Notice of Meeting

COMBINED SHAREHOLDERS’ MEETING
WEDNESDAY MAY 26, 2021, 2:30 P.M.
BEHIND CLOSED DOORS (WITHOUT THE PHYSICAL PRESENCE OF SHAREHOLDERS)
AT THE COMPANY’S HEADQUARTERS
43, RUE BAYEN, 75017 PARIS
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This is a free translation into English of the notice of meeting issued in French and available on the website of the Company. This free translation is not a binding document. In the event of a conflict in interpretation or discrepancy between this translation and the French notice of meeting, reference should be made to the French version, which is the original and only authentic text.
Warning – Covid-19

In the context of the coronavirus epidemic (Covid-19) and in accordance with the provisions of French Decree n°2021-255 of March 9, 2021 extending the term and validity of the French Ordinance n°2020-321 of March 25, 2020 adapting in particular rules on meetings and resolutions of general shareholders meetings and management bodies of legal entities as well as entities without legal personality under private law in connection with the Covid-19 epidemic, Valeo’s Ordinary and Extraordinary General Shareholders’ Meeting will be held behind closed doors, without any shareholders being physically present, at the Company’s registered office located at 43, rue Bayen – 75017 Paris.

Considering the administrative measures limiting or prohibiting travel or large gatherings for health reasons, and the number of shareholders usually present at Valeo’s General Shareholders’ Meeting, the holding of the meeting in person had to be ruled out.

In these conditions, shareholders will only be able to cast their vote remotely, before the General Shareholders’ Meeting, using the mail voting form or proxy form, or online by connecting to the secure voting platform VOTACCESS.

Valeo’s General Shareholders’ Meeting will be streamed (broadcast live and recorded) on the Company’s website (www.valeo.com). Each shareholder may also submit written questions on the matters relevant to the General Shareholders’ Meeting provided they are received by the Company at the latest on the second business day prior to the date of the General Shareholders’ Meeting.

In addition to the legal system for written questions, shareholders who have previously authenticated themselves via the VOTACCESS secure voting platform will have the opportunity to ask questions remotely and directly during the General Meeting in the dedicated space on the website of the Company (https://www.valeo.com/en/shareholder-meeting/). As many questions as possible will be answered during the General Meeting, within the time limit.

The modalities of participation in the General Shareholders’ Meeting are specified on the page dedicated to the 2021 General Shareholders’ Meeting on the Company’s website. It should be noted that these modalities of participation may change according to health imperatives and/or legal requirements. Shareholders are therefore invited to regularly consult the page dedicated to the 2021 General Shareholders’ Meeting on the Company’s website (https://www.valeo.com/en/shareholder-meeting).

CONDITIONS

To be able to attend the General Shareholders’ Meeting, you must ensure that your shares have been recorded by midnight (Paris time) on the second business day preceding the Meeting, i.e. by 12:00 a.m. (Paris time) on May 24, 2021,

• in the registered shareholder account managed by the Company if the shares are registered in your name;
• or in the share account managed by a financial intermediary on your behalf if your shares are bearer shares. This will then be certified by a share ownership certificate (attestation de participation) issued by the financial intermediary.

Only shareholders whose shares have been recorded in an account by the second business day preceding the Shareholders’ Meeting, i.e. by 12:00 a.m. (Paris time) on May 24, 2021, are entitled to vote at the Shareholders’ Meeting. Please note that the shareholder who has already expressed his/her vote is entitled to sell all or part of his/her shares. However, if the transfer is settled before May 24, 2021 at 12:00 a.m (Paris time), the Company invalidates or modifies accordingly, the remote vote cast, the proxy, or the certificate of participation, as the case may be, up to the number of the shares sold.
HOW TO VOTE

The General Shareholders’ Meeting being exceptionally held behind closed doors, you will not be able to request your admission card to attend the General Shareholders’ Meeting in person. You are invited to vote remotely, prior to the General Shareholders’ Meeting, via the single mail voting or proxy form, or online by connecting to the secure voting platform VOTACCESS.

There are three ways to exercise your voting rights, which are discussed below in more detail:
1. voting online by connecting to the secure voting platform VOTACCESS prior to the General Shareholders’ Meeting; or
2. voting by mail; or
3. giving a proxy to the Chairman of the General Shareholders’ Meeting or to a designated person.

1. If you want to vote or give proxy online (VOTACCESS)

In consideration of the current context related to the coronavirus epidemic (Covid-19), we highly recommend you to vote via the designated VOTACCESS secure platform, following the instructions below.

If you are a holder of registered shares (pure or administered)
The holders of administered registered shares must connect to the website www.sharinbox.societegenerale.com by using the username code that can be found at the top right-hand corner of the single voting form. A letter containing the username code and a letter containing the password (sent separately) will be sent to all the new holders of administered registered shares or to those who have never connected before to the website, one week before opening the vote casting, in order for them to be able to connect to the website and vote.

The holders of pure registered shares must connect with their usual credentials.

After logging on to the website, the holder of (pure or administered) registered shares must follow the instructions given on the screen in order to access the designated VOTACCESS secure platform, then vote or give proxy to the Chairman of the General Shareholders’ Meeting or to a third party.

If you are a holder of bearer shares
The holders of bearer shares should check with their account-keeping institution to find out whether they are connected to the designated VOTACCESS secure platform and, where applicable, if this access is subject to special conditions of use.

Only bearer shareholders whose account-keeping institution has subscribed to the designated VOTACCESS secure platform will be able to vote online.

If the shareholders’ account-holding institution is connected to the designated VOTACCESS secure platform, they must identify themselves on the website portal of their account-holding institution with their usual access credentials. They will then have to click on the icon that appears on the line corresponding to their Valeo shares and follow the indications given on the screen to gain access to the designated VOTACCESS secure platform and then vote or give proxy to the Chairman of the General Shareholders’ Meeting or to a third party.

The secure website designated for voting prior to the General Shareholders’ Meeting, VOTACCESS, will be open as from April 30, 2021 at 9 a.m., Paris time.

Casting the vote via VOTACCESS will only be possible until the day preceding the General Shareholders’ Meeting, i.e. until May 25, 2021, at 3 p.m., Paris time.

The proxy given to a designated person or to the Chairman of the General Shareholders’ Meeting via the VOTACCESS platform must be received at the latest on May 22, 2021.

However, shareholders are advised not to wait until these deadlines to connect to the site in order to take into account any delays in receiving the information required for their connection.

2. If you want to use the single mail voting or proxy form

A. If you want to cast a postal vote

Black out the box “I VOTE BY POST” of the single voting form, and indicate how your vote should be cast:
- for the draft resolutions presented or approved by the Board of Directors (resolutions 1 to 27):
  - leave blank the boxes corresponding to the resolutions for which you wish to vote YES,
  - black out the boxes corresponding to the resolutions for which you wish to vote NO,
- for the draft resolutions not approved by the Board of Directors, if any, black out box YES, box NO or box Abstain for each resolution, as appropriate.

The single mail voting forms, duly executed and completed, must be received at the latest on May 22, 2021.
B. If you want to give a proxy to the Chairman of the General Shareholders’ Meeting

Check the box “I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL SHAREHOLDERS’ MEETING” of the single voting form. Simply date and sign the voting form in the red box at the bottom. In this case, your vote will be in favour of all resolutions presented to the Shareholders’ Meeting or approved by the Board of Directors (resolutions 1 to 27) and against all other resolutions not approved by the Board of Directors.

The single proxy forms, duly executed and completed, given to the Chairman of the General Shareholders’ Meeting, must be received at the latest on May 22, 2021.

C. If you want to give a proxy to a designated person

Check the box “I HEREBY APPOINT” of the single voting form and state the surname, first name and the address of the person who will be voting for you.

The single proxy forms, duly executed and completed, given to designated persons, must be received at the latest on May 22, 2021.

The shareholder’s proxy shall send his or her voting instructions following the terms set forth in the proxy given by the shareholder in the form of a scanned copy of the single voting form by e-mail to the following address: assemblees.generales@sgss.socgen.com, at the latest on May 22, 2021.

The voting form must bear the name, first name and address of the shareholder’s proxy, the mention “Acting as proxy”, and must be dated and signed. Voting instructions are indicated in the “I vote by mail” box on the form. The proxy shall enclose a copy of his or her identity card and, as the case may be, a power of representation of the corporate legal entity he or she is representing.

Proxies can be revoked in the same way they are given:

In accordance with the provisions of Article R. 22-10-24 of the French Commercial Code and Article 6 of the Decree no. 2020-418 of April 10, 2020, as extended by Decree no. 2021-255 of March 9, 2021 the revocations of proxies can be performed electronically until the fourth day preceding the General Shareholders’ Meeting, i.e. at the latest on May 22, 2021, in the following way:

**Holders of registered shares**

By connecting to the website: www.sharinbox.societegenerale.com.

**Holders of bearer shares**

By connecting to the VOTACCESS secure platform following the instruction detailed above.

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**CHANGES IN THE MODALITIES FOR PARTICIPATING**

Notwithstanding the provisions of Article R. 22-10-28 of the French Commercial Code and in accordance with Article 7 of Decree no. 2020-418 of April 10, 2020 as extended by Decree no. 2021-255 of March 9, 2021, any shareholder who has already voted by post or by Internet or sent a proxy may choose another means of participation provided that his/her instructions reach Service des Assemblées of Société Générale in sufficient time for the new instructions to be registered. The previous instructions received will then be revoked.

For this purpose, registered shareholders who wish to change their mean of participation are requested to send their new voting instruction by returning the single form, duly completed and signed, by e-mail to the following address: ag2021.fr@socgen.com (any other instruction sent to this address will not be taken into account). The form must indicate the shareholder’s username code, name, first name and address, the words "New instruction – cancels and replaces", and be dated and signed. Registered shareholders must attach a copy of their identity card and, if applicable, a power of attorney from the legal entity they represent.

Bearer shareholders are requested to contact their account-holding institution, which will send the new instruction to Société Générale Securities Services, together with a certificate of participation proving their status as shareholders.

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Do not forget to write your surname, first name and address in the bottom right-hand corner of the single mail voting or proxy form, or if these details already appear on the form, to make sure they are correct, and to date and sign the red box provided to this effect.

If you own registered shares, send the form using the prepaid envelope included in this mail.

If you hold bearer shares, send the form to the bank holding your shares as soon as possible so that said bank may send the form to Société Générale (Service des Assemblées, CS 30812, 44308 Nantes Cedex 3), together with a participation certificate within the above mentioned deadlines.
This year, there will not be any amendment or new resolution presented to the Shareholders’ Meeting as it will be held behind closed doors.

If your shares are bearer shares, send the form to the bank holding your shares in order for your instructions to be taken into account.

WARNING: this year it will not be possible to attend the Meeting as it will be held behind closed doors (you should not tick this box).

YOU WISH TO CAST A POSTAL VOTE
Tick this box.

Warning: if you do not tick a box, your vote will be considered as “YES”.

YOU WISH TO APPOINT THE CHAIRMAN OF THE MEETING AS YOUR PROXY
Tick this box.

YOU WISH TO APPOINT A NAMED PERSON
Tick this box and enter the details of the person concerned (First Name – Last Name – Address).

DATE AND SIGN here, so that your vote can be considered.

PLEASE CHECK YOUR PERSONAL DETAILS OR ENTER THEM (LAST NAME, FIRST NAME AND ADDRESS).

How to participate in the Shareholders’ meeting

Valeo - Notice of Meeting 2021
For any information about how to exercise your shareholders’ rights at the Shareholders’ Meeting, which will be held behind closed doors, please contact your bank or call the toll-free number 0800 814 045 (free from a land line in France) or +33 (01) 40 55 20 39 from outside France, or send an email to the following address: valeo.actionnairesindividuels.mailbox@valeo.com.

On our website www.valeo.com, you can find the Notice of Meeting, the number of voting rights at the date the Notice of Meeting was published, all documents to be presented to the Shareholders’ Meeting, the Universal Registration Document, the postal and proxy voting form, any points required by shareholders to be recorded on the agenda and any draft resolutions presented by shareholders.
As a tech company, Valeo’s goal is to play a major role in the mobility of tomorrow.

In keeping with today’s environmental and social issues, future mobility must be greener, safer and more diverse, and must improve the well-being and safety of citizens and consumers. We will achieve this goal thanks to our unique positioning and technological leadership in the areas that are driving the transformation of the automotive industry and sustainable mobility across the globe. This positioning and this leadership are rooted in our expertise, innovations and operational excellence. They are supported by our values and business culture and built to serve our customers, employees, shareholders and host regions.

Valeo today leads the field in electrification and ADAS

2020: a year of two halves with very different profiles

In a market severely disrupted by the health crisis, with a 17% drop in global automotive production over the year as a whole (34% decline in the first half and stable in the second), our efforts focused primarily on taking the necessary steps to protect our employees as well as on preserving our assets and our business operations.

In the first half of the year, the reinforced health protocol – which was mandatory, audited and subject to discussions with employee representatives – was rolled out across all sites in a timely manner, enabling us to protect our employees and resume operations at our 187 plants across the globe under good conditions. Considerable cost variabilization measures were taken, thanks to which we reduced spending by 570 million euros, investments by 141 million euros and gross inventories by 243 million euros with respect to the first half of 2019.

On top of that, our liquidity position was strengthened with 1.1 billion euros in additional liquidity lines secured. As a result, Valeo currently has 2.3 billion euros in undrawn credit lines. I would like to take a moment to thank all of our employees for their outstanding, unwavering commitment during this period, without whom none of this would have been possible.

In the second half of the year, Valeo delivered solid results, demonstrating its strong capacity to bounce back in the current climate. With EBITDA representing 13.9% of sales, free cash flow amounting to a record 1.34 billion euros, and debt having been reduced to less than 3 billion euros one year ahead of our objective, we are in a sound financial position.

These results were achieved thanks to the rigorous operational management of our teams when all of our plants resumed production, and to strict cost control as business picked up sharply in the second half of the year.
Validation of our strategic choices, which respond to market acceleration toward cleaner, safer, smarter mobility.

With the Covid-19 crisis, we are witnessing both a clear preference for individual mobility and accelerating demand for safer, even more electric mobility all over the world, further demonstrating the relevance of our positioning. The 12 technological platforms we have developed in the fields of low- and high-voltage electrification and driving assistance systems, or ADAS, now give us a unique positioning and a major competitive edge.

The massive investments required to develop these platforms put up high barriers to entry on our various markets; their innovative features make for ideal positioning on the most dynamic market segments and a considerable increase in our average content per vehicle, while they open fresh opportunities in new mobility applications such as scooters, electric bikes, autonomous shuttles and even droids.

Now more than ever, the strategic decisions we have made give us confidence in our ability to outperform the global automotive market over the long term and improve our margins, while remaining cautious in 2021 owing to the shortage of electronic components triggered by the crisis.

At the start of the year, we announced a commitment to achieve carbon neutrality by 2050 across Scopes 1, 2 and 3. Our aim is to have reached nearly 50% of our objective by 2030. A whole 1,500 of the Group’s senior executives have pledged their support for the objective, confirming Valeo’s firm commitment to the Business Ambition for 1.5°C campaign.

I look forward to our upcoming Shareholders’ Meeting, to be held on 26 May, when I will introduce Christophe Périllat, to be appointed Deputy Chief Executive Officer at that same meeting. Christophe will become Chief Executive Officer of Valeo in January 2022.

Once again, I would again like to thank all of our 110,300 employees and reiterate my confidence in the future of our Group in a post-Covid world which is proving the relevance of the strategy we have pursued over the past few years.

April 2, 2021

“"The 12 technological platforms we have developed in the fields of electrification and ADAS now give us a unique positioning.”

JACQUES ASCHEBROICH
Chairman and Chief Executive Officer
**SALES BY DISTRIBUTION NETWORK**

In billions of euros and as % of total sales

- **84%** Original equipment
- **16%** Aftermarket and other

**€16.4bn** Sales

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**SALES BY BUSINESS GROUP**

As a % of total sales

- **20%** COMFORT & DRIVING ASSISTANCE SYSTEMS*
- **26%** POWERTRAIN SYSTEMS
- **26%** THERMAL SYSTEMS
- **23%** VISIBILITY SYSTEMS

**2019**

**2020**

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**ORIGINAL EQUIPMENT SALES: GROWTH, OUTPERFORMANCE** and breakdown by destination region

*Like for like***

- **NORTH AMERICA**
  - 19% of Group sales
  - Original equipment sales vs 2019: down 17%

- **SOUTH AMERICA**
  - 2% of Group sales
  - Original equipment sales vs 2019: down 15%

- **EUROPE (including Africa)**
  - 46% of Group sales
  - Original equipment sales vs 2019: down 17%

- **CHINA**
  - 15% of Group sales
  - Original equipment sales vs 2019: up 7%

- **ASIA excluding China (including the Middle East)**
  - 18% of Group sales
  - Original equipment sales vs 2019: down 18%

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* Versus the automotive market, based on IHS automotive production estimates released on January 16, 2020/ CPCA estimates for China.

** See financial glossary, page 24.
**ORDER INTAKE**

Share of innovative products and systems* in order intake (\%)

- 2019: 47\%
- 2020: 56\%

* Products and technologies in series production for less than three years, including Valeo Siemens eAutomotive.

**FREE CASH FLOW**

In millions of euros

- 2019: €519
- 2020: €294

* See financial glossary, page 24.

**OPERATING MARGIN**

In millions of euros and as a % of sales

- 2019: €1,034, 5.3% (vs. €13.3 billion in H2 2019)
- 2020: (€372), -2.3% (5.2% excluding Top Column Module business)

**TOTAL EBITDA**

In millions of euros and as a % of each Business Group’s sales

- Comfort & Driving Assistance Systems: 12.8%
- Powertrain Systems: 16.4%
- Thermal Systems: 9.2%
- Visibility Systems: 11.0%

* See financial glossary, page 24.

**OPERATING MARGIN**

As a %

- 2019: 11.0%
- 2020: 11.0%

**BASIC EARNINGS PER SHARE**

In euros

- 2019: €0.2
- 2020: (€4.6)

**ROCE**

(RETURN ON CAPITAL EMPLOYED)

As a %

- 2019: €13
- 2020: €15

**ROA**

(RETURN ON ASSETS)

As a %

- 2019: €8
- 2020: €9

**FOR MORE INFORMATION**


* See financial glossary, page 24. In light of the exceptional situation relating to the impact of the Covid-19 crisis on the Group’s first-half results, ROCE and ROA for 2020 have been calculated based on annualized second-half data.

* A 2020 dividend of €0.30 per share will be proposed at the Shareholders’ Meeting called to approve the financial statements for the year ended December 31, 2020.

* Excluding share in net earnings of equity-accounted companies.

Notice of Meeting 2021 - Valeo
Sustainable development performance

- **RESEARCH AND DEVELOPMENT EXPENDITURE**
  - Driving cleaner, safer and smarter mobility
  - Gross Research and Development expenditure
    - In millions of euros and as % of total sales
    - 2019: 2,054
    - 2020: 1,660
      - 10.5% Cleaner
      - 10.1% Safer
      - 6% Other
      - 48% Cleaner and safer
  - Original equipment sales derived from products contributing to cleaner and safer mobility
    - As a % of original equipment sales
    - 2019: 10.1%
    - 2020: 10.5%
    - 2019: 1,660
    - 2020: 2,054

- **GOVERNANCE**
  - 100% average rate of attendance at Board of Directors’ meetings
  - 92% of directors are independent
  - 50% of the Board of Directors’ members are women

- **SOCIAL FOOTPRINT**
  - 99.98% of people concerned by the fight against corruption were trained
  - 77% of sites have partnerships with the world of higher education

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(1) The performance chart presented in section “Sustainable development goals in the Group’s business” on page 39 of this report summarizes the main objectives and key performance indicators of the Group’s sustainable development policy.

* In accordance with the AFEP-MEDEF Code, this figure does not include directors representing employees.

** In accordance with Article I. 225-27-1, II of the French Commercial Code (Code de commerce), this percentage does not include directors representing employees.
### ENVIRONMENTAL ECO-EFFICIENCY

Total direct (Scope 1) and indirect (Scope 2) GHG* emissions as a proportion of sales (tCO₂/€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Direct (tCO₂/€M)</th>
<th>Total Indirect (tCO₂/€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>...</td>
<td>199</td>
</tr>
<tr>
<td>2009</td>
<td>...</td>
<td>59.6</td>
</tr>
<tr>
<td>2019</td>
<td>...</td>
<td>57.5</td>
</tr>
<tr>
<td>2020</td>
<td>...</td>
<td>42.1</td>
</tr>
</tbody>
</table>

Total energy consumption (MWh/€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Energy Consumption (MWh/€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>...</td>
</tr>
<tr>
<td>2009</td>
<td>...</td>
</tr>
<tr>
<td>2019</td>
<td>...</td>
</tr>
<tr>
<td>2020</td>
<td>...</td>
</tr>
</tbody>
</table>

Total water consumption as a proportion of sales (cu.m/€M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Water Consumption (cu.m/€M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>...</td>
</tr>
<tr>
<td>2009</td>
<td>...</td>
</tr>
<tr>
<td>2019</td>
<td>...</td>
</tr>
<tr>
<td>2020</td>
<td>...</td>
</tr>
</tbody>
</table>

* See sustainable development glossary, page 24.

### VALEO AND ITS EMPLOYEES

#### Frequency rate of occupational accidents* (FR1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency Rate of Occupational Accidents*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.9</td>
</tr>
<tr>
<td>2020</td>
<td>1.4</td>
</tr>
</tbody>
</table>

* Calculation of FR1: number of lost-time accidents x 1,000,000/number of hours worked during the year.

#### Average hours of training per employee*

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Hours of Training per Employee*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>23.4</td>
</tr>
<tr>
<td>2020</td>
<td>17.9</td>
</tr>
</tbody>
</table>

* This ratio corresponds to all employees trained during the year (including those no longer in the Group)/total headcount at end-December.

### Notice of Meeting 2021 - Valeo

82.6/100*(1) gender equality index, Group average

50% of employees are Valeo shareholders

752 collective bargaining agreements in force in 2020

(1) This index is based on the evaluation of five criteria, taking into account managers and professionals only:

- criterion 1: difference in compensation between men and women;
- criterion 2: difference in individual pay rises between men and women;
- criterion 3: difference in the percentage of men and women promoted;
- criterion 4: percentage of women employees receiving a pay rise after returning from maternity leave;
- criterion 5: percentage of women among the top ten highest paid employees.

