favorable to you as the bankruptcy laws of another jurisdiction and may preclude holders of the Notes from recovering payments due on the Notes.

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the ''**Assembly**'') in order to defend their common interests if an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), a safeguard procedure (*procédure de sauvegarde*) or a judicial reorganization procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme and regardless of their governing law.

The Assembly deliberates on the draft accelerated safeguard plan (*projet de plan de sauvegarde accélérée*), draft safeguard plan (*projet de plan de sauvegarde*), draft accelerated financial safeguard plan (*projet de plan de sauvegarde financière accélérée*) or draft judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the holders of the Notes) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the holders of the Notes) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest incurred in France on our indebtedness, thus reducing the cash flow available to service our indebtedness.

Under article 212 bis of the French General Tax Code (Code Général des Impôts – ''**FTC**''), for financial years opened as from 1 January 2019, the net financial expenses (NFE) are deductible up to the highest of €3,000,000 per financial year and 30% of the borrower's taxable result before tax, interest, depreciation and amortization (EBITDA).

The NFE are defined as the excess, if any, of the financial expenses of the borrower over its financial income. If the borrower belongs to a consolidated group, and its ratio of own funds to aggregated assets is equal to or higher than the corresponding ratio of the group, then 75% of any non-deducted NFE, under the above rule, becomes deductible.

If the borrower has a ratio of affiliated debts to own funds which exceeds 1.5, it is viewed as thinly capitalized, and the deduction of the NFE is governed by the following specific limitations the portion of the NFE related to the affiliated debts which exceeds 1.5 times the own funds is deductible up to the highest of the pro-rated €1,000,000 per financial year and 10% of the pro-rated EBITDA; the portion of the NFE related to the non-affiliated debts, and to the affiliated debts which do not exceed 1.5 times the own funds, is deductible up to the highest of the pro-rated €3,000,000 per financial year and 30% of the pro-rated EBITDA. These specific limitations do not apply if the ratio of affiliated debts to own funds of the borrower is lower or equal to the corresponding ratio of the consolidated group to which it belongs.

The portion of the NFE which is non-deductible, in respect of a given financial year, may be carried forward indefinitely and deducted from the subsequent financial years subject to the same limitations (in case of thinly capitalized entities, only one third of the NFE may be carried forward). Also if a portion of a deductibility capacity, in respect of a given financial year, is not fully used by the borrower (other than a thinly capitalized one), it may be carried forward to the next 5 financial years.

Special rules apply to the NFE related to public infra structure projects, and to French tax groupings.

Under article 212 I – a of the FTC, any interest paid by a borrower to an affiliated creditor is deductible up to the highest of the maximum interest rate defined under article 39 1 3e of the FTC and the interest rate which may be obtained from independent financial institutions under similar conditions.

Furthermore, under article 212 I – b of the FTC, any interest paid by a borrower to an affiliated creditor is deductible only if, upon any request by the French tax authorities, the borrower is able to evidence that the tax liability of the creditor in respect of the interest, during the same financial year, is equal to at least 25% of the French corporate tax as determined under standard French tax rules.

Transactions in the Notes could be subject to the European financial transaction tax, if adopted.

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common Financial Transaction Tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

In a common declaration dated 8 December 2015, the Participating Member States, excluding Estonia which ultimately indicated its withdrawal from the enhanced cooperation in March 2016, confirmed their intention to make decisions regarding the outstanding issues related to the FTT before the end of June 2016.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the Commission's Proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

USE OF PROCEEDS

We expect the net proceeds from the offering of the Notes to amount to approximately €494.8 million, after deduction of estimated costs and commissions.

The net proceeds will be used to (i) repay in full the Bridge Loan of €500 million which was used to finance the Clarion Acquisition and to pay related expenses and transaction costs of the Clarion Acquisition and (ii) to pay fees and expenses incurred in connection with the issue of the Notes.

The following table illustrates the sources and uses of funds relating to the issuance of the Notes and the expected use of the net proceeds therefrom. Actual amounts will vary from estimated amounts depending on several factors, including the issue price of the Notes offered hereby and differences from our estimates of transaction fees and expenses.

Sources of funds		Uses of funds	
(in € millions)		**(in € millions)**	
Notes offered hereby	500.0	Repayment of the Bridge Loan	500.0
Cash on balance sheet	5.2	Estimated fees and expenses	5.2
Total	505.2	**Total**	505.2

CAPITALIZATION

The following table sets forth our cash and cash equivalents, financial liabilities and total capitalization as at 31 December 2018, on a historical basis, and as adjusted to reflect the completion of the offering of the Notes made hereby and the Refinancing.

You should read this table in conjunction with the section headed ‘‘Business Review’’ contained in the 2018 Annual Results, ‘‘Presentation of Financial and Other Information’’ and our consolidated financial statements and the related notes thereto, an English translation of which is incorporated by reference into this Offering Circular. Our historical results do not necessarily indicate results that may be expected for any future period.

	As at 31 December 2018				
	Historical (Reported)	**Adjustments – Additional Clarion Acquisition Funding**	**Adjustments – the Clarion Acquisition**	**Adjustments – the Refinancing**	**As adjusted**
(in € millions)					
Cash and cash equivalents	2,105.3	822.0	(1,103.0)(3)	(5.2)	1,819.1
Other current financial assets	1.0	—	—	—	1.0
Total cash and cash equivalents	**2,106.3**	**822.0**	**(1,103.0)**	**(5.2)**	**1,820.3**
Short-term borrowings(1)	665.3	—	—	—	665.3
Other current financial liabilities	48.7	—	—	—	48.7
Total current financial liabilities	**714.0**	**—**	**—**	**—**	**714.0**
Senior Credit Facility	—	—	—	—	—
2023 Notes(2)	700.0	—	—	—	700.0
2025 Notes(2)	700.0	—	—	—	700.0
Notes offered hereby(2)	—	—	—	500.0	500.0
Schuldschein(4)	378.0	322.0	—	—	700.0
Bridge Loan	—	500.0	—	(500.0)	—
Bank borrowings & other long-term debt	92.0	—	—	—	92.0
Total long-term financial liabilities	**1,870.0**	**822.0**	**—**	**—**	**2,692.0**
Total financial liabilities (gross)	**2,584.0**	**822.0**	**—**	**—**	**3,406.0**
Total financial liabilities (net)	**477.7**	**—**	**1,103.0**	**5.2**	**1,585.9**
Minority interests	361.6	—	—	—	361.6
Equity attributed to owners of the parent	3,709.7	—	—	—	3,709.7
Total shareholders’ equity	**4,071.3**	**—**	**—**	**—**	**4,071.3**
Total capitalization	**6,655.3**	**—**	**—**	**—**	**7,477.3**

(1) Including bank overdrafts of €62.7 million

(2) Gross of capitalized issuance costs

(3) Includes the amount required for the squeeze-out of remaining Clarion shareholders at the original tender offer price, in compliance with the Japanese Companies Act, resulting in 100% ownership of Clarion.

(4) €378 million of the €700 million Schuldschein were issued on 20 December 2018, with the remaining €322 million issued on 9 January 2019.

Since 31 December 2018, except as set forth above, there have been no other material changes to our capitalization.

BUSINESS

Our Company

We are one of the world's largest automotive equipment suppliers. We develop, manufacture and sell high-quality and highly-engineered products and we operate through three business groups: Faurecia Seating, Faurecia Interiors and Faurecia Clean Mobility. We are adapting our business and aligning our strategy to take advantage of the significant trends impacting the automotive industry. As a result, we are developing into a technology company which provides solutions for sustainable mobility and cockpit systems. We have become one of the top 10 automotive technology suppliers in the world by revenue. Our acquisition of Clarion will provide us with critical mass as a leading player in cockpit electronic systems and software integration. Following our acquisition of Clarion, we intend to establish a fourth business group, Faurecia Clarion Electronics, with its head office in Japan. This new business group will incorporate our subsidiaries, Parrot Automotive SAS ("**Parrot Automotive**"), a leader in automotive connectivity and infotainment, and Jiangxi Coagent Electronics Co Ltd. ("**Jiangxi Coagent Electronics**"), which develops human-machine interfaces ("**HMI**") and in-vehicle-infotainment ("**IVI**"), including displays, voice recognition and smartphone applications. Faurecia Clarion Electronics will focus on manufacturing and developing products which advance our "Cockpit of the Future" strategy, in particular, cockpit integrations systems and our cockpit intelligence platform ("**CIP**"). We estimate that at least one third of vehicles in service in the world were originally equipped with at least one product manufactured by us.

Faurecia Seating. We are a global leader in seating solutions and we estimate we are currently the world's leading supplier of seat frames and mechanisms and number three supplier of complete seats. We design and manufacture seat systems, as well as components: frames, mechanisms, foam, seat covers, electronic systems, mechatronics and pneumatics. During the manufacturing process, we assemble the various components to create complete systems, front seats and rear seats, delivered on a just-in-time basis to our customers' plants. We develop solutions for the Cockpit of the Future with an emphasis on advanced safety, comfort, health and wellbeing, quality and versatility. In 2018, sales reached €7,438.0 million (43% of sales).

Faurecia Interiors. We estimate we are currently one of the two global leaders in the supply of automotive interior systems. We manufacture cockpit modules (instrument panels and central consoles), door panels, as well as smart surfaces and solutions for HMI, personalized cabin climate comfort and air quality. Our solutions incorporate the use of natural and recycled materials. In 2018, sales reached €5,471.7 million (31% of sales).

Faurecia Clean Mobility. We are a global leader in clean mobility solutions. We develop and manufacture innovative solutions for reducing emissions (including zero emissions solutions) and improving energy efficiency, acoustic performance and powertrain electrification. We estimate that we are currently the world's leading supplier of exhaust systems and components (including mufflers, manifolds, particulate filters and catalytic converters). We develop and manufacture complete exhaust systems, including components reducing emissions as well as components for exhaust system acoustics. In 2018, sales reached €4,615.0 million (26% of sales).

We are undertaking a significant transformation in our business and strategy to enable us to seize new opportunities in a rapidly changing automotive industry. Our strategy seeks to accelerate profitable growth by developing higher value and innovative products in response to the significant global trends impacting the automotive sector. These global trends include, in particular, CO_2 and emissions regulation, the increasing electrification, connectedness, autonomy of vehicles and the emergence of ride-sharing. We refer to our strategic priorities in these areas as "Sustainable Mobility" and "Cockpit of the Future". Even though growth in the Chinese market slowed down in the second half of 2018, we believe that the Asian markets represent a significant source of growth potential and high profitability. Our strategy is therefore to continue to expand our portfolio in China with our current customers and strengthen our relationship with major Chinese automakers to accelerate our business activity. In 2018, we concluded two new joint ventures with FAW Group and Wuling Industry to develop Cockpit of the Future technologies and Sustainable Mobility solutions. Our current target is to achieve 40% of our sales in China with Chinese Original Equipment Manufacturers ("**OEMs**") by 2020.

In order to accelerate the development and integration of new products, technology and services, we have developed a collaborative approach to innovation which we refer to as our innovation ecosystem. Our innovation ecosystem has four principal aspects:

(i) strategic and technology partnerships with key parties in different industrial and technology sectors, in particular, with HELLA GmbH & Co. KGaA (“**HELLA**”) on lighting and electronics, ZF Friedrichshafen AG (“**ZF**”) for advanced safety, Mahle GmbH (“**Mahle**”) for thermal comfort, Stelia Composites for fuel cell tanks and Accenture PLC (“**Accenture**”) for data analytics;

(ii) academic partnerships with universities and scientific institutions such as Massachusetts Institute of Technology (MIT), Stanford University and the Collège de France, as well as with technical universities;

(iii) investments in start-ups through Faurecia Ventures; and

(iv) technology platforms to collaborate with local start-ups.

We operate 35 research and development centers worldwide and employ approximately 7,300 engineers.

We have introduced digital technology to improve operational efficiency and transform working practices in our production facilities. In 2017, we deployed digital management tools as part of our Digital Enterprise strategy, including real-time information sharing, collaborative robots and autonomous guided vehicles, to optimize assembly automation, quality control and production efficiency. By the end of 2018, over 550 collaborative robots and 800 automated guided vehicles had been installed at Faurecia production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines. Over 300 machines are connected to a data pool allowing monitoring and easing predictive maintenance.

We maintain close relationships with almost all of the world’s leading car manufacturers and work closely with customers to develop the design and functionality of our products. Each of Ford, Volkswagen, the Renault-Nissan-Mitsubishi group, the PSA Peugeot Citroën group and Fiat Chrysler accounted for more than €1.0 billion of our sales in 2018. We have a broad geographic footprint, and are one of the few automotive equipment suppliers with the capacity to supply automakers’ global programs where the same car model is produced throughout several regions. We have experienced significant growth in Asia with sales increasing from approximately 5.9% of total sales in 2008 to 19% of sales in 2018.

We are involved in all stages of the automotive equipment development and supply process. We design and manufacture automotive equipment adapted to each new car model or platform, and conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Our customers rely increasingly on global platforms, based upon which they will produce a variety of car models. This allows us to decrease costs through a greater commonality of components, and to benefit from components or modules which can be used in more than one generation of cars. We participate in this evolution by offering generic products associated with our customers’ platforms, such as standard seats frames. At the end of 2018, we had over 700 programs in the development phase and, in 2018, we successfully launched over 220 programs, including for vehicles such as the Peugeot 508, Dodge RAM 150, Nissan Altima and Ford Focus. In addition, we tend to benefit from a high renewal rate of our programs (91.7% in 2018).

The quality of our products is widely acknowledged among automakers. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of our engineers and technicians who design products and develop technological solutions. In 2018, we launched our Total Customer Satisfaction program to collect customer feedback in real-time digitally through an application. As a result, for the six months ended 31 December 2018, our customers rejected less than 15 defective parts per million parts delivered, below the target set by the Group. The Faurecia Excellence System, renamed “FES X.0”, was updated in 2018 to make it more pragmatic and accessible to employees as well as to accelerate digitization. FES X.0 is being deployed during 2019 and will be an important contributor to our Total Customer Satisfaction program and our financial performance.

We proactively maintain very close relationships with our customers and seek to be their strategic suppliers. Among others, we reached the following milestones in 2018 and 2017:

- being awarded a record contract for our seating business by the BMW Group, which was the highest single order intake ever for us in terms of sales volume;
- being recognized with two German Innovation Awards for our “Morphing Instrument Panel” and “Immersive Sound Experience”, two of our Cockpit of the Future solutions, in 2018;

- being recognized with the Innovation award at the 2018 Groupe Renault Suppliers event, for our innovative concept for future vehicle interiors;
- being recognized with the EcoVadis Sustainable Procurement Leadership Award for the global excellence of our "Buy Beyond" sustainable procurement program in 2018;
- being awarded first prize in the Environment category for our exhaust heat recovery system ("**EHRS**") at the Auto-Moto Innovation Awards in 2017;
- being recognized at the JEC World 2017 Innovation Awards with two awards for our Lightweight Solutions;
- being recognized with over 40 awards for quality and operational performance in 2017, many of which were awarded by Chinese Original Equipment Manufacturers;
- being recognized "Best supplier" and being awarded with the "5 star quality" award by Hyundai Kia in 2017;
- being part of the 44 suppliers selected by Volkswagen as strategic partners, in their FAST ("**Future Automotive Supply Tracks**") corporate initiative;
- being a member of the "Supplier Councils" for Ford, the PSA Peugeot Citroën group and Fiat Chrysler; and
- being awarded with a Supplier Diversity and Inclusion Award by Ford Europe in 2017.

For the year ended 31 December 2018, our sales amounted to €17,524.7 million compared to €16,962.1 million in 2017 and our EBITDA amounted to €2,140.6 million compared to €1,950.9 million in 2017. As at 31 December 2018, we employed around 114,693 people (including temporary workers) in 37 countries, spread over approximately 320 sites.

For the year ended 31 December 2018, our order book for sales (calculated over a three-year rolling basis) was €63 billion, a record level for us, compared to €62 billion at the end of 2017 and €53 billion at the end of 2016. We refer to the opportunities to develop products and services to meet our strategic priorities of Smart Mobility and Cockpit of the Future as "New Value Spaces". In 2018, our order intake for sales in New Value Spaces represented €2.7 billion of which commercial vehicles and high horsepower engines represented €1.2 billion of orders and Cockpit of the Future represented €1.5 billion of orders.

Geographical Presence

Our four principal markets include Europe, North America, Asia and South America. The following table shows a breakdown of our sales in 2018 by geographic region.

	2018 Sales by Region					
	Europe	North America	Asia	South America	Rest of the World and Other countries	Total
(in € millions)						
Sales	8,858.2	4,474.2	3,257.2	714.1	221.0	17,524.7
Percentage of Sales	50.5%	25.5%	18.6%	4.1%	1.3%	100%

Our Competitive Strengths

Leading market positions in our business groups

Based on our estimates, we have leading market positions in each of our three business groups. In 2018, we estimate that we were, globally, a leader in seating solutions and the leading supplier of frames and mechanisms for seats, the number three supplier of complete seats, one of the two leading suppliers of interior systems and the leading supplier of clean mobility solutions. In 2018, our business groups achieved the following results:

- Faurecia Seating's sales reached €7,438.0 million (43% of sales). We believe that in 2018 we had a 11.4% global market share by value;
- Faurecia Interiors' sales reached €5,471.7 million (31% of sales). We believe that in 2018 we had a 13.0% global market share by value; and

- Faurecia Clean Mobility's sales reached €4,615.0 million (26% of sales). We believe that in 2018 we had a 32.7% global market share by value.

Our market leadership in each business group and our global platforms are significant strategic advantages as customers typically look to well-established suppliers when awarding new business. This has allowed us in recent years to win new business from both existing and new customers. For instance, we entered into a partnership with Cummins, a leading manufacturer of medium and heavy-duty engines for on and off-highway commercial vehicles.

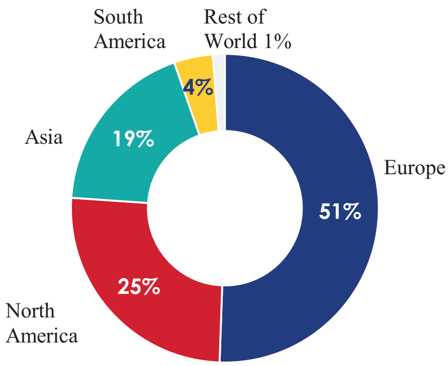
This partnership provides significant new opportunities for our Clean Mobility business group in the commercial vehicle market to take advantage of global regulatory pressure to reduce carbon footprint and toxic emissions. We also benefit from sales visibility and stability, due to the difficulty for automakers to change suppliers in the midst of development and production of a car model, and from a high renewal rate of our programs (91.7% in 2018). We believe that our leading market share in each of our business groups positions us well for future growth, allows us to negotiate favorable terms from our suppliers and to further diversify our business model.

Highly diversified business model

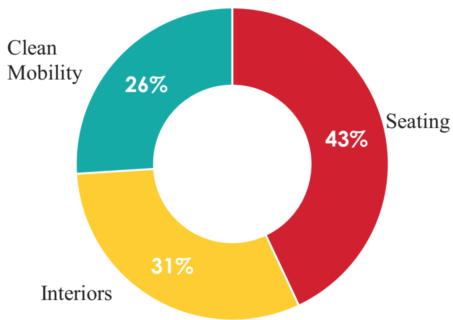
We believe that the high degree of diversification through our business groups, our geographic presence, and our number of customers and range of products limits our exposure to adverse changes in the global or local economic environment and in the various end-markets we serve, while simultaneously mitigating counterparty risk. This high degree of diversification in turn supports the resilience of our sales and our profitability.

The following charts show our sales in 2018 by region, business group and customer.

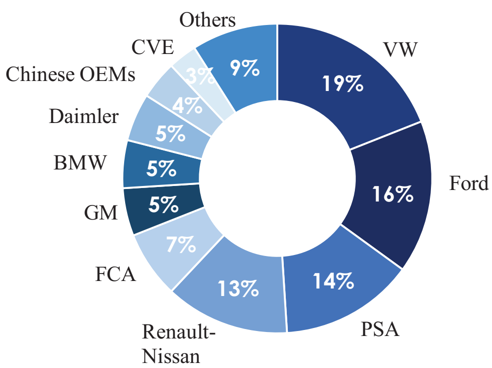
Sales by region (2018)



Sales by business group (2018)



Sales by customer (2018)



In recent years we have further increased our customer diversification. In 2018, our two largest customers accounted for 34.8% of sales compared to approximately 48% of total sales in 2008. We also further increased our geographic diversification by increasing the share of our Asian sales. In 2018, sales in Europe, North America and Asia were 51%, 25% and 19% of sales, respectively compared to approximately 74.4%, 14.8% and 5.9% of total sales, respectively, in 2008. This increased diversification reduces our exposure to a single geographic area, end- market, automaker or car model.

We benefit from a global customer base. Although Japanese and South Korean automakers tend to use their own network of suppliers, we managed to become a supplier to Nissan and Hyundai. We are present on most market segments, from entry-level models to premium and luxury cars, which make us less vulnerable to the parameters which may affect one particular segment.

Attractive underlying market fundamentals

We are undertaking a significant transformation in our business and strategy to enable us to take advantage of the major trends impacting the automotive industry. In particular, CO_2 and other emissions regulation, the increasing electrification, connectedness and autonomy of vehicles and the emergence of ride-sharing. As a result, we are developing into a technology company which provides solutions for sustainable mobility and cockpit systems. We believe that our global footprint and technological leadership enable us to benefit from attractive underlying market fundamentals.

Sustainable Mobility

Social and political pressures on the automotive industry to reduce emissions have never been higher. Regulatory changes which seek to reduce the impact of automobiles on the environment and the increasing demand for electrified vehicles, have had, and will continue to have, a significant impact in our markets. This creates significant business opportunities for us and we have made sustainable mobility a strategic priority.

For example, in 2018 the European Commission confirmed its drastic tightening of average CO_2 targets. The current requirement for passenger vehicles is 95g/km CO_2 by 2020 . The next requirement will be a reduction of 15% to around 80g/km CO_2 by 2025. In China, the government has set a target of 90g/km CO_2 for passenger vehicles by 2025 and certain cities and provinces have also introduced emissions regulations which require passenger vehicles to reduce particulate matter ahead of national regulations. India is also implementing stricter CO_2 targets for passenger vehicles of around 110 g/km CO_2 by 2022, a reduction of 15% from current requirements. In February 2019, the European Commission also proposed stricter CO_2 requirements for commercial vehicles with reductions from current levels of 15% by 2025 and 30% by 2030. We also expect stricter emissions regulations for commercial vehicles in China and India.

Our strategic roadmap for Sustainable Mobility focuses on the following three areas:

- developing innovative solutions for hybrid vehicles that improve fuel economy, such as exhaust heat recovery solutions and lightweighting;
- developing ultra-clean solutions for commercial vehicles and high horsepower engines, and;
- developing solutions for zero emissions, in particular fuel cell technology and battery housing sub-systems and modules.

For example, on hybrid vehicles, we developed our exhaust heat recovery system ("**EHRS**"), which reduces fuel consumption by up to 7% by recovering heat produced by drivetrains and lost through the vehicle exhaust system and using the recovered heat to maintain appropriate engine temperature and heat the cabin, which is particularly important in hybrid vehicles. We also developed our electric heated catalyst ("**EHC**") technology to minimize the emission of pollutants from internal combustion engines in order to bring vehicles in line with more stringent new emissions regulations. We expect increasing regulation to reduce emissions, which will drive the demand for our clean mobility solutions and significantly increase the overall value of our exhaust line.

For zero emissions vehicles (that is, pure electric vehicles), we developed lightweight battery housing with integrated battery thermal management. We have also developed lightweight hydrogen tanks and stacks for fuel cell vehicles, which we regard as a credible alternative for zero emissions vehicles such as long range SUV vehicles or commercial vehicle application.

The market for emissions purification systems for high horsepower engines also presents significant business opportunities. High horsepower engines are used in marine propulsion, power generation, rail, agricultural and other industries. Hug Engineering, which we acquired in 2018, is a leader in gas purification systems for high horsepower engines. We believe that it is well positioned to capitalize on opportunities which will arise as a result of the enforcement of new environmental regulations which are expected to cover over 75% of the global market for high horsepower engines by 2030.

Cockpit of the Future

The increasing connectedness and autonomy of vehicles, as well as the significant potential growth in "shared mobility" such as ride-hailing or car-pooling, will radically alter the driving experience and as a consequence vehicle seating and interiors. Customers' expectations for infotainment are increasing and autonomous vehicles will allow the driver to engage in activities not previously possible while driving, such as relaxing, working and socializing. Users of shared mobility will expect more personalized interiors and digital continuity in vehicles. As a result, vehicle seating and interiors will be substantially redesigned and enhanced to deliver the "Cockpit of the Future". Our "Cockpit of the Future" strategy is designed to respond to these trends by focusing on pioneering technological development which will provide users with versatile architecture, advanced safety, health and wellbeing, cockpit integration systems, connectivity, infotainment and HMI systems. As part of this strategy, in 2017 we signed a strategic partnership with Parrot Automotive, an automotive connectivity and infotainment specialist for the joint development of integrated smart surfaces manufactured by us, HMI, infotainment and connectivity solutions, and in October 2018 we announced our acquisition of 100% of Parrot Automotive. On 26 October 2018, we announced our intention to acquire Clarion, a leading Japanese developer, manufacturer and supplier of IVI, audio equipment, connected service platforms for vehicles and HMI and advanced driver assistance systems (the "**Clarion Acquisition**"). We believe that Clarion's core competence in electronics and software integration and our complementary geographic presence and customer portfolio will help to position us as a leading provider of cockpit systems integration and advance our Cockpit of the Future strategy.

Additionally, safety standards impose higher levels of performance and seating plays a key role in driver and passenger safety. As the leading supplier of frames and mechanisms for seats, we continue to play a key role by working in partnership with automakers on the development of new products and believe we are well positioned to benefit from further requirements in terms of safety applicable to seats.

We believe that we will also benefit from favorable macro-economic factors, such as increased gross domestic product in many of the markets we operate in, that should improve consumers' spending. In China, we maintained a high level of profitability in 2018, demonstrating that we are adapting well to changes in the Chinese market (such as the higher presence of domestic automakers) by strengthening our relationship with major Chinese automakers. Although growth in the Chinese automotive market slowed down in the second half of 2018 due to a weaker domestic economy, we believe that China remains the primary driver of growth in the global automotive industry, particularly for electric vehicles.

Pioneer in technological innovations

We are a pioneer in technological innovations in the automotive sector, as highlighted by our consistent track record of award winning innovations. We operate 35 research and development centers worldwide and employ approximately 7,300 engineers. In 2018, we filed 403 new patents, compared to 330 in 2017.

We are accelerating our investment in innovation in order to capitalize on the significant global trends impacting the automotive sector including, in particular, CO_2 and other emissions regulation and the increasing electrification, connectedness and autonomy of vehicles. In 2018, we allocated €1,093 million to gross R&D costs of which management estimates that €180 million was allocated to research and innovation expenses, an increase of €20 million compared to 2017.

Given the pace of technological change and the need for the efficient development of new products, we have adopted a co-innovation policy involving external research institutes, investment in start-ups and strategic partnerships.

Since 2011, we have developed numerous partnerships and chairs with research institutions, such as Massachusetts Institute of Technology (MIT), Stanford University and the Collège de France, and technical universities in France and Germany such as Centrale Supélec and Technische Universität Dortmund. In France, we work with the Jules-Verne and M2P Technological Research Institutes to develop innovative production processes for composite and metallic materials. We have a five-year agreement in place with the French CEA (Commissariat for Atomic Energy and Alternative Energy) for the research and development of fuel cell technology, among other areas. In 2017, we established a new partnership with the Indian Institute of Science in order to develop innovative HMI systems and sensors.

We are seeking to identify, incubate and invest in start-up companies to develop technological innovations and generate long-term value. In 2017, we established a ''technology platform'' in Silicon Valley and intend to establish further platforms in Canada, France, Israel, China and India. Through our technology platforms, we intend to research and identify new innovations, assess their commercial value and determine whether to make an investment. In 2018, through our subsidiary Faurecia Ventures, we invested in American start-ups which have assisted us in developing wireless charging technology (Powersphyr Inc.), climate control technology (Promethient Inc.) and innovative audio solutions (SUBPAC Inc.). We also invested in Enogia in 2017, a French start-up specializing in energy recovery, and ESP Consulting, a laboratory that uses cognitive science to optimize human well-being and performance in different situations, to study the effect of our technologies under different test conditions. On 26 February 2019, we signed a partnership with Japan Display Inc. aimed at enhancing the passengers' cockpit by developing innovative displays adapted to different uses.

In order to accelerate our investment in key areas, we develop partnerships with other industrial or technology groups. In particular, HELLA for lighting and electronics, ZF for advanced safety, Mahle for thermal comfort, Stelia Composites for fuel cell tanks and Accenture for data analytics. In 2017, we signed a strategic partnership with Parrot Automotive, an automotive connectivity and infotainment specialist for the joint development of integrated smart surfaces manufactured by us, HMI, infotainment and connectivity solutions, and in October 2018 we announced our acquisition of 100% of Parrot Automotive. We have acquired a 50.1% stake in Jiangxi Coagent Electronics in order to develop HMI and IVI such as displays, voice recognition, radio and navigation and smartphone applications. On 26 October 2018, we announced our intention to acquire Clarion, a leading Japanese developer, manufacturer and supplier of IVI, audio equipment, connected service platforms for vehicles and HMI and advanced driver assistance systems.

We have also established multidisciplinary teams from our Seating and Interiors business groups to focus on our development of products and technology for the ''Cockpit of the Future''. We have established ''Cockpit of the Future Labs'' in Paris, San Francisco, Yokohama and Shanghai. We aim to develop, for and with manufacturers, applications and solutions that integrate and develop our products. We also collaborate with local start-ups via technology platforms. They help us to discover new start-ups, establishing strong connections in major innovation clusters and to closely follow emerging trends and new technologies. Our platforms are located in the Silicon Valley, Toronto, Shenzhen and Tel Aviv. In order to keep abreast of the latest technology and market trends, we have created two advisory councils, one in Silicon Valley and one in China. Our council members are experts in different fields such as start-up incubators, venture capital, artificial intelligence, new mobility solutions and economics. Their role is to bring a new perspective and challenge our ideas as well as to identify relevant technology and strategic topics for discussion. We have also joined with, amongst others, Amazon, Google, Microsoft, NAVER LABS and Valeo to form the ''Prairie Institute'' (Paris Artificial Intelligence Research Institute) in Paris, an international center for research and training relating to artificial intelligence.

