Information relating to the components of the Chairman and Chief Executive Officer’s compensation for the financial year ended December 31, 2020 as determined by the Board of Directors on March 24, 2021

Further to the recommendation of the Compensation Committee, the Board of Directors, at the meeting held on March 24, 2021 (i) determined Jacques Aschenbroich’s variable compensation for his duties as Chairman and Chief Executive Officer for the financial year ended December 31, 2020 and (ii) acknowledged the degree of achievement of his pension plan’s performance condition for the financial year ended December 31, 2020.

In the first instance, it is noted that the (gross) fixed compensation paid by Valeo to Jacques Aschenbroich for his duties for the financial year 2020 amounts to EUR 1,100,000, an amount which is unchanged since May 2019 and remains unchanged in 2021. It is further noted that Jacques Aschenbroich agreed to donate 25% of his fixed compensation for the duration of the partial Covid-19-related shutdown to support solidarity initiatives relating to Covid-19.

I. Jacques Aschenbroich’s variable compensation for the financial year ended December 31, 2020

Further to the recommendation of the Compensation Committee, the Board of Directors assessed the degree of achievement of the quantifiable and qualitative criteria of Jacques Aschenbroich’s variable compensation in respect of the financial year ended December 31, 2020. The components of this compensation were set by the Board of Directors on March 24, 2020 acting on the recommendation of the Compensation Committee and approved at a rate of 94.03% by the General Shareholders’ Meeting of June 25, 2020 as part of the vote on the 2020 compensation policy (thirteenth resolution) (the “2020 Compensation Policy”).

Qualitative criteria

In order to assess the degree of achievement of each of the qualitative criteria set for 2020, which are described in the table below, the Board of Directors, acting on the recommendation of the Compensation Committee, carried out a detailed analysis and found a high level of achievement for each of the criteria. The following elements are particularly representative of the year 2020 (see also the table below for further details in respect of the elements considered):

- Remarkable management of the Covid-19 crisis with the implementation of a strict and effective safety protocol, which allowed the Group's 154 plants to restart production under good operating conditions, enabling an incredible recovery in activity in the second half of 2020;
- Valeo's best ever performance in terms of lost-time accidents and severity rates, as well as a decrease of category 1 accidents;
- Excellent results in relation to non-financial criteria (leader in the Dow Jones Sustainability World index for the fifth year running, Valeo ranked first in the automotive sector in terms of sustainable development by Corporate Knights, the top-ranked automotive parts supplier by the non-financial rating agencies MSCI, CDP, Sustainalytics and SAM);
- Development in 2020 of a carbon neutrality plan, disclosed on February 4, 2021, which includes ambitious objectives to achieve carbon neutrality by 2050 with intermediate objectives at 5, 10 and 30 years;
- Significant organisational change characterised by the transfer of the Group's operational, supply chain and resource responsibilities to the Business Groups;
- Strengthening of compliance policies (worldwide deployment of the personal data protection compliance program, reinforcement of the Anti-Corruption and Export Control programs, compliance training for 99% of the target population (36,870 of the Group's engineers and managers)).

Based on these considerations, the Board of Directors, on the recommendation of the Compensation Committee, noted that the achievement rate for the qualitative criteria is 53% (out of maximum percentage of 55%) of the annual fixed compensation due to Jacques Aschenbroich for the financial year ended 31 December 2020.

Quantifiable criteria

The quantifiable criteria of Jacques Aschenbroich’s annual variable compensation have been set by the Board of Directors, acting on the recommendation of the Compensation Committee, based on the Valeo budget for 2020 and the guidance published in February 2020.

The 2020 Compensation Policy provides that the quantifiable criteria of Jacques Aschenbroich’s annual variable compensation exclude the impact of the Covid-19 epidemic and that the Board of Directors may take this impact into account when assessing the degree of achievement of the quantifiable objectives.

Given the exceptional circumstances of the year 2020 related to the Covid-19 epidemic and in accordance with the flexibility granted by the 2020 Compensation Policy, the Board of Directors, on the recommendation of the Compensation Committee, started to consider taking into account the impact of the Covid-19 epidemic in its assessment of the variable performance of the Chairman and Chief Executive Officer. In this context, the Board of Directors paid particular attention to ensuring that its assessment was in line with the compensation policy, fair, and incentive-based with regard to the performance of the Chairman and Chief Executive Officer, as well as being reasonable and balanced with regard to the Company’s performance in a context of crisis, and consistent with the situation of the Company’s various stakeholders (employees, shareholders, public authorities).