FOR MORE INFORMATION

See Chapter 4 of the 2020 Universal Registration Document, “Sustainable Development”.
Summary of the Group’s financial results and position

This summary of the Group’s financial results and position includes information from the 2020 results press release of February 18, 2021 and the Company’s Universal Registration Document filed with the AMF on April 6, 2021 under number D.21-0260. See these documents for further details.

2020: a year shaped by the Covid-19 health crisis during the first six months and an upturn in activity in the different production regions during the second half of the year, which enabled the Group to deliver solid results.

In a market severely disrupted by the Covid-19 health crisis, with a 17% drop in global automotive production over the year as a whole (34% decline in the first half and stable in the second), Valeo’s efforts focused primarily on taking the necessary steps to protect its employees as well as on preserving its assets and business operations.

In the first half of the year, the health protocol – which was strict, efficient and audited, implemented across all Group sites, and subject to discussions with employee representatives – enabled Valeo to protect its employees and resume operations at its 187 plants across the globe under good conditions. Considerable cost variabilization measures were taken, thanks to which Valeo significantly reduced operating expenses, investments and inventories with respect to the first half of 2019. On top of that, Valeo’s liquidity position was strengthened, with 1.1 billion euros in additional liquidity lines secured. As a result, Valeo currently has 2.3 billion euros in undrawn credit lines.

The second half of the year saw an upturn in activity. Valeo recorded sound results, demonstrating its strengths and its capacity to bounce back in the current climate. Thanks to the efficiency of its technological platforms and the unwavering commitment of its teams, Valeo was able to restart production at all of its plants in excellent operating conditions, despite a challenging health environment and a slower upturn in Europe (the Group’s main production region) than in China and North America. Valeo achieved solid results, with EBITDA representing 13.9% of sales, free cash flow amounting to a record 1.34 billion euros, and debt having been reduced to less than 3 billion euros, enabling Valeo to maintain a sound financial position.

2020 consolidated results (condensed)

On February 18, 2021, Valeo’s Board of Directors approved the consolidated and parent company financial statements for the year ended December 31, 2020. The results for 2020 shown below have been prepared in accordance with IFRS:

<table>
<thead>
<tr>
<th></th>
<th>H2 2020</th>
<th>H2 2019</th>
<th>Change</th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in millions of euros)</td>
<td>9,378</td>
<td>9,701</td>
<td>-3%</td>
<td>16,436</td>
<td>19,477</td>
<td>-16%</td>
</tr>
<tr>
<td>Original equipment sales</td>
<td>8,140</td>
<td>8,140</td>
<td>-2%</td>
<td>13,810</td>
<td>16,360</td>
<td>-16%</td>
</tr>
<tr>
<td>Gross margin (in millions of euros)</td>
<td>7,947</td>
<td>8,140</td>
<td>-2%</td>
<td>13,810</td>
<td>16,360</td>
<td>-16%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>17.6%</td>
<td>17.5%</td>
<td>+0.1 pt</td>
<td>13.1%</td>
<td>17.7%</td>
<td>-4.6 pts</td>
</tr>
<tr>
<td>R&amp;D expenditure (in millions of euros)</td>
<td>(767)</td>
<td>(765)</td>
<td>-0.3%</td>
<td>(1,695)</td>
<td>(1,550)</td>
<td>+9%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>-8.2%</td>
<td>-7.9%</td>
<td>-0.3 pt</td>
<td>-10.3%</td>
<td>-8.0%</td>
<td>-2.3 pts</td>
</tr>
<tr>
<td>Selling and administrative expenses (in millions of euros)</td>
<td>(413)</td>
<td>(415)</td>
<td>-0.1%</td>
<td>(832)</td>
<td>(870)</td>
<td>-4%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>-4.4%</td>
<td>-4.3%</td>
<td>-0.1 pt</td>
<td>-5.1%</td>
<td>-4.5%</td>
<td>-0.6 pt</td>
</tr>
<tr>
<td>Operating margin excluding share in net earnings (losses) of equity-accounted companies (in millions of euros)</td>
<td>468</td>
<td>520</td>
<td>-10%</td>
<td>(372)</td>
<td>1,034</td>
<td>-136%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>5.0%</td>
<td>5.4%</td>
<td>-0.4 pt</td>
<td>(2.3%)</td>
<td>5.3%</td>
<td>-7.6 pts</td>
</tr>
<tr>
<td>Share in net earnings (losses) of equity-accounted companies (in millions of euros)</td>
<td>(112)</td>
<td>(130)</td>
<td>N/A</td>
<td>(278)</td>
<td>(237)</td>
<td>N/A</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>-1.2%</td>
<td>-1.3%</td>
<td>+0.1 pt</td>
<td>-1.7%</td>
<td>-1.2%</td>
<td>-0.5 pt</td>
</tr>
<tr>
<td>Operating margin including share in net earnings (losses) of equity-accounted companies* (in millions of euros)</td>
<td>356</td>
<td>390</td>
<td>-9%</td>
<td>(650)</td>
<td>797</td>
<td>-182%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>3.8%</td>
<td>4.0%</td>
<td>-0.2 pt</td>
<td>-4.0%</td>
<td>4.1%</td>
<td>-8.1 pts</td>
</tr>
<tr>
<td>Net attributable income (loss) (in millions of euros)</td>
<td>126</td>
<td>151</td>
<td>-17%</td>
<td>(1,089)</td>
<td>313</td>
<td>-448%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>1.3%</td>
<td>1.6%</td>
<td>-0.3 pt</td>
<td>-6.6%</td>
<td>1.6%</td>
<td>-8.2 pts</td>
</tr>
<tr>
<td>Basic earnings per share (in €)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>(4.55)</td>
<td>1.31</td>
<td>-447%</td>
</tr>
<tr>
<td>ROCE*</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>15%***</td>
<td>13%</td>
<td>N/A</td>
</tr>
<tr>
<td>ROA*</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>9%***</td>
<td>8%</td>
<td>N/A</td>
</tr>
<tr>
<td>Consolidated net position (in millions of euros)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>3,226</td>
<td>4,629</td>
<td>-30%</td>
</tr>
<tr>
<td>EBITDA*</td>
<td>1,303</td>
<td>1,278</td>
<td>+2%</td>
<td>1,505</td>
<td>2,496</td>
<td>-40%</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>13.9%</td>
<td>13.2%</td>
<td>+0.7 pt</td>
<td>12.8%</td>
<td>9.3%</td>
<td>-3.6 pts</td>
</tr>
<tr>
<td>Change in operating working capital** (in millions of euros)</td>
<td>840</td>
<td>71</td>
<td>N/A</td>
<td>266</td>
<td>301</td>
<td>N/A</td>
</tr>
<tr>
<td>Investments in property, plant and equipment and intangible assets (in millions of euros)</td>
<td>(615)</td>
<td>(800)</td>
<td>-23%</td>
<td>(1,329)</td>
<td>(1,766)</td>
<td>-25%</td>
</tr>
<tr>
<td>Free cash flow*</td>
<td>1,343</td>
<td>282</td>
<td>+376%</td>
<td>294</td>
<td>519</td>
<td>-43%</td>
</tr>
<tr>
<td>Net debt*</td>
<td>2,944</td>
<td>2,817</td>
<td>+€127m</td>
<td>2,944</td>
<td>2,817</td>
<td>+€127m</td>
</tr>
</tbody>
</table>

* See financial glossary, page 24.
** Change in working capital excluding (i) changes in non-recurring sales of accounts and notes receivable in a positive amount of 21 million euros in 2020 and a positive amount of 45 million euros in 2019 and (ii) the restatement of cash contributions to R&D reclassified within investments in property, plant and equipment and intangible assets.
*** In light of the exceptional situation relating to the impact of the Covid-19 crisis on the Group’s first-half results, ROCE and ROA for 2020 have been calculated based on annualized second-half data.

Valeo commits to achieving carbon neutrality by 2050, and aims to reach almost 50% of this objective by 2030

By 2030, Valeo’s emissions will have decreased by 45% across its entire value chain – including emissions from its suppliers, its own operating activities and the end use of its products – compared with 2019.

By 2050, Valeo intends to be carbon neutral across all of its operating activities and its entire supply chain worldwide, and will be 100% carbon neutral (including the end use of its products) in Europe.

Valeo is a signatory of the "Business Ambition for 1.5°C” campaign that brings together companies committed to achieving carbon neutrality by 2050 in line with the strict framework of the Science Based Targets initiative.

(1) Further to their statutory audit, the Statutory Auditors issued an unqualified opinion on the consolidated financial statements for the year ended December 31, 2020.
Business review

Change in sales

<table>
<thead>
<tr>
<th>Sales (in millions of euros)</th>
<th>FOURTH-QUARTER</th>
<th>2020</th>
<th>2019</th>
<th>LFL* change</th>
<th>Change</th>
<th>SECOND-HALF</th>
<th>2020</th>
<th>2019</th>
<th>LFL* change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original equipment</td>
<td></td>
<td>4,196</td>
<td>4,094</td>
<td>+5%</td>
<td>+2%</td>
<td></td>
<td>7,947</td>
<td>8,140</td>
<td>−%</td>
<td>−2%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td></td>
<td>476</td>
<td>508</td>
<td>−2%</td>
<td>−6%</td>
<td></td>
<td>924</td>
<td>985</td>
<td>−2%</td>
<td>−6%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>317</td>
<td>327</td>
<td>−2%</td>
<td>−3%</td>
<td></td>
<td>507</td>
<td>576</td>
<td>−11%</td>
<td>−12%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>4,989</td>
<td>4,929</td>
<td>+4%</td>
<td>+1%</td>
<td></td>
<td>9,378</td>
<td>9,701</td>
<td>−1%</td>
<td>−3%</td>
</tr>
</tbody>
</table>

* Like for like (1).

<table>
<thead>
<tr>
<th>Sales (in millions of euros)</th>
<th>FULL-YEAR</th>
<th>2020</th>
<th>2019</th>
<th>LFL* change</th>
<th>Change</th>
<th>As a % of 2020 sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original equipment</td>
<td></td>
<td>13,810</td>
<td>16,360</td>
<td>−14%</td>
<td>−16%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td></td>
<td>1,748</td>
<td>1,990</td>
<td>−10%</td>
<td>−12%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>878</td>
<td>1,127</td>
<td>−21%</td>
<td>−22%</td>
<td>0.5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>16,436</td>
<td>19,477</td>
<td>−14%</td>
<td>−16%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* Like for like (1).

Consolidated sales totaled 16,436 million euros in 2020, down 14% on a like-for-like basis (1):
- original equipment sales came in at 13,810 million euros, down 14% on a like-for-like basis;
- aftermarket sales retreated 10% on a like-for-like basis;
- “miscellaneous” sales including tooling revenues (and revenues relating to customer contributions to R&D) dropped 21% on a like-for-like basis, due to a slowdown in customer projects as a result of the health crisis.

Change in original equipment sales by destination region

<table>
<thead>
<tr>
<th>Original equipment sales (in millions of euros)</th>
<th>FOURTH-QUARTER</th>
<th>2020</th>
<th>2019</th>
<th>LFL* change</th>
<th>Outperf. vs. IHS/CPCA**</th>
<th>2020</th>
<th>2019</th>
<th>LFL* change</th>
<th>Outperf. vs. IHS/CPCA**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe &amp; Africa</td>
<td></td>
<td>1,940</td>
<td>1,904</td>
<td>+2%</td>
<td>+1 pt</td>
<td>3,650</td>
<td>3,699</td>
<td>−1%</td>
<td>+2 pts</td>
</tr>
<tr>
<td>Asia, Middle East &amp; Oceania</td>
<td></td>
<td>1,417</td>
<td>1,355</td>
<td>+7%</td>
<td>+2 pts</td>
<td>2,582</td>
<td>2,641</td>
<td>+1%</td>
<td>0 pts</td>
</tr>
<tr>
<td>• o/w China</td>
<td></td>
<td>686</td>
<td>591</td>
<td>+18%</td>
<td>+9 pts</td>
<td>1,265</td>
<td>1,110</td>
<td>+16%</td>
<td>+8 pts</td>
</tr>
<tr>
<td>• o/w Japan</td>
<td></td>
<td>299</td>
<td>309</td>
<td>−1%</td>
<td>−3 pts</td>
<td>542</td>
<td>634</td>
<td>−12%</td>
<td>−7 pts</td>
</tr>
<tr>
<td>• o/w South Korea</td>
<td></td>
<td>323</td>
<td>340</td>
<td>−3%</td>
<td>−2 pts</td>
<td>582</td>
<td>660</td>
<td>−9%</td>
<td>−8 pts</td>
</tr>
<tr>
<td>• o/w India</td>
<td></td>
<td>45</td>
<td>39</td>
<td>+23%</td>
<td>+3 pts</td>
<td>80</td>
<td>80</td>
<td>+7%</td>
<td>−1 pt</td>
</tr>
<tr>
<td>North America</td>
<td></td>
<td>759</td>
<td>748</td>
<td>+8%</td>
<td>−7 pts</td>
<td>1,565</td>
<td>1,610</td>
<td>+2%</td>
<td>+2 pts</td>
</tr>
<tr>
<td>South America</td>
<td></td>
<td>80</td>
<td>87</td>
<td>+23%</td>
<td>+23 pts</td>
<td>150</td>
<td>190</td>
<td>+5%</td>
<td>+16 pts</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>4,196</td>
<td>4,094</td>
<td>+5%</td>
<td>+2 PTS</td>
<td>7,947</td>
<td>8,140</td>
<td>−%</td>
<td>0 PTS</td>
</tr>
</tbody>
</table>

* Like for like (1).

** Based on IHS automotive production estimates released on January 16, 2021/CPCA estimates for data relating to China.

(1) See financial glossary, page 24.
Against the backdrop of the global health crisis and the ensuing severe market disruption throughout 2020, original equipment sales fell 14% on a like-for-like basis during the year, outperforming global automotive production by 3 percentage points (IHS/CPCA estimates).

Original equipment sales trends by geographic areas were as follows:

- in Europe and Africa (46% of original equipment sales), like-for-like original equipment sales declined by 17% over the year, outperforming automotive production by 5 percentage points;
- in Asia (33% of original equipment sales), like-for-like original equipment sales fell by 9% in 2020, outperforming automotive production by 4 percentage points;
- in China, Valeo’s like-for-like original equipment sales for 2020 climbed 7%, outpacing automotive production by 14 percentage points, driven by strong sales in ADAS and thermal systems;
- in Japan, like-for-like original equipment sales were 19% lower in 2020, underperforming automotive production by 3 percentage points. This performance results mainly from an unfavorable customer mix (strong exposure to Nissan), which particularly hit the Group’s sales;
- in South Korea, like-for-like original equipment sales were 15% lower in 2020, underperforming automotive production by 5 percentage points. This performance is attributable to an unfavorable product mix with Hyundai (expiration of certain contracts), which impacted the Group’s sales;
- in North America (19% of original equipment sales), like-for-like original equipment sales fell by 17% in 2020, outperforming automotive production by 3 percentage points, buoyed mainly by the ramp-up of new projects for North American customers in the ADAS (cameras) and lighting systems segments;
- in South America (2% of original equipment sales), like-for-like original equipment sales fell by 15% in 2020, outpacing automotive production by 16 percentage points owing mainly to the upturn in sales in thermal systems.
Balanced geographic alignment of Valeo’s businesses by production region

Year-on-year changes in the share of original equipment sales in the four main production regions in 2020 were as follows:

- Europe and Africa accounted for 47% of original equipment sales, down 1 percentage point;
- Asia accounted for 32% of original equipment sales, up 2 percentage points;
- North America accounted for 20% of original equipment sales, stable year on year;
- South America accounted for 1% of original equipment sales, down 1 percentage point.

Balanced customer portfolio

The share of original equipment sales among the Group’s customers was as follows at the end of 2020:

- Asian customers accounted for 32% of original equipment sales, down 1 percentage point;
- German customers accounted for 30% of original equipment sales, stable year on year;
- American customers accounted for 19% of original equipment sales, up 1 percentage point;
- French customers accounted for 13% of original equipment sales, stable year on year.

Earnings

Following a first half to the year during which the Group’s business was significantly impacted by the Covid-19 health crisis, Valeo put in place an action plan to reduce costs (570 million euros) and the Group continued its strict control of costs, working capital and investments in the second half as its business picked up.

Thanks to the efficiency of its technological platforms and the unwavering commitment of its teams, Valeo was able to restart production at all of its plants in excellent operating conditions, despite a challenging health environment and a slower upturn in Europe (the Group’s main production region) than in China and North America.

2020

Gross margin\(^{(1)}\) represented 13.1% of sales.

The efficiency of the Group’s technological platforms, along with its sustained cost-cutting efforts, helped drive down gross Research and Development expenditure by 394 million euros (down 19% on 2019) to 1,660 million euros (2,054 million euros in 2019).

Thanks to tight control over fixed costs, administrative and selling expenses fell 4% to 832 million euros (versus 870 million euros in 2019).

Operating margin excluding the share in net earnings (losses) of equity-accounted companies came in at a negative 372 million euros, or a negative 2.3% of sales.

The share in net earnings (losses) of equity-accounted companies represented a loss of 278 million euros in 2020, compared to a loss of 237 million euros in 2019, taking into account:

- the share of the loss reported by Valeo Siemens eAutomotive, which implemented the same measures as Valeo to mitigate the impact of the crisis on its business as far as possible: the joint venture’s loss was 258 million euros for full-year 2020;
- the positive 13 million euro contribution of Chinese joint ventures, which benefited from the strong uptick in business in the second half.

Operating margin including share in net earnings (losses) of equity-accounted companies\(^{(1)}\) came in at a negative 650 million euros, or a negative 4.0% of sales.

The Group reported an operating loss of 857 million euros for full-year 2020.

The effective tax rate came out at 20.0%.

The Group recorded net attributable loss of 1,089 million euros for full-year 2020.

Return on capital employed (ROCE\(^{(1)}\)) and return on assets (ROA\(^{(1)}\)) stood at 15% and 9%, respectively, for 2020. In light of the exceptional situation relating to the impact of the Covid-19 crisis on the Group’s first-half results, ROCE and ROA for 2020 have been calculated based on annualized second-half data.

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\(^{(1)}\) See financial glossary, page 24.

Valeo - Notice of Meeting 2021
Summary of the Group’s financial results and position

First-half 2020

As a result of the Covid-19 health crisis, the automotive market has deteriorated in the regions where Valeo and its customers are present. The deterioration led to business disruptions in many countries, a decline in sales, operating losses and a downward revision of short- and medium-term forecasts for automotive production. Amid the unfavorable economic climate which has significant consequences for Valeo, the Group reviewed the value in use of its capitalized development costs, the assets allocated to certain cash-generating units (CGUs), including the Top Column Module business and the Business Groups, as well as the value in use of its Brazilian assets and the residual assets operated by its diesel-related businesses.

As a result, the Group recognized one-off charges for the period of 622 million euros, as detailed below:

- impairment charged against operating assets, particularly those relating to the Group’s Brazilian operations, to diesel-related businesses and to capitalized R&D costs for a certain number of projects (392 million euros);
- other operating risks (109 million euros);
- Top Column Module business (53 million euros);
- investments in certain start-ups (31 million euros);
- impairment of deferred tax assets (37 million euros).

At the same time, Valeo took steps to reduce costs by 570 million euros compared with first-half 2019, including variabilization of personnel costs (248 million euros), reduction of gross R&D expenditure (196 million euros) and production overheads (97 million euros), and other cost savings (29 million euros). Thanks to these measures, the Group was able to limit the operating margin drop-through (before amortization and capitalized Research and Development expenditure) to 25% for the second quarter and 28% for the first half.

The share in net earnings (losses) of equity-accounted companies represented a loss of 166 million euros in the first half, compared to a loss of 107 million euros in first-half 2019. This line item is affected by the share in the loss reported by Valeo Siemens eAutomotive of 134 million euros, which is bearing the significant consequences for Valeo, the Group reviewed the value in use of its capitalized development costs, the assets allocated to certain cash-generating units (CGUs), including the Top Column Module business and the Business Groups, as well as the value in use of its Brazilian assets and the residual assets operated by its diesel-related businesses.

The operating loss came to 1,141 million euros. This takes into account other income and expenses for a net negative amount of 135 million euros, of which 98 million euros in respect of impairment charged against fixed assets.

The cost of net debt was 33 million euros.

The effective tax rate came out at 2.3%.

The net attributable loss was 1,215 million euros and includes non-recurring items totaling 622 million euros.

Second-half 2020

Valeo’s gross margin was 0.1 percentage points higher than for the year-ago period, at 17.6% of sales versus 17.5% of sales in second-half 2019. Excluding the Top Column Module (TCM) business, gross margin came in at 17.7% of sales.

The improvement in the gross margin in the second half was attributable to the following factors:

- tight control over variable costs: positive 0.3 percentage point impact (mainly personnel expenses);
- reduction in fixed costs: positive 0.1 percentage point impact;
- decrease in volumes (versus the same period in 2019): negative 0.1 percentage point impact;
- increase in depreciation and amortization: negative 0.2 percentage point impact;
- decline in R&D sales: negative 0.2 percentage point impact;

Gross Research and Development expenditure contracted by 198 million euros in the second half (down 20% on the same period in 2019).

This is consistent with the decrease in activity and the 1.7 percentage point reduction in the net positive impact of capitalizing development expenditure. The reduction in this net positive impact reflects:

- the 0.8 percentage point decrease in capitalized development expenditure owing to strict compliance with cost-cutting measures and to the high level of new technological platform standardization;
- the 0.9 percentage point increase in amortization and impairment of capitalized development expenditure.

After taking into account the decrease in the net impact of capitalizing development expenditure, Research and Development expenditure represented 767 million euros.

Thanks to tight control over fixed costs, administrative and selling expenses fell slightly, to 413 million euros in the second half versus 415 million euros in second-half 2019.

Operating margin excluding the share in net earnings (losses) of equity-accounted companies came in at 356 million euros, or 5.0% of sales (5.4% of sales in second-half 2019). Excluding the Top Column Module business, operating margin represented 5.2% of sales.

The share in net earnings (losses) of equity-accounted companies represented a loss of 112 million euros in the second half, compared to a loss of 130 million euros in second-half 2019, taking into account:

- the share of the loss reported by Valeo Siemens eAutomotive, which implemented the same measures as Valeo to mitigate the impact of the crisis on its business as far as possible: the joint venture’s loss was 124 million euros;
- the positive 10 million euro second-half contribution of Chinese joint ventures, which benefited from the strong uptick in business.
Operating margin including share in net earnings (losses) of equity-accounted companies came in at 356 million euros, or 3.8% of sales.