We have more than ten years of experience in energy recovery systems, having introduced the first generation of EHRS in 2006 and, more recently, introducing our compact EHRS to the market which reduces fuel consumption by up to 7%. We have been selected to install our compact EHRS in Hyundai IONIQ Hybrids and plug-in Hybrids.

Strong focus on operational performance, profitability and financial discipline

Our operational performance, profitability, and financial discipline and close relationship with customers form an important foundation for our transformation and sustainable value creation. Over the past several years we have achieved significant improvements in our profitability. Our operating income increased from 3.5% of value added sales in 2013 to 7.3% of sales in 2018. In particular, our operating income in North America increased from around 2.8% of value added sales in 2013 to 6.5% of sales in 2018, and our Faurecia Interiors business group improved its operating income from 1.8% of its value added sales in 2013 to 6.0% of its sales in 2018.

We are also implementing a Digital Enterprise strategy in order to improve operational performance. For example, we have introduced into our development, manufacturing and logistics activities various digital technologies. These include the use of collaborative robots for manufacturing tasks, deployment of automated guided vehicles to transport parts within plants, tracking parts coming in and out of factories using Radio Frequency Identification ("**RFID**"), use of data from connected machines for predictive maintenance to avoid breakdowns, and implementation of fully digital production monitoring systems to facilitate the control of production lines. By the end of 2018, over 550 collaborative robots and 800 automated guided vehicles had been installed at our production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines. Over 300 machines are connected to a data pool allowing monitoring and easing predictive maintenance.

We generally seek to pass through increased raw material costs to our customers through a variety of means. Certain raw material cost fluctuations, such as for monoliths, are directly passed through, whilst others are passed through (typically with a time lag) through indexation clauses in our contracts. In addition, we seek to pass through certain other raw material costs to customers through periodic price reviews that are part of our contract management. Our ability to pass through such costs has had a positive impact on our margins and profitability. In an environment of increasing raw material prices, we believe we have been generally successful in passing on the higher costs of our raw materials to our customers.

Our selective cost structure and our focus on more profitable businesses has enabled us to improve our operating margin, in particular for our Faurecia Clean Mobility business group. Our Faurecia Seating operating margin (as a percentage of sales) increased from 5.7% in 2017 to 6.0% in 2018. Our Faurecia Interiors operating margin (as a percentage of sales) increased from 5.6% in 2017 to 6.0% in 2018. Our Faurecia Clean Mobility operating margin (as a percentage of sales) increased from 10.2% in 2017 to 10.8% in 2018. To lower costs, we continue to further standardize our equipment and production processes.

We seek to achieve steady and predictable levels of capital expenditure and working capital. We are still planning to grow while limiting our capital expenditure and capitalized R&D requirements by seeking better capital expenditure allocation. Our three-year order intake for the period 2016 to 2018 was €63 billion, compared to €53 billion for the period 2014 to 2016. Subject to the global growth of vehicle production, we believe that our order book strongly supports our future sales and growth objectives.

We successfully completed a refinancing plan in 2018 which involved amending and extending our €1,200 million Senior Credit Agreement, issuing the 2025 Notes and redeeming in full €700 million in principal amount of our notes due 2022 following a tender offer. In addition, in 2018 we entered into the €1,300 million Bridge Facility Agreement in order to finance the Clarion Acquisition. In December 2018, we entered into a transaction to issue €700 million in principal amount of Schuldschein (a private placement under German law) in multiple tranches, which we issued in December 2018 and January 2019. The receipt of the net proceeds from the issue of the Schuldschein enabled us to reduce the committed funds available under the Bridge Facility Agreement to €750 million by January 2019. As a result, we have increased our financial flexibility and improved our financial condition. We currently have no significant long-term debt repayment prior to December 2022. The issuance of the Notes in this offering is intended to refinance in full the outstanding principal amount under the Bridge Loan.

Over the past several years we have also developed a close relationship with our key customers through regular contact and meetings from all levels of our organization from our management to our site teams, including close monitoring of customer feedback through our Total Customer Satisfaction. This relationship has also been developed by maintaining the high quality of our products through our Faurecia Excellence System, in future FES X.0, and through technology reviews and co-development projects. The success of our relationships is reflected in our order intake, a record €63 billion at the end of 2018 calculated on a three-year rolling basis, and the awards we have received in recent years. For more information on the awards we have received, see "– *Our Company*".

We believe that we will benefit from our strong focus on operational performance, profitability, capital expenditure and working capital management and our close relationship with our customers.

Experienced management team

Our management team and Board of Directors have significant experience in the industry. Patrick Koller, our Chief Executive Officer, has been with the Group since 2006. Prior to becoming our Chief Executive Officer, he was Executive Vice President at our Faurecia Seating business group from 2006 to 2015. Michel Favre, our Chief Financial Officer, has been with the Group since 2013. Prior to becoming our Chief Financial Officer, he was Executive Vice President (Financial Controlling and Legal) at Rexel SA from 2009 to 2013, Chief Financial Officer at Casino Guichard-Perrachon SA from 2006 to 2009 and Chief Financial Officer of Altadis SA from 2001 to 2006. He also held a number of senior financial and operational roles with Valeo SA over a 13-year period including Vice President of the Lighting Branch from 1999 to 2001. The majority of the members of our Executive Committee have spent most of their careers in the automotive industry. We believe that the experience, industry knowledge and leadership of our management team will help us implement our strategy described below and achieve further profitable growth.

Strategy

Focus on Sustainable Mobility and Cockpit of the Future

Our strategy is designed to respond to the significant global trends impacting the automotive sector including, in particular, CO_2 and other emissions regulation, the increasing electrification, connectedness and autonomy of vehicles and the emergence of ride-sharing.

We are seeking to accelerate our growth by focusing on two strategic priorities which we refer to as "Sustainable Mobility" and "Cockpit of the Future". "Sustainable Mobility" involves our development of products and processes which improve weight reduction, size reduction, air quality, energy recovery and the development of bio-sourced and renewable materials. "Cockpit of the Future" involves the development of products and technology which are aligned with the increasing connectedness and autonomy of vehicles. We believe this trend will radically alter the driving experience. As a result, vehicle seating and interiors will be substantially redesigned and enhanced to deliver the "Cockpit of the Future". We are pioneering technological development in the "Cockpit of the Future", which will provide users with versatile architecture, advanced safety, health and wellbeing, cockpit integration systems, connectivity, infotainment and intuitive HMI systems. We are focusing our product development on higher value, innovative products with a high technology content.

Regulatory changes, which seek to reduce the impact of automobiles on the environment, will also have a significant impact in our markets and we anticipate that this will present a significant business opportunity. We believe that the Asian markets represent a significant source of growth potential and high profitability. For example, we believe that the likely introduction of more stringent CO_2 and other emission regulations in Asia, in particular in China and India, will lead to significant upgrades in vehicle content and provide substantial opportunities for growth in our Asian markets. Our strategy is to continue to expand our portfolio in China with our current customers and strengthen our relationship with major Chinese automakers to accelerate our business activity.

Our strategic roadmap for Sustainable Mobility focuses on the following three areas:

- developing innovative solutions for hybrid vehicles;
- developing ultra-clean solutions for commercial vehicles and high horsepower engines; and
- developing solutions for zero emissions.

Sustainable Mobility – Innovative Solutions for Passenger Vehicles: Our "Sustainable Mobility" strategy for passenger vehicles is focused on two main areas. Firstly, we continue to develop innovations for passenger vehicles that improve fuel economy such as low-pressure exhaust gas recirculation for gasoline engines, a technology that re-injects a precise amount of cooled engine-exhaust gas back into the engine to improve combustion cycle efficiency, which improves fuel economy by up to 6%. Our EHRS improves vehicle efficiency by recovering up to 75% of exhaust heat for re-use in either warming up the vehicle cabin or heating the engine, improving fuel economy by up to 6% in cold conditions in all types of hybrid vehicles. Our EHC is an innovative system that activates catalysts in low-temperature phases during the use of a vehicle by using electric energy, which improves vehicle depollution performance. Secondly, we are expanding our capabilities in lightweight materials. In 2017, we joined the German carbon fiber composites network based in Augsburg, Germany to develop manufacturing processes for mass production of carbon composite parts in vehicles. We expect carbon composite vehicle parts to weigh 50% less than equivalent parts made from steel. Ten kilograms of weight savings could reduce CO_2 emissions by 1g/km. We also recently developed a resonance free pipe which reduces weight and packaging complexity by eliminating resonators. This award-winning innovation was launched in 2018 in the United States, in collaboration with General Motors.

Sustainable Mobility – Ultra-clean Solutions for Commercial Vehicles, High Horsepower Engines: Our strategy for commercial vehicles and high horsepower engines is focused on developing innovative "Sustainable Mobility" and ultra-clean diesel technologies for these markets.

Sustainable Mobility – Solutions for Zero Emissions: Our strategy for zero emissions is focused on battery electric vehicles ("**BEV**") and fuel cell technology. We are seeking to become a leading player in battery housing for BEVs, including thermal management. Based on our experience of composites, we have already begun supplying battery pack covers which will be combined with functional thermal management and crash resistance.

Whilst they have not reached large scale production yet, fuel cell electric vehicles offer some advantages over BEVs, in particular for heavy and long range vehicles in terms of autonomy and charging time. Fuel cell electric vehicles and battery electric vehicles will probably coexist for different applications.

Cockpit of the Future: We believe that our existing product portfolio and competencies give us an extremely strong position to become the leading interior supplier to the automotive industry. We are focusing in particular on developing our capabilities in the following areas:

- *Cockpit Technologies*: As vehicles become increasingly autonomous, the way occupants spend their time in the vehicle becomes increasingly important. Our cockpit technologies include versatile architecture and intelligent HMI systems which adapt to passengers' needs to ensure a personalized experience in all driving modes. Our "Smart Control Unit" allows smartphones to be integrated in the most convenient place in the car for the passenger and then be used to control the displays, seat position, thermal or audio settings, and lighting. Our cockpit technologies also include adaptive displays which adjust depending upon the driving mode, transforming from a central instrument and information cluster in driving mode to a large infotainment screen in autonomous mode.
- *Advanced Safety, Health and Wellness*: We expect that by 2030, 15% of all vehicles will have reached "level 4 automated driving", which means passengers will have more freedom to do other tasks during their journey and safety features will be imperative. Accordingly, we are adapting and developing safety systems so that passengers can continue to travel safely in any seated position, whether they are driving, working or relaxing. In 2017, we signed a partnership agreement with ZF to develop the Advanced Versatile Structure ("**AVS**") seat frame which allows the driver to recline, lift, adjust and swivel their seat and return it quickly back to the upright driving position. The seat belt and belt retractor are both integrated into the seat allowing the seat belt to function in different seat positions. Our R&D teams have developed technology solutions that provide drivers and passengers with a personalized comfort experience, in terms of thermal management, undisturbed personal sound environment, with individual preferences stored in the cloud and using artificial intelligence to anticipate user needs.
- *Cockpit Integration Systems*: We are developing our "cockpit intelligence platform" ("**CIP**") that will connect and manage all interior cabin electronics, integrating the key functions of the cockpit including infotainment and audio, safety and comfort and thermal management. Our CIP aims to simplify hardware and software integration for car manufacturers by utilising a "single brain" electronic control unit that replaces current multiple domain controllers. It uses artificial intelligence to learn a driver's preferences in the vehicle and predict when the driver will need certain in-vehicle-adjustments to be made. Our CIP is being developed with open source technologies so that software developers can develop new applications for it. In-vehicle infotainment is moving towards open platforms which allow for easy integration with the driver's own digital devices, also known as "digital continuity". Our strategic partnership with Jiangxi Coagent Electronics, our acquisition of Parrot Automotive and the Clarion Acquisition will allow us to develop flexible connectivity and infotainment solutions quickly.

Sustainable Development

We recognise our responsibility as a company to make a positive contribution to society and to all stakeholders. We seek to ensure that our commitment to sustainable development is an integral part of our corporate culture. We intend to remain focused on our strong quality, environmental and health and safety standards while continuing to be proactive and innovative in protecting the environment. For example, we recognise the need to reduce the carbon footprint of our activities and we will continue to offer solutions for sustainable mobility. We work to improve air quality by developing products which reduce pollutant emissions. We also recognise that we are a member of the communities in which we operate. We contribute to economic development by hiring locally, providing career training and advancement for our employees and by our commitment to ethics and social responsibility.

Accelerate our Asian development

The Asian market represents a significant source of growth potential and high profitability. Although growth in the Chinese automotive market slowed down in the second half of 2018, we believe that China remains the primary driver of growth in the global automotive industry, particularly for electric vehicles. We believe that the likely introduction of more stringent CO_2 and other emission regulations in Asia, in particular in China and India, will lead to significant increases in vehicle content and provide substantial opportunities for growth in our Asian markets. Our strategy is to continue expanding our portfolio with our current customers, and strengthen the relationship with major Chinese automakers to accelerate our business activity. Sales to Chinese OEMs as a percentage of our China sales has grown from 16% in full year 2017 to 25% in the first half of 2018 and 32% in the third quarter of 2018.

We have developed joint ventures in China across our business groups, including a joint venture with Dongfeng Hongtai Holdings Co Ltd ("**Dongfeng Hongtai**") (involving our Faurecia Clean Mobility group) and Liuzhou Wuling Industry Co Ltd ("**Wuling Industry**") and BYD Co Ltd ("**BYD**"). We have also acquired a 50.1% stake in Jiangxi Coagent Electronics in order to develop HMI and IVI such as displays, voice recognition, radio and navigation and smartphone applications.

In July 2018, we signed a strategic partnership framework agreement with FAW Group, a leading Chinese automobile manufacturer, to develop technology and solutions for the cockpit of the future and sustainable mobility. We also recently announced a new joint venture with Liuzhou Wuling Automotive Industry Co., Ltd, a leading Chinese automotive manufacturing company. The new joint venture will be controlled equally by each party and will focus on developing automotive emissions control systems.

In China, certain cities and provinces have already introduced regulations which require fuel consumption and CO_2 emissions to be reduced for passenger and commercial vehicles. We intend to capture the growth of the commercial vehicle market for clean mobility solutions through the strong partnership our Faurecia Clean Mobility business group has with Cummins, a world leader in medium to heavy-duty on and off-road diesel engines. We supply major Chinese engine manufacturers, Weichai and Yuchai. India is also considering implementing emissions standards by 2021 which will be equivalent to Euro-6 emissions standards.

We also intend to increase our business activity with other Asian automakers, in particular through the continuous development of our relationship with Nissan and Hyundai.

The Clarion Acquisition

On 26 October 2018, we announced our intention to acquire Clarion, a leading Japanese developer, manufacturer and supplier of IVI, audio equipment, connected service platforms for vehicles and HMI and advanced driver assistance systems. In addition, Faurecia and Hitachi Automotive Systems Ltd ("**Hitachi Automotive Systems**") agreed to enter into a business alliance within which Clarion and Hitachi Automotive Systems Ltd will be able to combine their products in order to offer innovative autonomous driving solutions to OEMs.

Clarion is a public company domiciled in Japan whose shares are currently listed on the Tokyo Stock Exchange. For the full year ended 31 March 2018, Clarion had sales of approximately €1.4 billion. Sales in North and South America, Japan, Asia-Pacific and Europe were 44%, 32% 17% and 7% of sales, respectively. Clarion's OEM customers include Ford, PSA, GM, FCA, Suzuki, Mazda, Subaru, Daihatsu, Tata and certain Chinese OEMs. Clarion has over 7,500 employees globally, including more than 2,000 engineers (of which 1,150 are software engineers). It operates from seven manufacturing sites, one in each of Japan, Malaysia, Thailand, Hungary and Mexico and two in China. Clarion also has nine R&D centers in eight countries and 26 local and regional sales offices across 16 countries. For the year ended 31 March 2018, Clarion generated revenues of JPY183,056 million (as compared to JPY194,841 million for the year ended 31 March 2017), operating income of JPY4,792 million (as compared to JPY11,367 million for the year ended 31 March 2017) and net income of JPY2,095 million (as compared to JPY7,736 million for the year ended 31 March 2017). A significant proportion of Clarion's revenues for the year ended 31 March 2018 were generated in Asia (including Japan) and the Americas.

This financial data relating to Clarion has been extracted or derived from Clarion's published audited consolidated financial statements as at and for the year ended 31 March 2018 which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Accordingly, our auditors have not audited, reviewed or performed any procedures with respect to this financial data. On 29 January 2019, Clarion issued revised guidance for its full-year earnings for the year ended 31 March 2019 which indicated that Clarion expects its net sales to decrease as a result of a stagnating level of new car sales globally and, in particular, in the Chinese market, stagnation of bus sales in Japan and the delayed launch of new service operations.

We believe that Clarion's core competences in electronics and software integration and our complementary geographic presence and customer portfolios will help to position Faurecia as a leading provider of cockpit systems integration and advance our "Cockpit of the Future" strategy.

Under the terms of an agreement between us, Hitachi, Ltd ("**Hitachi**") (Clarion's parent company) and Hennape Six SAS ("**Hennape**"), our wholly owned subsidiary, Hitachi agreed to tender all of the common shares it held in Clarion (representing an ownership percentage of 63.81% of Clarion) pursuant to a tender offer to be launched by Hennape once certain conditions, including regulatory and competition authority approvals had been obtained. The agreed tender offer price of JPY2,500 per common share, represented a premium of 10.47% on the closing price of Clarion's common shares on the First Section of the Tokyo Stock Exchange on 25 October 2018 for all outstanding shares and a total purchase price of JPY140.9 billion (approximately €1.1 billion).

Following the launch of the tender offer by Hennape on 30 January 2019 and the expiry of the tender offer period on 28 February 2019, a total of 95.28% of Clarion's common shares were tendered for settlement on 7 March 2019. Following the successful completion of the tender offer, we will require all remaining shareholders to sell their shares in Clarion to Hennape at the original tender offer price pursuant to a squeeze-out procedure in compliance with the Japanese Companies Act. We currently anticipate that Clarion's shares will be delisted from the Tokyo Stock Exchange on 25 March 2019.

Following the Clarion Acquisition, we intend to establish a fourth business group, Faurecia Clarion Electronics, which will integrate our existing electronic cockpit systems businesses, Parrot Automotive and Jiangxi Coagent Electronics with Clarion. This new business group will employ almost 9,200 people with more than 1,650 software engineers. Our management has previously estimated that Faurecia Clarion Electronics will achieve sales of approximately €2 billion by 2022 and potential synergies arising as a result of the Clarion Acquisition of around €90 million of earnings before interest and tax by 2022. Our management has estimated that these synergies will comprise EBIT synergies of approximately €40 million, primarily driven by our ability to capitalize on Clarion's network with Japanese OEMs and our existing relationship with U.S. and European OEMs. In addition, our management has estimated cost synergies of approximately €50 million of earnings before interest and tax which will be achieved as a result of savings resulting from our combined purchasing power, footprint optimization and the delisting of Clarion common shares. In addition, our management has estimated that our ratio of net debt to EBITDA, excluding the impact of the adoption of IFRS 16, for each year from 2019 to 2021 (inclusive) will remain below 1.0x after the Clarion Acquisition. In section 1.8 of our 2018 Annual Results we identified certain financial targets for the full-year 2019, based on our assumption that worldwide automotive production will decline by 1% in 2019, including: (i) sales growth at constant currencies outperforming worldwide automotive production by 1.5% to 3.5% (excluding the consolidation of Clarion as from 1 April 2019); (ii) operating income increasing in value and operating margin of at least 7% (including the consolidation of Clarion as from 1 April 2019); and (iii) net cash flow of at least €500 million (including the consolidation of Clarion from 1 April 2019). *These forward-looking statements are based on management's current beliefs, expectations, assumptions and business plan and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from the trends and objectives described. No assurance can be given that the aforementioned trends and objectives will occur or be achieved. These forward-looking statements involve assessments about matters that are inherently uncertain and actual results may differ for a variety of reasons including those described in "Forward-Looking Statements" and "Risk Factors". No assurance can be given that actual results will track those described in the aforementioned forward-looking statements.*

We expect the integration will give critical mass to our cockpit systems business and create significant commercial and cost synergies. For example, Clarion will provide a cloud platform and cyber security systems for our infotainment and connectivity products and technology systems which were not previously developed by Parrot Automotive and Jiangxi Coagent Electronics. Clarion will also enhance our safety and information offering by providing driver and passenger monitoring and car and environment monitoring. We expect Clarion's expertise in IVI, digital sound design, sensing and image processing, connectivity and cloud management and application integration, combined with Parrot Automotive and Jiangxi Coagent Electronics' existing competencies, will allow us to develop new products and technology which will form part of our "Cockpit of the Future" offering. The Clarion Acquisition will immediately provide us with Advanced Driver Assistance Systems ("**ADAS**") and automated parking capabilities as well as cloud-based services for our "Cockpit of the Future". We will also be able to offer full autonomous driving solutions through our business alliance with Hitachi Automotive Systems Ltd and the combination of ADAS and artificial intelligence systems in the cockpit.

On 25 October 2018 we entered into a €1,300 million facility agreement among us as borrower and Crédit Agricole Corporate and Investment Bank in order to finance the Clarion Acquisition and to pay related expenses and transaction costs (the "**Bridge Facility Agreement**"), which remained undrawn as at 31 December 2018. The Bridge Facility Agreement is a 1-year term loan facility with an option to extend the maturity by up to a year with two six-month extension options.

In December 2018, we entered into a transaction to issue €700 million in principal amount of Schuldschein (a private placement under German law) in multiple tranches, which we issued in December 2018 and January 2019 and which matures in December 2022, December 2023 and December 2024. The receipt of the net proceeds from the issue of the Schuldschein enabled us to reduce the committed funds available under the Bridge Facility Agreement to €750 million by January 2019. We applied (a) €700 million of the net proceeds from the issue of the Schuldschein and (b) €500 million of funds borrowed under the Bridge Facility Agreement to finance the acquisition of Clarion's shares following the successful completion of the tender offer. For further information, see "Business Description – Description of Other Indebtedness".

Refinancing

The issuance of the Notes in this offering is intended to repay the Bridge Loan in full and further strengthen our balance sheet.

See "Description of Other Indebtedness" for further details regarding our outstanding indebtedness and the principal terms and conditions of our other debt instruments.

History and Development

We have been a major automotive equipment supplier for decades and trace our history back to 1914. We have grown in tandem with technological and industrial advancements to reach our current position as a market leader in our three business groups. The following are key milestones and acquisitions in our development.

1997-1999. Ecia (Équipements et Composants pour l'Industrie Automobile), the PSA Peugeot Citroën group's specialist automotive equipment subsidiary, launches a friendly bid for Bertrand Faure, bringing its direct and indirect stake in this group to 99%. The acquisition leads to our formation in 1998 with the underlying aim of focusing on the automotive equipment business. Ecia and Bertrand Faure merge, resulting in the PSA Peugeot Citroën group holding a 52.6% stake in our company by the end of 1999. At that time, we report sales of over €4 billion, with a workforce of 32,000 employees.

2002-2005. We acquire a 49% stake in the South Korean catalytic converter maker Daeki Industrial (specializing in exhaust systems for Hyundai), number two in its market, and subsequently increase our stake to 100%. We also purchase the South Korean exhaust systems company Chang Heung Precision, which holds market share of over 20%.

2009. We agree to acquire Emcon Technologies, becoming the world leader in the exhaust systems market. Following completion of the all-equity deal, One Equity Partners (JP Morgan Chase & Co's private equity arm) takes a 17.3% stake in our company (fully divested in October 2010) and the PSA Peugeot Citroën group's interest is reduced to 57.4%. In India, we buy out joint-venture partner Tata to become the sole owner of Taco Faurecia Design Centre, which is renamed Faurecia Automotive Engineering India and becomes our development center in India.

2012. On 3 May 2012, we announce our acquisition of the Ford ACH interior components plant in Saline, Michigan (USA). On 30 August 2012, we announce the acquisition of Plastal France (Plastal SAS), a supplier of plastic body parts for Smart branded vehicles (Daimler). We acquire the automotive business of Sora Composites and sign a partnership agreement with Mitsubishi Chemical to co-develop and produce bio-plastics for the automotive industry.

2013. Our Faurecia Clean Mobility business group enters into a joint-venture agreement with Suzhou PowerGreen Emission System Solution Co. Ltd, to jointly manufacture clean mobility solutions in Shanghai. Our Interiors business group also enters into a joint-venture agreement with Chinese automaker Chang'an Automobile Group, one of China's largest automakers to produce and deliver automotive interior equipment to Ford and PSA Peugeot Citroën group for its DS premium range and also enters into a cooperation agreement with Magneti Marelli for the design, development and manufacture of advanced human-machine interface vehicle interior products. Our Faurecia Seating business group enters into an agreement to establish a joint-venture with Thailand-based equipment manufacturer Summit Auto Seats to support Ford's growth strategy in Southeast Asia, especially in Thailand.

2014. Our Faurecia Interiors business group enters into a joint-venture with Interval, a major French agricultural cooperative to develop the use of natural fiber-based materials for the automotive industry, and also enters into a joint-venture with the Japanese equipment supplier Howa for the production of interior systems for the Renault-Nissan-Mitsubishi group in Mexico.

2016. On 29 July 2016, we complete the sale of Faurecia Automotive Exteriors to Compagnie Plastic Omnium for an enterprise value of €665 million. The sale of Faurecia Automotive Exteriors represents an important step in balancing our business model as it has enabled us to accelerate our investment in higher value-added technologies within our remaining 3 divisions and to rebalance our geographical and customer portfolio. For example, part of the proceeds from the sale of Faurecia Automotive Exteriors were used for our investments in Parrot Automotive, Amminex Emissions Technology A/S ("**Amminex**") and Jiangxi Coagent Electronics. On 6 December 2016, we announce that we had entered into exclusive talks with Parrot Automotive, one of the leaders in connectivity and infotainment solutions for the automotive industry, with the aim of developing applications and platforms for connected vehicles. On 13 December 2016, we announce that we had increased our stake in Danish company Amminex from 42% to 91.5% through a share purchase agreement.

2017. On 24 March 2017, we complete our strategic partnership with Parrot Automotive by taking a 20% stake. On 17 November 2017, we acquire a 50.1% stake in Jiangxi Coagent Electronics in order to develop HMI and in-vehicle-infotainment such as displays, voice recognition, radio and navigation and smartphone applications.

2018. In March, we complete our acquisition of Hug Engineering, a leader in gas purification systems for high horsepower engines. We also announce our investment in French start-up Enogia, a specialist for energy recovery. In April, we announce the opening of a new technology center in Yokohama. In June, we sign a strategic partnership framework agreement with FAW Group to develop cockpit of the future technologies and Sustainable Mobility solutions. In October, we announce our full acquisition of Parrot Automotive. We also announce a new joint venture with Liuzhou Wuling, Faurecia Liuzhou Emissions Control Technologies. We also announce the Clarion Acquisition. In November, we announce a strategic partnership with HELLA for the development of innovative interior lighting solutions. In December, we announce an investment in ESP Consulting, which uses cognitive science to optimize human well-being and performance in different situations.

Our Industry

We operate within the global automotive equipment sector and our business growth is dependent on the trends in the global automotive market. Consumer expectations and societal changes are the two main drivers of change within such market. Regulatory change, which mirrors societal change, aims to reduce the impact of vehicles on the environment across all major automotive markets. The globalization of the automotive markets and the 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 products.

Since early 2010, our markets have experienced substantial growth, fueled by a rebound of sales in Europe and North America, as well as robust growth in China and other emerging markets. Although growth in the Chinese automotive market slowed down in the second half of 2018, we believe that it remains the primary driver of growth in the global automotive industry, particularly for electric vehicles. We estimate that light vehicle production increased by approximately 2.3% worldwide in 2017, with all regions of the world showing an increase, except in North America. Light vehicle production grew again in Europe (3.2%), increased significantly in South America (19.7%) and continued to grow in Asia, where production increased by 2.7% (with production growth of 2.6% in China). In contrast, production in North America decreased by 4.0% (source: IHS Automotive, January 2018). However, light vehicle production decreased by approximately 1.2% worldwide in

2018, with most regions of the world showing a decrease, except in South America. In particular, in 2018 light vehicle production decreased in Europe (-1.1%), North America (-0.7%) and in Asia, where production decreased by 1.8% (with production declining by 5.1% in China). In contrast, production in South America increased by 3.1% (source: IHS Automotive, February 2019). We also expect that companies such as ours will be particularly well positioned to take advantage of market growth in light of the following key industry trends.

Reducing fuel consumption, an increasingly compelling requirement

In 2018 the European Commission confirmed its drastic tightening of average CO_2 targets. The current requirement for passenger vehicles is 95g/km CO_2 by 2020. The next requirement will be a reduction of 15% to around 80g/km CO_2 by 2025. In China, the government has set a target of 90g/km CO_2 for passenger vehicles by 2025 and certain cities and provinces have also introduced emissions regulations which require passenger vehicles to reduce particulate matter ahead of national regulations. India is also implementing stricter CO_2 targets for passenger vehicles of around 110 g/km CO_2 by 2022, a reduction of 15% from current requirements. In February 2019, the European Commission also proposed stricter CO_2 requirements for commercial vehicles with reductions from current levels of 15% by 2025 and 30% by 2030. We also expect stricter emissions regulations for commercial vehicles in China and India. These objectives will require breakthroughs in design and materials. We are already active in the various areas that help reduce vehicle weight by offering new products and new designs applicable to existing products, optimized design, and are working to develop alternative materials and new manufacturing processes.