The following considerations were identified as particularly relevant by the Board of Directors:

- The first half of the year was not focused on economic performance (in this respect, Valeo suspended its guidance in April 2020) but rather on "protection" (of employees, assets, the company and operations) in order to ensure, at the appropriate time, a rapid return to activity and the restart production of the Group’s 154 plants under good operating conditions, while ensuring maximum protection for all of its employees.
- Moreover, despite the crisis, the Group’s liquidity position was strengthened in the first half of the year with EUR 2.3 billion available in undrawn credit lines and EUR 2.1 billion in net cash and cash equivalents at June 30, 2020. The variabilization of costs’ effort in the first half was significant.
- The second half of the year was marked by a return to activity and economic management, with highly satisfying results:
- Strong recovery with a sharp rebound in business and a return to a level in the order of magnitude of the second half of 2019;
- EBITDA margin at 13.9% of sales and record Group free cash flow of EUR 1.343 billion;
- Order intake of EUR 13.3 billion, book-to-bill ratio of 1.7 and 56% related to innovative products;
- Better results than the guidance published by the Group in October 2020, which had itself been revised upwards from the second semester guidance originally published by the Group in July 2020.

For the whole year 2020:
- Valeo will have generated EUR 294 million in free cash flow;
- Net debt has been reduced to EUR 2.944 billion at the end of 2020, one year ahead of the Group schedule;
- At the end of 2020, the Group’s liquidity situation is very healthy with significant available cash (almost EUR 3 billion) and a total of EUR 2.3 billion in undrawn credit lines.

Moreover, the Board of Directors has taken into account the situation of the Company’s different stakeholders, notably through the following considerations:

- Evolution of Valeo’s share price over the year 2020 (up 2.77% when the CAC 40 index fell 7.14%);
- During the period from January 1, 2019 to December 31, 2020, Valeo’s Total Shareholder Return (TSR) increased by +37% while over the same period, the CAC 40 TSR increased by 16% and the median TSR of the European Automotive Panel by 21%. Valeo’s TSR recorded over this period is ranked second out of 14 companies in this Panel;
- Despite the uncertain context and in view of the interest of stakeholders, the payment in 2020 of a dividend of EUR 48 million (EUR 0.20 per share) in respect of the 2019 financial year. In addition, a dividend of EUR 0.30 per share will be proposed to the General Shareholders’ Meeting of May 26, 2021 in respect of the 2020 financial year;
- Valeo resorted to part-time unemployment in 2020 like its competitors but did not resort to collective redundancy plans (on the contrary, a collective performance agreement in France with job guarantees and commitment to keep all of sites open over the next two years was signed), and did not resort to State guaranteed loans and deferral of tax and social charges.

On the basis of these elements, after taking into account the Company’s performance and the situation of the various stakeholders and exercising its discretion in accordance with the 2020 Compensation Policy, the Board of Directors, on the recommendation of the Compensation Committee, considered that the quantifiable objectives, as far as the first half of 2020 is concerned, have become irrelevant (despite exemplary crisis management). However, for the second half of the year, the Board of Directors noted that the Group’s performance has been excellent whatever the criteria used: in absolute value, in respect of the guidance published in

Pursuant to the October 2020 guidance, EBITDA margin for the second half of the year above 12% and free cash flow above EUR 600 million and by extrapolating the EBITDA margin an operating margin at 3.8% and ROCE rate at 10%. Pursuant to the July 2020 guidance, EBITDA margin for the second half of the year of around 10% and free cash flow above EUR 400 million and by extrapolation of EBITDA margin, an operating margin at 2.10% and ROCE rate at 3.30%. These figures were confirmed by the Statutory Auditors of the Group.
July and October 2020, particularly in terms of the Group's liquidity or order intake; and has decided to attribute a maximum degree of achievement of the quantifiable objectives.

The Board of Directors therefore noted a rate of achievement for the quantifiable criteria for 2020 of 0% for the first half of 2020 and 100% for the second half of 2020, amounting to 50% for the whole year. With a maximum percentage of 115%, the result for 2020 is therefore 57.50%, i.e. 50% compared to the maximum percentage. However, after recalling that the achievement rate of the quantifiable criteria of the Chairman and Chief Executive Officer's 2019 variable compensation was also 57.50% and after taking into account the current economic situation and the situation of the various stakeholders and exercising its discretion in accordance with the 2020 Compensation Policy, the Board of Directors considered it fair to make a downward adjustment of 20% to the achievement rate of the quantifiable criteria. Accordingly, the Board of Directors, on the recommendation of the Compensation Committee, has decided to set the achievement rate for the quantifiable criteria for 2020 at 46%, which represents 40% of the maximum percentage of 115% provided for in the 2020 Compensation Policy.