Operating income totaled 284 million euros, after taking into account the 47 million euro rise in restructuring costs, recognized on the “Other income and expenses” line. The effective tax rate came out at 29.2%. Net attributable income was 126 million euros, or 1.3% of sales.

Segment reporting

Change in sales by Business Group

The sales performance for the Business Groups reflects the specific product, geographic and customer mix and the relative weighting of the aftermarket in their activity as a whole.

<table>
<thead>
<tr>
<th>Sales by Business Group</th>
<th>FOURTH-QUARTER</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>SECOND-HALF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>Change in sales</td>
<td>Change in OE sales*</td>
<td>Outperf. vs. IHS/CPCA**</td>
<td>2020</td>
<td>2019</td>
<td>Change in sales</td>
<td>Change in OE sales*</td>
<td>Outperf. vs. IHS/CPCA**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comfort &amp; Driving Assistance Systems***</td>
<td>976</td>
<td>919</td>
<td>6.2%</td>
<td>+7%</td>
<td>+4 pts</td>
<td>1,849</td>
<td>1,839</td>
<td>+0.5%</td>
<td>+2%</td>
<td>+2 pts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Powertrain Systems</td>
<td>1,324</td>
<td>1,307</td>
<td>1.3%</td>
<td>+5%</td>
<td>+2 pts</td>
<td>2,473</td>
<td>2,556</td>
<td>-3.2%</td>
<td>-1%</td>
<td>-1 pt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thermal Systems</td>
<td>1,126</td>
<td>1,122</td>
<td>0.4%</td>
<td>+4%</td>
<td>+1 pt</td>
<td>2,143</td>
<td>2,252</td>
<td>-4.8%</td>
<td>-%</td>
<td>- pt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visibility Systems</td>
<td>1,533</td>
<td>1,542</td>
<td>-0.6%</td>
<td>+5%</td>
<td>+2 pts</td>
<td>2,855</td>
<td>3,000</td>
<td>-4.8%</td>
<td>-%</td>
<td>- pt</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Like for like(1).
** Based on IHS automotive production estimates released on January 16, 2021/CPCA estimates for data relating to China.
*** Excluding the Top Column Module business.

| Sales by Business Group | FULL-YEAR |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-------------------------|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                         | 2020      | 2019           | Change in sales | Change in OE sales* | Outperf. vs. IHS/CPCA** |
| Comfort & Driving Assistance Systems*** | 3,228      | 3,649          | -11.5% | -11% | +6 pts |
| Powertrain Systems       | 4,370      | 5,121          | -14.7% | -15% | +3 pts |
| Thermal Systems          | 3,703      | 4,582          | -19.2% | -19% | - pt  |
| Visibility Systems       | 5,024      | 6,014          | -16.5% | -16% | +2 pts |

(1) See financial glossary, page 24.

In 2020, all Business Groups outpaced automotive production with the exception of Thermal Systems, which performed in line with the market. This business is expected to see an acceleration in organic growth from 2022 onwards.
# EBITDA<sup>(1)</sup> by Business Group

<table>
<thead>
<tr>
<th>EBITDA&lt;sup&gt;(1)&lt;/sup&gt; (in millions of euros and as a % of sales by Business Group)</th>
<th>H2 2020</th>
<th>H2 2019</th>
<th>Change</th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort &amp; Driving Assistance Systems</td>
<td>328</td>
<td>316</td>
<td>+3.8%</td>
<td>412</td>
<td>599</td>
<td>-31.2%</td>
</tr>
<tr>
<td>Powertrain Systems</td>
<td>318</td>
<td>366</td>
<td>-13.1%</td>
<td>409</td>
<td>685</td>
<td>-40.3%</td>
</tr>
<tr>
<td>Thermal Systems</td>
<td>278</td>
<td>240</td>
<td>+15.8%</td>
<td>247</td>
<td>502</td>
<td>-50.8%</td>
</tr>
<tr>
<td>Visibility Systems</td>
<td>360</td>
<td>336</td>
<td>+7.1%</td>
<td>435</td>
<td>660</td>
<td>-34.1%</td>
</tr>
<tr>
<td>Other&lt;sup&gt;*&lt;/sup&gt;</td>
<td>19</td>
<td>20</td>
<td>-5.0%</td>
<td>2</td>
<td>50</td>
<td>-96.0%</td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td>1,303</td>
<td>1,278</td>
<td>+2.0%</td>
<td>1,505</td>
<td>2,496</td>
<td>-39.7%</td>
</tr>
</tbody>
</table>

* Including the Tap Column Module business.
** Including non-recurring items that had a positive 1.2 percentage point impact on second-half 2019 EBITDA.

In second-half 2020, all Business Groups saw a year-on-year improvement in their EBITDA margins, with the exception of Powertrain Systems, where non-recurring items recorded in 2019 added 1.2 percentage points to the margin.

## Free cash flow<sup>(1)</sup>

<table>
<thead>
<tr>
<th>(in millions of euros)</th>
<th>H2 2020</th>
<th>H2 2019</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA&lt;sup&gt;(1)&lt;/sup&gt;</strong></td>
<td>1,303</td>
<td>1,278</td>
<td>1,505</td>
<td>2,496</td>
</tr>
<tr>
<td>Change in operating working capital&lt;sup&gt;*&lt;/sup&gt;</td>
<td>840</td>
<td>71</td>
<td>266</td>
<td>301</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(32)</td>
<td>(27)</td>
<td>(62)</td>
<td>(37)</td>
</tr>
<tr>
<td>Income tax</td>
<td>(82)</td>
<td>(140)</td>
<td>(188)</td>
<td>(292)</td>
</tr>
<tr>
<td>Provisions for pensions and other employee benefits</td>
<td>(70)</td>
<td>(32)</td>
<td>(86)</td>
<td>(33)</td>
</tr>
<tr>
<td>Payments for the principal portion of lease liabilities</td>
<td>(43)</td>
<td></td>
<td>(86)</td>
<td>(84)</td>
</tr>
<tr>
<td>Other operating items</td>
<td>42</td>
<td>(68)</td>
<td>274</td>
<td>(66)</td>
</tr>
<tr>
<td>Investments in property, plant and equipment and intangible assets</td>
<td>(615)</td>
<td>(800)</td>
<td>(1,329)</td>
<td>(1,766)</td>
</tr>
<tr>
<td><strong>FREE CASH FLOW&lt;sup&gt;(1)&lt;/sup&gt;</strong></td>
<td>1,343</td>
<td>282</td>
<td>294</td>
<td>519</td>
</tr>
<tr>
<td>Net financial expenses</td>
<td>(13)</td>
<td>(15)</td>
<td>(75)</td>
<td>(71)</td>
</tr>
<tr>
<td>Other financial items</td>
<td>(141)</td>
<td>(211)</td>
<td>(302)</td>
<td>(658)</td>
</tr>
<tr>
<td><strong>NET CASH FLOW&lt;sup&gt;(1)&lt;/sup&gt;</strong></td>
<td>1,189</td>
<td>56</td>
<td>(83)</td>
<td>(210)</td>
</tr>
</tbody>
</table>

* Change in working capital excluding (1) changes in non-recurring sales of accounts and notes receivable in a positive amount of 21 million euros in 2020 and a positive amount of 45 million euros in 2019 and (l) the restatement of cash contributions to R&D reclassified within investments in property, plant and equipment and intangible assets.

<sup>(1)</sup> See financial glossary, page 24.

The Group generated 294 million euros in free cash flow<sup>(1)</sup> over the year as a whole.

In the first half, free cash flow for the period was a negative 1,049 million euros. This chiefly results from:
- **EBITDA<sup>(1)</sup>** of 202 million euros;
- an adverse change in the net balance of accounts and notes receivable and payable, which represented a negative contribution to cash generation of 691 million euros;
- the reduction in inventories, which represented a positive contribution to cash generation of 204 million euros;
- investments in property, plant and equipment and intangible assets for 714 million euros.

In the second half, the Group generated record free cash flow<sup>(1)</sup> of 1,343 million euros in the six months to December 31, 2020. The strong free cash flow generation in the second half mainly reflects:
- the upturn in EBITDA;
- the 840 million euro positive change in working capital requirement owing to the upturn in business during the period, especially in Europe and North America, and to the Group’s strict management policy aimed at optimizing inventory levels, limiting overdues and accelerating tooling sales.

<sup>(1)</sup> See financial glossary, page 24.
Net cash flow(1) amounted to a positive 1,189 million euros in the second half and includes 88 million euros in dividend payments.

**Valeo’s order intake(1)** returned to pre-crisis levels in the second half, at 13.3 billion euros

After a first half defined by the Covid-19 crisis, which triggered a sharp slowdown in sales, Valeo saw its order intake return to normal levels in the six months to December 31. Incoming orders represented 13.3 billion euros (versus 10.9 billion euros in the same period in 2019), or 1.7x original equipment sales for the same period.

In all, 56% of the order intake related to innovative products(2), confirming the successful positioning of Valeo’s new technologies and products in the powertrain electrification and ADAS segments.

**Reconciliation of Valeo and Top Column Module business data**

The Group has decided to withdraw from the Top Column Module segment.

The following table reconciles published consolidated data with data excluding the Top Column Module business:

<table>
<thead>
<tr>
<th></th>
<th>H2 2020</th>
<th>TCM*</th>
<th>H2 2020 excluding TCM</th>
<th>2020</th>
<th>TCM*</th>
<th>2020 excluding TCM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (in €m)</td>
<td>9,378</td>
<td>111</td>
<td>9,267</td>
<td>16,436</td>
<td>196</td>
<td>16,240</td>
</tr>
<tr>
<td>Gross margin (as a % of sales)</td>
<td>17.6%</td>
<td>4.5%</td>
<td>17.7%</td>
<td>13.1%</td>
<td>(15.3%)</td>
<td>13.5%</td>
</tr>
<tr>
<td>R&amp;D expenditure (in €m)</td>
<td>(767)</td>
<td>(11)</td>
<td>(756)</td>
<td>(1,695)</td>
<td>(20)</td>
<td>(1,675)</td>
</tr>
<tr>
<td>R&amp;D expenditure (as a % of sales)</td>
<td>(8.2%)</td>
<td>(9.9%)</td>
<td>(8.2%)</td>
<td>(10.3%)</td>
<td>(10.2%)</td>
<td>(10.3%)</td>
</tr>
<tr>
<td>Selling and administrative expenses (in €m)</td>
<td>(413)</td>
<td>(6)</td>
<td>(407)</td>
<td>(832)</td>
<td>(12)</td>
<td>(820)</td>
</tr>
<tr>
<td>Selling and administrative expenses (as a % of sales)</td>
<td>(4.4%)</td>
<td>(5.4%)</td>
<td>(4.4%)</td>
<td>(5.1%)</td>
<td>(6.1%)</td>
<td>(5.0%)</td>
</tr>
<tr>
<td>Operating margin excluding share in net earnings (losses) of equity-accounted companies (in €m)</td>
<td>468</td>
<td>(12)</td>
<td>480</td>
<td>(372)</td>
<td>(62)</td>
<td>(310)</td>
</tr>
<tr>
<td>Operating margin excluding share in net earnings (losses) of equity-accounted companies (as a % of sales)</td>
<td>5.0%</td>
<td>(10.8%)</td>
<td>5.2%</td>
<td>(2.3%)</td>
<td>(31.6%)</td>
<td>(1.9%)</td>
</tr>
</tbody>
</table>

* Including intercompany transactions.

**Net debt (1)** at less than 3 billion euros and a strengthened liquidity position

Valeo has achieved its objective of bringing its net debt under 3 billion euros one year ahead of schedule. Net debt stood at 2,944 million euros at December 31, 2020 versus 4,037 million euros at June 30, 2020.

The leverage ratio (net debt/EBITDA) came out at 1.96 times EBITDA and the gearing ratio (net debt/stockholders’ equity excluding non-controlling interests) stood at 91.3% of equity.

Valeo’s balanced debt profile and enhanced liquidity position give it a robust financial structure:

- the Group obtained total financing of 600 million euros from the European Investment Bank (EIB) (an initial loan for 300 million euros which had already been signed). The financing is to be allocated to Valeo’s research projects in the field of CO₂ emissions reduction and ADAS;
- the average maturity of gross long-term debt fell to 3 years at December 31, 2020 (excluding the EIB financing), from 4.0 years at December 31, 2019;
- Valeo also has available cash of 3 billion euros and a total of 2.3 billion euros in undrawn credit lines.

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(1) See financial glossary, page 24.

(2) Products and technologies in series production for less than three years, including Valeo Siemens eAutomotive.
Significant events until February 18, 2021

Governance

On October 27, 2020, Valeo announced:

- the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer from January 2022, with Jacques Aschenbroich continuing to act as Chairman of the Board of Directors until the end of his current term of office as director, and with Christophe Périllat, currently Associate Chief Executive Officer of Valeo (Directeur Général Adjoint), being appointed as Chief Executive Officer;
- the appointment of Christophe Périllat as Associate Chief Executive Officer (Directeur Général Adjoint) as of October 27, 2020, and as Deputy Chief Executive Officer (Directeur Général Délégué) as from the Annual Shareholders’ Meeting to be held in May 2021. The Board of Directors will also propose the appointment of Christophe Périllat as director at such Shareholders’ Meeting.

On June 25, 2020, the Shareholders’ Meeting, which was held behind closed doors (without any shareholders physically in attendance) at the Group’s headquarters and chaired by Jacques Aschenbroich, Chairman and Chief Executive Officer, approved all of the resolutions including the compensation paid to the directors and to the Chairman and Chief Executive Officer in or for 2019, along with the compensation policies applicable to the directors and to the Chairman and Chief Executive Officer in 2020. It should be noted that Jacques Aschenbroich donated 25% of his fixed compensation throughout the shutdown due to the Covid-19 pandemic to support Covid-19-related solidarity initiatives. The directors and members of the Group Operations Committee have decided to follow this initiative.

On March 24, 2020, Valeo’s Board of Directors made a unanimous decision to co-opt the Fonds Stratégique de Participations (FSP) as a director, to replace Georges Paquet. The FSP is represented on Valeo’s Board of Directors by Julie Avrane-Chopard, formerly Senior Partner at McKinsey & Company’s Paris office. On the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee, the Board of Directors confirmed the independence of the Fonds Stratégique de Participations and its permanent representative. The co-optation of the FSP reflects the increased stake it holds in Valeo’s share capital.

Carbon Neutrality Plan

On February 4, 2021, Valeo unveiled its CO₂ emissions reduction plan. By 2030, it commits to reducing:

- 75%\(^{(1)}\) of the CO₂ emissions relating to its operating activities (Scopes 1 and 2);
- 75%\(^{(1)}\) of CO₂ emissions relating to its supply chain (upstream Scope 3);
- 75%\(^{(1)}\) of CO₂ emissions relating to the end use of its products (downstream Scope 3); this reduction is expected to rise to 50% when taking into account emissions avoided thanks to the Group’s electrification technologies.

By 2050, Valeo will have achieved carbon neutrality for all of its own operating activities and across its entire supply chain worldwide, and in Europe the Group will be 100% carbon neutral (including the end use of its products).

Labor relations

On September 30, 2020, Valeo signed a majority agreement for competitiveness and collective performance with French unions CFE-CGC and FO. The agreement will reduce costs and preserve the competitiveness of the Group’s French operations, with no impact on jobs. Under the agreement, Valeo has made a firm commitment to keep all of its sites open and refrain from any compulsory redundancies in France over the next two years.

Safety protocol and outreach initiatives in response to the Covid-19 crisis. The Group has put in place a strict health protocol to allow it to continue to operate while ensuring maximum protection for all of its employees. The measures are mandatory and applicable consistently at all Valeo sites worldwide (plants, R&D centers and head offices), and are audited on a regular basis.

Valeo has been extremely active in its commitment to the fight against Covid-19, providing resources to a consortium for the manufacture of 10,000 ventilators, and donating 80,000 FFP2/FFP3 masks to hospitals. It has also manufactured masks in some of its own plants.

Results and financial structure

On February 10, 2021, the European Investment Bank (EIB) announced that it had approved 600 million euros in financing for Valeo’s European R&D projects related to technologies in the field of CO₂ emissions reduction and ADAS. An initial loan of 300 million euros was signed on February 4, 2021.

On January 14, 2021, Valeo published preliminary second-half 2020 financial information, announcing that despite the acceleration of the second wave of the coronavirus, it recorded like-for-like growth in original equipment sales of 5.3% in the fourth quarter to 4.2 billion euros, for total sales of 5.0 billion euros. Thanks to effective cost control and solid operating performances, Valeo also announced that its EBITDA margin for the second half would represent more than 13.5% of sales, and that its free cash flow would reach more than 1.3 billion euros thanks to its strict control over investments and inventories.

2020 guidance in light of the Covid-19 crisis

Valeo’s financial objectives for 2020 were published on February 20, 2020, at the time of its 2019 annual earnings announcement. On April 14, the Group announced that these objectives (profitability and free cash flow) were no longer valid due to the drop in business activity and lack of visibility regarding when the crisis will end.

\(^{(1)}\) According to the SBTi’s (Science Based Targets initiative) calculation methodology. The SBTi provides companies with a clearly-defined path to reduce CO₂ emissions in line with the objective to limit global warming to 2°C.
On July 21, 2020, in light of the strong upick in business in the main automotive production regions, Valeo set itself new financial objectives for 2020, which were revised upwards on October 27, 2020.

Financial and non-financial ratings

On January 25, 2021, Valeo was included in the “Global 100 most sustainable companies” compiled by Corporate Knights, a Canadian media and research business which compiles rankings and evaluates financial products based on their sustainability performance. Valeo was 66th in the rankings and is still the only automotive parts supplier in the world to be included in the list. Corporate Knights rewarded the Group’s commitment to sustainability and its efforts in the field of environmental protection and responsible stewardship, both through its initiatives and its growth strategy.

On November 22, 2020, Valeo was recognized by S&P Global for its sustainable development performance. The Group received an overall score of 76/100 in the Corporate Sustainability Assessment (compared to the sector average of 35/100), making it the number one player in the auto components industry.

Thanks to this success, Valeo once again secured a place in the Dow Jones Sustainability World index, which identifies the 10% most sustainable companies worldwide out of the largest 2,500 companies tracked on Standard & Poor’s Global Broad Market Index.

On September 29, 2020, Valeo was the top-ranked automotive parts supplier in the “ESG Risk” ranking compiled by Sustainalytics out of a total of 199 automotive parts suppliers analyzed, securing the 94th spot out of the overall sample of 13,410 companies analyzed by the ratings agency. The Sustainalytics report indicates that Valeo presents a “negligible risk” of incurring substantial financial impacts relating to ESG (environmental, social and governance) issues, and also recognizes the Group for its strong management of ESG risks.

For 2020, Valeo’s leadership in sustainability was applauded by the Carbon Disclosure Project, which included the company in its “A List” in recognition of its contribution to the fight against climate change. COP also recognized Valeo for the measures taken to reduce its CO₂ emissions, mitigate climate risks and help develop the low-carbon economy, based on data reported by Valeo in the COP 2020 questionnaire on climate change.

In August 2020, Valeo was rated AAA by non-financial rating agency MSCI in recognition of its sound corporate governance and its ESG performance. AAA is the highest score possible in MSCI’s evaluation system.


On June 11, 2020, Moody’s confirmed Valeo’s “Baa3/P3” long- and short-term issuer ratings, changing its outlook to “negative”.

Products/technologies and patents

On December 15, 2020, Valeo announced that it had adapted its 48V electric motors to bikes. Valeo’s technology, developed jointly with Effigea, represents a world first for electric bikes. The technology comprises a 48V electric motor and a seven-speed automatic, adaptive gearbox in a single unit located in the pedal assembly, providing the best electric assistance for bikes to date. With this high-end solution, Valeo is revolutionizing e-bike drive trains with a system that already meets the best and most demanding automotive standards in terms of quality, robustness, durability and safety. The electric bike market is booming, with a fifteen-fold expansion expected over the next ten years, bringing global sales to 270 million euros in 2030 (McKinsey/Center For Future Mobility-2020).

On September 24, 2020, Valeo announced that it had developed the world’s most powerful air sterilization system for bus and coach cabins. Upon activation, the system eliminates, in a single airflow cycle, more than 95% of viruses, including Covid-19, as well as any bacteria or mold present in the air. The Valeo solution has been integrated as original equipment in vehicles manufactured by a Brazilian automaker. It is designed to be compatible with buses and coaches of all types and sizes, air-conditioned or not, and to withstand all weather conditions. Valeo now plans to bring these systems to markets in Europe, the Americas and Asia. Valeo is also working to roll out this technology to private cars.

On June 26, 2020, Valeo took second place in France’s INPI industrial property institute rankings, with 1,034 patents published in 2019, confirming its high capacity for innovation. In March, Valeo was also ranked France’s second biggest patent filer with the European Patent Office (EPO) for 2019, with 539 patents (37th worldwide). These two rankings underline Valeo’s commitment to protecting the cornerstone of its strategy: innovation.

On April 28, 2020, Valeo won a PACE (Premier Automotive Suppliers’ Contribution to Excellence) Award for its XtraVue™ Trailer, the world’s first system enabling drivers to “see through” the trailer or caravan they are towing. This unique and innovative driving assistance technology makes towing objects simpler and safer for drivers. Using cameras and software developed by Valeo, the system combines the data recorded by the vehicle and trailer cameras into a single, homogenous image. The image is displayed on screen in front of the driver, enabling them to see what’s going on behind their vehicle as if they could see right through the trailer or caravan. For more than 20 years, these PACE awards given by Automotive News have crowned top innovations by automotive suppliers in terms of technological advances and business performance. The prestigious accolade serves as a reference worldwide for automotive innovation.

On March 26, 2020, Valeo received the 2020 Road Safety Innovation Award in the “Preventing the consequences of an accident” category for its Valeo Rescuer™ solution. This is the first emergency e-Call system to comply with European standards that is applicable for vehicles already on the road.

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(1) The Corporate Sustainability Assessment is an annual evaluation of companies’ sustainability practices, recognized as one of the most advanced rating methods for environmental, social and governance (ESG) issues.