Environmental performance

Emissions of all combustion-related pollutants are subject to standards that are converging towards a drastic reduction. Reducing fuel consumption results in increased levels of pressure and higher temperatures in combustion chambers, which are damaging to the environment in terms of emissions of gas, pollutants and particulates. Direct fuel injection, increasingly widespread in gasoline engines, generates particulates that may require treatment in the exhaust system. We have been supplying particulate filters for gasoline engines since 2014, when we were the first company to introduce them as standard equipment in the market. The new Euro 6c emission standards have made it mandatory for all vehicles produced after 1 September 2018 with gasoline engines to have particulate filters installed, as has been the case for diesel engines since 2011. We are able to develop exhaust systems integrating the most efficient pollutant and particulate treatment technologies as a result of our experience in all aspects of the design and production of exhaust systems.

Sustainable development and use of raw materials

Materials are increasingly chosen and designed to satisfy regulatory constraints and societal expectations. From 2015, the European Commission imposed stricter requirements where the recyclability of synthetic materials such as plastics and, in the longer term, composite materials is one of the key features of the vehicle of the future. As with alternative energy sources, the development of bio-sourced resins associated with natural fiber reinforcements will ultimately allow vehicles to survive the depletion of oil resources. We are already making a contribution by developing technology strategies and innovative partnerships in these two areas. In 2013, we entered into a strategic partnership with Mitsubishi Chemicals for the development of bio-sourced resins and in 2014, with an agricultural cooperative for the development of natural fiber-based composites. Bio-materials have been part of our raw materials for over 25 years, from the initial "Lignotoc" compressed wood of the 1990s to the NafiLean™ (Natural Fibers for Lean Injection Design) created in 2013, and the introduction of bio-based resins in 2014 and FlaxPreg™ flax fiber reinforced composite sandwich in 2015. NAFILite™, a new project we developed together with a major French agricultural cooperative, Interval, which combines NAFILean™ material and an injection (foaming process), received a sustainability award at the JEC World 2017 Innovation Awards.

Attractiveness

Vehicles have become living spaces in which drivers and passengers expect comfort, quality and seamless connectivity with their personal and professional environments. 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. From the body to the cockpit and the seats, the products supplied by us are subject to continuous technological innovation.

Competitiveness

Development cost overruns and increased diversity are the downsides of the increase in embedded equipment. The standardization of components across production sites can help automakers offset these additional costs. By offering pre-developed generic products, rolled out globally, we are making a contribution to the strategy of streamlining costs imposed by automakers, while continuing to provide the highest level of technical performance.

Products

We develop, manufacture and sell high-quality and highly-engineered products and we currently operate through three business groups: Faurecia Seating, Faurecia Interiors and Faurecia Clean Mobility. Following the Clarion Acquisition, we intend to establish a fourth business group, Faurecia Clarion Electronics, which will incorporate Parrot Automotive and Jiangxi Coagent Electronics and focus on manufacturing and developing products for our "Cockpit of the Future" strategy, in particular, our cockpit integration systems and CIP.

Faurecia Seating

We are a global leader in seating solutions and the design, development and manufacture of seat systems, as well as seat products and we estimate we are currently the world's leading supplier of seat frames and mechanisms and number three supplier of complete seats. Our line of automotive seating components include frames, mechanisms and motors, padding, seat, covers, accessories, electronic and pneumatic systems. We also assemble complete seats, both front and rear, for just-in-time delivery to our customers' plants. Drawing on technological know-how that has won recognition from the largest automakers, we work alongside our customers to develop solutions that focus on safety, modularity, comfort and quality.

We estimate we are currently the world's number one supplier of seat frames and mechanisms and number three supplier of complete seats. We believe that in 2018 we had a 11.4% global market share by value.

For the year ended 31 December 2018, Faurecia Seating's sales reached €7,438.0 million, compared to sales of €7,129.2 million for the year ended 31 December 2017 and value added sales of €6,607.4 million for the year ended 31 December 2016. Faurecia Seating's operating margin increased to 6.0% for the year ended 31 December 2018, compared to 5.7% for the year ended 31 December 2017 and 5.2% for the year ended 31 December 2016.

Faurecia Interiors

We manufacture automotive interior systems including cockpit modules (instrument panels and central consoles), door panels, modules and door systems, acoustic modules, as well as decorative parts.

We estimate we are currently one of the world's two leading suppliers of automotive interior systems. We believe that in 2018 we had a 13% global market share by value.

For the year ended 31 December 2018, Faurecia Interiors' sales reached €5,471.7 million, compared to sales of €5,367.4 million for the year ended 31 December 2017 and value added sales of €4,810.9 million for the year ended 31 December 2016. Faurecia Interiors' operating margin increased to 6.0% for the year ended 31 December 2018, compared to 5.6% for the year ended 31 December 2017 and 5.2% for the year ended 31 December 2016.

Faurecia Clean Mobility

We develop and manufacture clean mobility solutions, particularly for reducing emissions (including zero emissions solutions), improving energy efficiency, acoustic performance and powertrain electrification as well as components for exhaust system acoustics.

We estimate we are currently the world's number one supplier of exhaust systems and components. We believe that in 2018 we had a 32.7% global market share by value. We are the global market leader in emissions control for light and commercial vehicles alike. We develop and manufacture complete exhaust systems and components, including mufflers, manifolds and catalytic converters.

We focus on three critical areas: weight reduction, pollutant emissions control and energy recovery, to ensure our exhaust systems meet more stringent environmental standards and to also respond to the public's growing ecological concerns.

For the year ended 31 December 2018, Faurecia Clean Mobility's sales reached €4,615.0 million, compared to sales of €4,465.6 million for the year ended 31 December 2017 and value added sales of

€4,195.3 million for the year ended 31 December 2016. Faurecia Clean Mobility's operating margin increased to 10.8% for the year ended 31 December 2018, compared to 10.2% for the year ended 31 December 2017 and 9.4% for the year ended 31 December 2016.

Customers

We maintain close relationships with almost all of the world's leading car manufacturers and work closely with customers to develop the design and functionality of our products. Each of Ford, Volkswagen, the Renault-Nissan-Mitsubishi group, the PSA Peugeot Citroën group, Fiat Chrysler accounted for more than €1.0 billion of our sales in 2018.

We are successfully developing and implementing customer vehicle production programs on a global scale. At the end of 2018, we had over 700 customer programs in development. Global platforms for non-visible components have become the norm for an automotive industry that intends to reduce its production costs. Automakers use standardized parts that can be adapted to an array of vehicles or even brands worldwide. This requirement represents a strong barrier to entry for new entrants. We develop and produce standard, modular products such as seat frames or exhaust line components that enable full-scale production to begin virtually simultaneously on every continent.

We design and manufacture equipment that is specific to each new car model or platform, and generally conclude contracts to provide these products throughout the anticipated life of the model or platform (usually between five and ten years). Products for new vehicle models are designed and developed in a close collaborative process involving the component supplier and the customer, which can last up to two years. Design and development are financed largely by the customer, either directly or through a per-product charge that is part of the product purchase price.

The quality of our products is widely acknowledged among automakers. We ensure the quality of our products through our Faurecia Excellence System, a rigorous set of project management procedures and methodologies, and by the expertise of approximately 7,300 engineers and technicians who design products and develop technological solutions.

This enables us to maintain very close relationships and to be strategic suppliers to many of our customers. For more information on the milestones we reached, see "– *Our Company*".

Competition

We estimate that we are one of the top 10 automotive technology suppliers in the world by revenue. We estimate that we are among the top three suppliers in terms of worldwide sales in every business in which we compete. Each of our segments is projected to experience significant growth, not least due to increased car ownership in developing countries. We have benefited from the significant consolidation in our markets and have been able to acquire significant new technologies, markets and product lines. Our 3 main competitors by business group are:

Faurecia Seating: Adient, Lear Corp and Magna International Inc.

Faurecia Interiors: Yanfeng Automotive Interiors ("**YFAI**"), IAC (International Automotive Components) and Grupo Antolin.

Faurecia Clean Mobility: Tenneco, Eberspächer and Boysen.

The list above does not include "captive" Keiretsu / Chaebol competitors closely linked to carmakers, such as Toyota Boshoku, Sitech, Calsonic Kansei, Magneti Marelli, Mobis, Sango, Futaba, Yutaka or Sejong.

Manufacturing

With approximately 320 plants and R&D sites in 37 countries, we can support automakers with on-the-ground services, especially in high-growth emerging markets. Focusing on innovation, project-engineering and production, we play a leading role in shaping the automotive industry around the world.

Around two thirds of our plants producing components are specifically located near our customers' plants in order to streamline industrial and supply chain costs. Around a third of our sites use a just-in-time business model, meaning that rather than stock-piling raw materials and finished products, components are produced based on the specifications communicated by the customer on the day of production. Located near automakers' assembly lines or even set up within their actual industrial parks, these sites are capable of delivering to our customers' production lines in less than three hours.

For this reason, much of our property, plant and equipment is specifically dedicated to particular client programs and utilization rates are dependent on the activity level of the customers.

Most of our property, plants and equipment is comprised of machinery, specific tooling and new plants in the process of construction, as well as land and buildings involved in our production processes. The level of automation in our manufacturing plants will depend on the local context and customers' needs; however, none of our plants are 100% automated and the skills of our employees is a key factor of our quality level. By the end of 2018, over 550 collaborative robots and 800 automated guided vehicles had been installed at our production sites. More than a hundred of our factories have digital production dashboards, allowing real-time information sharing on the operation of production lines. Over 300 machines are connected to a data pool allowing monitoring and easing predictive maintenance.

Suppliers

We use a large number of suppliers based in different countries for our raw materials and basic parts. In 2018, out of a total of €10,390 million in purchases from approximately 2,500 suppliers, our ten largest suppliers for each of our three business groups together accounted for 16% of our total purchases, which represented 10% of our sales.

Quality

We measure our quality performance as the average rate of customer rejections per million parts delivered (ppm). For the year ended 31 December 2018, this indicator was below the target of 15 ppm set by the Group.

This performance was primarily due to the application of the Faurecia Quality Breakthrough Plan and specific actions related to the application of basic quality controls, reinforced by the implementation of a plan, which introduced 20 daily safety and regulation rules for each of our employees, to ensure quality requirements are met. In order to monitor and maintain this performance, the number of quality audits conducted at production plants was increased.

Our Quick Response Continuous Improvement (''**QRCI**'') initiative has continued to evolve in 2018. QRCI is a management approach, applied company-wide, whereby all defects must be dealt with through corrective action immediately, or within 24 hours at the latest, working from an in-depth analysis to pinpoint the root causes of the problem and determine appropriate technical solutions that can be used across all of our businesses.

Our major customers acknowledge that we offer one of the highest levels of quality worldwide, as evidenced by numerous awards received from customers each year. Detailed monitoring of specific performance with each customer has been introduced in order to ensure that corrective measures are taken immediately to address any quality issues at a given plant. Reducing quality performance differentials between sites remains an overriding goal.

Research and Development

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 cars and commercial vehicles 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.

In 2018, we employed nearly 7,300 engineers and technicians based in 35 R&D centers spread across our three main geographic areas: Europe, Americas and Asia. Gross R&D expenses accounted for €1,093.1 million of total expenses in 2018, representing 6.2% of our sales, of which management estimates that €180 million was allocated to research and innovation expenses, an increase of €20 million compared to 2017. We filed 403 patents in 2018 compared to 330 in 2017.

We focus our innovation efforts on ''Sustainable Mobility'', the development of products and processes which improve weight reduction, size reduction, air quality, energy recovery and the development of bio-sourced and renewable materials and ''Cockpit of the Future'', the development of products and technology which is aligned with the increasing connectedness and autonomy of vehicles which we believe will radically alter the driving experience and lead to the ''Cockpit of the Future'', with substantially redesigned and enhanced vehicle seating and interiors. We are pioneering technological development in the ''Cockpit of the Future'' which will provide users with versatile architecture, advanced safety, health and wellbeing, personalized comfort, connectivity, infotainment and intuitive HMI systems. We are focusing our product development on higher value, innovative products with a high technology content.

Systems approach

We develop and supply complete modules such as seats, front-end modules, cockpits and exhaust systems. We develop our own product architecture for each module.

We develop systems engineering in each of the areas covered by the modules we design. Since 2012, we have made particular efforts to enhance our expertise in mechatronics, with the creation of an electronics laboratory in Brières (France) and an industrial chair of automotive mechatronics with Centrale-Supelec (France).

Product process and design

Product process and design are central to the activity of our engineering teams. We develop our own rules and design standards. This guarantees both a high level of robustness and a competitive advantage. We expect this process of standardization to help us reduce our existing level of capital expenditure by allowing us to manufacture different types of vehicles for several automakers, using the same production process and the same plants.

We commit a lot of efforts and incur significant expenses to improve our production processes, in particular in order to ensure that our productivity and production efficiency continues to increase. Our customers often require that we share with them our productivity gains by agreeing to some potential price reduction to reflect any improvement in productivity based on certain volume of production assumptions for each particular programme. These approaches have allowed us to develop lighter products than our competitors.

The industrial chair of automotive mechatronics with Centrale Nantes (France) and of processing methods for metal materials with the Technische Universität Dortmund (TUD, Germany) are part of this process.

Intellectual Property

Technological development and innovation are among our priorities. In order to protect our new and existing products, proprietary know-how and production processes, we manage a large intellectual property rights portfolio including patents, designs and trademarks relating to our business in France and other countries. In particular, we filed 403 patent applications in 2018. These patents relate to products, materials, and manufacturing processes, demonstrating the efforts made by us to optimize the entire product value chain and to sustain a competitive advantage.

While our patent portfolio and other intellectual property rights including trademarks and designs are of material importance to our business, we do not consider any one patent or group of patents that relates to any particular product or process as being of material importance in relation to the products we supply to any client or, for that matter, to our business as a whole. We are not currently engaged in any material intellectual property litigation, nor do we know of any material intellectual property claims outstanding.

Environment

Depending on the engine type and driving cycle, decreasing the average vehicle's total mass by 100kg reduces CO_2 emissions by approximately 8-10g per kilometer driven. Our products can represent up to 20% of a vehicles' total weight. This makes us a major contributor to the reduction of vehicle weight as a means of cutting fuel consumption, limiting emissions of greenhouse gases and reducing the use of raw materials in vehicle production.

In order to grow and manufacture lighter and cleaner vehicles, we take environmental factors into account at all stages of the product life cycle, from product design to the environmental impact of our plants, from supplier collaboration to product end-of-life. We have gradually put in place a management system that allows us to be particularly responsive to new restrictions and to set up an alternative project if necessary. Our management system includes an investigation phase to collect reports from our suppliers, notably in the context of the new EU regulatory framework for the Registration, Evaluation, Authorization and Restriction of Chemicals ("**REACH**") regulation, and setting up an alternative project if necessary).

We offer bio-sourced materials, including vegetable fibers, that can reduce the weight of parts. This innovation, whose environmental impact was assessed according to ISO 14040 and ISO 14044 international standards, makes it possible to decrease certain carbon emissions on both the products and services we purchase and the products we sell. Natural hemp fibers used by us also reduce environmental impact as the natural fibers in plastics is renewable and the lesser weight of products allows for responsible consumption and use of these materials. Plastic materials strengthened with hemp are recognized as compatible with industrial recycling processes already in place.

Three technologies patented by us utilize biomaterials. Lignolight technology, using compressed fibers for between 50% and 90% of the resin applied to door panels, improves density by 40% compared with traditional components. NAFILean technology (Natural Fiber Injection), which combines natural hemp fibers with polypropylene resin, reduces weight by 25% compared with traditional components. To date, more than 17 vehicles are equipped with NAFILean technology.

NAFILITE, a second generation of this product, is currently being manufactured. This technology can further reduce weight by 10%. Our product portfolio includes natural fibers combined with polypropylene fibers.

Natural fibers currently account for 30.5% of the total amount of fibers used by the Group. This percentage increased by 2.6% compared with 2017.

Recycling

Given the general increase of regulatory requirements from an environmental perspective, automakers demand their suppliers to focus on end-of-life product recycling.

All of our businesses are affected by these regulatory requirements 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.

We incorporate recyclability in the design of our products by anticipating the regulatory requirements for vehicles at the end of their life-cycle and optimizing the recovery of production waste. Regulations in Europe currently require a significant proportion (by weight) of vehicles at the end of their lifecycle to be recoverable, of which a signifcant proportion will need to be reusable or recycled. Given such onerous regulatory requirements, automakers are placing ever-greater demands on their suppliers in terms of end-of-life product recyclability.

We are committed to a process of forecasting the life-cycle of a product and the recoverability of a product at the end of its life-cycle. Selective trials overseen by us comprise the first phase of a comprehensive approach by the automotive sector in partnership with industrial firms, academic institutions and automotive industry related, groups to forecast volumes of materials available for recycling in the future.

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

Insurance

As we do not have any captive insurance entities, our system for safeguarding assets is based on the implementation and on-going adaptation of our risk prevention policy as well as our strategy of transferring our principal risks to the insurance market. As with any industrial activity, our sites are exposed to various risks: fire, explosion, natural disaster, systems failure, non-compliance with regulations or stricter regulations applicable or other factors. These types of events may result in us incurring additional costs and/or capital expenditure to remedy the situation, to comply with regulations and/or as a result of any fines.

We hold fire, property damage and business interruption insurance policies. Insurance coverage for our buildings and equipment is based on the asset's replacement value. We have established special coverage in connection with certain country-specific risks. We renewed our liability insurance policy on 1 January 2017. Liability insurance covers operating liability and product liability after delivery, including the risk of product recall.

Employees

As at 31 December 2018, we employed around 114,693 people (including temporary workers). Our total number of permanent employees, increased by 6,565, or 7.6%, to approximately 92,000 as at 31 December 2018, compared to 2017.

The following table shows our permanent employees across regions and functions:

	2018				2017				
	Operators and workers	Technicians, foremen and administrative staff	Managers and professionals	Total	Operators and workers	Technicians, foremen and administrative staff	Managers and professionals	Total	Variation
Europe	28,926	6,618	9,241	44,785	28,299	6,431	8,572	43,302	3.4%
North America	14,792	1,300	3,934	20,026	14,422	1,286	3,882	19,590	2.2%
South America	4,221	840	499	5,560	4,004	1,145	498	5,647	-1.5%
Asia	8,125	1,505	6,546	16,176	6,110	1,013	5,098	12,221	32.4%
Other	4,984	640	713	6,337	4,259	601	699	5,59	14.0%
Total	**61,048**	**10,903**	**20,933**	**92,884**	**57,094**	**10,476**	**18,749**	**86,319**	**7.6%**

The proportion of permanent employees employed under indefinite term contracts (as opposed to employees on fixed term contracts) increased from 90.9% in 2017 to 91.6% in 2018.

Our employees benefit from employees saving plans and other incentive-based pay depending on their level and the country in which they work. In 2010 we implemented a share grant plan for executives of Group companies. These shares are subject to service and performance conditions.

In addition to the above permanent employees, we employed 22,956 total temporary employees throughout all of our sites. The proportion of temporary staff rose from 19.1% in 2016 to 21.0% in 2017.

Litigation

On 25 March 2014, the European Commission and the Department of Justice of the United States of America and, on 27 November 2014, the Competition Commission of South Africa, initiated an enquiry covering certain suppliers of emissions control systems on the basis of suspicions of anti-competitive practices in this market. Faurecia is one of the companies covered by these enquiries. As communicated by Faurecia on 2 May 2017, the European Commission announced that it had closed the enquiry. In December 2018, we were informed by the Department of Justice of the United States of America that we were no longer subject to an enquiry. The other enquiry of the Competition Commission of South Africa is still ongoing.

On 19 May 2017, the Brazilian competition authority (the "**CADE**") initiated an enquiry covering Faurecia Emissions Control Technologies do Brazil and some of its former employees, alleging anticompetitive practices in regard to the exhaust systems market in Brazil. An agreement has been reached with the CADE for a non-material amount and made public on 5 September 2018 putting an end to the inquiry.

Separately, the Group has reached agreements in principle with the plaintiffs to settle all three pending class actions which were filed in the United States District Court for the Eastern District of Michigan against several suppliers of clean mobility solutions, including Group subsidiaries, alleging anticompetitive practices in regard to exhaust systems.

Two class actions for similar allegations have been filed in Canada but are at a very preliminary stage.

In the event anti-competitive practices are proven, possible sanctions include fines, criminal charges or civil damages. The Group is at present unable to predict the consequences of such enquiries and class actions, including the level of fines or sanctions that could be imposed.

In its decision of 18 December 2014, the Enforcement Committee of the AMF considered that Faurecia S.E. and its Chairman and CEO, Mr. Yann Delabrière, had failed to meet certain obligations defined in the AMF General Regulation pertaining to information related to the Company's objectives for 2012. The AMF fined Faurecia S.E. and its Chairman and CEO, Mr. Yann Delabrière, €2 million and €100,000, respectively. On 26 February 2015, Faurecia S.E. 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. In a ruling rendered on 30 June 2016, the Paris Court of

Appeal, considering that the decision did not enable an assessment of the proportionality of the fine, decided that the financial penalty imposed on the Company should be overturned and, as a consequence, reduced to €1 million. As regards Mr. Yann Delabrière, the Paris Court of Appeal found no evidence of personal wrongdoing and maintained the penalty solely in his capacity as legal representative of the Company. On 22 August 2016, the Company and Mr. Yann Delabrière lodged a further appeal against this ruling before the French Supreme Court. The Company requested that the appeal be rescinded and such request was granted by the French Supreme Court in a judgment on 26 September 2018.

MANAGEMENT

We are a public limited liability company (*société européenne*) with a Board of Directors. The business address of our Board of Directors is 23-27 Avenue des Champs Pierreux, 92000 Nanterre, Cedex, France.

Our Board of Directors determines our overall business, financial and economic strategies and oversees their implementation. Subject to the powers expressly granted by shareholders meetings and subject to our by-laws, the Board of Directors handles all our matters. The Board of Directors is consulted with respect to all of our strategic decisions at the initiative of our Chairman.

Our day-to-day activities are overseen by an Executive Committee. Our Executive Committee meets once a month to review the principal questions relating to our general organization. The Executive Committee discusses and prepares guidelines on major operations-related issues concerning us and our subsidiaries, which are then implemented by each of the Executive Committee's members in line with their functions.

Board of Directors

According to our Articles of Association, our Board of Directors must be composed of at least three members and no more than fifteen (excluding board members representing employees). The term of office has been four years since the General Meeting of 27 May 2015. The Board of Directors currently consists of 15 members, out of which 2 represent the employees and 8 of which are independent.

Members of the Board of Directors

The Board of Directors currently consists of fifteen members, eight of whom are independent directors under French corporate governance guidelines issued by the *Association Française des Entreprises Privées / Mouvement des Entreprises de France* (the "**Corporate Governance Code**"): Michel de Rosen (Chairman), Éric Bourdais de Charbonnière, Odile Desforges, Hans-Georg Härter, Linda Hasenfratz, Penelope Herscher, Valérie Landon and Bernadette Spinoy.

Three directors hold or have held executive management or supervisory positions within the PSA Peugeot Citroën group, our majority shareholder: Jean-Baptiste Chasseloup de Chatillon, Robert Peugeot and Carlos Tavares. Michel de Rosen has been our Chairman since 30 May 2017 and Patrick Koller has been our Chief Executive Officer since 1 July 2016.

Name	Position	Initially Appointed	Date of Reappointment
Mr. Michel de Rosen	Chairman	27 May 2016	—
Mr. Patrick Koller	CEO	30 May 2017	—
Mr. Éric Bourdais de Charbonnière	Director	8 February 2010	27 May 2015
Mr. Philippe de Rovira	Director	1 August 2018	—
Mr. Grégoire Olivier	Director	10 October 2018	—
Ms. Odile Desforges	Director	27 May 2016	—
Mr. Hans-Georg Härter	Director	26 May 2010	27 May 2015
Ms. Linda Hasenfratz	Director	26 May 2011	27 May 2016
Ms. Penelope Herscher	Director	30 May 2017	—
Ms. Valérie Landon	Director	12 October 2017	—
Ms. Olivia Larmaraud	Director	27 May 2016	—
Mr. Robert Peugeot	Director	29 May 2007	30 May 2017
Ms. Bernadette Spinoy	Director	27 May 2014	—
Mr. Daniel Bernardino	Director	30 October 2017	—
Mr. Emmanuel Pioche	Director	30 October 2017	—

The members of the Board of Directors bring together a range of quality managerial, industrial and financial skills. Our directors come from a broad spectrum of professional backgrounds, including not only the automotive industry but also various other business sectors. They enhance the work and discussions of the Board of Directors and its committees through their diverse capabilities and the expert input they can give both from an international perspective as well as in terms of their specific experience in finance, manufacturing and management. They act in the best interests of all shareholders and are fully involved in defining our corporate strategy so that they can actively contribute to and support the decisions of the Board of Directors.

We have two employee-elected and no non-voting directors. Each member of the Board of Directors must hold at least 20 shares or stock in our company throughout his or her term of office. There are no family relationships between members of the Board of Directors or corporate officers.

Responsibilities of the Board of Directors

The rules of procedure of the Board of Directors, which can be consulted by shareholders at the Company's head office or on our website, www.faurecia.fr, detail the mission of the Board of Directors and its committees. Such rules describe the Board's *modus operandi* and its role in our management and our compliance with the law and our Articles of Association.

They specify the rights and responsibilities of members of our Board of Directors, 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 in taking part in the work of the Board of Directors. They also set out the rules governing transactions in our shares, as recommended by the AMF.

The Board of Directors is also subject to a set of internal rules, which were last updated in December 2018. These internal rules aim to improve work methods and govern the provision of information to its members.

The Board of Directors is free to decide how to exercise their oversight. This can be performed, under its responsibility, either by the Chairman of the Board of Directors himself or by another person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

Since 1 July 2016, the positions of our Chairman and Chief Executive Officer have been separate.

Committees of the Board of Directors

The Audit Committee

The Audit Committee has the primary role of reviewing the approval process for the corporate and consolidated financial statements as well as the process of preparing financial information. It ensures the relations with the statutory auditors of which it handles the selection process and checks the independence and follows internal control and risks management processes. It also reviews the budget, its execution and, more generally, the Group's financial situation.

The Audit Committee consists of four members with financial or accounting experience and expertise (including 2 independent directors): Odile Desforges (Chairman), Olivia Larmaraud, Valérie Landon and Emmanuel Pioche.

Governance Committee

Since 2009, the Governance Committee has the role of dealing with issues relating to the composition and operation of the Board of Directors and its Committees. More generally, the Committee assesses the Company's governance structure, it handles the selection process for the Directors and the Chairman of the Board and conducts the governance assessment process (assessment of Board and Committees works, examination of Directors' independence). It is also in charge of assessing the policy followed by the Company in terms of ethics and compliance as regards good governance practices.

The Governance Committee consists of four members (including three independent directors): Michel de Rosen (Chairman), Eric Bourdais de Charbonnière, Philippe de Rovira and Bernadette Spinoy.

Management Committee

The Management Committee is tasked with the role of dealing with issues relating to the selection of members of the general management as well as their compensation. More generally, this Committee deals with issues associated with long-term incentive plans policy as well as the selection, performance and compensation of the Group's key executives (Executive Committee, Senior Management).

The Management Committee consists of five members (including three independent directors): Linda Hasenfratz (Chairman), Hans-Georg Härter, Penelope Herscher, Robert Peugeot and Daniel Bernardino.

Conflicts of Interest

As provided for in the Board of Directors' internal regulations, each director must disclose to the Board any conflicts of interest (including any potential conflicts of interest) relating to issues on the agendas of Board meetings, and must refrain from taking part in the vote on the matters in question. No such situations arose in the last three years.

The Board of Directors strengthened its rules 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 our 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 our shares to the Company which then informs the market.

Executive Committee

Our executive management function is performed under the responsibility of the Chief Executive Officer by our Executive Committee that meets every month to review our results and consider general matters concerning our Group. Its members are as follows:

Name	Position	Joined the Company
Mr. Patrick Koller	Chief Operating Officer	2006
Mr. Hagen Wiesner	Executive Vice-President, Group Operations	2006
Mr. Michel Favre	Executive Vice-President, Group Chief Financial Officer	2013
Mr. Hervé Guyot	Executive Vice-President, Group Strategy	2012
Ms. Kate Philipps	Executive Vice-President, Group Communication	2012
Mr. Jean-Michel Renaudie	Executive Vice-President, Faurecia Interiors	2002
Mr. Christophe Schmitt	Executive Vice-President, Faurecia Clean Mobility	2006
Mr. Jean-Pierre Sounillac	Executive Vice-President, Group Human Resources	2004
Mr. Thorsten Muschal	Executive Vice-President, Sales & Program Management	2006
Mr. François Tardif	Executive Vice-President, Faurecia China	2012
Mr. Eelco Spoelder	Executive Vice-President, Faurecia Seating	2016

Compensation of the Board of Directors and the Executive Committee

Please see note 32.2 of our audited 2018 Consolidated Financial Statements as at and for the year ended 31 December 2018 contained in the 2018 Annual Results for more information on our senior management.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

As at 31 December 2018, our share capital amounted to €966,250,607 divided into 138,035,801 fully paid-up shares with a par value of €7, all in the same class. These shares represent 202,700,644 theoretical voting rights and 201,784,484 exercisable voting rights.

Our ownership structure and voting rights as at 31 December 2018 were as follows:

Shareholder	Shares Owned	Per cent of shares outstanding	Theoretical voting rights	% Theoretical voting rights	Exercisable voting rights	Per cent of voting rights
Peugeot S.A.	63,960,006	46.34%	127,920,012	63.11%	127,920,012	63.39%
Faurecia Actionnariat corporate mutual fund	333,480	0.24%	640,598	0.32%	640,598	0.32%
Board members & CEO	70,285	0.05%	87,581	0.04%	87,581	0.04%
Treasury stock(*)	917,160	0.66%	917,160	0.45%	0	0.00%
Other	72,754,870	52.71%	73,135,293	36.08%	72,135,293	36.24%
TOTAL	**138,035,801**	**100.00%**	**202,700,644**	**100.00%**	**201,783,484**	**100.00%**

(*) voting rights in treasury stock cannot be exercised by us.

Our directors hold approximately 0.04% of our capital and voting rights.