Therefore, the rate of achievement of the 2020 qualitative and quantifiable criteria is 99% of the annual fixed compensation due to Jacques Aschenbroich in respect of the financial year ended 31 December 2020, i.e. EUR 1,089,000, out of a maximum percentage of 170% of the fixed compensation that the variable compensation may represent for that financial year, i.e. 58% in relation to the maximum allowed by the 2020 Compensation Policy. The variable compensation therefore represents 49% of the total amount of compensation paid to Jacques Aschenbroich in 2020.
The following table summarises the applicable quantifiable and qualitative criteria, the degree of achievement of each quantifiable criterion, the entitlement relating to each of these criteria in terms of percentage of the annual fixed compensation, and the maximum variable compensation for the financial year ended December 31, 2020:

<table>
<thead>
<tr>
<th>Quantifiable criteria</th>
<th>Maximum amount of the variable part as a % of the annual fixed compensation</th>
<th>Amount of the variable part obtained as a % of the annual fixed compensation</th>
<th>Percentage of achievement of the criterion compared to the maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin rate&lt;sup&gt;2&lt;/sup&gt;</td>
<td>25%</td>
<td>12.50%&lt;sup&gt;[8]&lt;/sup&gt;</td>
<td>50%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>25%</td>
<td>12.50%&lt;sup&gt;[7]&lt;/sup&gt;</td>
<td>50%</td>
</tr>
<tr>
<td>Net income</td>
<td>20%</td>
<td>10%&lt;sup&gt;[8]&lt;/sup&gt;</td>
<td>50%</td>
</tr>
<tr>
<td>ROCE rate&lt;sup&gt;3&lt;/sup&gt;</td>
<td>20%</td>
<td>10%&lt;sup&gt;[8]&lt;/sup&gt;</td>
<td>50%</td>
</tr>
<tr>
<td>Group order intake&lt;sup&gt;4&lt;/sup&gt;</td>
<td>25%</td>
<td>12.50%&lt;sup&gt;[11]&lt;/sup&gt;</td>
<td>50%</td>
</tr>
<tr>
<td>TOTAL QUANTIFIABLE CRITERIA</td>
<td>115%</td>
<td>57.50%</td>
<td>50%</td>
</tr>
<tr>
<td>TOTAL QUANTIFIABLE CRITERIA AFTER 20% ADJUSTMENT</td>
<td>115%</td>
<td>46%</td>
<td>40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qualitative criteria</th>
<th>Maximum amount of the variable part as a % of the annual fixed compensation</th>
<th>Amount of the variable part obtained as a % of the annual fixed compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic vision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Social Responsibility</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Progress made by Valeo in terms of skills and diversity management:

- decrease in the number of category 1 accidents (death, amputation, severe trauma, disability/incapacity) and category 2 accidents (major material damage and major accident).

Build and present a vision of carbon neutrality for Valeo in 2020, including five-year objectives.

<table>
<thead>
<tr>
<th>TOTAL QUANTITATIVE CRITERIA</th>
<th>55%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL QUANTIFIABLE (AFTER ADJUSTMENT) AND QUALITATIVE CRITERIA</td>
<td>170%</td>
</tr>
</tbody>
</table>