(2) Excluding tire manufacturers.
Subsequent events

The following significant events have been announced since the beginning of the 2021 financial year:

- On February 10, 2021, the European Investment Bank (EIB) announced that it had approved 600 million euros in financing for Valeo’s European R&D projects focused on reducing CO₂ emissions and improving vehicle safety. An initial credit facility of 300 million euros was signed on February 4, 2021.
- The transformation of Valeo into a European Company (Société Européenne), as approved by the Board of directors of Valeo of February 20, 2020 and the General Shareholders’ Meeting of June 25, 2020 took effect on March 9, 2021 which is the date of Valeo’s registration as a European Company with the Trade and Companies Register. This new legal form better reflects the group’s European dimension with regard to all stakeholders, in particular its employees and customers. In this context, an agreement to organize the involvement of the employees in the company under its new legal form of European Company was concluded on January 28, 2021. Valeo continues to be governed by French law. This change of legal form does not affect its place of listing nor its governance. Its headquarters remain located in Paris.

2021 outlook

Our base scenario for the top end of our 2021 guidance range is 10% growth in global automotive production. This scenario is based on the assumption that production losses resulting from electronic component shortages in the first half of the year will be offset in the second half.

In this context, the Group has set the following objectives for 2021:

- continued outperformance;
- improved financial performance despite additional costs, estimated at around 80 million euros, related to supply disruptions and the increase in certain raw material prices:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales* (in billions of euros)</td>
<td>17.6-18.2</td>
<td>16.2</td>
</tr>
<tr>
<td>Original equipment sales*</td>
<td>14.9-15.5</td>
<td>13.6</td>
</tr>
<tr>
<td>EBITDA** (in millions of euros)</td>
<td>2,250-2,450</td>
<td>1,505</td>
</tr>
<tr>
<td>(as a % of sales)</td>
<td>12.8%-13.4%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Free cash flow**</td>
<td>330-550</td>
<td>294</td>
</tr>
</tbody>
</table>

* Excluding the Top Column Module business.
** Including the Top Column Module business.

- acceleration in growth for the Valeo Siemens eAutomotive joint venture and a reduction in its negative contribution to “Share in net earnings of equity-accounted companies”.

2020 Dividend

Valeo’s Board of Directors decided to ask shareholders to approve a dividend payout of 0.3 euro per share.
Financial Glossary

- **Order intake** corresponds to business awarded by automakers during the period to Valeo, and to joint ventures and associates based on Valeo's share in net equity, (except Valeo Siemens eAutomotive, for which 100% of orders are taken into account), less any cancellations, based on Valeo's best reasonable estimates in terms of volumes, selling prices and project lifespans. *Unaudited indicator.*

- **Like for like (or LFL)**: the currency impact is calculated by multiplying sales for the current period by the exchange rate for the previous period. The Group structure impact is calculated by (i) eliminating, for the current period, sales of companies acquired during the period, (ii) adding to the previous period full-year sales of companies acquired in the previous period, and (iii) eliminating, for the current period and for the comparable period, sales of companies sold during the current or comparable period.

- **Gross margin** corresponds to sales less cost of sales.

- **Operating margin** including share in net earnings of equity-accounted companies corresponds to operating income before other income and expenses.

- **ROCE**, or return on capital employed, corresponds to operating margin (including share in net earnings of equity-accounted companies) divided by capital employed (including investments in equity-accounted companies), excluding goodwill.

- **ROA**, or return on assets, corresponds to operating income divided by capital employed (including investments in equity-accounted companies) including goodwill.

- **EBITDA** corresponds to (i) operating margin before depreciation, amortization and impairment losses (included in the operating margin) and the impact of government subsidies and grants on non-current assets, and (ii) net dividends from equity-accounted companies.

- **Free cash flow** corresponds to net cash from operating activities (excluding changes in non-recurring sales of receivables and payments for the principal portion of lease liabilities) after taking into account acquisitions and disposals of property, plant and equipment and intangible assets.

- **Net cash flow** corresponds to free cash flow less (i) cash flows in respect of investing activities, relating to acquisitions and disposals of investments and to changes in certain items shown in non-current financial assets, (ii) cash flows in respect of financing activities, relating to dividends paid, treasury share purchases and sales, interest paid and received, and acquisitions of equity interests without a change in control, and (iii) changes in non-recurring sales of receivables.

- **Net debt** comprises all long-term debt, liabilities associated with put options granted to holders of non-controlling interests, short-term debt and bank overdrafts, less loans and other long-term financial assets, cash and cash equivalents and the fair value of derivative instruments hedging the foreign currency and interest rate risks associated with these items.

Substainable Development Glossary

- **Greenhouse gas**: gases which absorb infrared rays emitted by the Earth’s surface, contributing to the greenhouse effect.
The Board of Directors during the year ended December 31, 2020

Operation and Summary of the Composition of the Board of Directors at December 31, 2020

Operation of the Board of Directors

The principal role of the Board of Directors is to determine Valeo’s business strategies and ensure that they are implemented effectively.

The Board of Directors, chaired by Jacques Aschenbroich, has set up four committees – the Audit & Risks Committee, the Compensation Committee, the Governance, Appointments & Corporate Social Responsibility Committee, and the Strategy Committee – to issue recommendations on key matters, improve its operating procedures and, ultimately, guarantee the Group’s sustainable growth.

At December 31, 2020, the Board of Directors’ 14 members have different backgrounds and enable the Group to benefit from their experience and skills in a variety of fields relating to economics, manufacturing and finance. 50%\(^1\) of the Board’s members are women and 100% are under 70 and, except for the two directors representing employees, who are not included in the calculation, all of them except the Chairman and Chief Executive Officer are considered independent\(^2\) according to the criteria set out in both the Internal Procedures and the AFEP-MEDEF Code to which Valeo refers.

Gilles Michel, an independent director, is Lead Director and Chairman of the Compensation Committee and the Governance, Appointments & Corporate Social Responsibility Committee. As the previous year’s Board assessment was performed internally, the Board of Directors decided to appoint an outside firm to conduct the 2020 assessment.

The assessment was performed by a specialist consulting firm between the end of 2020 and the beginning of 2021 through individual interviews with all the directors based on an interview guide that was reviewed and approved by the Lead Director and the Secretary of the Board of Directors. The topics covered in the assessment included the Board of Directors’ operating procedures, structure, governance, composition, duties, proceedings of meetings, directors’ access to information, the choice of issues discussed, the quality of debate and directors’ participation, and the general running of the Board committees.

The outcome of the assessment was reviewed by the Governance, Appointments & Corporate Social Responsibility Committee at its meeting on March 24, 2021, and presented and discussed at the Board of Directors’ meeting held on March 24, 2021.

In its report, the specialist consulting firm noted that “Valeo’s governance has continued to improve and gain in strength since the previous assessment, thanks to:
- extremely efficient management of the Covid-19 crisis by the Chairman and Chief Executive Officer, the Associate Chief Executive Officer (formerly the Chief Operating Officer) and their teams, with an extremely open and transparent attitude towards the Board;
- the Board’s great maturity throughout a challenging period and its supportiveness of management’s handling of the Covid-19 crisis;
- a renewed Board, strengthened by the addition of new directors with a diversity of experience, who contributed to the quality of debate;
- a rigorous succession and governance development process that led to a solution unanimously approved by all Board members;
- a high quality working environment, with a Board increasingly involved in all major issues and members able to express their opinions freely in a constructive atmosphere.”

The main areas of satisfaction include:
- suggestions for improvement made during the previous assessment taken on board;
- unified governance adapted to the Company’s situation, characterized in particular by:
  - efficient running of the Board by the Chairman and Chief Executive Officer;
  - a Lead Director who played his role effectively, particularly in the succession process for the Chairman and Chief Executive Officer;
  - an open, respectful Board of Directors with a genuine ability to dialog and listen;
- strong commitment, involvement and support for the directors during management of the Covid-19 crisis, which was exemplary, for example, on health and safety matters;
- the quality of work done by all the committees, with good coordination between them and the Board and a well programmed rotation of various chairmanships;
- appointment of a person in charge of CSR issues for the Governance, Appointments & Corporate Social Responsibility Committee;
- the annual strategy seminar, which is considered a key event for the Board of Directors.

\(^1\) In accordance with Article L.225-27-1, II of the French Commercial Code (Code de commerce), this percentage does not include the directors representing employees.
\(^2\) For more information, see section “Director independence review”, of the 2020 Universal Registration Document, page 108.
Valeo’s governance structure allows the Group to define and implement its strategy in line with sustainable development commitments, while adhering to the strictest principles of compliance and ethics. This structure helps the Group manage risks and identify opportunities to drive sustainable growth.

### THE BOARD OF DIRECTORS IN SUPPORT OF THE GROUP’S STRATEGY

#### COMPOSITION OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2020

<table>
<thead>
<tr>
<th>PERSONAL INFORMATION</th>
<th>EXPERIENCE</th>
<th>POSITION ON THE BOARD OF DIRECTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Age</td>
<td>Gender</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>JACQUES ASCHENBROICH Chairman and Chief Executive Officer</td>
<td>66</td>
<td>M</td>
</tr>
<tr>
<td>BRUNO BÉZARD</td>
<td>57</td>
<td>M</td>
</tr>
<tr>
<td>BPIFRANCE PARTICIPATIONS Represented by Stéphanie Frachet</td>
<td>43</td>
<td>F</td>
</tr>
<tr>
<td>ÉRIC CHAUVIREY Director representing employees</td>
<td>46</td>
<td>M</td>
</tr>
<tr>
<td>C. MAURY DEVINE</td>
<td>69</td>
<td>F</td>
</tr>
<tr>
<td>FONDS STRATÉGIQUE DE PARTICIPATIONS Represented by Julie Avrane-Chopard</td>
<td>49</td>
<td>F</td>
</tr>
<tr>
<td>MARI-NOËLLE JÉGO-LAVEISSIÈRE</td>
<td>52</td>
<td>F</td>
</tr>
<tr>
<td>GILLES MICHEL Lead Director</td>
<td>64</td>
<td>M</td>
</tr>
<tr>
<td>THIERRY MOULONGUET</td>
<td>69</td>
<td>M</td>
</tr>
<tr>
<td>OLIVIER PIOU</td>
<td>62</td>
<td>M</td>
</tr>
<tr>
<td>PATRICK SAYER</td>
<td>63</td>
<td>M</td>
</tr>
<tr>
<td>ULRRIE STEINHORST</td>
<td>69</td>
<td>F</td>
</tr>
<tr>
<td>GRZEGORZ SZELAG Director representing employees</td>
<td>43</td>
<td>M</td>
</tr>
<tr>
<td>VÉRONIQUE WEILL</td>
<td>61</td>
<td>F</td>
</tr>
</tbody>
</table>


N/A = Not applicable
(1) Except for the directorship in the Company.
(2) ARC = Audit & Risks Committee, GACSRC = Governance, Appointments & Corporate Social Responsibility Committee, CC = Compensation Committee, SC = Strategy Committee.
(3) These shares are held by Bpifrance Participations.
(4) In accordance with the law, the articles of association and the Internal Procedures, the directors representing employees are not required to hold 1,500 shares.
(5) The directors representing employees do not count, in accordance with the recommendation in Article 9.3 of the AFEP-MEDEF Code.
(6) These shares are held by Fonds Stratégique de Participations.
The changes in the composition of the Board of Directors and Board committees in 2020 are shown in the table below.

<table>
<thead>
<tr>
<th>Departures</th>
<th>Appointments</th>
<th>Reappointments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board of Directors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georges Pauget(1)</td>
<td>Fonds Stratégique de Participations (represented by Julie Avrane-Chopard)(2)</td>
<td>Thierry Moulonguet</td>
</tr>
<tr>
<td>(March 24, 2020)</td>
<td>(March 24, 2020)</td>
<td>Ulrike Steinhorst</td>
</tr>
<tr>
<td></td>
<td>Grzegorz Szelag(3)</td>
<td>Fonds Stratégique de Participations(4)</td>
</tr>
<tr>
<td></td>
<td>(November 19, 2020)</td>
<td>(June 25, 2020)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Governance, Appointments &amp; Corporate Social Responsibility Committee</strong></td>
<td>N/A</td>
<td>Ulrike Steinhorst</td>
</tr>
<tr>
<td>N/A</td>
<td>Ulrike Steinhorst (in charge of CSR issues)(5)</td>
<td>Ulrike Steinhorst</td>
</tr>
<tr>
<td></td>
<td>(October 27, 2020)</td>
<td></td>
</tr>
<tr>
<td><strong>Compensation Committee</strong></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>N/A</td>
<td>Fonds Stratégique de Participations (represented by Julie Avrane-Chopard)(3)</td>
<td>Thierry Moulonguet</td>
</tr>
<tr>
<td></td>
<td>(March 24, 2020)</td>
<td></td>
</tr>
<tr>
<td><strong>Audit &amp; Risks Committee</strong></td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>N/A</td>
<td>Fonds Stratégique de Participations (represented by Julie Avrane-Chopard)(3)</td>
<td>Thierry Moulonguet</td>
</tr>
<tr>
<td></td>
<td>(March 24, 2020)</td>
<td></td>
</tr>
<tr>
<td><strong>Strategy Committee</strong></td>
<td>Georges Pauget(1)</td>
<td>Thierry Moulonguet</td>
</tr>
<tr>
<td>N/A</td>
<td>Eric Chauviere(6)</td>
<td>Ulrike Steinhorst</td>
</tr>
<tr>
<td>(March 24, 2020)</td>
<td>(October 27, 2020)</td>
<td>(October 27, 2020)</td>
</tr>
</tbody>
</table>

N/A: Not applicable.
(1) Until his resignation as director of Valeo and member of the Strategy Committee on March 24, 2020.
(2) Decision of the Board of Directors on March 24, 2020, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee. The co-optation of Fonds Stratégique de Participations was submitted to the Shareholders’ Meeting on June 25, 2020 for ratification.
(3) Following the amendment to the articles of association approved by the Shareholders’ Meeting of June 25, 2020 to include arrangements for appointing a second director representing employees, Grzegorz Szelag was appointed director representing employees by the European Works Council at its meeting of November 19, 2020.
(4) At the Shareholders’ Meeting on June 25, 2020. The reappointment of Thierry Moulonguet, Ulrike Steinhorst and Fonds Stratégique de Participations, represented by Julie Avrane-Chopard, provides the Board with the continued benefit of their respective expertise as described in their biographies.
(5) Decision of the Board of Directors on October 27, 2020, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee. Ulrike Steinhorst was already a member of the Governance, Appointments & Corporate Social Responsibility Committee before being appointed in charge of CSR issues for the committee.
(6) Decision of the Board of Directors on October 27, 2020, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee.
(7) Decision of the Board of Directors on October 27, 2020, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee. Patrick Sayer was already a member of the Strategy Committee before being appointed Chairman.
Presentation of directors in 2020

(Information updated at December 31, 2020)

<table>
<thead>
<tr>
<th>JACQUES ASCHENBROICH</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAIRMAN AND CHIEF EXECUTIVE OFFICER</td>
</tr>
</tbody>
</table>

French  
Age: 66  
Valeo  
43, rue Bayen  
75017 Paris, France

| First appointed: 03/20/2009 |
| Start of current term of office: 05/23/2019 |
| End of current term of office: Shareholders’ Meeting called to approve the 2022 financial statements |
| Number of shares held: 838,833 |
| Membership of Board committees: - |

Main position held outside the Company

- Director (various companies)

Directorships and other offices currently held

Directorships and other offices within the Group

-  

Directorships and other offices held outside the Group

- Chairman of the Board of Directors, *École nationale supérieure des Mines ParisTech*
- Director, Veolia Environnement ♦ (Chairman of the Research, Innovation and Sustainability Committee and member of the Accounts and Audit Committee) and BNP Paribas ♦ (member of the Accounts Committee)
- Co-President of the Franco-Japanese Business Club

Directorships and other offices held within the past five years

- Chairman, Valeo Finance, Valeo SpA (Italy), Valeo (UK) Limited (United Kingdom)

Summary of main areas of expertise and experience

Jacques Aschenbroich has been Chief Executive Officer of Valeo since March 20, 2009 and Chairman and Chief Executive Officer since February 18, 2016. He has extensive experience in senior executive positions in major industrial groups in France and abroad, as well as senior positions in the public service.

Before joining Valeo, he held several positions in the French administration and served in the Prime Minister’s office in 1987 and 1988. He then pursued an industrial career in the Saint-Gobain group from 1988 to 2008. After having managed subsidiaries in Brazil and Germany, he became Managing Director of the Flat Glass division of Compagnie de Saint-Gobain and went on to become Chairman of Saint-Gobain Vitrage in 1996.

As Senior Vice-President of Compagnie de Saint-Gobain from October 2001 to December 2008, he managed the flat glass and high-performance materials sectors as from January 2007 and, as the Vice-Chairman of Saint-Gobain Corporation and General Delegate to the United States and Canada, he directed the operations of the group in the United States as from September 1, 2007. He was also a director of Esso SAF until June 2009.

Jacques Aschenbroich graduated in engineering from *École des Mines*. He is a French citizen and speaks French, English, German and Portuguese.

♦ Listed company (for directorships and positions currently held).
<table>
<thead>
<tr>
<th>Main position held outside the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Partner of investment fund Cathay Capital Private Equity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Directorships and other offices currently held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cathay Capital Private Equity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Directorships and other offices within the Group</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Directorships and other offices held outside the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matmut</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Directorships and other offices held within the past five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engie</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Head of the French Treasury</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Summary of main areas of expertise and experience</th>
</tr>
</thead>
</table>

Bruno Bézard has experience in the most prestigious roles in the French civil service, spanning the economic, industrial and financial spheres, as well as in the private equity world. In addition, over the past few years he has gained in-depth knowledge of China, where he lived for several years and spends a substantial amount of time in his current position. He also speaks the language.

He was Head of the French Public Finance Administration after spending two years as Minister-Advisor in Beijing, overseeing France’s Greater China Regional Economic Department. He created, and then headed, the French State Shareholding Agency (APE), representing the State as a shareholder on a large number of company boards and acquiring vast experience in corporate governance and mergers & acquisitions.

He has notably held a seat on the boards of EDF, SNCF, Areva, La Poste, Thales, Air France, Engie, PSA and Fonds Stratégique d’Investissement (FSI). He was Head of the French Treasury and President of the Paris Club before joining Cathay Capital as Managing Partner in 2016, a private equity fund that invests in start-ups, SMEs and middle market companies, and supports their international development in Europe, the United States and China.

An Inspector General of Finance, Bruno Bézard is a graduate of the École polytechnique and the École nationale d’administration (ENA), and taught at both schools for a number of years.

He is a French citizen and speaks French, English, Chinese and Russian.
**BPIFRANCE PARTICIPATIONS**
**INDEPENDENT DIRECTOR**

**Bpifrance Participations**
27/31, avenue du Général-Leclerc
94710 Maisons-Alfort CEDEX, France

**First appointed:** 06/21/2019  
**Start of current term of office:** 06/21/2019  
**End of current term of office:** Shareholders’ Meeting called to approve the 2021 financial statements  
**Number of shares held:** 12,600,000  
**Membership of Board committees:**  
- Audit & Risks Committee  
- Compensation Committee  
- Governance, Appointments & Corporate Social Responsibility Committee

**Directorships and other offices currently held**
**Directorships and other offices within the Group**
-  
**Directorships and other offices held outside the Group**
- Director, Ekinops  
- Eutelsat Communications  
- Nexans  
- Mersen  
- Orange  
- Parrot  
- Pixium Vision  
- Prodways Group  
- Soitec  
- Technicolor  
- and Voluntis  
- Member of the Supervisory Board, PSA  
- Innate Pharma  
- Vallourec

**Directorships and other offices held within the past five years**
- Director, Gensight, Antalis, Cegedim, CGG, Gensight Biologics, Txcell, Verallia and Verimatrix  
- Member of the Supervisory Board, Valneva SE and Vergnet SA

**Summary of main areas of expertise and experience**
Bpifrance Participations is a Bpifrance subsidiary, and invests both directly and through funds of funds. It is the parent company of Bpifrance Investissement and engages in these business activities under the general interest mission entrusted to Bpifrance.

◆ Listed company (for directorships and positions currently held).
STÉPHANIE FRACHET
PERMANENT REPRESENTATIVE OF BPIFRANCE PARTICIPATIONS

French
Age: 43

Bpifrance
Investissement
6-8, boulevard Haussmann
75009 Paris, France

Main position held outside the Company
- Director, Bpifrance Investissement; member of the Management Committee, Bpifrance Capital Développement

Directorships and other offices currently held

Directorships and other offices within the Group
- 

Directorships and other offices held outside the Group
- Permanent representative of Bpifrance Participations, Director, Eutelsat Communications ♦ (member of the Appointments & Governance Committee)
- Member of the Supervisory Board, Sabena Technics Participations
- Director, Constellium ♦
- Permanent representative of Bpifrance Investissement, Director, Sulo
- Board Observer, Paprec (member of the Audit Committee)

Directorships and other offices held within the past five years
- Independent director Eurosic
- Permanent representative of Bpifrance Investissement, Director, Sarenza and Fidec
- Board Observer, Horizon Parent Holdings (Verallia) and Financière Carso

Summary of main areas of expertise and experience
Stéphanie Frachet has been a director of Bpifrance Investissement and a member of the Management Committee of Bpifrance Capital Développement since 2017. She joined Bpifrance (formerly Fonds Stratégique d’Investissement) in 2009 and has 20 years’ experience in finance and private equity.

From 2001 to 2007, she worked in audit at Ernst & Young and then Transaction Services at PricewaterhouseCoopers, handling M&A and LBO operations.

In 2007, she joined Société Générale’s Leveraged Finance team where she was in charge of LBO deals for middle market companies and large groups.

Stéphanie Frachet is also the permanent representative of Bpifrance Participations on the Board of Directors of Eutelsat Communications, permanent representative of Bpifrance Investissement on the Board of Directors of Sulo (formerly Plastic Omnium Environnement), director of Constellium (listed on the New York Stock Exchange) and a member of the Supervisory Board of Sabena Technics Participations. She is also a Board Observer of Paprec.

She was previously an independent director of Eurosic, permanent representative of Bpifrance Participations on the Board of Directors of Fidec, Board Observer of Horizon Parent Holdings (Verallia) and Financière Carso, and permanent representative of Bpifrance Investissement on the Board of Directors of Sarenza. She is a graduate of ESSEC Business School.