Transactions with majority shareholders

We are managed independently and transactions with the PSA Peugeot Citroën group are conducted on 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 our audited consolidated financial statements:

	For the year ended 31 December			
	2016	2017 (Published)	2017 (Restated)*	2018
(in € millions)				
Sales	2,108.8	2,368.2	2,078.2	2,182.6
Purchases of products, services and materials	15.6	17.8	17.8	15.8
Receivables(**)	415.6	497.0	522.2	406.6
Payables	34.2	33.1	107.0	94.5
(**)Before no-recourse sales of receivables amounting to:	208.5	273.7	273.7	221.6

* Restated to reflect the implementation of IFRS 15. Note that financial information as at and for the full year ended 31 December 2018 was prepared on the same basis.

DESCRIPTION OF OTHER INDEBTEDNESS

Debt Summary

Our net debt as at 31 December 2018 was €477.7 million, reflecting total gross debt of €2,584.0 million and cash and cash equivalents (including other current financial assets included in net debt) of €2,105.3 million. Our subsidiaries hold significant cash balances from their servicing of derecognized receivables, which are included in our short-term debt. In addition, our subsidiaries tend to hold significant amounts of cash that they intend to use to fund working capital requirements and capital expenditure, particularly in jurisdictions where it would be disadvantageous from a tax perspective to distribute the cash and subsequently to receive funding from the parent company.

As at 31 December 2018, the weighted average interest rate on our outstanding debt was 3.28% for 2018.

Maturities of Outstanding Debt

The main elements of our long-term debt as at 31 December 2018 are the Senior Credit Facility of €1,200 million signed on 15 December 2014 and amended and restated on 24 June 2016 and further amended and restated on 15 June 2018 (which is scheduled to mature in December 2023 and was undrawn as at the date of this Offering Circular), the €700 million under the 2023 Notes, the €700 million under the Schuldschein, the €700 million under the 2025 Notes and the €500 million under the Bridge Loan, which we intend to repay pursuant to the Refinancing. In addition, following the offering, we will have €500 million under the Notes.

The following table sets forth the maturity schedule of our outstanding debt, set forth by category, in each case as at 31 December 2018 and after giving effect to the offering of the Notes and the Refinancing.

(in € millions)	**2020**	**2021**	**2022**	**2023**	**2024 and beyond**	**Total**
Bonds	—	—	—	700.0	1,200.0	1,900.0
Schuldschein, Bank and other borrowings	86.5	7.8	139.8	191.2	32.8	458.2
Obligations under finance leases	4.9	1.8	1.8	0.5	2.3	11.3
Non-current derivatives	—	—	0.4	—	0.1	0.5
Total	**91.4**	**9.6**	**142.0**	**891.7**	**1,235.2**	**2,370.0**

2023 Notes

On 1 April 2016, we issued €700 million principal amount of 3.625% Senior Notes due 2023. They are listed on Euronext Dublin (Global Exchange Market).

Terms of the 2023 Notes

We are required to pay interest on the 2023 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2016.

The 2023 Notes will mature at par on 15 June 2023 unless earlier redeemed or repurchased and cancelled.

The 2023 Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2023 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a "make-whole" premium and accrued and unpaid interest, if any, to the redemption date. The 2023 Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions, redeem up to 35% of the outstanding principal amount of the 2023 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 103.625% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2023 Notes may require us to repurchase their 2023 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

2025 Notes

On 8 March 2018, we issued €700 million in principal amount of 2.625% Senior Notes due 2025. They are listed on Euronext Dublin (Global Exchange Market).

The 2025 Notes will mature at par on 15 June 2025 unless earlier redeemed or repurchased and cancelled.

Terms of the 2025 Notes

We are required to pay interest on the 2025 Notes semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2018.

The 2025 Notes will mature at par on 15 June 2025 unless earlier redeemed or repurchased and cancelled.

The 2025 Notes are senior unsecured obligations of the Issuer, and are not guaranteed.

The 2025 Notes are redeemable, in whole or in part, at a redemption price equal to 100% of their principal amount plus a "make-whole" premium and accrued and unpaid interest, if any, to the redemption date. The 2025 Notes are also redeemable, in whole but not in part, upon certain developments affecting taxation, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, we may, at our option and on one or more occasions, redeem up to 35% of the outstanding principal amount of the 2025 Notes with the net proceeds from one or more specified equity offerings at a redemption price equal to 102.625% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date. In addition, in the event we undergo specific kinds of changes of control, holders of the 2025 Notes may require us to repurchase their 2025 Notes at a price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any.

Senior Credit Facility

We have entered into a €1,200 million Senior Credit Agreement among us as borrower and various lenders, dated 15 December 2014 and amended and restated on 24 June 2016 and further amended and restated on 15 June 2018, which refinanced our prior senior credit facility. The Senior Credit Facility was renegotiated on 15 June 2018, in order to extend the maturity to five years from that date, or 15 June 2023 (with the possibility to extend such maturity by two one-year periods), and improve its terms and conditions. The Senior Credit Agreement is composed of a facility (including a swingline) for an amount of €1,200 million. As at 31 December 2018 this Senior Credit Facility was not drawn. This Senior Credit Facility includes one financial covenant (which needs to be complied with semi-annually), concerning compliance with a consolidated financial ratio: the ratio of total net debt/EBITDA must not exceed 2.50x; the compliance with this ratio is a condition to the availability of borrowings under this Senior Credit Facility. As at 31 December 2018, we complied with this ratio. Net debt corresponds to published consolidated net debt. EBITDA corresponds to operating income plus depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets, for the past twelve months. Furthermore, this Senior Credit Facility includes some restrictive provisions on asset disposals (and for example, a disposal representing the higher of €4,000 million and 35% of our total consolidated assets requires the prior approval of lenders representing two-thirds of the lenders under the Senior Credit Agreement) and on the level of indebtedness of our subsidiaries.

Bridge Facility Agreement

We have entered into the Bridge Facility Agreement, a €1,300 million credit agreement among us as borrower and Crédit Agricole Corporate and Investment Bank, dated 25 October 2018. The Bridge Facility Agreement is composed of a 1-year term loan facility (with the possibility to extend such maturity by up to a year with two six-month extention options). As at 31 December 2018 this Bridge Facility Agreement was not drawn. The Bridge Facility Agreement includes one financial covenant (which needs to be complied with semi-annually), concerning compliance with a consolidated financial ratio: the ratio of total net debt/EBITDA must not exceed 2.50x. As at 31 December 2018, we complied with this ratio. Net debt corresponds to published consolidated net debt. EBITDA corresponds to operating income plus depreciation, amortization and provisions for impairment in value of property, plant and equipment and intangible assets, for the past twelve months.

Furthermore, this Bridge Facility Agreement includes some restrictive provisions on asset disposals (and for example, a disposal representing the higher of €4,000 million and 35% of our total consolidated assets requires the prior approval of lenders representing two-thirds of the lenders under the Bridge Facility Agreement) and on the level of indebtedness of our subsidiaries.

Schuldschein

In December 2018, we entered into a transaction to issue €700 million in principal amount of Schuldschein (a private placement under German law) in multiple tranches, which we issued in December 2018 and January 2019. The receipt of the net proceeds of the issue of the Schuldschein enabled us to reduce the committed funds available under the Bridge Facility Agreement to €750 million by January 2019. The Schuldschein does not include any financial covenants. However, the Schuldschein includes certain restrictive provisions on asset disposals and on the level of indebtedness of our subsidiaries.

Factoring Programs

We have several factoring programs which enable us to obtain financing at a lower cost than issuing bonds or obtaining bank loans. Part of our financing requirements is met through receivables sale programs, under which the receivables are derecognized and not included as assets in our consolidated balance sheet.

As at 31 December 2018, financing under these programs corresponding to the cash received as consideration for the receivables sold totaled €999.2 million, compared to €1,107.1 million as at 31 December 2017. See note 18 of our audited 2018 Consolidated Financial Statements for more information on our factoring programs.

Commercial Paper Program

We have a commercial paper programme on the French domestic market amounting to €1 billion, of which €411.2 million had been used as at 31 December 2018.

TERMS AND CONDITIONS OF THE NOTES

The €500.0 million 3.125% senior notes due 2026 (the "**Notes**" and each, a "**Note**", which expression includes any further notes issued pursuant to Condition 2.2 and forming a single series therewith) of Faurecia, a *société européenne (societas europaea)* incorporated under the laws of the Republic of France (the "**Issuer**"), are constituted by a trust deed dated the Issue Date (the "**Trust Deed**") made between the Issuer and Citibank, N.A., London Branch (the "**Trustee**"), which term shall include any trustee or trustees appointed pursuant to the Trust Deed.

The Issuer has also entered into an agency agreement (the "**Agency Agreement**") dated the Issue Date with Citibank, N.A., London Branch, as principal paying agent and transfer agent, Citigroup Global Markets Europe AG, as registrar and the Trustee. The registrar and the principal paying agent for the time being are referred to in these terms and conditions (the "**Conditions**"), respectively, as the "**Registrar**" and the "**Principal Paying Agent**" and, the Principal Paying Agent together with any other paying agents as may be appointed under the Agency Agreement from time to time, the "**Paying Agents**" and the Paying Agents together with the Registrar, the "**Agents**". Pursuant to the terms of the Agency Agreement, the Agents have agreed to act and perform services on behalf of the Issuer with respect to these Conditions.

The statements in these Conditions include summaries of, and are subject to the detailed provisions of, the Trust Deed, which includes the form of the Notes. The holders of the Notes are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of all the provisions of, the Trust Deed and those applicable to them of the Agency Agreement. Copies of the Trust Deed and the Agency Agreement are available for inspection by holders of the Notes during normal business hours at the specified office of the Trustee for the time being, being at the date hereof at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and at the specified office of the Principal Paying Agent. As used herein, references to the Trust Deed include the Conditions set forth herein.

1. Status and Form

The Notes constitute senior unsecured and unguaranteed obligations of the Issuer and rank *pari passu* among themselves and in right of payment to all existing and future unsecured and unsubordinated Indebtedness of the Issuer, effectively junior to secured Indebtedness of the Issuer (to the extent of the value of the assets securing such Indebtedness), structurally junior to Indebtedness, liabilities and commitments (including trade payables and lease obligations) of our Subsidiaries, and senior in right of payment to any existing or future Subordinated Indebtedness of the Issuer.

The Notes will be issued in registered form and transferable only upon the surrender of the Notes being transferred for registration of transfer. The Issuer may require payment of a sum sufficient to pay any tax, assessment or other governmental charge payable in connection with certain transfers and exchanges.

2. Principal, Maturity, Interest and Further Issues

2.1 The Notes are issued initially in an aggregate principal amount of €500.0 million and are issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will mature on 15 June 2026 (the "**Maturity Date**"). If redeemed on the Maturity Date, the Notes will be redeemed at par on such date.

2.2 Subject to compliance of the Issuer with Condition 6.1, the Issuer is permitted, from time to time, without notice to or the consent of the holders of the Notes to create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the date of and amount of the first payment of interest), in accordance with the Trust Deed (the "**Additional Notes**"). The Additional Notes, if any, will be consolidated and form a single series with the Notes. The Additional Notes and the Notes shall be treated as a single class for all purposes of the Trust Deed, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for the purposes of the Trust Deed and these Conditions, references to the Notes include any Additional Notes actually issued. The Issuer may from time to time, with the consent of the Trustee and subject to the Conditions and the Trust Deed, create and issue other series of notes having the benefit of the Trust Deed.

2.3 Interest

(a) Interest on the Notes will accrue at the rate of 3.125% per annum and will be payable semi-annually in arrears on 15 June and 15 December of each year, commencing on 15 June 2019. The Issuer will make each interest payment to the holders of record of these Notes on the immediately preceding 1 June and 1 December. The Issuer will pay interest on overdue principal at 1.0% per annum in excess of the above rate compounded semi-annually and will pay interest on overdue instalments of interest at such higher rate compounded semi-annually to the extent lawful.

(b) Interest on the Notes will accrue (in the case of Notes issued on the Issue Date) from the Issue Date and (in the case of any Additional Notes) from the date of issuance of such Additional Notes. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and, in the case of an incomplete month, on the basis of number of actual days elapsed.

(c) Interest on the Notes will cease to accrue on and from their due date for redemption or repayment unless payment of the redemption monies and/or accrued interest (if any) is improperly withheld or delayed in which event interest will continue to accrue as provided in the Trust Deed.

2.4 Payment

(a) Payment of principal and interest will be made by the Principal Paying Agent in euro by wire transfer in same day funds to the registered account of each Noteholder or by euro cheque drawn on a bank that processes payments in euro mailed to the registered address of the Noteholder if it does not have a registered account. Payment of principal and premium (if any) will only be made against surrender of the relevant Note at the specified office of any of the Paying Agents.

(b) Without prejudice to the rights of any holder of the Notes to (i) receive payment of principal of and interest on such holder's Notes on or after the due dates therefor as set forth in these Conditions and the Trust Deed or (ii) institute suit for the enforcement of any payment on or with respect to such holder's Notes, payments in respect of Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 4 (*Taxation*).

(c) Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that date is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, in each case, by the Paying Agent on the due date for payment or, in the case of a payment of principal, if later, on the Business Day on which the relevant Note is surrendered at the specified office of a Paying Agent.

(d) Noteholders will not be entitled to any additional interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the relevant Noteholder is late in surrendering its Note (if required to do so). If the amount of principal or interest is not paid in full when due, the Registrar will annotate the relevant Register with a record of the amount actually paid.

3. Optional Redemption

3.1 Optional Redemption prior to 15 June 2022

At any time prior to 15 June 2022 the Issuer is entitled, at its option, to redeem the Notes, in whole or in part, upon not less than 10 nor more than 60 days' prior notice to the holders of the Notes at a redemption price equal to 100% of the principal amount of such Notes plus the Applicable Premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date).

For purposes of this Condition 3.1:

"**Applicable Premium**" means, with respect to a Note on any redemption date, the greater of (i) 1.00% of the principal amount of such Note, and (ii) the excess of (to the extent positive): (A) the present value at such redemption date of (x) 100% of the principal amount of the Notes to be redeemed plus (y) all required remaining interest payments due on such Note to and including 15 June 2022 (excluding any accrued but unpaid interest to such redemption date), computed using a discount rate equal to the Bund Rate at such redemption date plus 50 basis points, over (B) the outstanding principal amount of such Note on such date of redemption, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate. For the avoidance of doubt, the calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Principal Paying Agent or the Registrar.

"**Bund Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where: (i) "**Comparable German Bund Issue**" means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to 15 June 2022 and that would be utilized at the time of selection, and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to the period from the redemption date to 15 June 2022; *provided*, however, that if the period from such redemption date to 15 June 2022 is not equal to the fixed maturity of the German *Bundesanleihe* security selected by such Reference German Bund Dealer, the Bund Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German *Bundesanleihe* securities for which such yields are given, except that if the period from such redemption date to 15 June 2022 is less than one year, a fixed maturity of one year shall be used; (ii) "**Comparable German Bund Price**" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations; (iii) "**Reference German Bund Dealer**" means any dealer of German *Bundesanleihe* securities appointed by the Issuer in good faith; and (iv) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third business day in Germany preceding the redemption date.

3.2 Optional Redemption upon an Equity Offering

At any time prior to 15 June 2022, upon not less than 10 nor more than 60 days' notice, the Issuer may, at its option, on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Trust Deed at a redemption price equal to 103.125% of the principal amount of such Notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date (subject to the right of holders of Notes of record on the relevant record date to receive interest due on the relevant interest payment date), with an amount equal to all or part of the net proceeds received by the Issuer from one or more Equity Offerings; *provided*, however, that:

(a) at least 65% of the aggregate principal amount of Notes (including any Additional Notes) issued under the Trust Deed would remain outstanding immediately after the occurrence of such redemption; and

(b) the redemption occurs within 90 days of the closing of such Equity Offering.

3.3 Optional Redemption on or after 15 June 2022

At any time and from time to time on or after 15 June 2022, the Issuer may, at its option, redeem all or part of the Notes upon not less than 10 nor more than 60 days' prior notice, at the redemption prices, expressed as percentages of principal amount of such Notes, or part thereof, to be redeemed, set forth below, plus accrued and unpaid interest thereon, if any, to the applicable redemption date, if redeemed during the 12-month period beginning on 15 June 2022 of the years indicated below:

Year	Percentage
2022	101.563%
2023	100.781%
2024 and thereafter	100.000%

3.4 Selection; Notice

If less than all of the Notes are to be redeemed at any time, the Notes will be redeemed on a *pro rata* basis (or, in the case of Notes issued in global form, based on a method that most nearly approximates a *pro rata* selection and in accordance with the rules and procedures of the applicable clearing system) unless otherwise required by law or by a relevant clearing system or by an applicable stock exchange or depositary requirements. No Note of €100,000 in aggregate principal amount or less will be redeemed in part. If the Issuer redeems any Notes in part only, the notice of redemption relating to such Notes shall state the portion of the principal amount thereof to be redeemed. In case of any certificated Notes, a new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Noteholder thereof upon cancellation of the original Note. In case of a global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Once notice of redemption is sent to the holders, Notes or portions thereof called for redemption become due and payable at the redemption price on the redemption date (subject to the satisfaction of any conditions precedent set forth in the redemption notice), and, commencing on the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption unless payment of the redemption monies and/or accrued interest (if any) is improperly withheld or refused, in which case interest will continue to accrue as provided in the Trust Deed.

Any redemption notice given under this Condition 3 may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions, including in the case of a redemption pursuant to Condition 3.2, the completion of the related Equity Offering.

4. Taxation

4.1 Additional Amounts

(a) All payments made by or on behalf of the Issuer (including any successor entity) (each, a "**Payor**") under or with respect to the Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future tax, duty, levy, impost, assessment, deduction, withholding or other governmental charge (including penalties, interest and other additions related thereto) (hereinafter "**Taxes**") imposed or levied by or on behalf of the Republic of France, any jurisdiction from or through which payment is made, and (if different) any jurisdiction to which the payment is effectively connected and in which the payor has a permanent establishment or is resident for tax purposes, and, in each case, any political subdivision or taxing authority thereof or therein (each a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law.

(b) If any amounts are required to be withheld or deducted for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes, the Payor, to the fullest extent then permitted by law, will be required to pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by holders of the Notes (including Additional Amounts) after such withholding or deduction will not be less than the amount such holder of the Notes would have received if such Taxes had not been withheld or deducted; *provided*, however, that the foregoing obligation to pay Additional Amounts shall not apply to:

(i) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant holder or beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant holder, if the relevant holder is an estate, trust, partnership or corporation) and the Relevant Taxing Jurisdiction but excluding any connection arising from the ownership or holding of such Note, the enforcement of rights under such Note following an Event of Default or the receipt of payment in respect of such Note;

(ii) estate, inheritance, gift, sales, excise, transfer, personal property or similar Taxes;

(iii) any Taxes that would not have been imposed but for the presentation of the Note by the holder for payment (where presentation is required in order to receive payment) more than 30 days after the date on which such payment on such Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);

(iv) any Taxes imposed on or with respect to any payment by the Issuer to the holder on the sole basis that such holder is a fiduciary or partnership or any person other than the beneficial owner of such payment or to the extent that a beneficiary or settlor with respect of such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of such Note;

(v) any withholding or deduction imposed as a result of the failure of the holder or beneficial owner of the Notes to comply with any reasonable written request, made to that holder or beneficial owner in writing at least 30 days before any such withholding or deduction would be payable by the Issuer or the relevant Paying Agent, to provide timely and accurate information concerning the nationality, residence or identity of such holder or beneficial owner of the Notes or to make any valid and timely declaration or similar claim or satisfy any certification information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from or reduction in all or part of such withholding or deduction;

(vi) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable) or otherwise imposed pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (or any amended or successor version that is substantively comparable), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental agreement relating thereto; or

(vii) any combination of the above.

(c) The Payor will make all required withholdings and deductions and will remit the full amount required to be deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Issuer will provide certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, or if such tax receipts are not available, certified copies or other reasonable evidence of such payments as soon as reasonably practicable to the Trustee. Such copies shall be made available to the holders of the Notes upon reasonable request and will be made available at the offices of the Paying Agent.

(d) If any Payor is obliged to pay Additional Amounts under or with respect to any payment made on any Note, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable thereafter). The Trustee shall be entitled to rely solely on such Officer's Certificate as conclusive proof that such payments are necessary.

(e) Whenever in the Trust Deed or the Conditions there is mentioned, in any context (i) the payment of principal; (ii) purchase prices in connection with a purchase of Notes; (iii) interest; or (iv) any other amount payable on or with respect to any of the Notes, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

(f) The Payor will pay any present or future stamp, issuance, registration, transfer or documentary taxes or any other excise or property taxes, charges or similar levies, and any penalties, additions to tax or interest due with respect thereto, that may be imposed in a Relevant Taxing Jurisdiction in connection with the execution, delivery, or registration of, or receipt of payment with respect to, any Notes, the Trust Deed or any other document or instrument referred to therein, or in any relevant jurisdiction in connection with any enforcement action following an Event of Default.

(g) The obligations described under this heading will survive any termination or discharge of the Notes and the Trust Deed and will apply *mutatis mutandis* to any jurisdiction in which any successor person to a Payor is organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under or with respect to the Notes is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

4.2 Redemption for Changes in Withholding Taxes

(a) The Issuer may redeem the Notes, at its option, at any time as a whole but not in part, upon not less than 10 nor more than 60 days' notice, at 100% of the principal amount thereof, plus accrued and unpaid interest (if any) to the date of redemption (subject to the right of holders of Notes of record on the relevant record date to receive interest due on the relevant interest payment date), in the event the Issuer has become or would become obligated to pay, on the next date on which any amount would be payable with respect to the Notes, any Additional Amounts as a result of:

(i) a change in or an amendment to the laws (including any regulations or rulings promulgated thereunder) of, or any treaties applicable to, any Relevant Taxing Jurisdiction (or any political subdivision or taxing authority thereof or therein); or

(ii) any change in or amendment to any official position regarding the application or interpretation of such laws, treaties, regulations or rulings (including a judgment by a court of competent jurisdiction),

which change or amendment is announced or becomes effective on or after the Issue Date (or, if the Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction after the Issue Date, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction) and the Issuer cannot avoid such obligation by taking reasonable measures available to it.

(b) Before the Issuer notifies the holders of the Notes of a redemption of the Notes as described above, the Issuer will deliver to the Trustee an Officers' Certificate to the effect that the Issuer cannot avoid the obligation to pay Additional Amounts by taking reasonable measures available to it. The Issuer will also deliver an opinion of independent legal counsel of recognized standing and an Officers' Certificate, each stating that the Issuer would be obligated to pay Additional Amounts as a result of a change in laws, treaties, regulations or rulings or the application or interpretation of such laws, treaties, regulations or rulings. The Trustee shall accept the Officers' Certificate and such opinion as sufficient evidence of the satisfaction of the conditions precedent described above without further liability to holders in respect thereof.

5. Change of Control

5.1 Upon the occurrence after the Issue Date of a Change of Control (as defined below), each holder of the Notes will have the right to require that the Issuer purchase all or any part (equal to €100,000 or any integral multiple of €1,000 in excess thereof) of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date).

5.2 For purposes of these Conditions, a "**Change of Control**" occurs:

(a) if any "person" or "group" (as such terms are used in Section 13(d)(3) of the Exchange Act), other than any person that owns more than 50% of the Voting Stock of the Issuer as of the Issue Date (a) becomes the owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer; (b) becomes the owner, directly or indirectly, of more than 40% of the Voting Stock of the Issuer, and no other person or group owns, directly or indirectly, a higher percentage of the Voting Stock of the Issuer than the specified person or group; (c) becomes able to use the voting rights attributable to its Voting Stock to determine in fact the decisions made at the Issuer's general shareholders' meetings; or (d) owns Voting Stock of the Issuer and gains the power to appoint or dismiss the majority of the members of the Issuer's Board of Directors; or

(b) upon the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Issuer and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is defined above)) other than any person that owns more than 50% of the Voting Stock of the Issuer as of the Issue Date.

5.3 Within 30 days following any Change of Control, the Issuer will notify each holder of the Notes in accordance with Condition 16 with a copy to the Trustee (the "**Change of Control Offer**") stating:

(a) that a Change of Control has occurred and that such holder has the right to require the Issuer to purchase such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of holders of the Notes of record on the relevant record date to receive interest on the relevant interest payment date);

(b) the circumstances and relevant facts regarding such Change of Control;

(c) the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given); and

(d) the instructions, as determined by the Issuer, consistent with this Condition 5, that a holder must follow in order to have its Notes purchased.

5.4 The Issuer will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption for the redemption of the Notes in whole but not in part has previously been given pursuant to Condition 3, unless there has been a Default in payment of the applicable redemption price.

5.5 The Issuer will comply with the requirements of applicable securities laws or regulations in connection with the purchase of the Notes as a result of a Change of Control. To the extent that the provisions of any applicable securities laws or regulations conflict with the provisions of this Condition 5, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Condition 5 by virtue of its compliance with such securities laws or regulations.

5.6 The provisions of this Condition 5 relative to the obligations of the Issuer to make an offer to purchase the Notes as a result of a Change of Control may be waived or modified with the written consent of, or Extraordinary Resolution (as defined in the Trust Deed) approved by, the holders of a majority in principal amount of the Notes for the time being outstanding.

6. Covenants

6.1 Limitation on Indebtedness

(a) The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Debt), and the Issuer will not, and will not permit any Subsidiary to, issue any Disqualified Stock, and will not permit any of its Subsidiaries to issue any shares of Preferred Stock; *provided*, *however*, that:

(i) the Issuer may Incur Indebtedness (including Acquired Debt) or issue Disqualified Stock, in each case, if the Fixed Charge Coverage Ratio for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding the date on which such Indebtedness is Incurred or such Disqualified Stock is issued, as the case may be, would have exceeded 2.0 to 1.0, in each case determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if such Indebtedness had been Incurred or such Disqualified Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such two-half-year period; and

(ii) Subsidiaries of the Issuer may Incur Indebtedness (including Acquired Debt) or issue Disqualified Stock or Preferred Stock, in each case, if (x) the Fixed Charge Coverage Ratio for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding the date on which such Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have exceeded 2.0 to 1.0, and (y) the Consolidated Senior Net Indebtedness Ratio for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding the date on which such Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued, as the case may be, would have been less than 0.75 to 1.0, in the case of (x) and (y) determined on a *pro forma* basis (including a *pro forma* application of the net proceeds therefrom), as if such Indebtedness had been Incurred or such Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such two-half-year period.

(b) Condition 6.1(a) will not prohibit the Incurrence of any of the following items of Indebtedness:

(i) Indebtedness Incurred by the Issuer pursuant to Credit Facilities in an aggregate principal amount outstanding at any time not exceeding the greater of (x) €2,150.0 million and (y) 15% of Consolidated Total Assets;

(ii) Indebtedness owed to and held by the Issuer or a Subsidiary; *provided*, however, that any subsequent issuance or transfer of any Capital Stock which results in any such Subsidiary (to which such Indebtedness is owed) ceasing to be a Subsidiary or any subsequent disposition, pledge or transfer of such Indebtedness (other than to the Issuer or a Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon not permitted by this sub-clause (ii); and *provided* further that in the case of any such Indebtedness owed by the Issuer to a Subsidiary, such Indebtedness shall (if and to the extent legally permitted) by its terms be Subordinated Indebtedness;

(iii) Indebtedness represented by the Notes (other than any Additional Notes);

(iv) Indebtedness of the Issuer or any Subsidiary outstanding on the Issue Date (other than Indebtedness specified in sub-clauses (i), (iii) and (xi) of this Condition 6.1(b));

(v) Indebtedness of any Person that is assumed by the Issuer or any Subsidiary in connection with the Issuer's or any such Subsidiary's acquisition of assets from such Person or any Affiliate thereof or is issued and outstanding on or prior to the date on which such Person was acquired by the Issuer or any Subsidiary or merged or consolidated with or into the Issuer or any Subsidiary (other than Indebtedness Incurred to finance, or otherwise Incurred in connection with, or in contemplation of, such acquisition, merger or consolidation), *provided* that on the date of such acquisition, merger or consolidation, after giving *pro forma* effect thereto, the Issuer could incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge

Coverage Ratio in clause (a) of this Condition 6.1 or the Fixed Charge Coverage Ratio is equal to or greater than the Fixed Charge Coverage Ratio immediately prior to giving such *pro forma* effect thereto;

(vi) the Incurrence of Refinancing Indebtedness by the Issuer or any Subsidiary in exchange for or the net proceeds of which are used to refund, replace, defease or refinance Indebtedness Incurred by the Issuer or any Subsidiary pursuant to clause (a) of this Condition 6.1 or sub-clause (iii), (iv) or (v) or this sub-clause (vi) of this Condition 6.1(b);

(vii) Hedging Obligations of the Issuer or any Subsidiary Incurred in the ordinary course of business and not for speculative purposes;

(viii) Obligations in respect of worker's compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid, stay, customs, appeal, surety bonds and similar bonds and completion guarantees provided by the Issuer or any Subsidiary in the ordinary course of business;

(ix) Indebtedness arising from agreements of the Issuer or a Subsidiary providing for indemnification, adjustment of purchase price, earn-out or similar Obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Issuer or any Subsidiary; *provided* that such Indebtedness is not reflected on the balance sheet of the Issuer or any Subsidiary (it being understood that contingent Obligations referred to in a footnote to financial statements and not otherwise reflected on such balance sheet shall not be deemed to be reflected on such balance sheet for purposes of this sub-clause);

(x) Indebtedness of the Issuer or any Subsidiary in respect of (A) letters of credit, bankers' acceptances, bank guarantees (*cautions bancaires or garanties à premiére demande*) or other similar instruments or obligations issued, or relating to liabilities or obligations Incurred, in the ordinary course of business and not in connection with the borrowing of money (including those issued to governmental entities in connection with self-insurance under applicable workers' compensation statutes), or (B) decrees, attachments or awards or completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations or take-or-pay obligations contained in supply agreements, or relating to liabilities or obligations Incurred, in the ordinary course of business; *provided* that, with respect to the drawing of letters of credit, such Indebtedness is reimbursed within 30 days following such drawing;

(xi) Purchase Money Indebtedness and Capital Lease Obligations incurred by the Issuer or any Subsidiary for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of, or leasing of, property, plant or equipment used in the business of the Issuer or any of its Subsidiaries (including any reasonable fees and expenses Incurred in connection with such purchase, design, construction, installation or improvement), and any refinancing of Indebtedness with respect thereto, in an aggregate principal amount at any time outstanding not exceeding the sum of (A) an amount equal to the greater of €790.0 million and 5.5% of Consolidated Total Assets and (B) €700.0 million (being the maximum amount of additional liabilities that would have been recognised on the consolidated balance sheet of the Issuer as of 31 December 2018 had IFRS 16 *Leases* been in effect on such date);

(xii) the Incurrence by the Issuer or any of its Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within ten Business Days;

(xiii) customer deposits and advance payments (not in connection with the borrowing of money) received from customers for goods or services purchased in the ordinary course of business;

(xiv) Indebtedness of the Issuer or a Subsidiary owing to the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank, *Fonds Industriel de Modernisation, Fond de Développement Economique et Social* or any multilateral, governmental or European Union-controlled or US-controlled financial institution in an aggregate principal amount at any time outstanding not to exceed €550.0 million; *provided* that the aggregate principal amount at any time outstanding of such Indebtedness that is secured by a Lien does not to exceed €300.0 million;

(xv) any guarantee by the Issuer or a Subsidiary of Indebtedness of the Issuer or of a Subsidiary, which Indebtedness in each case is permitted to be Incurred by another provision of this Condition 6.1; *provided* that any such guarantee of Indebtedness of the Issuer by a Subsidiary is made in compliance with Condition 6.4;

(xvi) any guarantees of the Issuer and its Subsidiaries in respect of Qualified Joint Ventures in an aggregate amount at any time outstanding not to exceed €600.0 million;

(xvii) Indebtedness of the Issuer or any Subsidiary arising as a result of implementing composite accounting or other cash pooling arrangements, treasury or cash management arrangements or netting or setting off arrangements involving solely the Issuer and other members of the Group or solely among the members of the Group;

(xviii) Indebtedness of the Issuer or any Subsidiary (other than and in addition to Indebtedness permitted under sub-clauses (i) through (xvii) or sub-clause (xix) of this Condition 6.1(b)) in an aggregate principal amount at any time outstanding not to exceed the greater of €715.0 million and 5.0% of Consolidated Total Assets; and

(xix) shares of Preferred Stock of a Subsidiary issued to the Issuer or another Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock which results in any Subsidiary that holds such shares of Preferred Stock of another Subsidiary ceasing to be a Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (xix).