1. Excluding tax and regulatory impact.
2. Concerning the quantifiable criteria, "excluding the impact of the Covid-19 epidemic". According to the 2020 Compensation Policy, when assessing the degree of achievement of these quantifiable objectives, the Board of Directors may take this impact into account.
3. Excluding the Top Column Module (TCM) business, which is being phased out.
4. Excluding the Top Column Module (TCM) business and Valeo Siemens eAutomotive (VSeA).
5. It is understood that for each quantifiable criterion, the variable part ranges from 0% to 100% of the maximum amount of annual fixed compensation that may be obtained for this criterion.
6. Operating margin rate for the second half of 2020 of 5.0% above the Group's guidance for the second half of 2020 published in October 2020, set at 3.8%, by extrapolating the EBITDA margin for the second half of 2020 of above 12% as per the October 2020 guidance. These figures were confirmed by the Statutory Auditors of the Group.
7. Free cash flow generation in the second half of 2020 at EUR 1,343 million, above the Group's guidance for the second half of 2020 published in October 2020 of above EUR 600 million.
8. Net income in the second half of 2020 of EUR 126 million, including the Top Column Module (TCM) business.
9. ROCE rate for the second half of 2020 of 15%, above the Group's guidance for the second half of 2020 published in October 2020 of 10%, by extrapolating the EBITDA margin for the second half of 2020 of above 12% as per the October 2020 guidance. These figures were confirmed by the Statutory Auditors of the Group.
10. Order intake in the second half of 2020 of EUR 13.3 billion for a total order intake in 2020 of EUR 18.9 billion.
11. Some of the factors considered are as follows. With regard to strategic movements, in 2020 Valeo initiated strategic reflections on the development of New Players in the United States and China and supported the launch of engine electric drives.
12. Some of the factors considered are as follows. In the exceptional context of the health crisis, a demanding and effective Health and Safety Protocol was put in place and allowed all our plants to restart production under good operating conditions. This Protocol, which has been the subject of a number of internal audits, has been praised by the unions and employees and constitutes an external reference. The year 2020 was marked by the continuation and deepening of the actions undertaken to reinforce Valeo's compliance policy through various actions including: the worldwide deployment of the personal data protection compliance program, the reinforcement of the anti-corruption program, and export control procedures. The "Compliance 2020" campaign to raise awareness and train employees on the compliance policy was a success, with 99.9% of the target population (36,870 Group engineers and managers) taking part. In addition, the main organisational change in 2020 is characterised by the decision to transfer responsibilities from Group operations to the Business Groups.
13. Some of the factors considered are as follows. The year 2020 produced excellent results in terms of non-financial criteria (Valeo is the leader in the Dow Jones Sustainability World Index for the fifth year running, is ranked first in the automotive sector in terms of sustainable development by Corporate Knights and is the highest rated automotive supplier by non-financial rating agencies MSCI, CDP, Sustainalytics and SAM). Objectives to encourage diversity within Valeo's governing bodies have been set by the Governance, Appointments and Corporate Social Responsibility Committee for 2030. Gender diversity is a priority for Valeo and it is planned to double the number of women on management committees over the next ten years. Intermediate targets have been set for 2024 and 2027. Valeo has pursued its objectives in terms of sustainable development with the establishment in 2020 of a Carbon Neutrality Plan, which includes a commitment to reduce direct and indirect emissions by 2030 (by 50% and 15% respectively) and to be carbon neutral in Europe and for global operations by 2050 or earlier. Finally, the year 2020 is also marked by Valeo's best-ever performance in terms of the number of lost-time accidents and the severity rate. Category 1 accidents have also decreased.

Pursuant to article L. 22-10-34 (former article L. 225-100, II. and III.) of the French Commercial Code, the Chairman and Chief Executive Officer's variable compensation for the 2020 financial year will only be paid after the General Shareholders' Meeting held to approve the 2020 financial statements has approved the fixed, variable and exceptional components of the overall compensation...
and benefits of all kind paid or granted to the Chairman and Chief Executive Officer for the 2020 financial year (ex post vote).

II. Jacques Aschenbroich's pension plan

In accordance with French Ordinance No. 2019-697 of July 3, 2019, the so-called “Article 39” defined benefit pension plan, which no longer welcomes new members since July 1, 2017, no longer allows for the acquisition of new rights as from January 1, 2020 (the "Closed Plan"). Thus, in accordance with the new legal provisions, a new commitment has been made in favor of Jacques Aschenbroich. This new plan (the "New Plan"), effective as of January 1, 2020, in accordance with Article L. 137-11-2 of the French Social Security Code, includes the same ceilings and performance conditions as the Closed Plan.

Acting on the recommendation of the Compensation Committee, the Board of Directors decided on March 24, 2020 that the acquisition of conditional supplementary pension benefits by the Chairman and Chief Executive Officer under the New Plan would be subject to the same performance condition as the one set for the financial year ended December 31, 2019. This condition is deemed to be satisfied if the variable part of the compensation paid in year Y+1 for year Y is at least equal to 100% of the fixed compensation owed for year Y. If the variable part does not reach 100% of the fixed compensation, the rights granted would be calculated on a pro rata basis. The terms governing this compensation component were approved by the General Shareholders' Meeting on June 25, 2020 as part of the 2020 Compensation Policy, at 94.03% (thirteenth resolution).

For the financial year ended December 31, 2020, the Board of Directors, on the recommendation of the Compensation Committee, acknowledged on March 24, 2021 that (i) the 2020 variable compensation is less than 100% of the 2020 fixed compensation, being equal to 99% of the 2020 fixed compensation and therefore (ii) the rights granted on a pro rata basis amounts to 0.99%.