♦ Listed company (for directorships and positions currently held).
### ÉRIC CHAUVIREY
**DIRECTOR REPRESENTING EMPLOYEES**

<table>
<thead>
<tr>
<th>Language</th>
<th>Nationality</th>
<th>Age</th>
<th>Address</th>
<th>First appointed by the Group Works Council</th>
<th>Start of current term of office</th>
<th>End of current term of office</th>
<th>Number of shares held</th>
<th>Membership of Board committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>French</td>
<td>French</td>
<td>46</td>
<td>14, avenue des Béguines Immeuble Le Delta 95892 Cergy-Pontoise Cedex, France</td>
<td>06/30/2017</td>
<td>06/30/2017</td>
<td>06/30/2021</td>
<td>in accordance with the law, the articles of association and the Internal Procedures, the director representing employees is not required to hold 1,500 shares</td>
<td>• Compensation Committee • Strategy Committee (since October 27, 2020)</td>
</tr>
</tbody>
</table>

### Main position held outside the Company
- 

### Directorships and other offices currently held

#### Directorships and other offices within the Group
- R&D Knowledge Manager in the Group

#### Directorships and other offices held outside the Group

### Directorships and other offices held outside the Group

### Directorships and other offices held within the past five years

### Summary of main areas of expertise and experience

**Through his long experience in the Group and his involvement in the employee representative bodies and trade unions, Éric Chauvirey has in-depth knowledge of the Group’s business and employee relations, which are essential attributes for a director representing employees.**

He has been employed by Valeo since 1999 in production (Étaples-sur-Mer) and R&D (Montigny-le-Bretonneux & Cergy). He began his career with Valeo as Head of Project Design at Étaples-sur-Mer, before being appointed Head of Pre-Project Research & Development in 2005 for Valeo Systèmes de Liaison.

In 2007, he was promoted to the position of Head of Project Quality for Valeo Systèmes de Contrôle Moteur, the Group’s engine management systems unit in Cergy, then became Project Manager in 2012. In September 2014, he was appointed Head of Prototype Scheduling. Since December 1, 2017, he has been R&D Knowledge Manager, responsible for managing the Valeo Experts.

He was a member of the Works Council, and trade union representative at the Cergy site, and central trade union representative for Valeo Systèmes de Contrôle Moteur. He was also a member of the Central Works Council, Chairman of the Economic Commission, and Group negotiator for the Force Ouvrière trade union.

Éric Chauvirey holds an engineering degree in Industrial Design and Production from the ESCPI-CNAM. He has also completed a training course on the role of company directors run by the Institut d'études politiques de Paris (IEP) in partnership with the French Institute of Directors (Institut français des administrateurs - IFA).

He is a French citizen and speaks French and English.
| **C. MAURY DEVINE**  
INDEPENDENT DIRECTOR |
|---|
| American  
Age: 69  
1219 35th street NW  
Washington, DC 20007,  
United States |
| First appointed: 04/23/2015  
Start of current term of office: 05/23/2017  
End of current term of office: Shareholders’ Meeting called to approve the 2020 financial statements  
Number of shares held: 3,500  
Membership of Board committees:  
- Governance, Appointments & Corporate Social Responsibility Committee  
- Compensation Committee |

**Main position held outside the Company**  
- Director (various companies)

**Directorships and other offices currently held**

**Directorships and other offices within the Group**
-  

**Directorships and other offices held outside the Group**
- Director, John Bean Technologies (United States) (Chair of the independent Nominating and Governance Committee and member of the Audit Committee), ConocoPhillips (United States) (member of the independent Nominations and Governance Committee and the Public Policy Committee), and Gonzaga College High School (United States)
- Director, Technip S.A. (Lead Director, member of the Nominating and Compensation Committee and Chair of the Ethics and Governance Committee), Georgetown Visitation Preparatory School (United States) (Chair of the Audit Committee and member of the Executive Committee), and FMC Technologies (United States)
- Member of the independent Nominating and Governance Committee, Petroleum Geo-Services (Norway)

**Summary of main areas of expertise and experience**

C. Maury Devine, a US national, has held several management positions in international and industrial groups in the United States and Europe. She has also served in public office in the United States and has extensive knowledge of US public affairs.

From 1972 to 1987, she worked for the US government in various capacities, most notably for the Department of Justice, the White House and the US Drug Enforcement Administration (DEA). Between 1987 and 2000, she held a number of positions at ExxonMobil Corporation, including Chair and Chief Executive Officer of its Norwegian subsidiary from 1996 to 2000 and Secretary General of Mobil Corporation between 1994 and 1996.

She was also Vice-Chair of the Board of Directors of Det Norske Veritas (DNV) from 2000 to 2010 and Fellow at the Belfer Center for Science and International Affairs at Harvard University from 2000 to 2003.

C. Maury Devine is a graduate of Middlebury College, the University of Maryland and Harvard University (Master in Public Administration). She is an American citizen and speaks French and English.

* Listed company (for directorships and positions currently held)
**FONDS STRATÉGIQUE DE PARTICIPATIONS**  
_INDEPENDENT DIRECTOR (SINCE MARCH 24, 2020)_

<table>
<thead>
<tr>
<th>Fonds Stratégique de Participations</th>
<th>First appointed: 03/24/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>93, boulevard Haussmann</td>
<td>Start of current term of office: 06/25/2020</td>
</tr>
<tr>
<td>75008 Paris, France</td>
<td>End of current term of office: Shareholders’ Meeting</td>
</tr>
<tr>
<td></td>
<td>called to approve the 2023 financial statements</td>
</tr>
<tr>
<td></td>
<td>Number of shares held: 9,471,305</td>
</tr>
<tr>
<td></td>
<td>Membership of Board committees:</td>
</tr>
<tr>
<td></td>
<td>• Audit &amp; Risks Committee (since March 24, 2020)</td>
</tr>
</tbody>
</table>

**Directorships and other offices currently held**

**Directorships and other offices within the Group**

**Directorships and other offices held outside the Group**

- Director, SEB ◆, Arkema ◆, Eutelsat Communications◆, Tikehau Capital Advisors, Elior Group◆, Neoen ◆ and Safran ◆ via F&F (joint venture with FFP)
- Member of the Supervisory Board, Tikehau Capital SCA ◆

**Directorships and other offices held within the past five years**

- Director, Zodiac Aerospace

**Summary of main areas of expertise and experience**

Fonds Stratégique de Participations (FSP) is a long-term investment vehicle whose purpose is to support French companies in their growth and transition projects over the long term. FSP thus acquires significant equity interests in companies and plays a role in their governance by obtaining a seat of the Board of Directors or the Supervisory Board. The shareholders of the funds are seven French insurance companies: BNP Paribas Cardif, CNP Assurances,

Crédit Agricole Assurances, Groupama, Natixis Assurances, Société Générale Assurances, and Suravenir. FSP’s portfolio currently consists of eight equity interests in French companies that are leaders in their field: SEB, Arkema, Safran, Eutelsat Communications, Tikehau Capital, Elior, Neoen and Valeo.

◆ Listed company (for directorships and positions currently held).
JULIE AVRANE-CHOPARD
PERMANENT REPRESENTATIVE OF FONDS STRATÉGIQUE DE PARTICIPATIONS

French
Age: 49
144, rue de Longchamp
75116 Paris, France

Main position held outside the Company
- Chair, Clear Direction

Directorships and other offices currently held

Directorships and other offices within the Group

Directorships and other offices held outside the Group
- Chair, Clear Direction
- Member, Cercle de l’Odéon and Fondation de la Comédie Française
- Director, Monnoyeur group (since December 17, 2020)
- Member of the Supervisory Board, Unibail-Rodamco-Westfield (since December 23, 2020, member of the Audit Committee)

Directorships and other offices held within the past five years
- Senior Partner, McKinsey & Company

Summary of main areas of expertise and experience
Julie Avrane-Chopard was a Senior Partner in McKinsey & Company’s Paris office from 1999 to July 2020, where she headed the firm’s high-tech industries practice in France (advanced electronics, aerospace and defense, automotive and assembly). She also co-led the firm’s high-tech skills practice worldwide.

Julie Avrane-Chopard specializes in the high-tech industries, IT services and software sectors. At McKinsey, she mainly dealt with strategy, growth, M&A and post-merger integration issues in cross-border contexts as well as large-scale transformation plans.


Julie Avrane-Chopard is a graduate of the École nationale supérieure des télécommunications de Paris and of the Collège des ingénieurs. She also holds an MBA from INSEAD.

 Listed company (for directorships and positions currently held).
MARI-NOËLLE JÉGO-LAVEISSIÈRE
INDEPENDENT DIRECTOR

French
Age: 52
Orange
8, rue Olivier-de-Serres
75015 Paris, France

First appointed: 05/26/2016
Start of current term of office: 05/23/2017
End of current term of office: Shareholders’ Meeting called to approve the 2020 financial statements
Number of shares held: 1,500
Membership of Board committees:
• Audit & Risks Committee

Main position held outside the Company
• Deputy Chief Executive Officer, Europe (excl. France), Orange (since September 1, 2020)

Directorships and other offices currently held

Directorships and other offices within the Group
–

Directorships and other offices held outside the Group
• Director, Engie † (member of the Ethics, Environment and Sustainability Committee), Orange Romania (Romania), Orange Belgium (since September 1, 2020) (Belgium) †, Orange Poland (since October 20, 2020) (Poland) †, Orange Spain (since November 5, 2020) (Spain), Orange Bank (since November 16, 2020) and NowCp

Directorships and other offices held within the past five years
• Director, Nordnet, the French National Frequency Agency (Agence Nationale des Fréquences) and BuyIn SA
• Chair of the Board of Directors, Soft@Home and Viaccess SA

Summary of main areas of expertise and experience
Mari-Noëlle Jégo-Laveissière brings the Board of Directors her considerable experience in new technologies and in research and development, particularly in telecommunications, areas in which she has spent most of her career.

She began her career in 1996 at the Paris regional office (Direction Régionale de Paris) of France Télécom’s commercial distribution network. Since then, she has held various leadership positions within the Orange group: head of Consumer Marketing France (Marketing Grand Public France), Director of Research and Development and Director of International Networks. She became a member of the Executive Committee of Orange in March 2014 in her capacity as Executive Vice-President of Innovation, Marketing & Technologies.

Mari-Noëlle Jégo-Laveissière has been Deputy Chief Executive Officer, Europe (excl. France) of Orange since September 1, 2020.

Mari-Noëlle Jégo-Laveissière holds a degree from École Normale Supérieure and she graduated in engineering from Corps des Mines. She also holds a doctorate in quantum chemistry from the Université de Paris XI – Waterloo (Canada).

She is a French citizen and speaks French and English.

† Listed company (for directorships and positions currently held).
GILLES MICHEL
INDEPENDENT DIRECTOR, LEAD DIRECTOR

French
Age: 64
Valeo
43, rue Bayen
75017 Paris, France

First appointed: 05/23/2018
Start of current term of office: 05/23/2018
End of current term of office: Shareholders’ Meeting called to approve the 2021 financial statements
Number of shares held: 1,500
Membership of Board committees:
• Governance, Appointments & Corporate Social Responsibility Committee (Chairman)
• Compensation Committee (Chairman)

Main position held outside the Company
• Director (various companies)

Directorships and other offices currently held

Directorships and other offices within the Group

Directorships and other offices held outside the Group
• Director, IBL Ltd (Mauritius) (Chair of the Corporate Governance Committee, member of the Strategy Committee), Solvay (Belgium) (member of the Finance, Appointments and Compensation Committees), Maurilait Production Ltée (Mauritius) and Management and Development Company Limited (Mauritius)
• Chairman of the Board of Directors, Charles Telfair Institute (Mauritius)

Directorships and other offices held within the past five years
• Chairman and Chief Executive Officer, Imerys
• Chairman of the Board of Directors, Imerys

Summary of main areas of expertise and experience
Gilles Michel has extensive experience in the automotive industry, after a number of years in senior management positions at PSA Peugeot Citroën, where he held roles such as brand manager for Citroën and Peugeot SA Managing Board member.

He began his career at ENSEAE, before moving to the World Bank in Washington DC. He joined Saint Gobain in 1986, where he spent 16 years in various senior management roles, mainly in the United States, before being appointed Chairman of the Ceramics & Plastics division in 2000. He joined PSA Peugeot Citroën in 2001 as Executive Vice-President of Platforms, Technical Affairs and Purchasing, before becoming brand manager for Citroën and a member of the Peugeot SA Managing Board. From December 1, 2008, Gilles Michel served as Chief Executive Officer of Fonds Stratégique d’Investissement (FSI), where he was responsible for equity investments in companies offering growth and competitiveness for the French economy.

He was Chairman of the Board of Directors of Imerys until June 25, 2019, having previously been a director, Chief Operating Officer and Chairman and Chief Executive Officer.

He is a graduate of the École polytechnique, ENSEAE and the Institut d’études politiques de Paris (IEP).

He is a French citizen and speaks French and English.

 Listed company (for directorships and positions currently held).
THIERRY MOULONGUET
INDEPENDENT DIRECTOR

French
Age: 69
Fimalac
97, rue de Lille
75007 Paris, France

First appointed: 06/08/2011
Start of current term of office: 06/25/2020
End of current term of office: Shareholders’ Meeting called to approve the 2023 financial statements
Number of shares held: 3,000
Membership of Board committees:
- Audit & Risks Committee (Chairman)
- Strategy Committee

Main position held outside the Company
- Director (various companies)

Directorships and other offices currently held
Directorships and other offices within the Group

Directorships and other offices held outside the Group
- Independent director, Fimalac SA (member of the Remunerations Committee), Fimalac Développement (Luxembourg), Lucien Barrière group (Chairman of the Audit and Risk Committee and member of the Strategy Committee and the Compensation Committee) and HSBC France (Chairman of the Audit Committee and member of the Risk Committee)
- Chairman of the Supervisory Board, Webedia (Fimalac group)

Directorships and other offices held within the past five years
- Independent director, HSBC Europe (United Kingdom) and Prodways group

Summary of main areas of expertise and experience
Thierry Moulonguet has extensive experience in the French and international automotive industry. He spent most of his career with the Renault-Nissan group, where he held a number of top positions including Vice Chief Executive Officer and Chief Financial Officer of Nissan in Japan and Vice Chief Executive Officer and Chief Finance Officer of the Renault group.

He joined the Renault-Nissan group in February 1991 as Head of Banking Strategy and Financial Communication. He later served as Director of Financial Relations, Vice-President, Capital Expenditure Controller, Vice Chief Executive Officer and Chief Financial Officer of Nissan before becoming Vice Chief Executive Officer and Chief Financial Officer of the Renault group, also in charge of Information Systems, and then member of the Management Committee for the Americas and member of its Executive Committee from January 2004 to July 1, 2010. He served as Special Advisor to Renault’s Chairman and Chief Executive Officer until March 31, 2011, the date on which he retired.

He also served as a member of the Board of Fitch Ratings Ltd, Ssangyong Motor Co. (South Korea), Avtovaz (Russia), RCI Banque and Renault Retail group.

Thierry Moulonguet is a graduate of École nationale d’administration (ENA) and Institut d’études politiques de Paris (IEP).

He is a French citizen and speaks French and English.
GEORGES PAUGET
INDEPENDENT DIRECTOR (UNTIL MARCH 24, 2020)

French
Age: 73
Rue Augusto Rosa 7-SESQ
1100-058 Lisbon, Portugal

First appointed: 04/10/2007
Start of current term of office: 05/26/2016
End of current term of office: Shareholders’ Meeting called to approve the 2019 financial statements
Number of shares held: 1,500
Membership of Board committees:
• Strategy Committee (until March 24, 2020)

Main position held outside the Company
• Legal Manager of ALMITAGE16.LDA (Portugal) and director (various companies)

Directorships and other offices currently held

Directorships and other offices within the Group

Directorships and other offices held outside the Group
• Independent Lead Director, Worldline SA ♦ (since March 19, 2020)
• Honorary Chairman, LCL – Le Crédit Lyonnais
• Member of the Supervisory Board, Eurazeo ♦ (Chairman of the Compensation, Selection and Governance Committee and member of the Audit Committee)
• Vice-President, Club Med (Chairman of the Audit Committee)
• Legal Manager, ALMITAGE16.LDA (Portugal)

Directorships and other offices held within the past five years
• Chairman, Economie Finance et Stratégie SAS
• Director, Tikehau and Dalenys (member of the Audit Committee and the Compensation Committee)

Summary of main areas of expertise and experience

Georges Pauget has extensive experience in finance and banking, having spent most of his career with the Crédit Agricole group where he was Chief Executive Officer from September 2005 to March 2010. As Lead Director of Valeo and Chairman of the Compensation Committee and the Governance, Appointments & Corporate Social Responsibility Committee until October 24, 2019, he has also acquired considerable experience in the corporate governance of listed companies.

He served as Chairman of the Board of Directors of LCL – Le Crédit Lyonnais, and Chairman of the Board of Directors of Calyon until March 2010, Chief Executive Officer and Chairman of the Executive Committee of LCL – Le Crédit Lyonnais, permanent representative of LCL – Le Crédit Lyonnais at the Fondation de France, and Chairman of the Executive Committee of the French Banking Federation (2008 to 2009). Georges Pauget was also Chairman of the Board of Directors of the Amundi Group until the end of February 2011 and of Viel & Cie until March 14, 2012.

He was previously Scientific Director of the Chair of Asset Management and Adjunct Professor at Paris Dauphine university, lecturer at Institut d’études politiques de Paris (IEP) and Visiting Professor at the University of Beijing until 2015. He also served as Chairman of Economie Finance et Stratégie SAS.

Georges Pauget is a Doctor in Economic Sciences, and holds a master’s degree in Economic Sciences, with econometrics as his specialization, from the University of Lyon.

He is a French citizen and speaks French, English, Spanish and Italian.

♦ Listed company (for directorships and positions currently held).
OLIVIER PIOU
INDEPENDENT DIRECTOR

French
Age: 62
1, avenue Frédéric Le Play
75007 Paris, France

First appointed: 05/23/2019
Start of current term of office: 05/23/2019
End of current term of office: Shareholders’ Meeting
called to approve the 2022 financial statements
Number of shares held: 15,000
Membership of Board committees:
• Audit & Risks Committee
• Strategy Committee

Main position held outside the Company
• Director, TechnipFMC (until February 16, 2021) (United Kingdom) ◆ (member of the Strategy Committee and the
  Environmental, Social and Governance Committee)

Directorships and other offices currently held
Directorships and other offices within the Group
–
Directorships and other offices held outside the Group
• Director, TechnipFMC (United Kingdom) ◆
Directorships and other offices held within the past five years
• Chief Executive Officer, Gemalto NV (Netherlands)
• Director, Alcatel-Lucent, Gemalto NV (Netherlands) and Nokia (Finland)

Summary of main areas of expertise and experience
Olivier Piou has extensive executive experience and
recognized expertise in the field of digital security,
having spent a number of years in general management
positions at Schlumberger, Axalto and Gemalto, including
as Chief Executive Officer of Gemalto from 2006 to 2016.
Olivier Piou began his career with Schlumberger in 1981
as a production engineer, and has held various senior
management positions in the technology, marketing and
operations divisions of Schlumberger in France and the
United States. He was Chief Executive Officer of Axalto,
Schlumberger Limited’s Smart Cards division, at the time
of its initial public offering in 2004. He then successfully
completed the merger between Axalto and Gemplus to
create Gemalto.

In 2015, he was ranked as one of the world’s best-performing chief
executive officers by the prestigious Harvard Business Review.
He also served as a member of the Board of Directors of TechnipFMC
until February 16, 2021. He served as Chairman of Eurosmart, a trade
association for the smart cards industry, from 2003 to 2006. He served
as a director of Axalto NV from 2004 to 2006, of Gemalto from 2006
to 2019, of INRIA (Institut national de recherche en informatique et en
automatique), the French national institute for research in computer
science and control, from 2003 to 2010, of Alcatel-Lucent from 2008
to 2016 and of Nokia from 2016 to 2020.
Olivier Piou is a graduate of the École Centrale de Lyon and is a
Chevalier de la Légion d’honneur (Knight of the Legion of Honor).
He is a French citizen and speaks French and English.
◆ Listed company (for directorships and positions currently held).
PATRICK SAYER
INDEPENDENT DIRECTOR

French
Age: 63
Augusta
143, avenue
Charles-de-Gaulle
92200 Neuilly-sur-Seine,
France

First appointed: 05/23/2019
Start of current term of office: 05/23/2019
End of current term of office: Shareholders’ Meeting
called to approve the 2022 financial statements
Number of shares held: 1,500
Membership of Board committees:
• Governance, Appointments & Corporate Social Responsibility
  Committee
• Compensation Committee
• Strategy Committee (Chairman since October 27, 2020)

Main position held outside the Company
• Chairman of Augusta

Directorships and other offices currently held

Directorships and other offices within the Group
–

Directorships and other offices held outside the Group
• Chairman, Augusta, CarryCo Capital 1, CarryCo Croissance and CarryCo Croissance 2 (Eurazeo group)
• Member of the Supervisory Board, Grand Port Maritime de Marseille (Chairman of the Audit Committee),
  Eurazeo SE (member of the Finance Committee) and Europcar Mobility group (until February 26, 2021)
  (member of the Strategic Committee)
• Director, Ipulse (United States), the Paris Museum of Decorative Arts (Musée des arts décoratifs de Paris)
• Founder member of the legal think-tank Club des juristes

Directorships and other offices held within the past five years
• Chairman of the Board of Directors, Eurazeo SE
• Managing Director, Legendre Holding 19
• Chairman, Eurazeo Capital Investissement, Legendre Holding 25, Legendre Holding 26 and AFIC
• Chairman of the Supervisory Board, Europcar Mobility group
• Member of the Supervisory Committee, Foncia Holding
• Director, Colyzeo Investment Advisors, Gruppo Banca Leonardo (Italy), Rexel, AccorHotels and Tech Data Corporation
  (United States)
• Manager, Investco 3d Bingen
• Vice Chairman and member of the Supervisory Board, ANF Immobilier

Summary of main areas of expertise and experience
Patrice Sayer is Chairman of Augusta, a family office
that focuses on investing in three core sectors: new
technologies, luxury goods and real estate.

He served as Chairman of the Management Board of Eurazeo,
one of Europe’s leading listed investment companies, from
2002 to 2018. He became a member of Eurazeo’s Supervisory
Board in 2018. After acquiring equity interests in Rhône
Capital and Idinvest, Eurazeo directly and indirectly managed
assets of almost €20 billion.

Previously, Patrice Sayer was a managing partner at Lazard
Frères et Cie in Paris, which he joined in 1982, and a
managing director of Lazard Frères & Co. in New York,
where he was global head of media and technology. His
private equity experience dates back to the creation of Fonds
Partenaires, where he was active from 1989 to 1993. He
is a director of Ipulse and the Paris Museum of Decorative
Arts. He served as a member of the Supervisory Board
of Europcar Mobility group until February 26, 2021 and a director
He is a former President (2006-2007) of the French Association
of Investors for Growth (Association française des investisseurs pour la
croissance) (AFIC), founder member of the legal think-tank Club des
juristes and was a judge at the Paris Commercial Court (Tribunal de
commerce de Paris). He is a lecturer in finance (masters program)
at Paris Dauphine university.