(c) For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this Condition 6.1:

(i) (x) any Indebtedness outstanding on the Issue Date under the Senior Credit Facility will be treated as Incurred under clause (b)(i) above and may not be reclassified; (y) any Indebtedness Incurred under the Schuldschein Loan shall be treated as Incurred under clause (b)(iv) above and may not be reclassified; and (z) any Indebtedness described under clause (v) of the definition of ''Indebtedness'' (whether outstanding on the Issue Date or Incurred thereafter) shall be treated as Incurred under clause (b)(xi) above and may not be reclassified;

(ii) subject to sub-clause (i) above, (x) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and may include the amount and type of such Indebtedness in one or more of the above clauses (including in part under one clause and in part under another such clause) and (y) the Issuer will be entitled to divide and re-classify an item of Indebtedness in more than one of the types of Indebtedness described above;

(iii) any other obligation of the obligor on such Indebtedness (or of any other Person who could have Incurred such Indebtedness under this Condition 6.1) arising under any guarantee, Lien, letter of credit, bankers' acceptance or other similar instrument or obligation securing or supporting such Indebtedness (other than such guarantee, Lien, letter of credit, bankers' acceptance or other similar instrument issued by the Issuer and securing or supporting Indebtedness of a Subsidiary) shall be disregarded to the extent that such guarantee, Lien, letter of credit, bankers' acceptance or other similar instrument or obligation secures or supports such Indebtedness; and

(iv) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with IFRS.

(d) For purposes of determining compliance with this Condition 6.1, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness Incurred under a revolving credit facility; *provided* that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (iii) if any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreement. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and the Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

6.2 Limitation on Liens

The Issuer will not, and will not permit any Subsidiary to, directly or indirectly, Incur or permit to exist any Lien on any of its properties (including Capital Stock of a Subsidiary), whether owned at the Issue Date or thereafter acquired, securing Indebtedness ("**Initial Liens**") other than Permitted Liens without effectively providing that the Notes shall be secured (i) equally and ratably with the Indebtedness so secured or (ii) if such Indebtedness is Subordinated Indebtedness, prior to the Subordinated Indebtedness so secured, for so long as such Indebtedness is so secured. Any Lien thereby created in favor of the holders of the Notes under this Condition 6.2 will be automatically and unconditionally released and discharged upon (a) the release and discharge of the Initial Lien to which it relates or (b) any sale, exchange or transfer to any Person, which is not the Issuer or an Affiliate of the Issuer, of the property or assets secured by such Initial Lien or of all the Capital Stock of the entity holding such property or assets (or of a Person of which such entity is a Subsidiary), in each case, that is otherwise permitted by these Conditions (but only if all other Liens on the same property or assets that were required to be given under the terms of other Indebtedness as a result of the Initial Lien having been given or having arisen have also been, or upon such sale, exchange or transfer, would also be, unconditionally released and discharged).

6.3 Merger and Consolidation

(a) The Issuer shall not, in a single transaction or through a series of transactions, consolidate with or merge with or into any other Person, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the Issuer's properties and assets to any other Person or Persons.

(b) Clause (a) will not apply if:

(i) either at the time and immediately after giving effect to any such consolidation or merger, (x) the Issuer shall be the continuing corporation or (y) the Person (if other than the Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the Issuer's properties and assets or all or substantially all of the properties and assets of the Issuer and of the Subsidiaries on a consolidated basis has been made (the "**Surviving Entity**"):

(A) shall be a corporation duly organized and validly existing under the laws of France, any other member state of the European Union, Switzerland, the United States of America, any state thereof or the District of Columbia; and

(B) expressly assumes the obligations of the Issuer under the Notes, the Trust Deed (pursuant to a supplemental Trust Deed) and the Agency Agreement (pursuant to a supplemental Agency Agreement), in form and substance reasonably satisfactory to the Trustee, and the Notes and the Trust Deed remain in full force and effect as so supplemented;

(ii) immediately after giving effect to any such consolidation, merger, sale, assignment, transfer, lease or other disposition on a *pro forma* basis (and treating any Obligation of the Issuer or any Subsidiary incurred in connection with or as a result of such transaction or series of transactions as having been incurred by the Issuer or any Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(iii) immediately after giving effect to any such consolidation, merger, sale, assignment, transfer, lease or other disposition on a *pro forma* basis (on the assumption that such transaction or series of transactions occurred on the first day of the two-half-year period immediately prior to the consummation of such transaction or series of transactions for which internal financial statements of the Issuer are available, with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation):

(A) the Issuer (or the Surviving Entity if the Issuer is not a continuing obligor under these Conditions) could Incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in clause (a) of Condition 6.1; or

(B) the Fixed Charge Coverage Ratio of the Issuer (or if applicable, the Surviving Entity) would not be less than it was immediately prior to giving such *pro forma* effect to such transaction; and

(iv) the Issuer or the Surviving Entity shall have delivered to the Trustee, in a form and substance reasonably satisfactory to the Trustee, an Officers' Certificate (attaching the computations to demonstrate compliance with sub-clauses (ii) and (iii) above) and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental Trust Deed and a supplemental Agency Agreement are required in connection with such transaction, such supplemental Trust Deed and supplemental Agency Agreement will comply with the requirements of the Trust Deed and the Agency Agreement and such supplemental Trust Deed and supplemental Agency Agreement have been duly authorized, executed and delivered by the Issuer and/or Surviving Entity and constitute legal, valid, binding and enforceable obligations of each such party thereto, *provided* that in giving such opinion such counsel may rely on an Officers' Certificate as to compliance with the foregoing clauses (ii) and (iii) and as to matters of fact and such opinion may contain customary assumptions and qualifications. No Opinion of Counsel shall be required for a consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition described in paragraph (c) of this Condition 6.3.

(c) (A) Paragraph (a) of this Condition 6.3 shall not apply to any transaction in which any Subsidiary consolidates with, merges into or transfers all or part of its assets to the Issuer (with the Issuer as the Surviving Entity thereof) and (B) sub-clauses (ii) and (iii) of paragraph (b) of this Condition 6.3 shall not apply if the Issuer consolidates or merges with or into or transfers all or substantially all its properties and assets to (x) an Affiliate of the Issuer that is incorporated or organized for the purpose of reincorporating or reorganizing the Issuer in another jurisdiction or changing its legal structure to another entity or (y) a Subsidiary of the Issuer so long as all assets of the Issuer and the Subsidiaries of the Issuer immediately prior to such transaction (other than Capital Stock of such Subsidiary) are owned by such Subsidiary and its Subsidiaries immediately after the consummation thereof.

(d) In the case of any transaction complying with this Condition to which the Issuer is a party, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Trust Deed; *provided* that the predecessor Issuer shall not be relieved from its obligations to pay the principal and interest on the Notes in the case of a lease of all or substantially all of the assets of the Issuer and the Subsidiaries taken as a whole.

6.4 Limitation on Issuances of Guarantees of Indebtedness

(a) The Issuer will not cause or permit any Subsidiary to guarantee (whether directly or indirectly) any Indebtedness of the Issuer (other than the Notes but including, for the avoidance of doubt, Indebtedness under any Credit Facility Incurred pursuant to Condition 6.1(b)(i)) and without limitation, unless (x) the Issuer simultaneously causes such Subsidiary to provide, by way of a supplemental Trust Deed in form and substance reasonably satisfactory to the Trustee, a guarantee of the Notes on a substantially identical basis and ranking senior to or *pari passu* with such Subsidiary's guarantee of such other Indebtedness of the Issuer, which guarantee of the Notes shall be legally valid and enforceable to at least the same degree as such guarantee of other Indebtedness of the Issuer and shall be in effect for so long as such Subsidiary's guarantee of such other Indebtedness of the Issuer remains in effect, and (y) with respect to any guarantee of Subordinated Indebtedness of the Issuer by such Subsidiary, any such guarantee shall be subordinated to such Subsidiary's guarantee with respect to the Notes at least to the same extent as such Subordinated Indebtedness is subordinated to the Notes. Any guarantee by a Subsidiary of the Notes that is required by the immediately preceding sentence may, as necessary, be subject to any limitation under applicable law (including, without limitation, laws relating to maintenance of share capital, corporate benefit, fraudulent conveyance or transfer, transactions under value, voidable preference and financial assistance), *provided* that such limitation also applies to such guarantee of such other Indebtedness of the Issuer to at least the same extent as it applies to such guarantee of the Notes.

(b) This Condition 6.4 shall not be applicable to any guarantees by any Subsidiary: (i) that existed as of the Issue Date or at the time such Person became a Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Subsidiary; or (ii) given to a bank or trust company or other financial institution referred to in clause (ii) of the definition of Cash Equivalents in respect of or in connection with the operation of cash management or pooling programs or treasury arrangements or similar arrangements established for the Issuer's benefit or that of any member of the Group.

(c) Notwithstanding the foregoing, the Issuer shall not be obliged to cause such Subsidiary to guarantee the Notes pursuant to this Condition 6.4 to the extent that such guarantee by such Subsidiary would reasonably be expected to give rise to or result in a violation of applicable law which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Subsidiary or any liability for the officers, directors or shareholders of such Subsidiary. In the event that the Issuer shall seek, pursuant to the immediately preceding sentence, to cause or permit a Subsidiary to guarantee Indebtedness of the Issuer without such Subsidiary being obliged to guarantee the Notes (and prior to the issuance of such guarantee), the Issuer will deliver to the Trustee an Officers' Certificate to the effect that either (i) such Subsidiary cannot prevent or avoid a violation of applicable law that would reasonably be expected to arise or result from the giving of a guarantee by measures reasonably available to it or such Subsidiary or (ii) the giving of the guarantee by a Subsidiary would reasonably be expected to give rise to liability for the officers, directors or shareholders of such Subsidiary, and the Trustee shall accept such as sufficient evidence thereof without further liability to the Noteholders or any other Person in respect thereof.

(d) Any additional guarantee created for the benefit of the Noteholders pursuant to this Condition 6.4 will automatically and unconditionally be released under the same conditions and circumstances that the guarantee of the other Indebtedness of the Issuer that gave rise to the obligation to guarantee the Notes will be released, so long as no Event of Default would otherwise arise as a result and no other Indebtedness of the Issuer is at that time guaranteed by the relevant Subsidiary.

6.5 Business Activities

The Issuer will not, and will not permit any of its Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Subsidiaries taken as a whole.

6.6 Payments for Consent

The Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of the Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Trust Deed, the Agency Agreement or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set out in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer and its Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Trust Deed, the Agency Agreement or the Notes, to exclude holders of Notes in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an offer to purchase for cash, or (ii) the payment of the consideration therefor (A) would require the Issuer or any of its Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), in each case, which the Issuer reasonably determines (acting in good faith) would be materially burdensome or (B) would otherwise not be permitted under applicable law in such jurisdiction.

6.7 Reports

As long as any Notes are outstanding, the Issuer will furnish to the holders of the Notes and to the Trustee:

(a) within 120 days after the end of the Issuer's fiscal year (beginning with the fiscal year ended 31 December 2018), annual reports, which shall contain the following information with a level of detail that is substantially comparable to the offering circular related to the issuance of the Notes on the Issue Date: (i) audited consolidated balance sheets of the Issuer as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Issuer for the two most recent fiscal years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (ii) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (iii) a description of the business, management and shareholders of the Issuer, all material affiliate transactions and a description of all material new contractual arrangements, including material debt instruments (unless such contractual arrangements were described in a previous annual or semi-annual report, in which case the Issuer need describe only any material changes); and (iv) material risk factors relating to the business of the Issuer and material recent developments;

(b) within 45 days following the end of the first half-year period in each fiscal year of the Issuer (beginning with the half-year ending 30 June 2019), semi-annual reports containing the following information: (i) an unaudited condensed consolidated balance sheet of the Issuer as of the end of such period and unaudited condensed consolidated statements of income and cash flow of the Issuer for the semi-annual period ending on the unaudited condensed consolidated balance sheet date and the comparable prior year period, together with condensed footnote disclosure; (ii) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources, and a discussion of changes in material commitments and contingencies and changes in critical accounting policies; and (iii) material recent developments;

(c) quarterly consolidated sales data of the Issuer for each of the first and third quarter of each fiscal year of the Issuer, in each case not later than 60 days after the end of the relevant quarter; and

(d) promptly after the occurrence of a material acquisition or disposition, any restructuring of the Issuer and its Subsidiaries, taken as a whole, any change in the Chief Executive Officer, Chief Financial Officer or any Executive Vice President of the Issuer, any change in auditors or any other material event that the Issuer announces publicly, a report containing a description of such event.

At the same time as it delivers the financial statements referred to in Condition 6.7, the Issuer shall deliver to the Trustee an Officer's Certificate certifying its compliance with this Condition 6 and that no Default or Event of Default has occurred or if it has, giving detail of such Default or Event of Default. The Trustee shall have no obligation to read or analyze any information or report delivered to it under this Condition 6.7 and shall have no obligation to determine whether any such information or report complies with the provisions of this Condition 6.7 and shall not be deemed to have notice of anything disclosed therein and shall incur no liability by reason thereof.

The Issuer will also make available copies of all reports required by this Condition 6.7 (i) on its website and (ii) if and so long as the Notes are listed on the Global Exchange Market and the rules of Euronext Dublin so require, at the specified office of the paying agent.

7. Suspension of Covenants During Achievement of Investment Grade Status

7.1 If during any period the Notes have achieved and for so long as the Notes continue to maintain Investment Grade Status and no Event of Default shall have occurred and be continuing (such period, an "**Investment Grade Status Period**"), upon written notice by the Issuer to the Trustee in an Officers' Certificate certifying such Investment Grade Status and the absence of any Event of Default, the following Conditions will be suspended and will not be applicable to the Issuer and the Subsidiaries during such period:

(a) Condition 6.1;

(b) Condition 6.2;

(c) Condition 6.3(b)(iii); and

(d) Condition 6.4.

Covenants and other provisions of these Conditions that are suspended during an Investment Grade Status Period will be immediately reinstated and will continue to exist during any period in which the Notes do not have Investment Grade Status. No action taken during an Investment Grade Status Period or prior to an Investment Grade Status Period in compliance with the covenants then applicable will constitute a Default or an Event of Default under the Notes in the event that suspended covenants and provisions are subsequently reinstated or suspended, as the case may be. For the avoidance of doubt, an Investment Grade Status Period will not commence until the Issuer has provided written notice to the Trustee in accordance with this Condition 7.1.

For purposes of this Condition, "**Investment Grade Status**" exists as of any time if at such time the Notes have been assigned at least two of the following ratings: (x) BBB- or higher by S&P, (y) Baa3 or higher by Moody's or (z) BBB- or higher by Fitch.

8. Currency Indemnity

8.1 Euros are the sole currency of account and payment for all sums payable by the Issuer under the Notes and the Trust Deed. Any amount received or recovered in a currency other than euros in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or in the winding-up or dissolution of the Issuer or its Subsidiaries or otherwise) by the Trustee or a holder of the Notes in respect of any sum expressed to be due to it from the Issuer shall constitute a discharge of the Issuer only to the extent of the euros amount which the recipient is able to purchase with the amount so received or recovered in such other currency, on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that euro amount is less than the euro amount expressed to be due to the recipient under any Note, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the Trustee or the holders of the Notes to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of euros been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euros on such date had not been practicable, on the first date on which it would have been practicable).

8.2 The indemnity set forth in Condition 8.1, to the extent permitted by law:

(a) constitutes a separate and independent obligation from the other obligations of the Issuer;

(b) shall give rise to a separate and independent cause of action;

(c) shall apply irrespective of any waiver granted by the Trustee or any holder of the Notes; and

(d) shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

The indemnity pursuant to this Condition 8 shall be a senior obligation with respect to the Issuer on the same basis and to the same extent as all other payment obligations of the Issuer hereunder.

9. Events of Default

9.1 Each of the following is an Event of Default with respect to the Notes (each, an "**Event of Default**"):

(a) (x) a default in the payment of interest on the Notes when due, continued for 30 days, or (y) a default in the payment of Additional Amounts for 30 days after notice thereof to the Issuer;

(b) a default in the payment of principal of, or premium (if any) on, any Note when due at its Stated Maturity, upon optional redemption, a repurchase required by these Conditions, acceleration or otherwise;

(c) failure by the Issuer to comply with its obligations under Condition 5 or Condition 6.3;

(d) failure by the Issuer to comply for 60 days after written notice from the Trustee, or holders of at least 25% in aggregate principal amount of Notes, with any other covenant contained in these Conditions or the Trust Deed;

(e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Subsidiaries), whether such Indebtedness now exists or is created after the Issue Date, if that default:

  (i) is caused by a failure to pay principal of such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "**Payment Default**"); or

  (ii) results in the acceleration of such Indebtedness prior to its Stated Maturity,

  and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €100.0 million or more;

(f) the taking of any of the following actions by the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law: (A) the commencement of a voluntary case (including, the appointment of a voluntary administrator); (B) the consent to the entry of an order for relief against it in an involuntary case; (C) the consent to the appointment of a Custodian of it or for any substantial part of its property (unless such appointment is done on a solvent basis or is in connection with a transaction or series of related transactions permitted by Condition 6.3) or (D) the making of a general assignment for the benefit of its creditors;

(g) the Issuer, or any Significant Subsidiary that is established in France (without prejudice to the other paragraphs of this Condition) (A) is unable to pay its due debt out of its available assets (*cessation des paiements*) within the meaning of Articles L.631-1 et seq. of the French Commercial Code; or (B) without limitation to the foregoing, is subject, on its own initiative or on the initiative of a third party, to: (1) an amicable liquidation or a dissolution (other than merger or dissolution permitted by these Conditions); (2) a request of nomination of a *mandataire ad hoc* as provided in Articles L.611-3 et seq. of the French Commercial Code; (3) the opening of proceedings for *sauvegarde, sauvegarde financiére accélérée, sauvegarde accélérée, redressement judiciaire* or *liquidation judiciaire*, (4) a bankruptcy judgment (*redressement judiciaire or liquidation judiciaire*) in accordance with Articles L.631-1 et seq. and L.640-1 et seq. of the French Commercial Code or a judgment for the *cession totale ou partielle de l'entreprise* in accordance with Articles L.642-1 et seq. of the French Commercial Code; or (5) a conciliation proceeding under L.611-4 et seq. of the French Commercial Code;

(h) a court of competent jurisdiction enters an order, judgment or decree under any Bankruptcy Law that: (A) is for relief against the Issuer or any Significant Subsidiary in an involuntary case; (B) appoints a Custodian of the Issuer or any Significant Subsidiary or for any substantial part of any of their respective property; or (C) orders the winding-up or liquidation of the Issuer or any Significant Subsidiary (unless such winding up or liquidation is done on a solvent basis or is in connection with a transaction or series of related transactions permitted by Condition 6.3); and in any of (A) through (C) the order or decree remains unstayed and in effect for 60 consecutive days; or

(i) the rendering of any final judgment by a court of competent jurisdiction for the payment of money in an amount (net of any insurance or indemnity payments actually received in respect thereof prior to or within 60 days from the entry thereof, or to be received in respect thereof in the event any appeal thereof will be unsuccessful) in excess of €100.0 million against the Issuer or a Significant Subsidiary that is not discharged, or bonded or insured by a third Person, if such judgment or decree is not discharged, waived or stayed for a period of 60 consecutive days.

9.2 (a) If an Event of Default (other than an Event of Default specified in sub-clauses (f), (g) or (h) of Condition 9.1) occurs and is continuing, the Trustee (subject as provided below in this Condition 9.2) or the holders of at least 25% in principal amount of the outstanding Notes may declare by notice in writing to the Issuer (an "**Acceleration Notice**") the Notes to be immediately due and repayable at their principal amount together with accrued interest and all other amounts due on all the Notes; *provided*, *however*, that, after delivery of such an Acceleration Notice, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of the outstanding Notes may rescind and annul such acceleration and waive the Default resulting from non-payment of accelerated principal, interest and other amounts due (or instruct the Trustee to do so subject as provided in Condition 9.2) if all Events of Default, other than such non-payment of accelerated principal, interest and other amounts due, have been cured or waived. Upon delivery of an Acceleration Notice, such principal and interest and all other amounts due shall be due and payable immediately. If an Event of Default relating to sub-clauses (f), (g) or (h) of Condition 9.1 occurs, the Notes will automatically become and be immediately due and payable at such amount aforesaid without the requirement for any Acceleration Notice or other act on the part of the Trustee or any holders of the Notes and, for the avoidance of doubt, any requirement for an Event of Default to be continuing will be satisfied upon such automatic acceleration.

(b) Notwithstanding Condition 9.2(a) above, in the event of an Acceleration Notice being delivered in respect of the Notes because an Event of Default specified in Condition 9.1(e) above shall have occurred and be continuing, such Acceleration Notice and such Event of Default and all consequences thereof (including any acceleration or resulting payment default) shall be annulled, waived and rescinded automatically and without any action by the Trustee or the holders of the Notes, and be of no further effect, if the Payment Default or other default triggering such Event of Default pursuant to Condition 9.1(e) shall be remedied or cured by the Issuer or a Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the Acceleration Notice with respect thereto and if (a) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (b) all existing Events of Default, except non-payment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(c) The Trustee may at any time, at its discretion and without notice, take such steps, actions or proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Notes, but it shall not be bound to take any such proceedings or any other step or action in relation to the Trust Deed or the Notes (including, without limitation any action under Condition 9.1 or 9.2(a)) unless (a) subject, where applicable, to the provisions of Condition 12.1, it has been so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes or so requested in writing by the holders of at least 25% in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction.

9.3 In the event that holders of Notes declare the Notes to be accelerated pursuant to Condition 9.2(a), the Trustee shall be entitled to rely on such Acceleration Notice (or any amendment or rescission referred to in Condition 9.2(b)) without any further investigation or liability to any party in connection therewith. Other than as provided in Condition 9.2, no holder of Notes shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

10. No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or stockholder, as such, of the Issuer or any Subsidiary of any thereof shall have any liability for any obligation of the Issuer under these Conditions, the Trust Deed or the Notes or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

11. Prescription

Claims against the Issuer for payment of principal and interest in respect of the Notes will be prescribed and become void unless made, in the case of principal and premium, within ten years or, in the case of interest and Additional Amounts, within five years after the relevant date for payment thereof.

12. Amendments and Waivers

12.1 The Trust Deed contains provisions for convening meetings of the holders of the Notes to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined in the Trust Deed) of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more Persons present holding or representing more than 50% in aggregate principal amount of the Notes for the time being outstanding, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed in each case as set forth in Condition 12.2 below, the necessary quorum for passing an Extraordinary Resolution will be one or more Persons present holding or representing not less than 75% of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of the Notes will be binding on all holders, whether or not they are present at the meeting. Once the requisite quorum is achieved at any meeting, any Extraordinary Resolution may be passed by holders of Notes who are present at such meeting and who hold or represent more than 50% or, in respect of any Extraordinary Resolution relating to any matters described in Condition 12.2, $66^2/3\%$ in aggregate principal amount of the Notes held by all holders who are present or represented at such meeting.

The Trust Deed also provides that a resolution in writing and signed by or on behalf of holders of more than 50% in aggregate principal amount of Notes for the time being outstanding (or in respect of the matters set forth below in Condition 12.2, not less than 75% in aggregate principal amount of Notes for the time being outstanding) shall have the same effect as an Extraordinary Resolution passed at a meeting as described above.

12.2 The matters that require a quorum of 75% at any meeting of holders of the Notes or that require a direction or request or the consent of holders of at least 75% in aggregate principal amount of the Notes for the time being outstanding, as described in Condition 12.1, are:

(a) reducing the principal amount of Notes whose holders must consent to an amendment or a waiver or the principal amount of Notes required to establish a quorum for passing an Extraordinary Resolution;

(b) reducing the rate of or extending the time for payment of interest on the Notes;

(c) reducing the principal of or changing the Stated Maturity of the Notes;

(d) reducing the premium payable upon the redemption of, or changing the date for any redemption of, Notes under Condition 3 or Condition 4.2 (or, after a Change of Control has already occurred, Condition 5);

(e) making any of the Notes payable in a currency other than euro;

(f) impairing the right of any holder of the Notes to (i) receive payment of principal of and interest on such holder's Notes on or after the due dates therefor or (ii) institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(g) making any change in the list of matters specified in this Condition 12.2;

(h) making any change in the ranking or priority of any of the Notes that would adversely affect the holders of the Notes;

(i) making any change in the provisions of Condition 4 that adversely affects the rights of the holders of the Notes or amending the terms of the Notes or the Trust Deed in each case in a manner that would result in the loss of an exemption from any of the Taxes described thereunder; or

(j) waiving a default in the payment of principal of or premium or interest on any Notes (except a rescission of acceleration of the Notes by the holders of the Notes thereof as provided above in these Conditions and a waiver of the payment default that resulted from such acceleration).

12.3 The Trustee may agree, without the consent of the holders of the Notes, (i) to any modification (other than any modification concerning a matter listed in Condition 12.2) of, or to the waiver or authorization of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Default shall not be treated as such (*provided* that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Notes) or, (ii) to any modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

12.4 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorization or determination), the Trustee shall have regard to the general interests of the holders of the Notes as a class but shall not have regard to any interests arising from circumstances particular to individual holders of the Notes (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Trustee shall not be entitled to require, nor shall any holder of Notes be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 4 and/or any undertaking given in addition to, or in substitution for, Condition 4 pursuant to the Trust Deed.

12.5 Any modification, abrogation, waiver, authorization or determination shall be binding on the holders of the Notes and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the holders as soon as practicable thereafter in accordance with Condition 16.

12.6 The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

12.7 The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the holders of the Notes and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

12.8 The Trustee may call for and rely upon an Officers' Certificate as to the amount of any defined term used in Conditions 6 or 9 as at any given time or for any specified period, as applicable, or as to compliance by the Issuer with any of the covenants contained in these Conditions, in which event such Officers' Certificate shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability that may be occasioned by it or any other person acting on such Officers' Certificate.

13. Listing

The Issuer will use its commercially reasonable efforts to maintain the listing of the Notes on the Global Exchange Market of Euronext Dublin (the "**GEM**") for so long as such Notes are outstanding; *provided* that if at any time the Issuer determines that it is unable to list or it can no longer reasonably comply with the requirements for listing the Notes on the GEM or if maintenance of such listing becomes unduly onerous, it will not be obliged to maintain a listing of the Notes on the GEM and will use its commercially reasonable efforts to obtain and maintain a listing of such Notes on another recognized stock exchange in Europe.

14. Agents

14.1 The Agents, when acting in that capacity, are acting solely as agents of the Issuer pursuant to the Agency Agreement and (to the extent provided therein and in the Trust Deed) the Trustee, and the Agents do not assume any obligation towards or relationship of agency or trust for or with any Noteholder.

14.2 The names of the Agents and their specified offices are set out in the Agency Agreement. The Issuer reserves the right under the Agency Agreement at any time with the prior written approval of the Trustee to remove the Registrar and any Paying Agent and to appoint other or further Registrars and Paying Agents; *provided* that it will at all times maintain a Registrar with a specified office outside the United Kingdom. At least 5 Business Days' notice of any such removal or appointment and of any change in the specified office of the Registrar and any Paying Agent will be given to the holders of the Notes in accordance with Condition 16.

15. Replacement of Notes

If any Note is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Paying Agent upon payment by the claimant of such costs as may be incurred in connection with such replacement and on such terms as to evidence, security, indemnity or otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

16. Notices

All notices to the holders of the Notes regarding the Notes will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth Business Day after the date of mailing.

So long as the Notes are represented by a global certificate and such global certificate is held on behalf of a clearing system, notices to the holders of the Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders. In addition, so long as the Notes are listed on Euronext Dublin and traded on the GEM, notices to the holders of the Notes will be published either in a daily newspaper of general circulation in Ireland or on the website of Euronext Dublin.

17. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Conditions under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law, Submission to Jurisdiction and Service of Process

The Trust Deed and the Notes, including any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.