Patrick Sayer is a graduate of École polytechnique (1980) and Institut
d’études politiques de Paris (1982). He is also a certified financial
analyst, completing the course at the French Society of Financial
Analysts training center, where he has also taught classes.

He is a French citizen and speaks French and English.

* Listed company (for directorships and positions currently held).
**ULRIKE STEINHORST**  
**Independent Director**

<table>
<thead>
<tr>
<th><strong>German</strong></th>
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<tr>
<td>Age: 69</td>
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<td>3, villa du Coteau, 92140 Clamart, France</td>
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**First appointed:** 02/24/2011  
**Start of current term of office:** 06/25/2020  
**End of current term of office:** Shareholders’ Meeting called to approve the 2023 financial statements  
**Number of shares held:** 1,500  
**Membership of Board committees:**  
- Strategy Committee  
- Governance, Appointments & Corporate Social Responsibility Committee (in charge of CSR issues since October 27, 2020)  
- Compensation Committee

**Main position held outside the Company**  
- Founder, Nuria Consultancy, a consulting firm  
- Director (various companies)

**Directorships and other offices currently held**

**Directorships and other offices within the Group**

- Chair, Nuria Consultancy
- Director, the Franco-German Chamber of Commerce and Industry, École nationale supérieure des Mines ParisTech, Mersen SA (Chair of the Governance and Remuneration Committee) and Albioma SA (Chair of the Nomination, Remuneration & Governance Committee and member of the Corporate Social Responsibility Committee)
- Member of the Management Committee of Fonds de revitalisation industrielle (GE)

**Directorships and other offices held outside the Group**

- Chair, Nuria Consultancy
- Director, the Franco-German Chamber of Commerce and Industry, École nationale supérieure des Mines ParisTech, Mersen SA (Chair of the Governance and Remuneration Committee) and Albioma SA (Chair of the Nomination, Remuneration & Governance Committee and member of the Corporate Social Responsibility Committee)
- Member of the Management Committee of Fonds de revitalisation industrielle (GE)

**Directorships and other offices held within the past five years**

- Director, F2i (UIMM)  
- Strategy, Planning and Finance Director, Airbus group’s Technical Corporate division  
- Director, Imagine (genetic disease research institute)  
- Chief of Staff to the Executive Chairman of EADS

**Summary of main areas of expertise and experience**

Ulrike Steinhorst, a German citizen, has extensive experience in top-level corporate positions, mainly at EDF, Degussa/Evonik group and EADS/Airbus, with a strong focus on international business and strategy. She joined the Électricité de France group in 1990 after being at the office of the Minister for European Affairs at the time of German reunification. Within EDF she held a number of positions before becoming head of the International Subsidiaries in the Industrial division. In 1999, she joined Degussa AG group in Germany, before returning to France in 2003 to head up the group's French business. In 2007, she joined EADS where she served as Chief of Staff to the Executive Chairman.

From 2012 until the end of 2017, she was Strategy, Planning and Finance Director at Airbus group’s Technical Corporate division. In 2017, she founded the consulting firm Nuria Consultancy. In addition to her consulting activities, she is an independent director of several listed companies.

Ulrike Steinhorst is a state-certified German lawyer and graduate of MBA/HEC, Université Paris II - Panthéon (post-graduate degree) and École nationale d'administration (ENA).

She is a German citizen and speaks German, English and French.
GRZEGORZ SZEŁAG
DIRECTOR REPRESENTING EMPLOYEES (SINCE NOVEMBER 19, 2020)

First appointed by the European Works Council: 11/19/2020
Start of current term of office: 11/19/2020
End of current term of office: 11/19/2024
Number of shares held: in accordance with the law, the articles of association and the Internal Procedures, the director representing employees is not required to hold 1,500 shares
Membership of Board committees: –

Main position held outside the Company
–

Directorships and other offices currently held

Directorships and other offices within the Group
• Quality technician
• Secretary, European Works Council

Directorships and other offices held outside the Group
–

Directorships and other offices held within the past five years
–

Summary of main areas of expertise and experience

Thanks to his long experience with the Group and his involvement in its employee representative bodies over the past 15 years, Grzegorz Szelag possesses all the professional and interpersonal qualities required to fulfill the role of director representing employees.

Grzegorz Szelag has been working at Valeo in Czechowice, Poland, since 2002. He started his career as a production operator, before being promoted to production supervisor in 2002, and then quality technician in 2004.

In 2005, he became employee representative at the Czechowice site. He joined Valeo’s European Works Council in 2006 as representative for Poland and became its Secretary in 2018.

Grzegorz Szelag has a degree from a mechanical engineering school. When he was appointed as second director representing employees, he also completed a customized intra-company training course run by the French Institute of Directors (Institut français des administrateurs – IFA).

He is a Polish citizen and speaks Polish and English.
**VÉRONIQUE WEILL**
**INDEPENDENT DIRECTOR**

French  
Age: 61  
Publicis Groupe  
133, avenue des Champs-Élysées  
75008 Paris, France

**First appointed:** 05/26/2016  
**Start of current term of office:** 05/23/2017  
**End of current term of office:** Shareholders’ Meeting  
called to approve the 2020 financial statements  
**Number of shares held:** 2,390  
**Membership of Board committees:**  
- Audit & Risks Committee  
- Governance, Appointments & Corporate Social Responsibility Committee  
- Compensation Committee

**Main position held outside the Company**  
- General Manager responsible for Operations, IT, Real Estate, Insurance and M&A, Publicis Groupe

**Directorships and other offices currently held**

**Directorships and other offices within the Group**

- Director, Translate Plus – Publicis Groupe (United Kingdom), BBH Holdings Ltd. (Bartle Bogle Hegarty) – Prodigious UK (United Kingdom), Gustave Roussy Foundation, Georges Besse Foundation and the Louvre Museum  
- Chair of the Board of Directors, CNP Assurances (member of the Remunerations and Nominations committee, the Strategy Committee and the Follow-up Committee on the Implementation of the BPCE and La Banque Postale Partnerships)  
- Member of the Supervisory Board, Rothschild & Co  
- Member of the European Advisory Committee, Salesforce

**Directorships and other offices held outside the Group**

- Director, AXA Assistance SA (Italy), AXA MPS Assicurazioni Danni SpA (Italy) and AXA MPS Assicurazioni Vita SpA (Italy)

**Summary of main areas of expertise and experience**

Véronique Weill has a strong background in finance and M&A, as well as insurance, having spent more than 20 years in investment banking in the United States and France and then at AXA. She also has extensive experience in new and digital technologies.

Véronique Weill spent more than 20 years at J.P. Morgan, where she held various positions including global head of operations for the investment banking business and global head of IT and operations for the asset management and private banking business. In June 2006, she joined AXA as Chief Executive Officer of AXA Business Services and Director of Operational Excellence. She was also Chair and a director of various AXA subsidiaries in France, Spain, Italy and Belgium.

She was Chief Customer Officer for the AXA group and Chief Executive Officer of AXA Global Asset Management until January 18, 2017, as well as a member of the Scientific Board of the AXA Research Fund. She has been Chair of the Board of Directors of CNP Assurances since July 2020.

Véronique Weill is a graduate of **Institut d'études politiques de Paris** (IEP) and has a bachelor’s degree in literature from the Sorbonne University.

She is a French citizen and speaks French and English.  

◆ Listed company (for directorships and positions currently held).
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16. Authorisation for the Board of Directors to carry out transactions in shares issued by the Company, non-applicable during a public take-over offer .................................................................................................................................. 58

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17. Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s or a subsidiary’s share capital, with maintenance of the shareholders’ preferential subscription right, non-applicable during a public take-over offer .................................................................................................................. 61
18. Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s or a subsidiary’s share capital by way of public offerings (other than those referred to in Article L. 411-2 of the French Monetary and Financial Code), with cancellation of the shareholders’ preferential subscription right, with possible use as consideration for securities contributed to the Company in relation to a public exchange offer initiated by the Company, non-applicable during a public take-over offer .................................................................................................................................. 64
19. Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s or a subsidiary’s share capital by way of public offerings referred to in Article L. 411-2 1° of the French Monetary and Financial Code, with cancellation of the shareholders’ preferential subscription right, non-applicable during a public take-over offer .................................................................................................................................. 66
20. Authorisation for the Board of Directors, in the event of an issue of shares and/or securities with cancellation of the shareholders’ preferential subscription right, to set the issue price in accordance with the terms set by the General Shareholder’s Meeting, within the limit of 10% of the share capital per twelve-month period, non-applicable during a public take-over offer .................................................................................................................................. 69
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22. Delegation of authority to the Board of Directors to increase the share capital by capitalisation of premiums, reserves, profits or other amounts that may be capitalised, non-applicable during a public take-over offer .................................................................................................................................. 71
23. Delegation of powers to the Board of Directors to proceed with the issue of shares and/or securities giving access, immediately or in the future, to the Company’s share capital to be used as remuneration for contributions in kind granted to the Company, without the shareholders’ preferential subscription right, non-applicable during a public take-over offer .................................................... 73

24. Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s share capital reserved to members of a savings plan, with cancellation of the shareholders’ preferential subscription right, non-applicable during a public take-over offer ........................................................................................................ 75

25. Authorisation for the Board of Directors to award existing shares or issue new shares free of charge to Group employees and corporate officers or a subset thereof, with automatic waiver from the shareholders of their preferential subscription right .............................................................. 80

26. Authorisation for the Board of Directors to reduce the share capital by cancelling treasury shares .............................................................................................................. 81

AGENDA FOR THE ORDINARY GENERAL SHAREHOLDERS’ MEETING

27. Powers to complete formalities .......................................................................................................................................................................................... 59
This report describes the proposed resolutions that are being submitted to the General Shareholders’ Meeting by the Board of Directors. Its purpose is to draw your attention to the important points in the proposed resolutions, in accordance with applicable laws and regulations and with best corporate governance practices for companies listed in Paris. It is not intended as an exhaustive guide; therefore it is essential that you read the proposed resolutions carefully before exercising your vote.

The presentation of the financial situation, business and performance of Valeo and its Group over the past financial year, as well as information required by applicable legal and regulatory provisions, also appear in the 2020 Universal Registration Document (including the annual financial report) which you are invited to read.

Madam, Sir, dear Shareholders,

We have convened this combined (ordinary and extraordinary) General Shareholders’ Meeting of Valeo SE (the “Company” or “Valeo”) to submit for your approval 27 resolutions described in this report.

I. Resolutions within the Ordinary General Shareholders’ Meeting authority

A. Approval of financial statements and allocation of earnings (first, second and third resolutions)

The General Shareholders’ Meeting is first convened to approve the Company financial statements (first resolution) and the consolidated financial statements of the Company (second resolution) for the financial year ended December 31, 2020, to allocate the earnings and to set the dividend (third resolution).

The Company financial statements for the financial year ended December 31, 2020 show a profit of 199,843,713.10 euros.

The distributable profit of the Company (profit of the financial year ended December 31, 2020 and previous retained earnings of 1,683,116,938.15 euros) for the financial year ended December 31, 2020 amounts to 1,882,960,651.25 euros.

The Board of Directors of the Company proposes to pay a dividend of 0.30 euro per share for each share entitled to dividends.

Following the decision to pay a dividend of 0.30 euro per share for each share entitled to dividends, i.e. 72,075,215.40 euros, the balance of the distributable profit recorded in the “retained earnings” account amounts to 1,810,885,435.85 euros. The ex-dividend date will be May 28, 2021, the record date will be May 31, 2021 and the payment date will be June 1, 2021.

The amount of dividends distributed for the three previous financial years is as follows:

- financial year 2019: 47.9 million euros;
- financial year 2018: 297.4 million euros;
- financial year 2017: 295.9 million euros.

The aforementioned amounts were eligible for the 40% tax deduction for individuals having their tax residence in France, pursuant to Article 158, 3-2° of the French General Tax Code.

(1) The total amount of the distribution referred to above is calculated based on the number of shares entitled to dividends as at December 31, 2020, i.e. 240,250,718 shares, and may vary if the number of shares entitled to dividends changes between January 1, 2021 and the ex-dividend date, depending in particular on the number of treasury shares, as well as the final allotment of free shares (if the beneficiary is entitled to a dividend in accordance with the provisions of the relevant plans).
When paid to individuals shareholders who are tax residents in France, the gross dividend is either subject to a unique flat tax at an overall rate of 30% including (i) the income tax at a flat rate of 12.8% (Article 200 A, 1,1° of the French General Tax Code) and (ii) social security contributions (including the CSG, the CRDS, the social security contribution, the additional contribution to the social security contribution and the solidarity contribution) at a rate of 17.2%. Individual shareholders who are tax residents in France may, however, opt for this dividend to be taxed at a progressive rate upon filing the income tax return before the deadline for filing such income tax return (Article 200 A, 2 of the French General Tax Code).

First resolution
(Analysis of the parent company financial statements for the financial year ended December 31, 2020)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, having considered the Board of Directors’ and the Statutory Auditors’ reports as well as the parent company financial statements for the financial year ended December 31, 2020 which include the balance sheet, the income statement and the notes, approves the parent company financial statements for the financial year ended December 31, 2020 as presented, and all of the transactions reflected in these financial statements and summarised in these reports, which show, for this financial year, a profit amounting to 199,843,713.10 euros.

Second resolution
(Analysis of the consolidated financial statements for the financial year ended December 31, 2020)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, having considered the Board of Directors’ report (which includes the Group Management Report) and the Statutory Auditors’ report, as well as the Company’s consolidated financial statements for the financial year ended December 31, 2020 which include the balance sheet, the income statement and the notes, approves the consolidated financial statements for the financial year ended December 31, 2020, as presented, and all of the transactions reflected in these financial statements and summarised in these reports.

Third resolution
(Allocation of earnings for the financial year ended December 31, 2020 and setting of the dividend)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, acknowledges that the parent company financial statements for the financial year ended December 31, 2020 as approved by this General Shareholders’ Meeting, show profits for the financial year of 199,843,713.10 euros and decides, on the proposal of the Board of Directors, to allocate the distributable earnings as follows:

<table>
<thead>
<tr>
<th>Provisions</th>
<th>Amount (in millions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profits</td>
<td>199,843,713.10</td>
</tr>
<tr>
<td>Earnings previously retained</td>
<td>1,683,116,938.15</td>
</tr>
<tr>
<td>Distributable earnings</td>
<td>1,882,960,651.25</td>
</tr>
<tr>
<td>Allocation to dividend</td>
<td>72,675,215.40</td>
</tr>
<tr>
<td>Balance recorded in retained earnings</td>
<td>1,810,885,435.85</td>
</tr>
</tbody>
</table>

(1) The total amount of the distribution referred to above is calculated based on the number of shares entitled to dividends as at December 31, 2020, i.e. 240,250,718 shares, and may vary if the number of shares entitled to dividends changes between January 1, 2021 and the ex-dividend date, depending in particular on the number of treasury shares, as well as the final allotment of free shares (if the beneficiary is entitled to a dividend in accordance with the provisions of the relevant plans).

The dividend is set at 0.30 euro per share for each of the shares entitled to dividends.

The dividend will be paid on June 1st, 2021, it being understood that the ex-dividend date will be May 28, 2021 and the record date will be May 31, 2021. It is noted that if, at the time such dividends are paid, the Company holds treasury shares, the sums corresponding to the unpaid dividends in respect of these shares will be allocated to the “retained earnings” account.

When the gross dividend is paid to individual shareholders who are tax residents in France, the dividend is submitted to a unique flat tax at an overall rate of 30% including (i) the income tax at a flat rate of 12.8% (Article 200 A, 1,1° of the French General Tax Code) and (ii) social contributions (including Generalized Social Contribution (CSG), the Contribution for the Reimbursement of the Social Debt (CRDS), the social levy, the additional contribution to the social levy and the solidarity levy) at a rate of 17.2%. Individual shareholders who are tax residents in France may, however, opt for this dividend to be taxed at a progressive rate (Article 200 A, 2 of the French General Tax Code) upon filing the income tax return before the deadline for filing such income tax return.

Pursuant to the applicable laws, the General Shareholders’ Meeting acknowledges that the dividends distributed over the last three financial years prior to the 2020 financial year were as follows:

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Number of shares entitled to dividends</th>
<th>Dividend per share (in euros)</th>
<th>Total (in millions of euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>236,680,841</td>
<td>1.25</td>
<td>295.99</td>
</tr>
<tr>
<td>2018</td>
<td>237,898,874</td>
<td>1.25</td>
<td>297.49</td>
</tr>
<tr>
<td>2019</td>
<td>239,452,552</td>
<td>0.20</td>
<td>47.99</td>
</tr>
</tbody>
</table>

(1) Amounts which are eligible for the 40% tax deduction applying to individuals who are tax residents in France pursuant to Article 158, §1° of the French General Tax Code.
B. Approval of related-party agreements and undertakings (fourth resolution)

Certain agreements or undertakings entered into by the Company in connection with its activities are subject to a specific procedure. This includes, in particular, agreements and undertakings that may be directly or indirectly entered into between the Company and any other company with which it has corporate officers in common, or between the Company and its corporate officers or a shareholder holding more than 10% of the share capital of the Company.

Pursuant to the provisions of Articles L. 225-38 et seq. of the French Commercial Code, any “related party” agreement or undertaking is subject to the prior approval of the Board of Directors and, once entered into, give rise to the issue of a special report by the Statutory Auditors, following which it must be approved by the Ordinary General Shareholders’ Meeting.

In addition, in accordance with Article L. 22-10-13 of the French Commercial Code, information on the agreements or undertakings referred to in Article L. 225-38 must be provided on the Company’s website at the latest when they are entered into.

Finally, the special report of the Company’s Statutory Auditors on the agreements and undertakings governed by Articles L. 225-38 et seq. of the French Commercial Code describes the agreements and undertakings approved by the Board of Directors in 2020 and approved by the General Shareholders’ Meeting of June 25, 2020. These agreements and undertakings were not modified over the past financial year and therefore do not require any new approval from you. You are therefore asked in the fourth resolution to record that no new agreements or undertakings were authorised and entered into over the course of the financial year ended December 31, 2020 that have yet to be approved by the General Shareholders’ Meeting.

Agreements and undertakings authorised by the Board of Directors and approved by the General Shareholders’ Meeting over the course of the financial year

A new regulated undertaking was subject to the procedure provided for in Article L. 225-38 of the French Commercial Code during the financial year ended on December 31, 2020. This undertaking, described below, was authorised by the Board of Directors on February 20, 2020 and approved by the General Shareholders’ Meeting of June 25, 2020.

In accordance with French Ordinance no. 2019-697 of July 3, 2019, Valeo’s “Article 39” defined benefit pension plan (the “Closed Plan”) no longer welcomes new members since July 1, 2017, and no longer allows for the acquisition of any new rights since January 1, 2020. In accordance with the new provisions of law, a new commitment was made in favor of Jacques Aschenbroich (the “New Plan”), effective since January 1, 2020, which includes the same ceilings and performance conditions as the Closed Plan.

Its main characteristics are as follows:
- supplementary pension rights are equal to 1% of the reference salary per vesting year;
- the vesting of supplementary pension rights is subject to a performance condition, which is deemed to have been met if the variable portion of Jacques Aschenbroich’s compensation, paid in Y+1 in respect of year Y, reaches 100% of the fixed compensation due in respect of year Y. In the event that the variable portion does not reach 100% of the fixed compensation, the rights granted will be calculated on a pro rata basis;
- the reference salary is the base salary and the variable compensation received in each year of vesting;
- cap due to the nature of the plan: a cap of 20% of the final reference salary as defined in the Closed Plan (cap which applies to the sum of the rights acquired under the Closed Plan and under the New Plan);
- cap on the base for determining entitlements: all plans combined are capped at 55% of the reference salary.

Under the New Plan, the rights of Jacques Aschenbroich will vest without condition of presence in the Company at the end of his career.

Agreements and undertakings authorised by the Board of Directors during the financial year to be submitted for approval by the General Shareholders’ Meeting

No other new regulated agreement or undertaking has been authorised and entered into during the financial year ended December 31, 2020.

Fourth resolution (Approval of agreements and undertakings governed by Articles L. 225-38 et seq. of the French Commercial Code)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, having considered the Board of Directors’ report and the Statutory Auditors’ special report on agreements and undertakings governed by Articles L. 225-38 et seq. of the French Commercial Code, acknowledges that the Statutory Auditors have not been advised of any new agreement or undertaking authorised by the Board of Directors during the financial year ended December 31, 2020 and not already approved by the General Shareholders’ Meeting.
C. Renewals/Appointment of members of the Board of Directors (fifth, sixth, seventh and eighth resolutions)

As of the date of this report, the Board of Directors is composed of 14 members, including two directors representing employees in accordance with the provisions of applicable law.

The term of office of the directors, set out in the Company’s Articles of Association, is four years.

The terms of office of three directors, Caroline Maury Devine, Mari-Noëlle Jégo-Laveissière and Véronique Weill, expire at the end of this General Shareholders’ Meeting.

The Board of Director’s proposals regarding the renewals are described below.

In addition, as announced in the press release dated October 27, 2020, the Board of Directors proposes the appointment of Christophe Périllat as director.

Renewal of the terms of office of Caroline Maury Devine, Mari-Noëlle Jégo-Laveissière and Véronique Weill (fifth, sixth and seventh resolutions)

The terms of office of Caroline Maury Devine, Mari-Noëlle Jégo-Laveissière and Véronique Weill will expire at the end of this General Shareholders’ Meeting.

Further to the recommendation of the Governance, Appointments and Corporate Social Responsibility Committee (the “CGNRSE”), the Board of Directors proposes that the General Shareholders’ Meeting renew the terms of office of Caroline Maury Devine (fifth resolution), of Mari-Noëlle Jégo-Laveissière (sixth resolution) and of Véronique Weill (seventh resolution) as directors for a new period of four years which will expire at the end of the General Shareholders’ Meeting called to approve the financial statements for the financial year ending on December 31, 2024.

Caroline Maury Devine, Mari-Noëlle Jégo-Laveissière and Véronique Weill are considered to be independent directors with respect to the criteria provided by the Board of Directors’ Internal Procedures and by the AFEP-MEDEF Code to which the Company refers. A more detailed analysis of the independence of Caroline Maury Devine, Mari-Noëlle Jégo-Laveissière and Véronique Weill is set out in section 3.2.1 of the Company’s 2020 Universal Registration Document.