The Issuer has agreed in the Trust Deed, for the benefit of the Trustee and the holders of the Notes, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Notes and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Trust Deed or the Notes may be brought in such courts.

The Issuer has irrevocably waived in the Trust Deed any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum.

The Issuer has agreed in the Trust Deed that the process by which any Proceedings are commenced in England pursuant to this Condition 18 may be served on it by being delivered to Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London, EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer. The Issuer has agreed that the failure of any process agent to notify it of any process will not invalidate the relevant proceedings. Nothing herein shall affect the right of the Trustee and the holders of the Notes to serve process in any other manner permitted by law.

19. Definitions

"**Acquired Debt**" means, with respect to any specified Person:

(i) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary; and

(ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"**Additional Amounts**" has the meaning set forth in Condition 4.1.

"**Additional Notes**" has the meaning set forth in Condition 2.2.

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "**control**" when used with respect to any Person means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms "**controlling**", "**controlled by**" and "**under common control with**" have meanings correlative to the foregoing.

"**Attributable Indebtedness**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Notes, compounded annually) of the total Obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); *provided*, *however*, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "**Capital Lease Obligation**".

"**Average Life**" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(i) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness, multiplied by the amount of such payment by

(ii) the outstanding principal amount of such Indebtedness.

"**Bankruptcy Law**" means Title 11, U.S. Code, or any similar U.S. Federal, state or non-U.S. law for the relief of debtors, including any of the procedures referred to in Titles I to IV of Book VI of the French Commercial Code, and any analogous procedures in the jurisdiction of organization of the Issuer from time to time or of any present or future Significant Subsidiary.

"**Board of Directors**" means, for any Person, the board of directors or other governing body of such Person or, in either case, any committee thereof duly authorized to act on behalf of such board or other governing body. With respect to the Issuer, the "**Board of Directors**" means the Issuer's board of directors (*conseil d'administration*) or any committee thereof.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law to close in London or Paris, and (in relation to any date for payment or purchase of euros) other than any other day on which the Trans-European Automated Real Time Gross Settlement Express Transfer payment system is closed for settlement of payments in euros.

"**Capital Lease Obligation**" means an obligation that is required to be classified and accounted for as a capital or finance lease for financial reporting purposes in accordance with IFRS, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last scheduled payment of rent or any other amount due under such lease without payment of a penalty.

"**Capital Stock**" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Cash Equivalents**" means any of the following: (i) securities issued or fully guaranteed or insured by the United States of America or a member state of the European Union or any agency or instrumentality of any thereof maturing within 360 days of the date of acquisition thereof; (ii) time deposit accounts, certificates of deposit, banker's acceptances and money market deposits (and similar instruments) with maturities of 12 months or less from the date of acquisition issued by a bank or trust company which is organized under, or authorized to operate as a bank or trust company under, (x) a member state of the European Union or of the United States of America or any state thereof, Canada or Switzerland (*provided* that such bank or trust company has capital, surplus and undivided profits aggregating in excess of US$500.0 million (or the foreign currency equivalent thereof as of the date of the relevant investment) and whose long-term debt is rated at least "A3" by Moody's or at least "A-" by S&P or the equivalent rating category of another internationally recognized rating agency) or (y) any jurisdiction outside the European Union, the United States of America or any state thereof, Canada or Switzerland, *provided* that in the case of (y) such bank or trust company is either (a) a controlled Affiliate of a bank or trust company meeting the conditions of sub-clause (x) or (b) a bank or trust company (including successors thereto) which, at any time during the 12-month period preceding the Issue Date, has issued to the Issuer or any Subsidiary time deposit accounts, certificates of deposit, bankers' acceptance and money market deposits (and similar instruments) with maturities of 12 months or less from the date of acquisition; (iii) commercial paper of a corporation (other than the Issuer or its Affiliates), maturing not more than 270 days from the date of acquisition, rated at least "A2" or the equivalent thereof by S&P or at least "P2" or the equivalent thereof by Moody's (or, if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency), (iv) money market instruments, commercial paper or other short term obligations rated at least "A2" or the equivalent thereof by S&P or at least "P2" or the equivalent thereof by Moody's (or, if at such time neither is issuing ratings, then a comparable rating of another nationally recognized rating agency), (v) investments in money market funds subject to the risk limiting conditions of Rule 2a-7 or any successor rule of the SEC under the Investment Company Act of 1940, as amended and (vi) investments correlative in type, maturity and rating to any of the foregoing denominated in foreign currencies or at foreign institutions.

"**Commodities Agreement**" means, in respect of any Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), designed to protect such Person against, or manage such Person's exposure to, fluctuations in commodity or raw material prices.

"**Consolidated EBITDA**" means, with respect to the Issuer for any period, the Consolidated Net Income of the Issuer for such period, plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(i) provision for all taxes based on income, profits or capital, for the Issuer and its Subsidiaries, as determined on a consolidated basis in accordance with IFRS, for such period; *plus*

(ii) the Fixed Charges of the Issuer and its Subsidiaries which are Subsidiaries for such period; *plus*

(iii) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Subsidiaries for such period; *plus*

(iv) any expenses or charges of the Issuer and its Subsidiaries related to any equity offering or issuance or Incurrence of Indebtedness permitted by these Conditions (whether or not consummated or Incurred); *plus*

(v) any unrealized foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of the Issuer and its Subsidiaries for such period, to the extent that such losses were taken into account in computing such Consolidated Net Income; *minus*

(vi) any unrealized foreign currency translation gains (including gains related to currency remeasurements of Indebtedness) of the Issuer and its Subsidiaries for such period, to the extent that such gains were taken into account in computing such Consolidated Net Income; *minus*

(vii) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with IFRS.

"**Consolidated Net Income**" means, for any period, the net income (loss) of the Issuer and its Subsidiaries for such period, determined on a consolidated basis in accordance with IFRS and before any reduction in respect of Preferred Stock dividends; *provided* that there shall not be included in such Consolidated Net Income:

(i) the net income (loss) of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting, except to the extent of the amount of dividends or similar distributions paid in cash to the Issuer or a Subsidiary of the Issuer;

(ii) any net after-tax gain or loss realized upon the sale or other disposition of any asset of the Issuer or any Subsidiary (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or a member of the senior management of the Issuer);

(iii) any item classified as an extraordinary, unusual or a nonrecurring gain, loss or charge (including fees, expenses and charges associated with any acquisition, merger or consolidation after the Issue Date);

(iv) the cumulative effect of a change in accounting principles;

(v) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness;

(vi) the ineffective part of gains and losses from Hedging Obligations eligible for hedge accounting under IFRS, and the gains and losses from Hedging Obligations not eligible for hedge accounting under IFRS;

(vii) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards to the extent otherwise included in Consolidated Net Income; and

(viii) any impairment of goodwill.

"**Consolidated Senior Net Indebtedness**" means, with respect to the Issuer as of any date of determination, (1) the aggregate amount outstanding on such date of all Indebtedness Incurred by Subsidiaries of the Issuer (excluding Hedging Obligations entered into for *bona fide* hedging purposes and not for speculative purposes, as determined in good faith by a responsible financial or accounting Officer of the Issuer), *less* (2) (A) the amount of cash and Cash Equivalents that would be stated on the consolidated balance sheet of the Issuer and its Subsidiaries as of such date in accordance with IFRS and (B) €700.0 million (being the maximum amount of additional liabilities that would have been recognised on the consolidated balance sheet of the Issuer as of 31 December 2018 had IFRS 16 *Leases* been in effect on such date).

"**Consolidated Senior Net Indebtedness Ratio**" means, as of any date of determination, the ratio of (1) the Consolidated Senior Net Indebtedness of the Issuer on such date to (2) the Consolidated EBITDA for the Issuer's most recently ended two fiscal half-years for which internal financial statements are available immediately preceding such date. In the event that the Issuer or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock or Disqualified Stock subsequent to the commencement of the two-half-year reference period for which the Consolidated Senior Net Indebtedness Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Net Indebtedness Ratio is made (the "**Calculation Date**"), then the Consolidated Senior Net Indebtedness Ratio will be calculated giving *pro forma* effect (determined in good faith by a responsible accounting or financial officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock or Disqualified Stock, and the use of the net proceeds therefrom, as if the same had occurred at the beginning of such two-half-year reference period; *provided*, *however*, that the *pro forma* calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in clause (b) of Condition 6.1 or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in clause (b) of Condition 6.1.

In addition, for purposes of calculating the Consolidated Senior Net Indebtedness Ratio:

(i) acquisitions that have been made by the Issuer or any of its Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries acquired by the Issuer or any of the Issuer's Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries, during the two-half-year reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (determined in good faith by a responsible accounting or financial officer of the Issuer) as if they had occurred on the first day of the two-half-year reference period;

(ii) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(iii) any Person that is a Subsidiary on the Calculation Date will be deemed to have been a Subsidiary at all times during such two-half-year period; and

(iv) any Person that is not a Subsidiary on the Calculation Date will be deemed not to have been a Subsidiary at any time during such two-half-year period.

"**Consolidated Total Assets**" means (i) the total amount of the consolidated assets of the Issuer and its consolidated subsidiaries, as set forth as "Total assets" in the consolidated balance sheet of the Issuer, as of the end of the most recently completed fiscal half-year or full-year period for which the Issuer's internal financial statements are available *less* (ii) €700 million (being the maximum amount of additional assets that would have been recognised as "Total assets" on the consolidated balance sheet of the Issuer as of 31 December 2018 had IFRS 16 *Leases* been in effect on such date).

"**Credit Facilities**" means one or more facilities or arrangements, in each case with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables financings (including, without limitation, through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or the creation of any Liens in respect of such receivables in favor of such institutions), letters of credit or other Indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee agreement, letter of credit applications and other guarantees, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured (including with respect to structural or contractual subordination), replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under the Senior Credit Facility or one or more other credit agreements, commercial paper programs or facilities, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term ''Credit Facility'' shall include any agreement (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

''**Currency Agreement**'' means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangement (including derivative agreements or arrangements) Incurred in the ordinary course of business, as to which such Person is a party or beneficiary.

''**Custodian**'' means any receiver, trustee, assignee, liquidator, custodian, voluntary administrator or similar official (including any ''*administrateur judiciaire*'', ''*administrateur provisoire*'', ''*mandataire ad hoc*'', ''*conciliateur*'' or ''*mandataire liquidateur*'') under any Bankruptcy Law.

''**Default**'' means any event that is, or after notice or passage of time or both would be, an Event of Default.

''**Disqualified Stock**'' means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(i) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund Obligation or otherwise;

(ii) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(iii) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to 91 days after the Stated Maturity of the Notes; *provided*, *however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of a ''change of control'' occurring prior to 91 days after the Stated Maturity of the Notes shall not constitute Disqualified Stock if:

(i) the ''change of control'' provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the terms applicable to the Notes under Condition 5; and

(ii) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to these Conditions; *provided*, *however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"**Equity Offering**" means any public or private sale of ordinary shares, preference shares or other Capital Stock of, or contribution to the capital of, the Issuer (excluding Disqualified Stock) (other than a registration statement on Form S-8 or otherwise relating to ordinary shares or common equity issued or issuable under any employee benefit plan).

"**Escrowed Proceeds**" means the proceeds from the offering of any debt securities or other Indebtedness paid into escrow accounts with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than the euro, at any time of a determination thereof by the Issuer or the Trustee, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro at such time with the applicable foreign currency as published in The Financial Times in the "Currencies" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination. Except as provided for in Condition 6.1, whenever it is necessary to determine whether the Issuer has complied with any covenant in these Conditions or a Default has occurred and an amount is expressed in a currency other than euros, such amount will be treated as the Euro Equivalent determined as of the date such amount is initially determined in such currency.

"**European Union**" means the European Union, including member states prior to 1 May 2004 but excluding any country that became or becomes a member of the European Union on or after 1 May 2004.

"**Event of Default**" has the meaning set forth in Condition 9.1.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in an arm's length transaction not involving distress of either party, as determined in good faith by the Board of Directors or a member of the senior management of the Issuer.

"**Fitch**" means Fitch Ratings and its successors.

"**Fixed Charge Coverage Ratio**" means, for any specified period, the ratio of (1) the Consolidated EBITDA of the Issuer for such period to (2) the Fixed Charges of the Issuer for such period. In the event that the Issuer or any of its Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the two-half-year reference period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "**Calculation Date**"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect (determined in good faith by a responsible accounting or financial officer of the Issuer) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the net proceeds therefrom, as if the same had occurred at the beginning of such two-half-year reference period; *provided*, *however*, that the *pro forma* calculation of Fixed Charges (other than for the purposes of calculation of the Fixed Charge Coverage Ratio under clause (b)(v) of Condition 6.1) shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in clause (b) of Condition 6.1 or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in clause (b) of Condition 6.1.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(i) acquisitions that have been made by the Issuer or any of its Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries acquired by the Issuer or any of the Issuer's Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries, during the two-half-year reference period or subsequent to such reference period and on or prior to the

Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (determined in good faith by a responsible accounting or financial officer of the Issuer) as if they had occurred on the first day of the two-half-year reference period;

(ii) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(iii) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Issuer or any of its Subsidiaries following the Calculation Date;

(iv) any Person that is a Subsidiary on the Calculation Date will be deemed to have been a Subsidiary at all times during such two-half-year period;

(v) any Person that is not a Subsidiary on the Calculation Date will be deemed not to have been a Subsidiary at any time during such two-half-year period; and

(vi) if any Indebtedness bears a floating rate of interest and such Indebtedness is to be given *pro forma* effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"**Fixed Charges**" means, with respect to any specified Person for any period, the sum, without duplication, of:

(i) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued, including, without limitation, amortisation of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, Attributable Indebtedness and Purchase Money Indebtedness, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(ii) the consolidated interest expense of such Person and its Subsidiaries that was capitalized during such period; *plus*

(iii) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Subsidiaries or secured by a Lien on assets of such Person or one of its Subsidiaries, whether or not such guarantee or Lien is called upon; *plus*

(iv) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of such Person or any of its Subsidiaries, other than dividends on Capital Stock payable solely in Capital Stock of the Issuer (other than Disqualified Stock) or to the Issuer or a Subsidiary of the Issuer, and (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, determined on a consolidated basis in accordance with IFRS.

"**Group**" means the Issuer together with any entities which the Issuer accounts for under the full consolidation method of accounting under IFRS.

"**guarantee**" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise). The term "**guarantee**" used as a verb has a correlative meaning. The term "**guarantor**" shall mean any Person guaranteeing any Obligation.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodities Agreement.

"**IFRS**" means International Financial Reporting Standards as in effect on the Issue Date, or, with respect to the reporting requirements set forth in Condition 6.7, as in effect from time to time.

"**Incur**" or "**incur**" means to create, issue, assume, enter into a guarantee of, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The term "**Incurrence**" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with Condition 6.1, the following will not be deemed to be the Incurrence of Indebtedness:

(i) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(ii) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

(iii) the Obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(i) the principal of indebtedness of such Person for borrowed money;

(ii) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(iii) all reimbursement obligations of such Person in respect of letters of credit or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed);

(iv) all obligations of such Person to pay the deferred and unpaid purchase price of property (except (x) trade payables and accrued expenses Incurred by such Person in the ordinary course of business, (y) customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business and (z) deferred insurance premiums in the ordinary course of business), which purchase price is due more than one year after the date of placing such property in final service or taking final delivery and title thereto;

(v) all Capital Lease Obligations of such Person;

(vi) all Attributable Indebtedness of such Person;

(vii) the redemption, repayment or other repurchase amount of such Person with respect to any Disqualified Stock of such Person or any Preferred Stock of a Subsidiary of such Person (but excluding, in each case, any accrued dividends) (the amount of such obligation to be equal at any time to the maximum fixed involuntary redemption, repayment or repurchase price for such Capital Stock, or if less (or if such Capital Stock has no such fixed price), to the involuntary redemption, repayment or repurchase price therefor calculated in accordance with the terms thereof as if then redeemed, repaid or repurchased;

(viii) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of Indebtedness of such Person shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons;

(ix) all guarantees by such Person of Indebtedness of other Persons, to the extent so guaranteed by such Person; and

(x) to the extent not otherwise included in this definition, net Hedging Obligations (*provided* that, for purposes of this clause (x), such term shall include Hedging Obligations entered into for speculative or non-speculative purposes) of such Person (the amount of any such obligation to be equal at any time to the greater of (x) the termination value of such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at such time and (y) the amount required under IFRS to be reflected on the balance sheet of such Person at such time),

if and to the extent any of the preceding items (other than items described under clauses (iii), (vi), (viii), (ix) and (x) above) would appear as a liability on a balance sheet (excluding the footnotes thereto) of the specified Person prepared in accordance with IFRS.

The term "**Indebtedness**" shall not include:

(i) in connection with the purchase by the Issuer or any of its Subsidiaries of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;

(ii) any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;

(iii) anything accounted for as an operating lease in accordance with IFRS; and

(iv) obligations under or in respect of any Qualified Receivables Financing.

"**Interest Rate Agreement**" means any non-speculative interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates Incurred in the ordinary course of business.

"**Issue Date**" means 27 March 2019, which is the date of original issuance of the Notes.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind over one or more assets of any Person securing any Obligation of such Person (including any title transfer or other title retention agreement having a similar effect).

"**Maturity Date**" has the meaning set forth in Condition 2.1.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Noteholder**" or "**holder**" means the Person in whose name a Note is registered on the Registrar's books.

"**Obligations**" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such Indebtedness.

"**Officer**" means the Chairman of the Board of Directors, the Chief Executive Officer (*Directeur Général*), the Chief Financial Officer (*Directeur Financier*) or any other member of the Executive Committee of the Issuer.

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. Such counsel may be an employee of or counsel to the Issuer.

"**outstanding**" means in relation to the Notes all the Notes (including Additional Notes, if any) issued other than:

(i) those Notes which have been redeemed or purchased and cancelled;

(ii) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable thereon) have been duly paid to the Trustee or to the relevant Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the holders of the Notes in accordance with Condition 16) and remain available for payment (against presentation of the relevant Note, if required) in accordance with Conditions;

(iii) those Notes which have become void under Condition 11;

(iv) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 15;

(v) (for the purpose only of ascertaining the principal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 15; and

(vi) a Global Certificate (within the meaning of the Trust Deed) to the extent that it shall have been exchanged for Notes in definitive form pursuant to its provisions;

provided that for each of the following purposes, namely:

(i) the right to attend and vote at any meeting of the Noteholders, or any of them, an Extraordinary Resolution or any written consent and any direction or request by the holders of the Notes;

(ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Conditions 9 and 12 and Schedule 3 of the Trust Deed;

(iii) any discretion, power or authority (whether contained in these presents or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Notes or any of them; and

(iv) the determination by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Notes or any of them,

those Notes (if any) which are for the time being held or beneficially owned by the Issuer, any Subsidiary of the Issuer or any of the their respective Affiliates and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding.

"**Permitted Business**" means (i) any business, services or activities engaged in by the Issuer or any of its Subsidiaries on the Issue Date and any other business, services or activities in the transportation industry and (ii) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of those described in clause (i) or are extensions or developments of any thereof.

"**Permitted Liens**" means, with respect to any Person:

(i) pledges, deposits or Liens in connection with pensions, workers' compensation, unemployment insurance and other social security and other similar legislation or other insurance-related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(ii) pledges, deposits or Liens to secure the performance of bids, tenders, trade, government or other contracts (other than for borrowed money), obligations for utilities, leases, licenses, statutory obligations, completion guarantees, surety, judgment, appeal or performance bonds, other similar bonds, instruments or obligations, and other obligations of a like nature incurred in the ordinary course of business;

(iii) Liens imposed by law, such as carriers', warehousemen's, mechanics', landlords', material men's, repair men's or other like Liens, in each case for sums not overdue for a period of more than 60 days or that are bonded or that are being contested in good faith by appropriate proceedings and, with respect to which, to the extent required by IFRS, appropriate reserve or other provisions have been made, or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with a good faith appeal or other proceedings for review and to the extent required by IFRS, with respect to which appropriate reserve or other provisions have been made in respect thereof, and Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;

(iv) Liens for taxes, assessments or other governmental charges not yet delinquent or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Subsidiaries or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Issuer or a Subsidiary thereof, as the case may be, in accordance with IFRS;

(v) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; *provided*, *however*, that such letters of credit do not constitute Indebtedness for borrowed money;

(vi) filing of Uniform Commercial Code financing statements under U.S. state law (or similar filings under other applicable jurisdictions) in connection with operating leases in the ordinary course of business;

(vii) bankers' Liens, rights of setoff or similar rights and remedies as to deposit accounts, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(viii) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(ix) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;

(x) any interest or title of a lessor under any operating lease;

(xi) easements (including reciprocal easement agreements), rights of way, building, zoning and similar restrictions, utility agreements, covenants, reservations, restrictions, encroachments, charges and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in the aggregate materially interfere with the ordinary conduct of the business of the Issuer and its Subsidiaries, taken as a whole;

(xii) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; *provided*, *however*, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto);

(xiii) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; *provided*, *however*, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto);

(xiv) Liens securing (a) Hedging Obligations incurred in accordance with Condition 6.1(b)(vii), (b) Purchase Money Indebtedness or Capital Lease Obligations incurred in accordance with Condition 6.1(b)(xi) and covering only the assets acquired or leased with or financed by the proceeds of such Purchase Money Indebtedness or Capital Lease Obligations and (c) Indebtedness of a Subsidiary incurred in accordance with Condition 6.1(b)(xiv) and covering only the assets of such Subsidiary;

(xv) Liens on property or assets of a Subsidiary to secure Indebtedness of such Subsidiary only, and that is permitted to be Incurred pursuant to Condition 6.1;

(xvi) Liens existing on, or provided for under written arrangements existing on, the Issue Date;

(xvii) Liens (a) arising out of judgments, decrees, orders or awards (not otherwise giving rise to a Default) in respect of which the Issuer shall in good faith be prosecuting an appeal or proceedings for review, which appeal or proceedings shall not have been finally terminated, or if the period within which such appeal or proceedings may be initiated shall not have expired; and (b) leases, subleases, licenses or sublicenses of property and assets to third parties;

(xviii) Liens (a) created for the benefit of (or to secure) the Notes or (b) in favour of the Issuer or any Subsidiary;

(xix) [Reserved];

(xx) any encumbrance or restriction (including, but not limited to, put and call agreements) with respect to Capital Stock of any joint venture, including any Qualified Joint Venture, or similar arrangement pursuant to any joint venture or similar agreement;

(xxi) Liens securing Refinancing Indebtedness Incurred in respect of any Indebtedness secured by, or securing any refinancing, refunding, extension, renewal or replacement (in whole or in part) of any other obligation secured by, any other Permitted Liens, provided that any such new Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the obligations to which such Liens relate;

(xxii) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(xxiii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods or assets entered into in the ordinary course of business;

(xxiv) Liens on Securitisation Assets and related assets Incurred in connection with any Qualified Receivables Financing;

(xxv) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(xxvi) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (i) through (xxv), provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced;

(xxvii) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose; and

(xxviii) Liens on property or assets of the Issuer to secure obligations of the Issuer in an aggregate amount at any time outstanding not to exceed the greater of €575.0 million and 4.0% of Consolidated Total Assets.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Preferred Stock**", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated), including '*actions de préférence*' issued under French law, that by its terms is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**principal**" of a Note means the principal amount of the Note plus (unless the context requires otherwise) the premium, if any, payable on the Note that is due or overdue or is to become due at the relevant time.

"**Purchase Money Indebtedness**" means any Indebtedness (including Capital Lease Obligations) Incurred to finance the acquisition, leasing, construction, addition or improvement of property (real or personal) or assets, and whether acquired through the direct acquisition of such property or asset or the acquisition of the Capital Stock of any Person owning such property or assets or otherwise.

"**Qualified Joint Venture**" means any entity in which the Issuer or any Subsidiary owns 50.0% or less of the Capital Stock and that, directly or through Subsidiaries, is engaged in a Permitted Business.

"**Qualified Receivables Financing**" means any financing pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any accounts receivable (and related assets) in any aggregate principal amount equal to the Fair Market Value of such accounts receivable (and related assets), whether now existing or arising in the future, of the Issuer or any of its Subsidiaries; *provided* that (a) the covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by a responsible accounting officer of the Issuer) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by a responsible accounting officer of the Issuer) at the time such financing is entered into and (c) such financing shall be non-recourse to the Issuer or any of its Subsidiaries except to the extent customary for such transactions.

"**refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, substitute, supplement, reissue, restate, amend, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. The terms "**refinanced**" and "**refinancing**" shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refinance any Indebtedness existing on the Issue Date or Incurred in compliance with these Conditions (including Indebtedness of the Issuer that refinances Indebtedness of any Subsidiary (to the extent permitted in these Conditions) and Indebtedness of any Subsidiary that refinances Indebtedness of another Subsidiary); *provided* that (1) if the Indebtedness being refinanced (the "**Refinanced Indebtedness**") is Subordinated Indebtedness, then such Refinancing Indebtedness, by its terms, shall be subordinate in right of payment to the Notes, as applicable, at least to the same extent as the Refinanced Indebtedness was so subordinate, (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Refinanced Indebtedness, plus (y) accrued and unpaid interest thereon plus (z) fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such Refinancing Indebtedness, (3) such Refinancing Indebtedness (x) has a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being refinanced or (ii) after the final maturity date of the Notes and (y) has an Average Life as of the date of its Incurrence that is equal to or greater than the Average Life of the Refinanced Indebtedness and (4) Refinancing Indebtedness shall not include Indebtedness of a Subsidiary that refinances Indebtedness of the Issuer.

"**S&P**" means S&P Global Ratings and its successors.

"**Sale/Leaseback Transaction**" means a financing arrangement relating to property owned by the Issuer or a Subsidiary on the Issue Date or thereafter acquired by the Issuer or a Subsidiary whereby the Issuer or a Subsidiary transfers such property to a Person and the Issuer or a Subsidiary leases it from such Person.

"**Schuldschein Loan**" means any schuldschein loan agreement, between the Issuer, as borrower, and any lender.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securitisation Assets**" means any accounts receivable (and related assets), whether now existing or arising in the future, that are subject to a Qualified Receivables Financing.

"**Senior Credit Facility**" means the €1,200.0 million syndicated multi-currency revolving credit facility dated 15 December 2014 between the Issuer and BNP Paribas, Crédit Agricole Corporate and Investment Bank, Natixis and Société Générale, among others, as amended and restated on 24 June 2016 and further amended and restated on 15 June 2018.

"**Significant Subsidiary**" means any Subsidiary of the Issuer which meets any of the following conditions:

(i) the Issuer's and its other Subsidiaries' investments in and advances to the Subsidiary exceed 10.0% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year;

(ii) the Issuer's and its other Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 10.0% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or

(iii) the Issuer's and its other Subsidiaries' share of the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the subsidiary exclusive of amounts attributable to any non-controlling interests exceeds 10.0% of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year;

provided, *however*, that any Subsidiary of the Issuer, which, when aggregated with all other Subsidiaries of the Issuer that are not otherwise Significant Subsidiaries and as to which any event described in clauses (f), (g) and/or (h) of Condition 9.1 has occurred, shall be deemed to constitute a Significant Subsidiary in accordance with the criteria set forth above.

"**Stated Maturity**" means, with respect to any security or indebtedness, the date specified in such security or indebtedness as the fixed date on which the payment of principal of such security or indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase or repayment of such security at the option of the holder thereof upon the happening of any contingency).

"**Subordinated Indebtedness**" means, any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to Indebtedness under the Notes pursuant to a written agreement.

"**Subsidiary**" means, with respect to any specified Person:

(i) any corporation, association, *société d'exercice libéral* or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); *provided* that any corporation, association or other business entity shall also be deemed to be a Subsidiary if and for so long as such corporation, association or other business entity is consolidated in the financial statements of such Person according to the full consolidation method in accordance with IFRS; and

(ii) any partnership or limited liability company (other than entities covered by clause (i) of this definition) of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

Unless the context specifies otherwise, the term "Subsidiary" refers to a Subsidiary, whether direct or indirect, of the Issuer.

"**Voting Stock**" means, at any time, all classes of Capital Stock of the Issuer then outstanding and normally entitled to vote in the Issuer's general shareholders' meetings.

BOOK-ENTRY, DELIVERY AND FORM

The Notes will be issued only in registered form and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are being sold in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") and will be represented on issue by an offshore global note (the "**Global Note**"), that will represent the aggregate principal amount of the Notes. The Global Note will be deposited with, and registered in the name of a nominee of the common depositary for, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**"). Beneficial interests in the Global Note may be held only through Euroclear or Clearstream or their participants at any time. By acquisition of a beneficial interest in the Global Note, the purchaser will be required to certify that it is not a U.S. Person (as defined in Regulation S) in reliance on Regulation S. See "Subscription and Sale of the Notes".

Beneficial interests in the Global Note will be subject to certain restrictions on transfer set out therein and under "Subscription and Sale of the Notes" and in the Agency Agreement.

Except in the limited circumstances described below (see "– Exchange of the Global Note for Definitive Notes"), owners of beneficial interests in the Global Note will not be entitled to receive physical delivery of Notes.

For so long as any of the Notes are represented by the Global Note, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream (as the case may be) as the holder of a particular aggregate principal amount of such Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "Noteholders" and references to "holding of Notes" and to "holder of Notes" shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested solely in the nominee for the relevant clearing system (the "**Relevant Nominee**") in accordance with and subject to the terms of the Global Note. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the Relevant Nominee.

The Notes will be subject to certain transfer restrictions and certification requirements as set forth under "Subscription and Sale of the Notes".

Depository Procedures

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that we believe to be reliable, but none of the Issuer or the Initial Purchasers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer or any other party to the Trust Deed will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream will be represented by the Global Note registered in the name of a nominee of, and held by, a common depositary for Euroclear and Clearstream. As necessary, the Registrar will adjust the amounts of Notes on the Register for the accounts of Euroclear and Clearstream to reflect the amounts of Notes held through Euroclear and Clearstream, respectively. Beneficial ownership of book-entry interests in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a nominee of the common depository for Euroclear and Clearstream and/or, if individual certificates are issued in the limited circumstances described herein, holders of Notes represented by those individual certificates. Each paying agent will be responsible for ensuring that payments received by it from or on behalf of the Issuer for holders of book-entry interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

We will not impose any fees in respect of holding the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Clearing and Settlement Procedures

Initial Settlement

Upon their original issue, the Notes will be in global form represented by the Global Note. Interests in the Notes will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the issue date against payment.

Secondary Market Trading

Secondary market trades in the Notes will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, as the case may be, in accordance with their respective procedures. Book-entry interests in the Notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream.

General

Neither Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Principal Paying Agent, the Registrar or any of their agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Exchange of the Global Note for Definitive Notes

The Global Note is exchangeable for Notes in registered definitive form ("**Definitive Notes**") if:

a) Euroclear and/or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces that it is permanently to cease business or does in fact do so and no successor or alternative clearing system is available; or

b) the relevant clearing system so requests following an event of default under the Trust Deed.

In all cases, Definitive Notes delivered in exchange for the Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the relevant clearing system (in accordance with its customary procedures), as the case may be, unless the Issuer determines otherwise in compliance with the requirements of the Trust Deed.

Definitive Notes delivered in exchange for the Global Note will be delivered to or upon the order of the relevant clearing system or an authorized representative of the relevant clearing system, and may be delivered to Noteholders at the office of the Paying Agent.

Exchange of Definitive Notes for the Global Note

If issued, Definitive Notes may not be exchanged or transferred for beneficial interests in the Global Note.

Exchange of Definitive Notes for Definitive Notes

If issued, Definitive Notes may be exchanged or transferred by presenting or surrendering such Definitive Notes at the office of the Registrar located in Frankfurt with a written instrument of transfer in form satisfactory to such Registrar, duly executed by the holder of the Definitive Notes or by its attorney, duly authorized in writing. If the Definitive Notes being exchanged or transferred have restrictive legends, such holder must also provide a written certificate (in the form provided in the Trust Deed) to the effect that such exchange or transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Subscription and Sale of the Notes".

In the case of a transfer in part of a Definitive Note, a new Definitive Note in respect of the balance of the principal amount of the Definitive Note not transferred will be delivered to the office of the relevant Registrar.

If a holder of a Definitive Note claims that such Definitive Note has been lost, destroyed or stolen, or if such Definitive Note is mutilated and is surrendered to the office of the relevant Registrar, the Issuer will issue and the Registrar will authenticate a replacement Definitive Note if the Issuer's requirements are met. We and the Registrar may require a holder requesting replacement of a Definitive Note to furnish such security or indemnity as may be required to protect them and any agent from any loss which they may suffer if a Definitive Note is replaced. We and the Registrar may charge for any expenses incurred by it in replacing a Definitive Note. In case any such mutilated, destroyed, lost or stolen Definitive Note has become or is about to become due and payable, the Issuer, in its discretion, may, instead of issuing a new Definitive Note, pay such Definitive Note.

Methods of Receiving Payments on the Notes

Payments of principal and interest in respect of Notes represented by the Global Note will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of the Global Note to or to the order of a Paying Agent (or such other agent as shall have been notified to the holders of the Global Note for such purpose).

Distributions of amounts with respect to book-entry interests in the Global Note held through Euroclear or Clearstream will be credited, to the extent received by a paying agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Principal of, premium, if any, and interest on any Definitive Notes will be payable at the office or agency of the Paying Agent maintained for such purposes. In addition, interest on Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for such Definitive Notes.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of the Notes (including the presentation of the Notes for exchange as described above) only at the direction of one or more participants to whose account the book-entry interests in the Global Note are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. However, if there is an event of default under the Notes, Euroclear and Clearstream reserve the right to exchange the Global Note for Definitive Notes in certificated form, and to distribute such Definitive Notes to their participants.

SUBSCRIPTION AND SALE OF THE NOTES

Each of the Initial Purchasers, in their capacities as initial purchasers, pursuant to a purchase agreement, dated 13 March 2019 (the "**Purchase Agreement**"), has agreed with us, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes at the initial purchase price specified therein, less subscription and underwriting fees and certain expenses to be agreed between us and the Initial Purchasers. The Purchase Agreement entitles the Initial Purchasers to terminate the Purchase Agreement in certain circumstances prior to payment being made to the Issuer.

The Initial Purchasers are Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, Goldman Sachs International, J.P. Morgan Securities plc, MUFG Securities EMEA plc, Bank of China Limited, London Branch and Bankinter, S.A.

We have been advised by each Initial Purchaser that it proposes to resell the Notes outside the United States to persons who are not U.S. Persons (as defined in Regulation S) in reliance on Regulation S and in accordance with applicable law.

Pursuant to the Purchase Agreement, the Issuer has agreed to indemnify the Initial Purchasers against certain liabilities.

The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

This Offering Circular has been prepared by us for use in connection with the offer and sale of the Notes outside the United States to persons who are not U.S. Persons (as defined in Regulation S) in reliance on Regulation S and for the admission of the Notes to listing on the Official List of Euronext Dublin and the admission of the Notes to trading on the Global Exchange Market. Each of us and the Initial Purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Offering Circular does not constitute an offer to any Person in the United States. Distribution of this Offering Circular to any Person within the United States is unauthorized and any disclosure of any of its contents to such persons is prohibited.

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

The Initial Purchasers have advised us that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Initial Purchasers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Initial Purchasers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "Risk Factors-Risks Related to the Notes-There currently exists no market for the Notes, and we cannot provide assurance that an active trading market will develop for the Notes".

The Notes will initially be offered at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice.

We have applied, through our listing agent in Ireland, to have the Notes listed on the Official List of Euronext Dublin and to admit the Notes to trading on the Global Exchange Market. Neither the Initial Purchasers nor we can assume that Notes will be approved for admission to listing and trading, and will remain listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market.

The Initial Purchasers or their respective affiliates have provided in the past and may provide in the future investment banking, commercial lending, consulting and financial advisory services to us and our affiliates in the ordinary course of business for which we may receive customary advisory and transaction fees and expense reimbursement. Certain of the Initial Purchasers are lenders under our Senior Credit Facility.

The Initial Purchasers or their respective affiliates may enter into derivative and/or structured transactions with their customers in connection with the Notes and the Initial Purchasers or their respective affiliates may also purchase some of the Notes to hedge their risk exposure in connection with such transactions. Also, the Initial Purchasers or their respective affiliates may acquire for their own account the Notes offered hereby. Such acquisitions may have an effect on the demand and the price of the Notes. In connection with the offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater principal amount of Notes than they are required to purchase in the offering. The Initial Purchasers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. Similar to other purchase transactions, the Initial Purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. Neither we nor any of the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Initial Purchasers make any representation that we will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

We expect that delivery of the Notes will be made against payment on the Notes on the Issue Date, which will be the tenth business day following the date of pricing of the Notes (this settlement cycle is being referred to as "T+10"). Trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of this Offering Circular or the following seven business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own advisors.

TAXATION

The statements herein regarding taxation are based on the laws and regulations in force in the European Union and the Republic of France as at the date of this Offering Circular and are subject to any change in law (including with retroactive effect) or to different interpretation. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective holder or beneficial owner of Notes should consult its own tax advisor as to the French or other tax consequences of any investment in, or ownership and disposition of, the Notes. Persons who are in doubt as to their tax position should consult a professional tax adviser.

U.S. Foreign Account Tax Compliance

Sections 1471 through 1474 of the Code (provisions commonly known as "**FATCA**") impose information reporting and withholding requirements with respect to certain holders of financial accounts. Non-US financial institutions (as defined for purposes of FATCA) generally will be subject to the withholding tax unless (i) they have entered into agreements with the IRS (the "**US Internal Revenue Service**") to identify financial accounts held by United States Persons or entities with substantial US ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime or (ii) the country or countries in which they are resident enter into an intergovernmental agreement ("**IGA**") relating to FATCA with the US (or an IGA with another jurisdiction becomes applicable) and they report information about direct and certain indirect US investors to their home country (or other) authorities. In such a case, the withholding tax will be imposed regardless of whether the non-US financial institution is receiving the payment for its own account, for the account of a direct customer or is acting as an intermediary to pass along the payment to another party. FATCA is particularly complex and likely will require compliance by financial institutions and various other intermediaries through which a Non-US holder of Notes may hold a Note.

Investors that are not financial institutions for purposes of FATCA may be required to provide information to establish whether they are US holders of Notes or substantially owned by United States Persons in order to establish they are exempt from withholding pursuant to the FATCA rules.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the US Federal Register, and Notes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the US Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under Terms and Conditions of the Notes – Principal, Maturity, Interest and Further Issues) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Agreements that have been and will be entered into between the US and other non-US governments implement FATCA in a manner that alters the rules described herein. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is imposed with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

French Withholding Tax

The following is a basic summary of certain withholding tax considerations that may be relevant to holders of Notes who (i) are non-French residents for French tax purposes, (ii) do not concurrently hold shares of the Issuer, (iii) do not hold their Notes in connection with a business or profession conducted in France through a permanent establishment or a fixed base in France and (iv) are not otherwise affiliated with the Issuer within the meaning of Article 39-12 of the FTC. This summary is based on the tax laws and regulations of France as currently in effect and applied by the French tax authorities, all of which are subject to change (including with retrospective effect) or to different interpretation. It is for general information only and does not address all of the French tax considerations that may be relevant to specific holders of the Notes in light of their particular circumstances. Persons who are in doubt as to their tax position should consult a professional tax adviser.

Payments made outside France

Pursuant to Article 125 A III of the FTC, payments of interest and other assimilated revenues made by a debtor which is established in France with respect to notes qualifying as debt securities under French commercial law are not subject to the withholding tax set forth under Article 125 A III of the FTC unless such payments are made outside France in certain non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the FTC (a "**Non-Cooperative State**"), in which case, a 75 per cent. withholding tax is applicable (subject to certain exceptions and to the more favorable provisions of any applicable double tax treaty). The 75 per cent. withholding tax is applicable irrespective of the tax residence of the holder of the notes.

Furthermore, in application of Article 238 A of the FTC, interest and other assimilated revenues on notes may be non-deductible from the debtor's taxable income if they are paid or accrued to persons established or domiciled in certain Non-Cooperative State or paid to a bank account opened in a financial institution located in certain Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other assimilated revenues may be recharacterized as constructive dividends pursuant to Articles 109 *et seq.* of the FTC, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the FTC, at rates of (i) 30 per cent. (to be reduced and aligned on the standard corporate income tax rate set forth in Article 209-I of the FTC for fiscal years opened on or after 1 January 2020) for non-French tax resident legal persons, (ii) 12.8 per cent. for non-French tax resident individuals, or (iii) 75 per cent. when payments are made in a Non-Cooperative State, subject to certain exceptions and the more favorable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the FTC, nor, to the extent that the relevant interest or revenues relate to a genuine transaction and is not in an abnormal or exaggerated amount, the Deductibility Exclusion and the withholding tax set out under Article 119 *bis* 2 of the FTC that may be levied as a result of such non-deductibility will apply in respect of a particular issue of notes if the debtor can prove that the main purpose and effect of such issue of notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**").

Pursuant to *Bulletin officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211n°550 and 990, BOI RPPM RCM 30 10 20 40 20140211 n°70 and 80, and BOI IR DOMIC 10 20 20 60 20150320 n°10 (the "**Administrative Guidelines**"), an issue of notes will benefit from the Exception without the debtor having to provide any proof of the main purpose and effect of the issue of the notes, if the notes are:

- offered by means of a public offer within the meaning of Article L. 411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "**equivalent offer**" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

- admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

The Notes issued by the Issuer under this Offering Circular qualify as debt securities under French commercial law. Considering (i) that the Notes will be admitted to trading on Euronext Dublin which is not located in a Non-Cooperative State and that such market is operated by a market operator which is not located in a Non-Cooperative State, and (ii) that, at the time of their issue, the Notes will be admitted to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the French *Code monétaire et* *financier* which is not located in a Non-Cooperative State, interest and other assimilated revenues paid by or on behalf of the Issuer in respect of the Notes will benefit from at least one of the above mentioned Exception and consequently be exempt from the withholding tax set out under Article 125 A III of the FTC.

Moreover, under the same considerations, pursuant to the Administrative Guidelines, interest and other assimilated revenues paid by or on behalf of the Issuer on the Notes will not be subject to the Deductibility Exclusion set out under Article 238 A of the FTC and, as a result, will not be subject to the related withholding tax set out under Article 119 *bis* 2 of the FTC solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Payments made to individuals tax domiciled in France

Pursuant to Article 125 A of the French Tax Code, where the paying agent (*établissement payeur*) is located in France, subject to certain exceptions, interest received by French tax resident individuals is subject to a 12.8% levy withheld at source, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (i.e., CSG, CRDS and other related contributions) are also levied at source at an aggregate rate of 17.2% on interest paid to French tax resident individuals. Holders of Notes who are French tax resident individuals are urged to consult with their usual tax advisor on the way the 12.8% levy and the 17.2% social contributions are collected, where the paying agent is not located in France.

CERTAIN INSOLVENCY AND ENFORCEABILITY CONSIDERATIONS

The following is a summary of certain insolvency law considerations in the European Union and France, the jurisdiction of incorporation of the Issuer. The description is only a summary and does not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Notes. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations.

European Union

Pursuant to Council Regulation (EC) No. 2015/848 on insolvency proceedings dated 20 May 2015 (the "**EU Insolvency Regulation**"), which became effective on 26 June 2017 (except with respect to the obligation of the Member States to establish and maintain a register of insolvency proceedings that will come into force on 26 June 2018 and the obligation of the European Commission to interconnect such registers that will come into force on 26 June 2019) and applies within the European Union (other than Denmark and in respect of certain insurance, credit institution and investment undertakings), the court that shall have jurisdiction to commence main insolvency proceedings in relation to a company is the court of the Member State (other than Denmark) in which the company concerned has its "center of main interests" or "COMI" as that term is used in Article 3(1) of the EU Insolvency Regulation. The determination of where a company has its "center of main interests" is generally a question of fact on which courts of different Member States may have differing and even conflicting views.

Article 3(1) of the EU Insolvency Regulation provides that the "center of main interests" of a debtor shall be the place at where the debtor conducts the administration of its interests on a regular basis which "is therefore ascertainable by third parties". It sets forth, as explained by Recital (30), a rebuttable presumption that a debtor has its COMI in the Member State in which it has its registered office in the absence of proof to the contrary. Despite this rebuttable presumption, the same Article states that, when a debtor's registered office has been moved to another Member State in the three-month period prior to the request for commencement of insolvency proceedings, the rebuttable presumption that its center of main interests is at the place of its registered office will no longer apply.

Recital (30) provides that it should be possible to rebut this presumption if a debtor's central administration is located in a Member State other than that of its registered office and a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the debtor's actual centre of management and supervision and the management of its interests is located in that other Member State under the previous EU insolvency regulation (Council Regulation (EC) 1346/2000 of 29 May 2000). The courts have taken into consideration a number of factors in determining the center of main interests of a debtor, including in particular where board meetings are held and the location at which the debtor conducts the majority of its business, including the perception of the company's creditors of the center of the company's business operations. This may all be relevant in determining where the company has its COMI, with the company's "centre of main interests" at the time of the initiation of the relevant insolvency proceedings being not only decisive for the international jurisdiction of the courts of a certain Member State, but also for the insolvency laws applicable to these insolvency proceedings because each court would, subject to certain exceptions, apply its local insolvency laws (*lex fori concursus*).

If the "center of main interests" of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of such company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation. Insolvency proceedings commenced in one state under the EU Insolvency Regulation are to be recognized in the other Member States (other than Denmark), although secondary proceedings may be opened in another Member State.

If the "center of main interests" of a debtor is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open secondary (or "territorial") insolvency proceedings only in the event that such debtor has an "establishment" in the territory of such other Member State within the meaning of the EU Insolvency Regulation or had an establishment in such EU Member State in the 3-month period prior to the request for commencement of main insolvency proceedings. An "establishment" is defined to mean a place of operations where the debtor carries on or has carried out in the 3-month period prior to the request to commence main insolvency proceedings non transitory economic activity with human means and goods.

Where main proceedings have been commenced in the Member State in which the debtor has its center of main interests, any proceeding commenced subsequently in another Member State in which the debtor has an establishment is a secondary insolvency proceeding.

The effects of those secondary proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the debtor has its "center of main interests" have not yet been opened, territorial insolvency proceedings can be opened in another Member State in which the company has an establishment only if either: (i) insolvency proceedings cannot be commenced in the Member State in which the company's "center of main interests" is situated as a result of conditions set forth by that Member State's law; or (ii) the secondary insolvency proceedings are opened at the request of (a) a creditor that is domiciled, habitually resident or has its registered office in the Member State in which the company has an establishment or whose claim arises from the operation of that establishment or (b) a public authority that has the right to make such a request under the law of the Member State in which the establishment is located. Irrespective of whether the insolvency proceedings are main or secondary insolvency proceedings, such proceedings will always, subject to certain exceptions, be governed by the *lex fori concursus*, i.e., the local insolvency law of the court that has assumed jurisdiction for the insolvency proceedings of the debtor.

The courts of all Member States (other than Denmark) must recognize the judgment of the court commencing main proceedings, which will be given the same effect in the other Member States so long as no secondary proceedings have been commenced there. The insolvency administrator appointed by a court in a Member State which has jurisdiction to commence main proceedings (because the debtor's center of main interests is there) may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the debtor from that other Member State) subject to certain limitations, as long as no insolvency proceedings have been commenced in that other Member State or no preservation measures have been taken to the contrary further to a request to commence insolvency proceedings in that other Member State where the debtor has assets.

The EU Insolvency Regulation provides for cooperation between (i) insolvency practitioners of the main insolvency proceedings and of the secondary insolvency proceedings, (ii) jurisdictions and (iii) jurisdictions and insolvency practitioners. It also provides for specific cooperation, communication and coordination measures in order to ensure the efficient administration of insolvency proceedings relating to different companies forming part of the same group (Group Coordination Proceedings). As from 26 June 2018, the Member States shall establish and maintain a register of insolvency proceedings and, as from 26 June 2019, the European Commission shall establish a decentralized system for the interconnection of such insolvency registers.

In the event that the Issuer experiences financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings will be commenced, or the outcome of such proceedings. Applicable insolvency laws may affect the enforceability of the obligations of the Issuer. The insolvency, administration and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or conflict with, each other and there can be no assurance as to how the insolvency laws of the potentially involved jurisdictions will be applied in relation to one another.

France

Insolvency

We conduct a part of our business activity in France and, to the extent that the center of our main interests is deemed to be in France, we could be subject to French court-assisted proceedings i.e. *mandat ad hoc* or *conciliation* proceedings (which do not fall within the scope of the EU Insolvency Regulation). In addition, to the extent that our COMI or, in cases where the EU Insolvency Regulation does not apply, our main center of interests within the meaning of article R. 600-1 of the French Commercial Code, is deemed to be in France or we have an establishment in France, we could also be subject to French court-administered insolvency proceedings being either safeguard (*sauvegarde*), accelerated safeguard (*sauvegarde accélérée*), accelerated financial safeguard (*sauvegarde financière accélérée*), reorganisation or liquidation proceedings (*redressement* or *liquidation judiciaire*).

Specialized courts exist for conciliation or insolvency proceedings with respect to (i) debtors that exceed (directly or through the companies under their control) (y) 20 million euros in turnover and 250 employees or (z) 40 million euros in turnover, or (ii) commencement of proceedings with respect to which the court's international jurisdiction results from the application of the EU Insolvency Regulation or, in cases where the EU Regulation does not apply, from the debtor having its main center of interests therein.

In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes.

Under the EU Insolvency Regulation, if a debtor is located in the EU (other than Denmark), French courts shall have jurisdiction over the main insolvency proceedings if the center of the debtor's main interests is situated in France.

The court that commences insolvency proceedings with respect to the member of a corporate group has jurisdiction over all the other members of this group. Accordingly, a court can supervise the insolvency proceedings of the whole group and may, for this purpose, appoint the same administrator and creditors' representative (*mandataire judiciaire*) for all proceedings in respect of members of the group.

The following is a general discussion of pre-insolvency and insolvency proceedings governed by French law for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

We have nonetheless focused part of our study on considerations that may be relevant to holders of the Notes regarding, among others, the Ordinance No. 2014-326 dated March 2014 (the "**2014 Order**"), the Law No. 2015-990 dated 6 August 2015 (the "**2015 Law**") and the Law No. 2016-1547 dated 18 November 2016 (the "**2016 Law**").

Grace Periods

In addition to insolvency laws discussed below, you could, like any other creditors, be subject to Articles 1343-5 *et seq.* of the French Civil Code (*Code civil*).

Pursuant to the provisions of these Articles, French courts may, in any civil or commercial proceedings involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's position and the creditor's financial need, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate as published twice a year by decree) or that payments made shall first be allocated to repayment of principal. A court order made under Articles 1343-5 *et seq.* of the French Civil Code (*Code civil*) will suspend any pending enforcement measures, and any contractual interest or penalty for late payment will not accrue or be due during the period ordered by the court.

When a debtor benefits from conciliation proceedings, these statutory provisions shall be read in combination with Articles L. 611-7 and L. 611-10-1 of the French Commercial Code (*Code de commerce*) (see "*Court assisted proceedings – Conciliation*"). In particular, the judge having commenced conciliation proceedings may:

(i) after the commencement of conciliation proceedings impose grace periods on creditors having sent a formal request for payment or suing the debtor for payment, the judge may make the duration of such measures subject to the conclusion of the conciliation agreement and such decision must be taken after hearing the *conciliateur* (L. 611-7 of the French Commercial Code (*Code de commerce*));

(ii) during the execution period of a conciliation agreement (whether it is acknowledged or approved as described below), impose grace periods on creditors (i) who were asked to participate in the conciliation proceedings (other than the tax and social security administrations), (ii) having sent a formal request for payment or suing the debtor for payment of their claims and (iii) if such claims were not dealt with in the conciliation agreement, such decision being taken after hearing the *conciliateur* if he/she has been appointed to monitor the implementation of the agreement (L. 611-10-1 of the French Commercial Code (*Code de commerce*)).

Insolvency (cessation des paiements) under French law

Under French law, a company is deemed insolvent (*en cessation des paiements*) when it is not able to pay its due debts with its immediately available assets taking into account available credit lines, existing debt rescheduling and moratoria.

The date of insolvency (*état de cessation des paiements*) is generally deemed to be the date of the court ruling commencing the judicial reorganization or judicial liquidation proceedings, unless the court sets an earlier date, which may be carried back up to 18 months before the date of such court ruling. Except for fraud, the date of insolvency may not be fixed at an earlier date than the date of the final court decision that approved an agreement (*homologation*) in the context of conciliation proceedings. The date of insolvency marks the beginning of the hardening period (see below).

Warning Procedure (procédure d'alerte)

In order to anticipate a debtor's difficulties to the extent possible, French law provides for warning procedures to be initiated by the statutory auditors. Indeed, when there are elements which they believe put the company's existence as a going concern in jeopardy, the statutory auditors of a company can request the management to provide an explanation. Failing satisfactory explanations or corrective measures, the statutory auditors can request that a board of directors or a supervisory board (or the equivalent body), and, at a later stage (i.e. failing satisfactory explanation or corrective measure from the board of directors or supervisory board or if such corporate body is not convened), the shareholders' meeting be convened. Depending on the answers provided to them (and the type of company), the auditors can or must inform the President of the relevant Commercial Court of the warning procedure.

The President of the Commercial Court can also himself summon the management to provide explanations on elements he considers leading the company's existence as a going concern in jeopardy (or when the company has not filed its financial statements within the statutory timeframe, despite his injunction).

Court-assisted Proceedings

A French company facing difficulties may request the opening of court-assisted proceedings (*mandat ad hoc* or *conciliation*), the aim of which is to reach an agreement with the debtor's main creditors and stakeholders in order to put an end to its difficulties (e.g., to reduce or reschedule its indebtedness).

The debtor is not subject to any legal obligation to inform the works council or the employee representatives of the designation of a court appointed officer (*mandataire ad hoc* or conciliator) in the context of such proceedings.

Mandat ad hoc and *conciliation* may only be initiated by the debtor itself, in its sole discretion. These proceedings are carried out under a court appointed officer (*mandataire ad hoc*), whose name may be suggested by the debtor itself, under the supervision of the president of the court. The duties of the *mandataire ad hoc* or the conciliator are determined by the competent court (usually the commercial court) that appoints him or her, usually to facilitate negotiations with creditors.

These proceedings are amicable, confidential by law (save for their disclosure of the court decision appointing the *mandataire ad hoc* or *conciliator* to the statutory auditors if any) and do not involve any automatic stay on pending proceedings.

French law does not provide for any specific rule in respect of *mandat ad hoc*. In practice, *mandat ad hoc* proceedings are used by debtors that are facing difficulties of an economic, legal or financial nature but are not insolvent. Creditors are not barred from taking legal action against the company to recover their claims, but, in practice, they generally abstain from doing so. Such *mandat ad hoc* proceedings are confidential and are not limited in time.

Any agreement between the debtor and its creditors will be negotiated on a purely consensual and voluntary basis: those creditors not willing to take part cannot be bound by the agreement nor forced to accept it. The agreement reached by the parties (if any) with the help of the court-appointed officer (*mandataire ad hoc*) is reported by the latter to the President of the relevant court (usually the Commercial court) but is not sanctioned by the court or the President of the court. An order appointing the *mandataire ad hoc* must be notified to the debtor's auditors (if any).

Conciliation proceedings may only be initiated by the debtor itself if it faces actual or foreseeable difficulties of a legal, economic or financial nature but which is not insolvent or has not been insolvent for more than 45 days. The debtor petitions the President of the Commercial Court for the appointment of a conciliator in charge of assisting the debtor in negotiating an agreement with all or part of its creditors and/or trade partners. *Conciliation* proceedings may last up to five months (the conciliator being able to request an extension in case the court first decided on less than five months). During the proceedings, creditors may continue to individually claim payment of their claims (which they usually accept not to do in practice) but the debtor retains the right to petition for debt rescheduling for a maximum of two years pursuant to Article L. 611-7 of the French Commercial Code and Article 1343-5 *et seq.* of the French Civil Code (*Code civil*).

The conciliator may, at the request of the debtor and after consultation with the participating creditors, seek a partial or total sale of the business that could be subsequently implemented in the context of further safeguard, reorganization or liquidation proceedings, if required. Any offers received in this context by the conciliator may be directly submitted to the court in the context of reorganization or liquidation proceedings after consultation of the Public Prosecutor (Articles L. 611-7 and L. 642-2 of the French Commercial Code (*Code de commerce*)).

Upon its execution, the agreement reached by the parties becomes binding upon them and creditors who signed the agreement may not take action against the company in respect of claims governed by the agreement. In addition, without such formalities being an obligation on the parties, the agreement can be either:

(a) upon all parties' request, acknowledged (*constaté*) by the President of the court, which makes it immediately enforceable, but conciliation proceedings remain confidential; or

(b) upon the debtor's request, approved (*homologué*) by a decision of the Commercial Court, which will make conciliation proceedings public (the judgment is public but the agreement reached remains confidential except for work council and employee representatives) and will have the following specific consequences:

    (i) creditors who provide during conciliation proceedings new money, goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity in the context of a capital increase) will enjoy a "new money" privilege (i.e. a priority of payment) securing payment of this new debt over all pre-proceedings and post-proceedings claims (except with respect to certain pre-proceedings employment claims and procedural costs) (the "**New Money Lien**"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;

    (ii) in the event of subsequent safeguard proceedings, judicial reorganization or judicial liquidation proceedings, the payment date of claims benefiting from the New Money Lien may not be rescheduled or written off without their holders' consent;

    (iii) the works council or employee representatives are informed of the content of the conciliation agreement and may have access to the full conciliation agreement at the clerk's office (*greffe*) of the Court. The publicly available Court decision approving such agreement will however only disclose the amount of any New Money Lien and the guarantees and security interests granted to secure the same;

    (iv) when the debtor is submitted to statutory auditing, the conciliation agreement is transmitted to its statutory auditors; and

    (v) in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of insolvency (*cessation des paiements*) and therefore the starting date of the hardening period (as defined below) cannot be set by the court as at a date earlier than the date of the approval (*homologation*) of the agreement by the court, except in case of fraud (see the definition of the date of the *cessation des paiements* above).

Where a conciliation agreement has been acknowledged or approved, the court may appoint the conciliator (*mandataire à l'exécution de l'accord*) as an agent in charge of the implementation of said agreement.

A third party having granted a guarantee (*sûreté personnelle)* or a security interest (*sûreté réelle)* can benefit from the provisions of the approved or acknowledged agreement.

The court decision approving the agreement does not make its terms public but discloses the guarantees granted to the creditors and priority of payment granted to the creditors. Provided the agreement (whether acknowledged or approved) is duly executed, any individual proceedings by creditors who signed the agreement with respect to the claims included in the agreement are suspended. In case of breach of the agreement, any party to the agreement can petition the court for its termination. If such termination is granted, grace periods granted in relation to the conciliation proceedings may be revoked.

So long as the conciliation agreement is in effect, interest accruing in respect of the affected claims can no longer be capitalized.

The commencement of subsequent insolvency proceedings will automatically put an end to the conciliation agreement, in which case the creditors will recover their claims and security interests, with the exception of amounts already paid to them. Conciliation proceedings, in the context of which a draft plan has been negotiated and is supported by a large majority of creditors without reaching unanimity, will be a mandatory preliminary step of the accelerated safeguard proceedings and the accelerated financial safeguard proceedings, as described below.

Where the maximum time period allotted to court-assisted proceedings expires without an agreement being reached, the proceedings will end. The termination of such proceedings does not, in and of itself, entail any specific legal consequences for the debtor, in particular it does not result in the automatic commencement of insolvency proceedings. New conciliation proceedings cannot be commenced before 3 months have elapsed as from the end of the previous ones.

Any clause in a contract which, as a result of the designation of a *mandataire ad hoc* or the opening of a conciliation proceeding, restricts a debtor's rights or increases its obligations shall be deemed void.

Court-administered Proceedings-Safeguard, Reorganization and Liquidation Proceedings

Court-administered proceedings may be initiated:

(a) in the event of safeguard proceedings, upon petition by the debtor only; and

(b) in the event of judicial reorganization or liquidation, upon petition by the debtor, any creditor or the public prosecutor.