The renewal of Caroline Maury Devine, Mari-Noëlle Jégo-Laveissière and Véronique Weill as directors would allow the Board of Directors to continue to benefit from their respective expertise as described in their biographies.

BIOGRAPHY OF CAROLINE MAURY DEVINE

Caroline Maury Devine, a US national, has been a Company director since April 23, 2015 and is a member of the Compensation Committee and of the Governance, Appointments and Corporate Social Responsibility Committee.

She has held several management positions in international and industrial groups in the United States and Europe. She has also served in public office in the United States and has extensive knowledge of US public affairs.

Caroline Maury Devine has a seat on the boards of John Bean Technologies, ConocoPhillips, and Gonzaga College High School (USA).

She has served as a director for Technip S.A., FMC Technologies (USA) and Georgetown Visitation Preparatory School (USA), and as a member of the independent Nominating Committee for Petroleum Geo-Services (Norway). She was also Vice-Chair of the Board of Det Norske Veritas (DNV) from 2000 to 2010 and a Fellow at the Belfer Center for Science and International Affairs at Harvard University from 2000 to 2003.

From 1972 to 1987, Caroline Maury Devine worked for the US government in various capacities, most notably for the Department of Justice, the White House and the US Drug Enforcement Administration (DEA). Between 1987 and 2000, she held a number of positions at ExxonMobil Corporation, including Chair and Chief Executive Officer of its Norwegian subsidiary from 1996 to 2000 and Secretary General of Mobil Corporation between 1994 and 1996.

Caroline Maury Devine is a graduate of Middlebury College, the University of Maryland and Harvard University (Master in Public Administration).
BIOGRAPHY OF MARI-NOËLLE JÉGO-LAVEISSIÈRE

Mari-Noëlle Jégo-Laveissière has been a Company director since May 26, 2016 and is a member of the Audit and Risks Committee. Mari-Noëlle Jégo-Laveissière brings the Board of Directors her considerable experience in new technologies and in research and development, particularly in telecommunications, areas in which she has spent most of her career.

Since September 1, 2020 she has been Deputy Chief Executive Officer in charge of operational activities for Orange in Europe (outside France).

Mari-Noëlle Jégo-Laveissière serves on the boards of Engie, Orange Bank and NowCp and on the board of Orange subsidiaries in Romania, Belgium, Poland and Spain.

She began her career in 1996 at the Paris regional office (Direction Régionale de Paris) of France Télécom’s commercial distribution network. Since then, she has held various leadership positions within the Orange group: head of Consumer Marketing France (Marketing Grand Public France), Director of Research and Development and Director of International Networks. She became a member of the Executive Committee of Orange in March 2014 in her capacity as Executive Vice-President of Innovation, Marketing & Technologies.

She was a member of the board for Nordnet, the Agence Nationale des Fréquences, and BuyIn S.A., and served as Chair of the Board of Directors for Soft@Home and Viacess S.A.

Mari-Noëlle Jégo-Laveissière holds a degree from the École Normale Supérieure and she graduated in engineering from Corps des Mines. She also holds a doctorate in quantum chemistry from the Université de Paris XI – Waterloo (Canada).

BIOGRAPHY OF VÉRONIQUE WEILL

Véronique Weill has been a Company director since May 26, 2016 and is a member of the Audit and Risks Committee, the Governance, Appointments and Corporate Social Responsibility Committee, and the Compensation Committee.

Véronique Weill has a strong background in finance and M&A and in insurance, having spent more than 20 years in investment banking in the United States and France and then at AXA. She also has extensive experience in new and digital technologies.

Since July 2020, she has served as Chair of the Board of Directors at CNP Assurances, and she was General Manager with responsibility for Publicis Group operations until the end of 2020.

She is a director for the Fondation Gustave Roussy. She also sits on the Supervisory Board of Rothschild & Co and on the EMEA Advisory Board of Salesforce.

She was Chief Customer Officer for the AXA group and Chief Executive Officer of AXA Global Asset Management until January 18, 2017, as well as a member of the Scientific Board of the AXA Research Fund.

Véronique Weill spent more than 20 years at J.P. Morgan, where she held various positions including global head of operations for the investment banking business and global head of IT and operations for the asset management and private banking business. In June 2006, she joined AXA as Chief Executive Officer of AXA Business Services and Director of Operational Excellence. She was also Chair and a director of various AXA subsidiaries in France, Spain, Italy and Belgium.

Véronique Weill is a graduate of Institut d’Études Politiques de Paris (IEP) and has a bachelor’s degree in literature from the Sorbonne University.
Appointment of Christophe Périllat (eighth resolution)

In accordance with the succession plan for Jacques Aschenbroich, unanimously approved by the Valeo Board of Directors on October 27, 2020 and made public that same day, Jacques Aschenbroich will continue to act as Chairman of the Board of Directors until the end of his current term of office as director, i.e. until May 2023 and will be vested with specific missions which aim to ensure a smooth transition with Christophe Périllat, former Valeo Chief Operating Officer, who will succeed Jacques Aschenbroich in his role as Chief Executive Officer of the Company from January 2022.

In this context, on October 27, 2020 Christophe Périllat was appointed Associate Chief Executive Officer (Directeur Général Adjoint) until the end of this General Shareholders’ Meeting. The Board of Directors plans to appoint him as Deputy Chief Executive Officer (Directeur Général Délégué) of Valeo on that date.

As announced in the press release dated October 27, 2020, in the eighth resolution the Board of Directors proposes that you vote on the appointment of Christophe Périllat as Valeo director for a term of four years expiring at the end of the General Shareholders’ Meeting called to approve the financial statements for the financial year ending on December 31, 2024.

BIOGRAPHY OF CHRISTOPHE PÉRILLAT

Having joined the Valeo Group in 2000, Christophe Périllat held several management positions, in a number of Group companies gradually increasing in size, until he became Chief Operating Officer in 2011. Previously, Christophe Périllat worked in the aeronautics industry with the equipment manufacturer Labinal, in supply chain, plant, project and subsidiary management positions in France and in the United States. He is a Director of ALD. Christophe Périllat graduated from École Polytechnique and École des Mines. He holds an Executive MBA from HEC.
D. Approval of the information pertaining to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2020 to all corporate officers – ex post vote (ninth resolution)

In accordance with the provisions of Articles L. 22-10-9 and L. 22-10-34, I of the French Commercial Code, the General Shareholders’ Meeting votes on the draft resolution relating to information concerning the compensation paid during or awarded in respect of the previous financial year to the corporate officers (ex post vote).

The information required by Article L. 22-10-9 of the French Commercial Code relating to the compensation paid to the directors for the financial year ended December 31, 2020 pursuant to the 2020 compensation policy approved under the twelfth resolution by a 99.82% majority at the General Shareholders’ Meeting held on June 25, 2020 (the “Compensation Policy for Directors”) is set forth in section 3.3.2 “Compensation of corporate officers in respect of the year ended December 31, 2020”, subsection “Director’s compensation in respect of the year ended December 31, 2020” of the Company’s 2020 Universal Registration Document. A table summarising the compensation components paid to directors for the financial year ended December 31, 2020 pursuant to the Compensation Policy for Directors, drawn up on the basis of the template provided by the AFEP, is appended hereto for information purposes as Appendix 1.

You are reminded that directors donated 25% of their 2020 compensation throughout the shutdown due to the Covid-19 pandemic to support Covid-19-related solidarity initiatives.

The information required by Article L. 22-10-9 of the French Commercial Code relating to the compensation paid during or allocated in respect of the financial year ended December 31, 2020 to the Chairman and Chief Executive Officer pursuant to the 2020 compensation policy approved under the thirteenth resolution by a 94.03% majority at the General Shareholders’ Meeting held on June 25, 2020 (the “Compensation Policy for the Chairman and Chief Executive Officer”) is set forth in section 3.3.2 “Compensation of corporate officers in respect of the year ended December 31, 2020”, subsection “Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2020”, part “Compensation in respect of the year ended December 31, 2020” of the Company’s 2020 Universal Registration Document. In addition, a table summarising the compensation components paid or allocated to the Chairman and Chief Executive Officer for the financial year ended December 31, 2020 pursuant to the 2020 Compensation Policy for the Chairman and Chief Executive Officer, drawn up on the basis of the template provided by the AFEP, is appended hereto, for information purposes, as Appendix 2.

You are reminded that Jacques Aschenbroich donated 25% of his fixed 2020 compensation throughout the shutdown due to the Covid-19 pandemic to support Covid-19-related solidarity initiatives.

E. Approval of the compensation components paid during, or allocated in respect of, the financial year ended December 31, 2020 to the Chairman and Chief Executive Officer – ex post vote (tenth resolution)

In accordance with the provisions of Article L. 22-10-34, II of the French Commercial Code, the General Shareholders’ Meeting votes on the fixed, variable or exceptional components making up the total compensation and benefits of any kind paid during or allocated in respect of the previous financial year to the Chairman and Chief Executive Officer (ex post vote). In this respect, it should be noted that the payment of variable compensation components is subject to the approval of the compensation components by the General Shareholders’ Meeting as part of the ex post vote.

The compensation components paid or allocated to the Chairman and Chief Executive Officer for the financial year ended December 31, 2020 pursuant to the 2020 Compensation Policy for the Chairman and Chief Executive Officer, approved under the thirteenth resolution by a 94.03% majority at the General Shareholders’ Meeting of June 25, 2020, are set forth in section 3.3.2 “Compensation of corporate officers in respect of the year ended December 31, 2020”, subsection “Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2020”, part “Compensation in respect of the year ended December 31, 2020” of the Company’s 2020 Universal Registration Document. In addition, a table summarising the compensation components paid or allocated to Jacques Aschenbroich for the financial year ended December 31, 2020 pursuant to the 2020 Compensation Policy for the Chairman and Chief Executive Officer, drawn up on the basis of the template provided by the AFEP, is appended hereto, for information purposes, as Appendix 2.

Ninth resolution

(Approval of the information relating to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2020 to the corporate officers)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, acting pursuant to Articles L. 22-10-9 and L. 22-10-34, I of the French Commercial Code and having considered the Board of Directors’ report referred to in Article L. 225-37 of the French Commercial Code, approves the information relating to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2020, as presented in the aforementioned report and as appearing in the 2020 Universal Registration Document, section 3.3.2 “Compensation of corporate officers in respect of the year ended December 31, 2020”, subsection “Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2020”, part “Compensation in respect of the year ended December 31, 2020” and section 3.3.2 “Compensation of corporate officers in respect of the year ended December 31, 2020”, subsection “Directors’ compensation in respect of the year ended December 31, 2020”.

Notice of Meeting 2021 - Valeo
Under the tenth resolution, the Board of Directors proposes that you approve the following compensation components paid during or allocated to Jacques Aschenbroich by Valeo for the financial year ended December 31, 2020 in application of the 2020 Compensation Policy for the Chairman and Chief Executive Officer, for his role as Chairman and Chief Executive Officer, relating to:

- the amount of his annual fixed compensation: 1,100,000 euros (unchanged since May 23, 2019), it being understood that Jacques Aschenbroich donated 25% of his fixed 2020 compensation throughout the shutdown due to the Covid-19 pandemic to support Covid-19-related solidarity initiatives. It is also understood that there is no plan to change this amount before the end of Jacques Aschenbroich’s current term of office as Chairman and Chief Executive Officer;

- the amount of his annual variable compensation: 1,089,000 euros. At its meeting held on March 24, 2021, the Board of Directors noted, based on the recommendation from the Compensation Committee and after taking the Company’s performance into account along with the situation of different stakeholders, and after exercising its discretionary authority in accordance with the 2020 Compensation Policy for the Chairman and Chief Executive Officer(1), that the achievement rate for quantifiable criteria was 46% (out of a maximum 115%) and that the achievement rate for qualitative criteria was 53% (out of a maximum 55%) of the annual fixed compensation due to Jacques Aschenbroich for the 2020 financial year. The Board of Directors therefore set the amount of variable compensation due to Jacques Aschenbroich for 2020 at 99% (out of a maximum 170%) of his annual fixed compensation for 2020. The detailed components for assessing achievement of quantifiable and qualitative criteria for Jacques Aschenbroich’s variable compensation for the financial year ended December 31, 2020 are set forth in section 3.3.2 “Compensation of corporate officers in respect of the financial year ended December 31, 2020”, subsection “Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2020”, part “Compensation in respect of the year ended December 31, 2020”, sub-part “Variable Compensation” of the Company’s 2020 Universal Registration Document. In addition, the criteria for assessing the achievement of quantifiable and qualitative criteria for Jacques Aschenbroich’s variable compensation for the financial year ended December 31, 2020 are provided in Appendix 2;

- the number and accounting valuation of the performance shares granted to him in 2020: 130,000 performance shares(2) valued in accordance with IFRS at 1,821,300 euros, representing 166% of his annual fixed compensation for that year (which is below the maximum limit of 270%), it being specified that the final allocation of these shares is subject to demanding performance conditions. In light of the exceptional circumstances of 2020 caused by the Covid-19 pandemic, the Board of Directors – using its discretionary authority under the 2020 Compensation Policy for the Chairman and Chief Executive Officer(3) and acting on the recommendation of the Compensation Committee – made reasonable and measured use of its discretionary authority at its meeting held on March 24, 2021 to make certain adjustments when assessing the degree of achievement of the 2020 financial performance criteria. The factors on which financial performance objectives set for the 2020 financial year in the relevant performance share plans (2018, 2019 and 2020 plans) were assessed can be found in Appendix 2;

- the valuation of benefits in kind (company car, annual contribution to the Garantie Sociale des Chefs et Dirigeants d’entreprise insurance scheme and annual contribution to pension fund and life insurance (prévoyance et assurance-vie)) granted to him: 22,610 euros;

- the benefit of the pension plan granted to him, it being specified that no amount or annuity was paid under this compensation component for the financial year ended December 31, 2020.

Tenth resolution
(Approval of the compensation components paid during, or allocated in respect of, the financial year ended December 31, 2020 to the Chairman and Chief Executive Officer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, acting pursuant to Article L. 22-10-34, II of the French Commercial Code and having considered the Board of Directors’ report referred to in Article L. 225-37 of the French Commercial Code, approves the fixed, variable and exceptional components of the total compensation and the benefits of any kind paid during, or allocated in respect of, the financial year ended December 31, 2020, to the Chairman and Chief Executive Officer, as presented in the aforementioned report and as appearing in the 2020 Universal Registration Document, section 3.3.2 “Compensation of corporate officers in respect of the year ended December 31, 2020”, subsection “Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2020”, part “Compensation in respect of the year ended December 31, 2020”.

F. Approval of the compensation policy applicable to directors for the year ending December 31, 2021 (eleventh resolution)

Under the eleventh resolution, the Board of Directors proposes that you approve the compensation policy applicable to directors established in accordance with Article L. 22-10-8 of the French Commercial Code relating to the principles and criteria governing the allocation and award of sums provided for the compensation of the directors for the financial year ending December 31, 2021. The total amount budgeted for director compensation was set at

(1) Approved by a 94.03% majority under the thirteenth resolution of the General Shareholders’ Meeting of June 25, 2020.

(2) In 2020, due to the extreme volatility of the automotive market and to the Covid-19 epidemic which affected share price, and in keeping with the approach used, on an exceptional basis, in 2019 in similar market conditions, in order to reflect the significant decline in the share price in early 2020, the number of performance shares allotted to the Chairman and Chief Executive Officer (IFRS valuation) was calculated with a discount of 39% as compared to the maximum permitted under the compensation policy (270% of annual fixed compensation). This discount corresponds to the ratio between the share price for the last 20 days and the share price over the last 18 months prior to the allotment of the performance shares. Based on the share price on the date of the Board of Directors’ meeting (average of 20 days, IFRS valuation), this corresponds to 130,000 shares, valued at 1,821,300 euros under IFRS, i.e. 61% of the maximum amount permitted under the compensation policy.

(3) Approved by a 94.03% majority under the thirteenth resolution of the General Shareholders’ Meeting of June 25, 2020.
Eleventh resolution
(Approval of the compensation policy applicable to the Directors)
The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, acting pursuant to Article L. 22-10-8 of the French Commercial Code and having considered the Board of Directors’ report referred to in Article L. 225-37 of the French Commercial Code, approves the principles and criteria governing the allocation and award of sums provided for the compensation of the Directors, as presented in the aforementioned report and as appearing in the 2020 Universal Registration Document, section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for other directors (non-executive corporate officers) for the year ending December 31, 2021” and reproduced in Annex 3 of the Board of Directors’ report.

G. Approval of the compensation policy applicable to the Chairman and Chief Executive Officer for the year ending December 31, 2021 (twelfth resolution)

Under the twelfth resolution, the Board of Directors proposes that you approve the compensation policy applicable to the Chairman and Chief Executive Officer established in accordance with Article L. 22-10-8 of the French Commercial Code relating to the principles and criteria governing the determination, allocation and award of the fixed, variable and exceptional components of the total compensation and the benefits of any kind attributable to the Chairman and Chief Executive Officer for the financial year ending December 31, 2021. The amount of annual fixed compensation and ceilings for variable and long-term compensation of the Chairman and Chief Executive Officer have not changed from what is stated in the compensation policies applicable to the Chairman and Chief Executive Officer for 2019 and 2020. The compensation policy applicable to the Chairman and Chief Executive Officer is presented in the 2020 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 22-10-8 of the French Commercial Code, in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer”, part “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2021”. It is also included in Appendix 4 of this report.

Twelfth resolution
(Approval of the compensation policy applicable to the Chairman and Chief Executive Officer)
The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, acting pursuant to Article L. 22-10-8 of the French Commercial Code and having considered the Board of Directors’ report referred to in Article L. 225-37 of the French Commercial Code, approves the principles and criteria governing the determination, allocation and award of the fixed, variable and exceptional components of the total compensation and the benefits of any kind that may be awarded to the Chairman and Chief Executive Officer, as presented in the aforementioned report and as appearing in the 2020 Universal Registration Document, section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2021” and reproduced in Annex 4 of the Board of Directors’ report.
I. Approval of the compensation policy applicable to the Chief Executive Officer in anticipation of the separation of roles from January 2022 (fourteenth resolution)

Under the fourteenth resolution, the Board of Directors proposes that you approve the compensation policy applicable to the Chief Executive Officer established in accordance with Article L. 22-10-8 of the French Commercial Code relating to the principles and criteria governing the determination, allocation and award of the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to the Chief Executive Officer, in anticipation of the separation of roles. The compensation policy applicable to the Chief Executive Officer from his appointment is presented in the 2020 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 22-10-8 of the French Commercial Code, in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policies forChristophe Périllat as Deputy Chief Executive Officer and then as Chief Executive Officer”, part “Compensation policy for Christophe Périllat as Chief Executive Officer” and reproduced in Annex 7 of this report.

J. Approval of the compensation policy applicable to the Chairman of the Board of Directors in anticipation of the separation of roles from January 2022 (fifteenth resolution)

Under the fifteenth resolution, the Board of Directors proposes that you approve the compensation policy applicable to the Chairman of the Board of Directors established in accordance with Article L. 22-10-8 of the French Commercial Code relating to the principles and criteria governing the determination, allocation and award of the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to the Chairman, in anticipation of the separation of roles. The compensation policy applicable to the Chairman beginning with his appointment is presented in the 2020 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 22-10-8 of the French Commercial Code, in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for Jacques Aschenbroich as Chairman of the Board of Directors in anticipation of the separation of the roles of Chairman and Chief Executive Officer”. It is also included in Appendix 7 of this report.
Fifteenth resolution

(Approval of the compensation policy applicable to the Chairman of the Board of Directors in anticipation of the separation of the roles of Chairman and Chief Executive Officer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, acting pursuant to Article L. 221-10-8 of the French Commercial Code and having considered the Board of Directors’ report referred to in Article L. 225-37 of the French Commercial Code, approves the principles and criteria governing the determination, allocation and award of the fixed, variable and exceptional components of the total compensation and the benefits of any kind that may be awarded to the Chairman of the Board of Directors, as presented in the aforementioned report and as appearing in the 2020 Universal Registration Document, section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for Jacques Aschenbroich as Chairman of the Board of Directors in anticipation of the separation of the roles of Chairman and Chief Executive Officer” and reproduced in Annex 7 of the Board of Directors’ report.

K. Share buyback program (sixteenth resolution)

Possible reason for use of the resolution

Companies whose shares are admitted to trading on a regulated market may set up buyback programs for their own shares, under the conditions provided for by the applicable laws and regulations.

During the year ended December 31, 2020, the Company used the authorisations to buy back its own shares granted by the General Shareholders’ Meetings on May 23, 2019 under the eleventh resolution and on June 25, 2020 under the fourteenth resolution. These authorisations were implemented in order to (i) ensure market-making in the market of the Company’s shares pursuant to a liquidity contract executed with an investment services provider and (ii) cover the implementation of any stock option plan, performance shares plan, awards of shares to employees, and the implementation of any company savings plan. Detailed information on these transactions is provided in section 6.5. “Share buyback program” of the Company’s 2020 Universal Registration Document.

Conditions for implementation

As the authorisation granted by the General Shareholders’ Meeting on June 25, 2020 will expire during the 2021 financial year, shareholders are invited to grant the Board of Directors’ a new authorisation to carry out transactions in shares issued by the Company for the purpose of:

- the allotment or sale of shares to employees as part of their involvement in the performance and growth of the Company or for the implementation of any employee savings plans (or similar plan) under the conditions set out by the law;
- generally to comply with obligations in respect of stock option plans or other allotments of shares to employees or corporate officers;
- the delivery of shares upon exercise of the rights attached to securities giving access to the share capital;
- retaining and subsequently delivering these shares in the context of an external growth transaction, a merger, a spin-off or a contribution;
- the cancellation of all or part of the repurchased shares; or
- ensuring market-making in the market of the Company shares pursuant to a liquidity contract compliant with the market practice recognised by the French Financial Markets Authority (Autorité des marchés financiers).

This program is also intended to allow the Company to implement any market practice that may become authorised by market authorities, and more generally, the completion of any other transaction in accordance with laws and regulations that are or may become applicable. In this case, the Company will inform its shareholders by way of a press release.

The transactions would be carried out by any means which are or may be authorised by the applicable laws and/or regulations.

The Board of Directors would be granted full powers (with powers to sub-delegate under the conditions set out by the applicable laws) to implement this resolution.

Transactions under this authorisation may be carried out by the Board of Directors at any time. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this authorisation following the submission by a third party of a proposed public take-over offer for the securities of the Company before the end of the offer period.