The debtor may, in its sole discretion, file for safeguard proceedings at any time it is facing difficulties (the company is not required to demonstrate that these difficulties would be likely to lead to its insolvency if safeguard proceedings were not opened) that it cannot overcome, as long as it is not insolvent. It is required to petition for the opening of judicial reorganization proceedings (if recovery is possible) or judicial liquidation proceedings (if recovery is manifestly not possible) within 45 days of its becoming insolvent. If it fails to do so and if it is not in conciliation proceedings, its directors and officers and, as the case may be, *de facto* managers of the company, are exposed to incurring civil liability.

The period from the date of the court decision commencing the proceedings (whether a safeguard or a judicial reorganization) to the date on which the court takes a decision on the outcome of the proceedings is called the observation period and may last for up to 6 months renewable once, plus an additional six months under exceptional circumstances (up to 18 months in total). During the observation period, a court-appointed administrator (*administrateur judiciaire*), whose name can be suggested by the debtor in safeguard proceedings, is appointed (except for small companies where the court considers that such appointment is not necessary) to investigate the business of the company. The role of the court appointed administrator is also to assist the debtor in preparing a draft safeguard or reorganization plan (*projet de plan de sauvegarde ou de redressement*) that it will circularize to its creditors. Creditors do not have effective control over the proceedings, which remain in the hands of the debtor assisted by the court appointed administrator. The court appointed administrator will, in accordance with the terms of the judgment appointing him or her, exercise *ex post facto* control over decisions made by the debtor ("*mission de surveillance*") or assist the debtor to make all or some of the management decisions ("*mission d'assistance*"), all under the supervision of the court.

In judicial reorganization proceedings, the administrator's mission is usually to assist the management (although the administrator can be appointed to replace management, in full or in part) and to make proposals for the reorganization of the company, which proposals may include the sale. At the end of the observation period, if it considers that the company can survive as a going concern, the court will adopt a safeguard or reorganization plan which will entail a restructuring and/or rescheduling of debts and may entail the divestiture of some or all of the debtor's assets and businesses. The court will not be able to impose a rescheduling or a postponement of the debts benefiting from a "new money" privilege.

At any time during safeguard proceedings, the court may convert such proceedings into (i) judicial reorganization proceedings (a) at any time during the observation period if the debtor is insolvent or (b) in case no plan has been adopted by the relevant creditors' committee and, if any, the bondholders' assembly (as described below), if the approval of a safeguard plan is manifestly impossible and if the company would shortly become insolvent should safeguard proceedings end, or (ii) judicial liquidation proceedings at any time during the observation period if the debtor is insolvent and its recovery is manifestly impossible. In all such cases:

(i) the court may decide at the request of the debtor, the court-appointed administrator, the creditors' representative or the Public Prosecutor and in all such cases with the exception of paragraph (i) (b) above, the court may act upon its own initiative; and

(ii) the court's decision is only taken after having heard the debtor, the court-appointed administrator, the creditors' representative, the Public Prosecutor and the workers' representatives (if any).

Further to decisions from the French Constitutional Court dated 7 December 2012 and 7 March 2014 and the 2014 Order, an insolvency proceedings can no longer be opened upon the judge's own initiative (i.e., Articles L. 621-2, L. 631-3, L. 640-3, L. 640-4 and L. 640-5 of the French Commercial Code (*Code de commerce*)).

In case of judicial liquidation proceedings, no observation period shall be opened. The outcome of these proceedings, which is decided by the court without a vote of the creditors, may be a plan for the sale of the business and/or isolated sales of the debtor's assets in order to discharge the debtor's liabilities. In case a plan for the sale of the business is considered, the court can authorize a temporary continuation of the business for a maximum period of three months (renewable once at the Public Prosecutor's request), whose effects are similar to an observation period.

Creditors' Committees and Adoption of the Safeguard or Reorganization Plan

During the observation period, in the case of large companies (whose accounts are certified by a statutory auditor (*commissaire aux comptes*) or established by a chartered accountant (*expert comptable*) and with more than 150 employees or a turnover greater than €20 million) or upon the debtor's or the administrator's request and with the consent of the court in the case of debtors that do not exceed the aforementioned thresholds, two creditors' committees have to be established (one for credit institutions and entities having granted credit or advances in favor of the debtor and the other for suppliers having a claim that represents more than 3% of the total amount of the claims of all the debtor's suppliers). If there are any outstanding debt securities in the form of *obligations* (such as bonds or notes), a general meeting gathering all holders of such debt securities will be established irrespective of whether or not there are different issuances and of the governing law of those *obligations* (the "**bondholders' general assembly**"). The Notes would constitute *obligations* for the purposes of a safeguard or reorganization proceedings and the Noteholders would therefore vote within the bondholders' general assembly. These two committees and the bondholders' general assembly will be consulted on the safeguard or reorganization plan drafted by the debtor's management with the assistance of the judicial administrator during the observation period.

Pursuant to the 2014 Order, all members of the creditors' committees (for the avoidance of doubt, this excludes the bondholders' assembly) may propose an alternative plan. The committees will be required to vote on the different plans which will each be the subject of a report of the judicial administrator.

The plan submitted to the committees and the bondholders:

(a) must take into account subordination agreements entered into by the creditors before the commencement of the proceedings.

    Pursuant to the 2014 Order, each member of the creditors' committees must inform the administrator of the existence of any subordination agreement, any agreement restricting or conditioning their vote and any agreement allowing for third party payment of the relevant debt. The judicial administrator shall then submit to the creditor/note holder a proposal for the computation of its voting rights in the creditors committee/bondholders general meeting. In the event of a disagreement, the creditor/note holder or the judicial administrator may request that the matter be decided by the president of the commercial court in summary proceedings.

(b) may treat creditors differently if it is justified by their differences in situation; and

(c) may include a rescheduling or cancellation of debts (subject to the specific regime of claims benefiting from the New Money Lien), debt-for-equity swaps (debt-for-equity swaps requiring the relevant shareholder consent) and sale of part of the business.

If the plan provides for an increase in share capital, shareholders may subscribe to such share capital increase by way of a set-off against their claim arising prior to the proceedings, provided their claim is admitted by the court and to the extent of the write-off the claim may be subject to in the plan.

In the first instance, the plan must be approved by each of the two creditors' committees. Each committee must announce whether its members approve or reject such plan within 20 or 30 days of its submission. The period may be extended or shortened but may never be shorter than 15 days. Such approval requires the affirmative vote of creditors holding at least two-thirds of the amounts of the claims held by the members of such committee that express a vote.

Following the approval of the plan by the two creditors' committees, the plan will be submitted for approval to the bondholders' general meeting. The approval of the plan at such meeting requires the affirmative vote of bondholders representing at least two-thirds of the amount of the claims held by bondholders expressing a vote in the bondholders' general meeting. Creditors for whom the plan does not provide any modification of their repayment schedule or provides for a payment of their claims in full as soon as the plan is adopted or as soon as their claims are admitted do not take part in the vote.

Following approval by the creditors' committees and the bondholders' general meeting and approval by each creditor that is not a member of the committees or a bondholder of a proposal including a rescheduling or a cancellation of part of its debt, the plan has to be approved (*arrêté*) by the court. In considering such approval, the court has to verify that the interests of all creditors are sufficiently protected. Once approved by the relevant court, the safeguard or reorganization plan accepted by the committees and the bondholders' general meeting will be binding on all the members of the committees and all bondholders (including those who did not vote or voted against the adoption of the plan). For those creditors (which are outside the creditors' committee or the bondholders' general meeting) who have not reached a negotiated agreement, the court can reschedule repayment of their claims over a maximum period of ten years (except for claims with maturity dates of more than ten years, in which case the maturity date shall remain the same, and for agricultural businesses run by individuals where the maximum is fifteen years). The court cannot oblige creditors subject to such a rescheduling to waive any part of their claim. The first payment must be made within a year of the judgment adopting the plan (in the third and subsequent years, the amount of each annual instalment must be of at least 5% of the admitted pre-filing liabilities (except for agricultural businesses run by individuals), provided those liabilities have become due and payable).

In the event that the debtor's proposed plan is not approved by both committees and the general meeting of bondholders within the first six months of the observation period, either because they do not vote on the plan or because they reject it, the court can still adopt a safeguard plan in the time remaining until the end of the observation period. In such a case the rules are the same as the ones applicable to creditors that are not part of the committees and that are not bondholders (individual consultation) and, in particular, the court can only impose a rescheduling of the repayment of the debts over a maximum period of ten years (as described in the immediately preceding paragraph and considering the same exceptions).

Court-administered Proceedings – Accelerated Safeguard

A debtor who is subject to conciliation proceedings may request commencement of accelerated safeguard proceedings ("**Accelerated Safeguard**"). This proceeding has been created by the 2014 Order on the basis of the former accelerated financial safeguard proceedings ("**Accelerated Financial Safeguard**") which remains applicable with substantial amendments as a sub-category of an Accelerated Safeguard when the debtor's accounts show that the nature of the indebtedness makes it likely that a plan will be adopted only by creditors who are members of credit institution's committee and if required the bondholder's committee.

The Accelerated Safeguard and the Accelerated Financial Safeguard proceedings are very similar to safeguard proceedings (see above) but have been designed to "fast-track" proceedings of companies (a) having (i) either more than 20 employees or a turnover greater than €3 million or (ii) a total balance sheet exceeding €1,5 million, or (b) which publish consolidated accounts in accordance with Article L. 233-16 of the French Commercial Code. These criteria shall apply unless the debtor produces consolidated financial statements (*comptes consolidés*). Therefore based on currently applicable regulations, the Issuer is eligible for accelerated safeguard proceedings.

The Accelerated Safeguard proceedings apply to all debts whereas the Accelerated Financial Safeguard proceedings apply only to debt owed to financial institutions and bondholders (*i.e.*, debts towards credit institutions and bond debt) the payment of which is suspended to be determined by the plan adopted through the Accelerated Financial Safeguard proceedings.

To be eligible to the Accelerated Safeguard and Accelerated Financial Safeguard, the debtor must fulfil three conditions other than the above mentioned thresholds:

(a) the debtor must be subject to on-going conciliation proceedings when it applies for the opening of the Accelerated Safeguard and the Accelerated Financial Safeguard;

(b) the debtor must not have been insolvent for more than 45 days prior to the request for the commencement of conciliation proceedings.

Please note that at any time, the Public Prosecutor may request the termination of such proceedings if the debtor has been insolvent for more than 45 days prior to the request for the commencement of conciliation proceedings.

(c) as is the case for regular safeguard proceedings, the debtor must face difficulties which it is not in a position to overcome;

(d) the debtor must exceed the thresholds provided for to constitute creditors' committee (see above) or the court shall have authorized such constitution in the opening decision; and

(e) the debtor must have prepared a draft safeguard plan ensuring the continuation of its business as a going concern supported by enough of its creditors involved in the proceedings to render likely its adoption by the credit institutions' committee and the bondholders' meeting if any within a maximum of three months following the commencement of accelerated safeguard proceedings (or within a maximum of up to two months following the commencement of accelerated financial safeguard proceedings).

Neither public creditors, such as the tax or social security administration, nor suppliers, are directly impacted by the Accelerated Financial Safeguard. Their debt continues to be due and payable according to their contractual or legal terms. The list of claims of credit institutions and bondholders party to the conciliation proceedings shall be drawn up by the debtor and certified by the statutory auditor and shall be deemed to constitute the filing of such claims (see below) unless the creditors otherwise elect to make such a filing (see below). The total duration of the Accelerated Financial Safeguard (i.e., the period between the judgment opening the Accelerated Financial Safeguard and the judgment adopting the plan) is one month, unless the court decides to extend it by one additional month.

The total duration of the Accelerated Safeguard is 3 months whereas the duration of Accelerated Financial Safeguard remains unchanged i.e., the court must settle a safeguard plan within one month, unless the court decides to extend it by one additional month. If a plan is not adopted within this timeframe, there will be no individual consultation as in safeguard or judicial reorganization proceedings and the proceedings will then be terminated.

Status of Creditors during Safeguard, Accelerated Financial Safeguard, Accelerated Safeguard, Judicial Reorganization or Judicial Liquidation Proceedings

Contractual provisions pursuant to which the insolvency (*cessation des paiements*) or the commencement of safeguard, accelerated financial safeguard, accelerated safeguard or judicial reorganization proceedings triggers the maturity of its claim or the termination or cancellation of an ongoing contract are deemed void and are therefore not enforceable against the debtor. The opening of liquidation proceedings, however, automatically accelerates the maturity of all of a company's obligations unless the continued operation of the business with a view to the adoption of a "plan of sale of the business" (*plan de cession*) is ordered by the court (three months; renewable once), in which case the acceleration of the obligations will only occur on the date of the court decision adopting the "plan of sale of the business" or on the date on which the continued operation of the business ends.

The court-appointed officer (*administrateur judiciaire*) can request the termination of on-going contracts (*contrats en cours*) which it believes the debtor will not be able to continue to perform. The court-appointed officer can, on the contrary, require that other parties to a contract continue to perform their obligations even though the debtor may have been in default, but on the condition that it fully performs its post-petition contractual obligations (and provided that, in the case of judicial reorganization or judicial liquidation proceedings, absent consent to other terms of payment, the debtor pays cash on delivery).

In addition, during the observation period:

(a) accrual of interest is suspended (except in respect of loans providing for a term of at least one year, or contracts providing for a payment which is differed by at least one year. However, accrued interests can no longer be compounded);

(b) the debtor is prohibited from paying (i) debts incurred prior to the date of the court decision commencing the proceedings, subject to specified exceptions which essentially cover the set-off of related (*connexes*) debts and payments authorized by the insolvency judge (*juge commissaire*) to recover assets subject to retention rights for which recovery is justified by the continued operation of the business and (ii) debts arising after the opening of the proceedings unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor; and

(c) creditors may not pursue any individual legal action against the debtor (or, in safeguard proceedings, against a guarantor of the debtor provided such guarantor is an individual) with respect to any claim arising prior to the court decision commencing the proceedings or, as the case may be, for the aforementioned post-opening, non-privileged debts if the objective of such legal action is:

    (i) to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due);

    (ii) to terminate a contract for non-payment of amounts owed to the creditor; or

    (iii) to enforce the creditor's rights against any assets of the debtor, except (i) in judicial liquidation proceedings, by way of judicial foreclosure (*attribution judiciaire*) of the pledged assets or (ii) where such assets, whether tangible or intangible, movable or immovable, is located in another EU Member State, in which case the rights *in rem* of creditors thereon would not be affected by the insolvency proceedings, in accordance with the terms of Article 8 of the EU Insolvency Regulation.

In the current Accelerated Financial Safeguard proceedings, the above rules only apply to the creditors which are subject to the Accelerated Financial Safeguard and the debts owed to any other creditors continue to be payable in the ordinary course of business.

As a general rule, creditors domiciled in France whose claims arose prior to the commencement of proceedings must file their claims with the court appointed creditors' representative (*mandataire judiciaire*) within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors must also file a claim for the post commencement non privileged debts, with respect to which the two or four-month period referred to above starts to run as from their maturity date. Creditors who have not submitted their claims during the relevant period are, except with respect to very limited exceptions, barred from receiving distributions made in connection with the plans sanctioned by the court. Employees are not subject to limitations and are preferential creditors under French law.

At the beginning of the proceedings, the debtor must provide the judicial administrator and the creditors' representative with the list of all its creditors and all of their claims. Where the debtor has informed the creditors' representative of the existence of a claim, the claim as reported by the debtor is deemed to be a filing of the claim with the creditors' representative on behalf of the creditor. Creditors are allowed to ratify or amend a proof of claim so made on their behalf until the insolvency judge rules on the admissibility of the claim. They may also file their own proofs of claim within the deadlines prescribed above, in particular if they disagree with the amount reported by the debtor and/or the guarantees attached to their claim.

In the Accelerated Safeguard and in the Accelerated Financial Safeguard proceedings however, the debts held by creditors that took part in the conciliation negotiation are listed by the debtor and certified by its statutory auditor (or, in its absence, its accountant). Although such creditors can file proofs of claim pursuant to the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth on the list prepared by the debtor (within the two or four months' time limit). Creditors who did not take part in the *conciliation* proceeding would have to file their proofs of claim within the afore-mentioned legal time limit.

If the court adopts a safeguard plan or reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan.

The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent. In case of judicial reorganization or liquidation with a temporary continuation of the business, if the court adopts a plan for the sale of the business (*plan de cession*), the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of the claims. If the court decides to order the judicial liquidation of the debtor, the liquidator appointed by the court will be in charge of settling the debtor's debts in accordance with their ranking.

French insolvency law assigns priority to the payment of certain preferred creditors, including employees, officials appointed by the insolvency court, creditors benefiting from a New Money Lien (see above), post-petition creditors, certain secured creditors essentially in the event of liquidation proceedings and the French State (taxes and social charges). This order of priority does not apply to all creditors, for example it does not apply to creditors benefiting from a retention right over assets with respect to their claim related to such asset.

That being said, please note that the opening of collective insolvency proceedings may trigger further consequences:

(a) the opening judgment renders due and payable all unpaid capital of the debtor and the creditors' representative (*mandataire judiciaire*) may demand that a shareholder pay its portion of the unpaid capital; and

(b) if the court gives a mandate to the administrator to convene any shareholder meeting to adopt any modifications required by the safeguard plan, the court can order that upon the first convening, the decisions will be adopted by a majority of the shareholders present or represented at the meeting as long as such shareholders own at least half of the shares with voting rights.

Article L. 631-9-1 of the French Commercial Code (as amended by the 2016 Law) provides that, if the debtor's net equity is not restored as per Article L. 626-3, the administrator can petition the court to appoint an agent in charge of convening the shareholder meeting and to vote, on behalf of the dissenting shareholders, on the recapitalization, up to the amount proposed by the administrator, when the draft plan provides for a share capital increase to be subscribed by committed investors.

Article L. 631-19-2 of the French Commercial Code provides that in case of reorganization proceedings and in order to implement a reorganization plan, the Court can force a share capital increase or a sale of the shares owned by shareholders if the following cumulative requirements are met:

(a) approval by the creditors' committees and if necessary the bondholders' general meeting of the reorganization plan providing the share capital modification;

(b) blocking of the share capital modification by one or more shareholders;

(c) the cessation of the business of a company of at least 150 employees, or deemed as a dominating company of one or more companies which employs at least 150 employees (in compliance with Article L. 2231-1 of the French Labor Code), is likely to cause serious disturbance to the national, regional economy and employment area (*bassin de l'emploi*);

(d) express request from the administrator or the Public Prosecutor;

(e) the share capital modification must be the only serious solution to prevent this disturbance, it being specified that the court in considering this requirement will have priorly considered any opportunity of total or partial sale of the business of the company; and

(f) expiration of a three (3)-month period from the opening of the reorganization proceedings.

Provided these requirements are met, the Court can, more specifically, depending on the request made by the administrator or the Public Prosecutor:

(a) appoint a representative (*mandataire*) whose remit will be to convene the relevant general meeting and to vote the share capital increase in lieu of the shareholders which refused the share capital modification in the amount provided in the reorganization plan. This share capital increase must be completed within 30 days from the deliberation. The share capital increase can be paid by third parties/creditors by setting-off their claims against the debtor (provided these claims are admitted in the reorganization proceedings and within the limits of any write-off they are subject to in the reorganization plan); or

(b) force the sale of all or part of the shares owned by the shareholder which refused the share capital modification and that holds directly or indirectly a fraction of the share capital granting a majority of the voting rights or a blocking minority to the benefit of third-parties/creditors that undertook to implement the reorganization plan. In case of disagreement on the sale price, the latter will be set by a judicial expert.

The "Hardening Period" in Judicial Reorganization and Liquidation Proceedings

The court determines the date on which insolvency is deemed to have occurred. It can be any date within the 18 months preceding the date of the opening of the proceedings. This marks the beginning of the "hardening period" (*période suspecte*). Certain transactions entered into by the debtor during the suspect period are automatically void or voidable by the court.

Automatically void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no nominal consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business and security granted for debts (including a security granted to secure a guarantee obligation) previously incurred and provisional measures, unless the right of attachment or seizure predates the date of insolvency (*cessation des paiements*), operations relating to stock options, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as security for a debt simultaneously incurred), any amendment to a trust arrangement (*fiducie*) that affects assets or rights already transferred in the trust as security for debt incurred prior to such amendment, and notarized declarations of exemption of assets from seizure (*déclaration d'insaisissabilité*).

Transactions voidable by the court include payments made on accrued debts, transactions for consideration and notices of attachments made to third parties (*avis à tiers détenteur*), seizures (*saisie attribution*) and oppositions made during the hardening period, if the court determines that the creditor knew of the insolvency (*cessation des paiements*) of the debtor. Transactions relating to the transfer of assets for no consideration are also voidable when entered into during the six-month period prior to the beginning of the hardening period. See "Fraudulent Conveyance".

There is no hardening period prior to the opening of safeguard, accelerated safeguard or accelerated financial safeguard proceedings.

Protective Measures Under Safeguard, Judicial Reorganization and Liquidation Proceedings

Protective measures may be requested:

(a) by the court-appointed administrator, the *mandataire judiciaire*, or the public prosecutor of the company against which a safeguard, reorganization and judicial liquidation proceedings is opened over the assets of a company being subject to an action for commingling of assets (*action en extension pour confusion de patrimoines*); and

(b) by the court-appointed administrator, the *mandataire judiciaire* over the assets of a *de jure or de facto* manager of a company against which a court-ordered reorganization is opened and against which an action for liability is brought on the grounds of a fault having led the company to its insolvency (*cessation des paiements*).

As such, these protective measures aim at precluding third parties from seizing the assets of the company against which an action for commingling of assets is brought or the assets of the manager against which an action for liability is brought.

Creditors' Liability

Pursuant to Article L. 650-1 of the French Commercial Code, where safeguard, judicial reorganization or judicial proceedings have been commenced, creditors may be held liable for the losses suffered as a result of facilities granted to the debtor only if the granting of such facilities was wrongful and in the case of (i) fraud; (ii) interference with the management of the debtor; or (iii) if the security or guarantees taken to support the facilities are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

Fraudulent Conveyance

French law contains specific provisions dealing with fraudulent conveyance both in and outside of insolvency proceedings, the so-called *action paulienne* provisions. The *action paulienne* offers creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party or agrees to provide or provides security for any of its or a third party's obligations, enters into additional agreements benefiting from existing security and any other legal act having similar effect) can be challenged in or outside insolvency proceedings of the relevant person by the creditors' representative (*mandataire judiciaire*), the commissioner of the safeguard or recovery plan (*commissaire à l'exécution du plan*) in insolvency proceedings of the relevant person or any creditor who was prejudiced in its means of recovery as a consequence of the act in or outside insolvency proceedings, and may be declared unenforceable against third parties if: (i) the person performed such acts without an obligation to do so; (ii) the creditor concerned or, in the case of the person's insolvency proceedings, any creditor, was prejudiced in its means of recovery as a consequence of the act; and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*à titre gratuit*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance. If a court found that the issuance of the Notes or the granting of a guarantee involved a fraudulent conveyance that did not qualify for any defense under applicable law, then the issuance of the Notes or the granting of such guarantee could be declared unenforceable against third parties or declared unenforceable against the creditor that lodged the claim in relation to the relevant act. As a result of such successful challenges, holders of the Notes may not enjoy the benefit of the Notes, and the value of any consideration that holders of the Notes received with respect to the Notes could also be subject to recovery from the holders of the Notes and, possibly, from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the Issuer as a result of the fraudulent conveyance.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to Euronext Dublin for the approval of this document as listing particulars. Application has been made to Euronext Dublin for the Notes to be admitted to listing on the Official List and to be admitted to trading on the Global Exchange Market in accordance with the rules of that exchange.

For so long as the Notes are listed on the Global Exchange Market and the rules of Euronext Dublin require, copies of the following documents may be inspected and will be available in physical form at the specified office of the Trustee in London during normal business hours on any weekday:

- our organizational documents;
- our audited consolidated financial statement as at and for the years ended 31 December 2018 and 31 December 2017;
- the Trust Deed; and
- the Agency Agreement.

The current paying and transfer agent is Citibank, N.A., London Branch. We reserve the right to vary such appointment and we will publish notice of such change of appointment.

Clearing Information

The Notes have been accepted for clearance through Euroclear and Clearstream. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium; and the address of Clearstream is Clearstream Banking, *société anonyme* 42 Avenue JF Kennedy, L 1855 Luxembourg.

The Notes have been accepted for clearance through the facilities of Clearstream and Euroclear under common code 196383000. The international securities information number ("**ISIN**") for the Notes is code XS1963830002.

Legal Information

Our financial year runs from 1 January to 31 December. We are required by our primary regulator, the *Autorité des marchés financiers*, to publish financial results twice a year, on an annual and semi-annual basis.

The creation and issuance of the Notes was authorized by a decision of our Board of Directors on 19 December 2018.

For a description of our material indebtedness as at 31 December 2018, see the section entitled "Description of Other Indebtedness" in this Offering Circular.

Main Subsidiaries

The Issuer is the parent company of our Group, which, at 31 December 2018, included 188 fully consolidated subsidiaries and 27 entities consolidated under the equity method. None of our subsidiaries accounts for more than 10% of our total consolidated EBITDA or sales, but one of our subsidiaries accounts for more than 10% of assets. Our consolidated subsidiaries for each respective year are set out in the notes to our audited consolidated financial statements for the years ended 31 December 2018, 2017 and 2016.

Significant Change

Except as disclosed in this Offering Circular, there has been no significant change in our financial or trading position since 31 December 2018, and there has been no material adverse change in our prospects since 31 December 2018.

Litigation

Except as disclosed in this Offering Circular, in the previous 12 months, we have not been involved in and have no knowledge of any threatened legal, governmental or administrative proceedings or arbitration which would have a material adverse impact on our financial position or profitability or on the issue and offering of the Notes.

Material Contracts

Except as disclosed in this Offering Circular, there are, at the date of this Offering Circular, no material contracts entered into other than in the ordinary course of our business, which could result in us being under an obligation or entitlement that is material to our ability to meet our obligations to Noteholders in respect of the Notes being issued.

We are managed independently and transactions with our majority shareholder, the PSA Peugeot Citroën group are conducted at arm's length terms. These transactions (including transactions with companies accounted for by the equity method by the PSA Peugeot Citroën group) are recognized in our audited consolidated financial statements. See note 34 of our audited 2018 Consolidated Financial Statements.

Conflicts of Interest

Except as disclosed in this Offering Circular, there are, at the date of this Offering Circular, no conflicts of interest which are material to the issue of the Notes between the duties of the members of our Board of Directors and their private interests and/or their other duties. For information on our relationships with our majority shareholder, see note 22 to our audited 2018 Consolidated Financial Statements.

Persons Having an Interest Material in the Offering

Save as disclosed in "Subscription and Sale of the Notes", to our knowledge, no person involved in the offering of the Notes has an interest material in the offering.

Responsibility

We accept responsibility for the information contained in this Offering Circular. We declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Irish Listing Agent

Walkers Listing Services Ltd is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the Global Exchange Market of Euronext Dublin.

THE ISSUER

We are a public company with limited liability (*société euroéenne*) incorporated under the laws of the Republic of France, and we have, as of 1 January 2019, share capital of €966,250,607 represented by 138,035,801 fully paid up shares with a par value of €7 each. We were incorporated on 1 July 1929 for a term of 99 years expiring on 31 December 2027, except if the term is extended or if we are subject to early dissolution. Our ordinary shares are listed for trading on Euronext Paris.

Our registered office is 23-27 Avenue des Champs Pierreux, 92000 Nanterre, France, and we are registered with the *Registre du commerce et des sociétés* of Nanterre under number 542 005 376. Our telephone number is +33 (0)1 72 36 70 00.

Our corporate purpose is to engage in the following business activities, directly or indirectly, in France and abroad to:

- create, acquire, run, directly or indirectly manage, by acquisition of holdings, by rental or by any other means, in France and internationally, all forms of industrial companies, trading companies, and tertiary sector companies;
- research, obtain, acquire and use patents, licenses, processes and trademarks;
- rent all types of real estate, bare or constructed;
- provide administrative, financial and technical assistance to affiliated companies;
- run plants and establishments which we own or may acquire in the future;
- manufacture, use and/or sell, regardless of form, our own products or those of affiliated companies;
- manufacture and commercialize, by direct or indirect means, all products, accessories or equipment, regardless of their nature, intended for industrial use, and in particular the automotive industry; and
- to directly or indirectly participate in all financial, industrial or commercial operations that may relate, directly or indirectly, to any one of the abovementioned purposes, including but not limited to setting up new companies, making asset contributions, subscribing to or purchasing shares or voting rights, acquiring an interest or holding, mergers, or in any other way,

and more generally, to conduct any industrial, commercial and financial operations, and operations relating to fixed or unfixed assets, that may relate, directly or indirectly, to any one of the above-mentioned purposes, totally or partially, or to any similar or related purposes, and even to other purposes of a nature to promote our business.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Notes will be passed upon for us by Dentons Europe AARPI, as to matters of French law. Certain legal matters in connection with the offering of the Notes will be passed upon for the Initial Purchasers by White & Case LLP, as to matters of English and French law.

STATUTORY AUDITORS

Our statutory auditors are PricewaterhouseCoopers Audit and Ernst & Young Audit. The address of PricewaterhouseCoopers Audit is 63, rue de Villiers, 92208, Neuilly-sur-Seine, France. The address of Ernst & Young Audit is Tour First, 1, Place des Saisons, TSA 14444, 92037 Paris La Défense Cedex, France. Both entities are members of the *Compagnie régionale des Commissaires aux Comptes de Versailles* and are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorized as *Commissaires aux Comptes*. PricewaterhouseCoopers Audit and Ernst & Young Audit have audited in accordance with professional standards applicable in France and rendered unqualified audit reports on the audited consolidated financial statements of the Issuer for each of the years ended 31 December 2017 and 2018. From the date of our next annual general meeting on 28 May 2019, Mazars LLP will replace PricewaterhouseCoopers Audit as part of our standard auditor rotation policy.

ISSUER

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