Share repurchase price

The maximum repurchase price is set at 70 euros per share (excluding acquisition costs).

Ceiling

The maximum number of shares that may be bought by the Company or a third party on behalf of the Company is set at 10% of the Company’s share capital at any given time, as adjusted to reflect transactions affecting the share capital subsequent to this General Shareholders’ Meeting, or 5% of the share capital in the event of shares acquired in view of their retention and future delivery in connection with external growth transactions, merger, spin-off or contribution.

The maximum amount of funds that the Company may allocate to this share buyback program would be 1,692,021,800 euros (excluding acquisition costs).

It is specified that, in compliance with applicable laws, the Company may not hold more than 10% of its own share capital.
Presentation of the proposed resolutions

Period of validity

The authorisation would be valid for a period of 18 months as from this General Shareholders’ Meeting and would cancel, as of the same date, the unused portion as at the date of this General Shareholders’ Meeting, of the authorisation granted by the General Shareholders’ Meeting on June 25, 2020 under its fourteenth resolution.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

Sixteenth resolution

(Authorisation for the Board of Directors to carry out transactions in shares issued by the Company, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, having considered the Board of Director’s report,

1. authorises the Board of Directors, with powers to sub-delegate under the conditions set out by law, to purchase or arrange for the purchase of the Company’s shares, in accordance in particular with Articles L. 22-10-62 and L. 225-210 et seq. of the French Commercial Code, Regulation (EU) no. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse, Commission Delegated Regulation (EU) no. 2016/1052 of March 8, 2016, and all other legal and regulatory provisions that would come to be enforceable;

2. the buy-back by the Company of its own shares shall take place for the purposes of:
   • the implementation of any stock option plan regarding the Company’s shares under the terms of Articles L. 225-177 et seq. and L. 22-10-56 et seq. of the French Commercial Code (or any other similar plan), in particular to any employee and/or corporate officer of the Company and of any company or economic interest grouping related to the Company in accordance with applicable legal and regulatory provisions, or
   • the allotment of free shares under the terms of Article L. 225-197-1 et seq. and L. 22-10-59 et seq. of the French Commercial Code (or any similar plan), in particular to any employee and/or corporate officer of the Company and of any company or economic interest grouping related to the Company in accordance with applicable legal and regulatory provisions; or
   • the allotment or sale of shares to employees as part of their involvement in the performance and growth of the Company or the implementation of any company or group employee savings plan (or any similar plan) in accordance with the applicable laws, in particular Articles L. 3332-1 et seq. of the French Labour Code; or
   • more generally, complying with obligations in respect of stock option plans or other allocation of shares to employees or corporate officers of the Company or of a related company; or
   • the delivery of shares upon exercise of the rights attached to securities giving access to the share capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
   • retaining a number of shares in order to ultimately deliver them (as exchange consideration, payment or other) in connection with external growth transactions, mergers, spin-offs or contributions, or
   • the cancellation of all or part of the securities so acquired; or
   • the market making in the Valeo share market pursuant to a liquidity contract compliant with the market practice accepted by the French Financial Markets Authority;

3. decides that this program is also intended to allow implementation of any market practice that may become authorised by market authorities, and more generally, the completion of any other transaction in accordance with laws and regulations that are or may become applicable. In this case, the Company will inform its shareholders by way of a press release;

4. decides that the total number of shares purchased by the Company during the share buy-back program may not exceed 10% of the shares composing the Company’s share capital at any time, this percentage being applied to a share capital adjusted to reflect transactions affecting the share capital subsequent to this General Shareholders’ Meeting, provided that (i) in accordance with Article L. 22-10-62 of the French Commercial Code, when shares are bought back to increase liquidity pursuant to the General Regulations of the French Financial Markets Authority, the number of shares taken into account for purposes of calculating the 10% maximum limit referred to above will be equal to the number of purchased shares reduced by the number of shares resold during the authorisation period, (ii) the number of shares acquired in view of their retention and future delivery in connection with external growth transactions, mergers, spin-offs or contributions may not exceed 5% of the Company’s share capital and (iii) the number of shares that the Company holds may not at any time exceed 10% of shares composing the Company’s share capital;

5. decides that acquisitions, sales, transfers, deliveries or exchanges of shares may be carried out by virtue of one or more transactions, by any means that are authorised or that may become authorised by the laws and/or regulations in force as at the date of those transactions, including on a regulated market, a multilateral trading facility, via a systematic internaliser or over the counter, including block purchases or sales (with no limit on the portion of the share buy-back program that could be carried out by this means), by public take-over offer or public exchange offer, through the use of options or the use of any other financial instruments (including derivatives), in any case, either directly or indirectly, in particular through an investment services provider;

6. decides that (i) the maximum share purchase price under this resolution will be 70 euros (excluding acquisition costs) per share, and (ii) the aggregated amount that will be allotted to the share buy-back program set out in this resolution will amount to 1,692,021,800 euros (excluding acquisition costs) corresponding, as at December 31, 2020 (for information purposes), to a maximum number of 24,171,740 shares based on a maximum price of 70 euros per share (excluding acquisition costs);
7. decides that the Board of Directors will be entitled to determine the appropriate time to carry out these transactions, within the limits set out by the applicable laws and regulations. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this authorisation, following the submission by a third party of a proposed public take-over offer for the securities of the Company, before the end of the offer period;

8. delegates to the Board of Directors, with powers to sub-delegate under the conditions set out by applicable law, the power to adjust the aforementioned maximum purchase price in the event of a change in the par value of the share, share capital increase by incorporation of reserves, allotment of free securities, stock split or reverse stock split, distribution of reserves or of any other assets, amortisation of capital, or any other transaction affecting equity, so as to take account of the impact of such transactions on the value of the shares;

9. delegates full power to the Board of Directors, with powers to sub-delegate under the conditions set out by law, in particular to decide and to implement this authorisation and, if necessary, to specify the conditions and determine the terms thereof, to carry out the share buy-back program, and in particular to place market orders, enter into any agreement, allocate or reallocate the purchased shares to the various objectives pursued, establish the terms and conditions pursuant to which, if applicable, the rights of the holders of securities, free shares or options will be preserved, in accordance with applicable legal, regulatory or contractual provisions, make any declarations to the French Financial Markets Authority or any other competent authority, and to carry out any other formalities and, more generally, do all that is necessary;

10. sets the term of validity of this authorisation at eighteen months as from the date of this General Shareholders’ Meeting and acknowledges that, as of the same date, it cancels any unused portion of the authorisation granted to the Board of Directors by the General Shareholders’ Meeting of June 25, 2020 under its fourteenth resolution.

L. Power to complete formalities (twenty-seventh resolution)

We propose that you grant full powers to complete all filings and formalities required by law as a result of this General Shareholders’ Meeting.

Twenty-seventh resolution (Powers to complete formalities)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meeting, grants full powers to the bearer of an original or copy of these minutes or an extract therefrom to complete all filings and formalities as may be required by law.
II. Resolutions within the Extraordinary General Shareholders’ Meeting authority

It is noted that the General Shareholders’ Meeting of May 23, 2019 decided to grant authorisations and financial delegations to the Board of Directors. As these authorisations and financial delegations expire during the 2021 financial year, it is proposed that you renew them at your General Shareholders’ Meeting. These authorisations and financial delegations, as described below (and summarised in the table attached in Appendix 8), are similar to those you approved at the General Shareholders’ Meeting of May 23, 2019 (notably in terms of ceilings).

The main purpose of the authorisations and financial delegations is to provide the Company with enhanced flexibility, ability and speed of market-responsiveness in order, if required, to resort to such markets by issuing securities and to quickly and flexibly raise funds that are necessary to finance the development of your Company.

These resolutions may be divided into two main categories: those that may result in an issue with maintenance of the shareholders’ preferential subscription right (“PSR”) and those that may result in an issue with cancellation of the PSR. Any issue with the PSR allows each shareholder to subscribe for a number of securities in proportion to his or her shareholding, during a minimum time period set out by law as from the opening of the subscription period (for information purposes, as at the date of this report, five trading days). It is specified that the PSR is detachable and tradable under the terms set out in the applicable laws and regulations (for information purposes, as at the date of this report, from second business day before the opening of the subscription period and until the second business day before the end of the subscription period).

For certain resolutions, you are asked to grant the Board of Directors the option of cancelling this PSR. Indeed, depending on market conditions, the type of investors targeted by the issue and the type of securities issued, it may be preferable or even necessary to cancel the PSR in order to make a placement of securities on the best possible terms, in particular, when speed is an essential condition for its success or when such issues are carried out on foreign financial markets.

These authorisations and delegations would of course be subject to limits. First, each of these authorisations and delegations would be granted only for a limited period. In addition, the Board of Directors would only be able to issue securities (capital and debt) up to strictly defined ceilings above which the Board of Directors would not be able to issue securities without convening a new General Shareholders’ Meeting. These ceilings are presented hereafter and summarised in the table attached in Appendix 8.

If the Board of Directors carries out a transaction pursuant to an authorization or a delegation granted by the General Shareholders’ Meeting, it will, if applicable and in compliance with the applicable laws and regulations, issue an additional report on the implementation of the authorisations or delegations. This report, as well as the Statutory Auditors’ report, if applicable, would be made available to the holders of equity securities or securities giving access to the share capital and then be brought to their attention at the next General Shareholders’ Meeting.

Please also note that, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use any of the authorisations and delegations granted for the issue of securities following the submission by a third party of a proposed public take-over offer for the securities of the Company before the end of the offer period (with the exception of the twenty-fifth resolution relating to employee share ownership and the allocation of free shares).

A. Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary, with maintenance of the PSR (seventeenth resolution)

Possible reasons for use of the resolution

As stated in the introduction, this resolution enables the Company to raise, if necessary with speed and flexibility, funds on the markets by investment from all of its shareholders so as to finance its development as well as the development of the Group.

Conditions for implementation

This resolution would enable the Board of Directors to issue shares and securities giving access, immediately or in the future, to the share capital of the Company or a Subsidiary (including equity securities granting entitlement to the allocation of debt securities).

Subscriptions would be implemented with a PSR on a non-reducible basis. The Board of Directors may also decide to create a subscription right for the shareholders on a reducible basis. In this case, if the non-reducible subscriptions collected would not be sufficient to cover all of the new securities, the remaining securities would be allocated between the shareholders who subscribed on a reducible basis in proportion to their subscription rights and in any event not more than they requested.

Should these subscriptions (on a non-reducible basis and if any, on a reducible basis) not cover all of the securities issued, the Board of Directors could decide: (i) to distribute all or part of the unsubscribed securities and/or (ii) to offer to the public all or part of the unsubscribed securities and/or (iii) to limit the issue to the amount of subscriptions received provided that said amount is equivalent to at least three quarters of the amount of the planned issue.

The Board of Directors would be granted full powers required to implement this delegation of authority (with powers to sub-delegate under the conditions set out by applicable laws and regulations).

Price

The price which would be set by the Board of Directors must be at least equal to the nominal value.
Ceiling

The maximum nominal amount of the share capital increases would be set at 70 million euros, i.e. 28.96% of the share capital as of December 31, 2020, it being specified that this would count toward the Global Ceiling (Equity) (131 million euros).

The maximum nominal amount of potentially issued debt securities would be set at 1.5 billion euros, it being specified that this would count toward the Global Ceiling (Debt) (1.5 billion euros).

Period of validity

This delegation would be valid for a period of 26 months as from this General Shareholders’ Meeting and would cancel, as of the same date, the unused portion as at the date of this General Shareholders’ Meeting, of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its twelfth resolution.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

Seventeenth resolution

(Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s or a subsidiary’s share capital, with maintenance of the shareholders’ preferential subscription right, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Directors’ report and the Statutory Auditors’ special report, and pursuant to the provisions of Articles L. 225-129 et seq. of the French Commercial Code, particularly Articles L. 225-129-2 and L. 225-132 to L. 225-134, and the provisions of Articles L. 228-91 et seq. of the same Code:

1. delegates its authority to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to decide (and, where relevant, postpone) on one or more occasions, in France and/or abroad, in the proportions the Board of Directors deems appropriate, in euros or in any other currency or currency unit established by reference to more than one currency, a share capital increase, with maintenance of the shareholders’ preferential subscription right, by issuing (i) shares of the Company and/or (ii) securities governed by Articles L. 228-92 paragraph 1 and L. 228-93 paragraphs 1 and 3 of the French Commercial Code giving access, immediately or in the future, to the share capital of the Company or of a company of which the Company directly or indirectly holds more than half of the share capital (a “Subsidiary”) (including equity securities granting entitlement to the allocation of debt securities) for which the subscription may be made in cash or by offsetting against certain, liquid and payable claims, or in all or part by capitalisation of reserves, profits, premiums or other amounts that may be capitalised;

2. decides to set the following limits on the amounts of the issues authorised in the event that the Board of Directors should decide to use this delegation of authority:

   • the maximum nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation is set at 70 million (i.e. for information purposes, as at December 31, 2020, 28.96% of the share capital) or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that (i) the maximum aggregate nominal value of all share capital increases that may be carried out under the seventeenth to twenty-first, twenty-third and twenty-fourth resolutions of this General Shareholders’ Meeting (or any similar resolutions that may replace these for the duration of their respective validity periods) is set at 131 million euros or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, and (ii) as the case may be, the nominal amounts of any additional shares as may be issued as part of adjustments to protect the rights of holders of securities or other rights giving access to the Company’s share capital made pursuant to the applicable laws and regulations or pursuant to contractual terms, if any, providing for any other circumstances in which adjustments may be necessary, in the event of any new financial transactions, are to be added to these limits; and (iii) in the event that the share capital is increased through the incorporation of premiums, reserves, profits, or other amounts that may be capitalised through the allotment of free shares during the period of validity of this delegation, the aforementioned limits will be adjusted by multiplying by a factor equal to the ratio between the number of shares making up the share capital before and after the transaction;

   • the maximum nominal amount of securities in the form of debt securities giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital, that may be issued under this delegation is set at 1.5 billion euros or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that (i) this amount does not include any above-par redemption premium(s) as may be applicable, (ii) the maximum aggregate nominal value of all securities in the form of debt securities giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital, that may be issued under the seventeenth to twenty-first, twenty-third and twenty-fourth resolutions of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity of the aforesaid resolution) is set at 1.5 billion euros (or the equivalent thereof in any other currency or currency unit established by reference to more than one currency), and (iii) this amount is separate and independent from the amount of any debt securities that may be issued pursuant to a decision or the authorisation of the Board of Directors in accordance with the provisions of Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code,

3. decides that the shareholders may, in accordance with the conditions provided for by law, exercise their preferential right to subscribe for shares and securities giving access to the share capital that will be issued pursuant to this delegation, on a non-reducible basis;
4. acknowledges that the Board of Directors may create a right for the shareholders to subscribe for excess shares on a reducible basis, which is to be exercised in proportion to the rights they hold and within the limits of their subscription requests. Furthermore, pursuant to Article L. 225-134 of the French Commercial Code, in the event that subscriptions on a non-reducible basis and, as applicable, on a reducible basis, do not take up the full share capital increase, the Board of Directors may exercise one or more of the following options under the conditions set out by law and in the order the Board of Directors deems appropriate: (i) distribute all or part of the unsubscribed securities, (ii) offer to the public all or part of the unsubscribed securities on the French market or abroad or (iii) limit the issue to the amount of subscriptions received provided that said amount is equivalent to at least three quarters of the planned issuance;

5. acknowledges that this delegation incorporates an automatic waiver by the shareholders, in favour of the holders of securities giving access to the Company’s share capital, of their preferential right to subscribe for shares or securities to which the securities issued under this delegation could give rise immediately and/or in the future;

6. decides that issues of share warrants of the Company, within the limit mentioned in the first subparagraph of paragraph 2 above, may also be carried out by allotment of free share warrants to the holders of existing shares, it being understood that fractional allocation rights cannot be traded or assigned and that the corresponding equity securities must be sold within the terms and the time periods imposed by laws and regulations;

7. grants full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to implement this delegation of authority and in particular:

• to determine the dates, terms and conditions of any issues of shares or securities giving access immediately or in the future to the share capital, together with the form and characteristics of the securities, including to set the issue amount, the issue and subscription prices of the shares and/or securities, with or without a premium, the date upon which they will bear dividend rights, which may be retroactive, the procedure for paying up the shares or securities and, as applicable, the conditions under which any rights attached to the shares or securities may be exercised (conversion rights, exchange rights, redemption rights, including by delivery of corporate assets of the Company such as the existing exchange rights, redemption rights, including by delivery of corporate assets of the Company or a Subsidiary, as appropriate) and, in particular, to set all other terms and conditions for completing the issue of shares and/or securities, as applicable;

• to decide, in the event of an issue of bonds or other debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code, whether or not these will be subordinated, the applicable interest rate (including fixed or variable rate, zero coupon, indexed), their maturity date (fixed or open-ended) and if necessary, the criteria for any mandatory or optional suspension or non-payment of interest, whether or not it is possible to reduce or increase the nominal value of securities and to set any other issuance terms (including the provision of any guarantees or security interests) as well as the amortisation conditions (including redemption by delivery of corporate assets of the Company) and any mandatory or optional sinking fund or moratoria, if relevant, to set the conditions under which the securities will give access to the Company’s share capital, to amend the above-described terms and conditions in accordance with the applicable formalities during the lifetime of the securities;

• to set the terms on which the Company will be able to purchase or exchange on the markets securities giving access to the share capital that have been or will be issued (if applicable), at any time or during fixed intervals and including for the purpose of cancelling such securities, in keeping with provisions of law;

• if necessary, to create an option to suspend the exercise of the rights attached to the issued securities in accordance with the law and regulations;

• as applicable, to set and make all necessary adjustments to take into account the impact of transactions on the Company’s share capital or equity and in particular a change in the nominal value of the shares, share capital increase by capitalisation of reserves, profits or premiums, allotment of free shares, split or pooling of securities, distribution of dividends, reserves, premiums or any other assets, amortisation of capital or any other transaction affecting the equity or share capital (including in the event of a public offer and/or of a change of control) and, if necessary, to set any other terms and conditions in the interest of protecting the rights of holders of securities or other rights giving access to the Company’s share capital (including adjustments in cash);

• on its sole initiative, to make all necessary deductions from the issue premium(s) up to the limits authorised by law, among others to cover expenses incurred for the implementation of the issue, and to deduct from the issue premiums all necessary amounts for the legal reserve;

• to duly record the completion of each issue and make any amendments to the articles of association that may become necessary as a result thereof;

• more generally, to enter into all agreements, in particular to ensure completion of the proposed issues, take all required measures and decisions and complete all formalities required for the issue, listing and financial administration of securities issued under this resolution and for the exercise of the rights attached thereto;

8. decides that this delegation of authority conferred upon the Board of Directors may be used at any time. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this delegation of authority, following the submission by a third party of a proposed public take-over offer for the securities of the Company, before the end of the offer period;

9. sets the term of validity of this delegation of authority at twenty-six months as from the date of this General Shareholders’ Meeting and acknowledges that, as of the same date, it cancels any unused portion of the delegation of authority granted by the General Shareholders’ Meeting of May 23, 2019 under its twelfth resolution.
### B. Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary by way of a public offerings (excluding public offerings referred to at Article L. 411-2 of the French Monetary and Financial Code) and/or by way of a public offerings referred to at Article L. 411-2, 1° of the French Monetary and Financial Code with cancellation of the PSR (eighteenth and nineteenth resolutions)

#### Possible reasons for use of the resolutions

As stated in the introduction, the issues carried out with cancellation of the PSR, either by way of public offerings excluding those referred to at Article L. 411-2 of the French Monetary and Financial Code (eighteenth resolution), and/or by way of public offerings referred to at Article L. 411-2, 1° of the French Monetary and Financial Code (nineteenth resolution), may be used to place securities in the most efficient manner, in particular when speed is an essential condition for their success or when the issues are carried out on foreign financial markets.

In addition, the eighteenth resolution would enable the Company, if it were to decide to propose a public exchange offer, in France or abroad, to a target company whose shares are admitted to trading on one of the regulated markets referred to in Article L. 22-10-54 of the French Commercial Code, to deliver securities of the Company in exchange for the securities of the target company.

#### Conditions for implementation

These resolutions would enable the Board of Directors to issue shares and securities giving access, immediately or in the future, to the share capital of the Company or a Subsidiary (including equity securities granting entitlement to the allocation of debt securities).

In addition, the issues referred to above may be used following the issue, by a Subsidiary, of securities giving access to the Company’s share capital to be issued.

These issues would be carried out with cancellation of the PSR (i) by the means of public offerings excluding those referred to at Article L. 411-2 of the French Monetary and Financial Code (eighteenth resolution) which may, pursuant to the Board of Directors’ decision, include a priority subscription period for the shareholders (non-negotiable), or (ii) by way of public offerings referred to at Article L. 411-2, 1° of the French Monetary and Financial Code (nineteenth resolution). In addition, the eighteenth resolution would also make it possible to remunerate shares contributed to a public exchange offer initiated by the Company.

If, within the context of public offerings excluding those referred to at Article L. 411-2 of the French Monetary and Financial Code (eighteenth resolution), a Priority right has been provided for, the subscriptions made may be supplemented by a subscription on a reducible basis, it being specified that the securities not subscribed for will be the subject of a public offering in France and/or abroad. If subscriptions do not absorb the entire issue, the Board of Directors may decide to freely distribute the unsubscribed securities and/or to limit the issue to the amount of subscriptions received, provided that said amount of subscriptions is equivalent to at least three quarters of the amount of the decided issue. This last option (limitation to three quarters of the issue) also applies to share capital increases carried out by way of public offerings referred to at Article L. 411-2, 1° of the French Monetary and Financial Code (nineteenth resolution).

The Board of Directors would be granted full powers required to implement these delegations of authority (with powers to sub-delegate under the conditions set out by applicable laws and regulations).

#### Price

The issue price of those shares issued directly will be at least equal to the minimum amount set by the applicable laws and regulations on the issue date after any adjustment to take into account the difference of date upon which the shares will bear dividend rights (for information purposes, as at the date of this General Shareholders’ Meeting, a price at least equal to the weighted average price of Company shares over the last three trading sessions on the regulated market of Euronext Paris preceding the determination of the subscription price of the share capital increase, with a potential discount of up to 10%).

Regarding securities giving access to the share capital, the total amount that would be received by the Company as consideration for such securities would be at least equal to the minimum price per share provided for by the applicable laws and regulations as described above.

It is specified that the rules relating to the determination of the price described above would not be applicable to securities issued as consideration for securities contributed to a public exchange offer proposed by the Company.

#### Ceiling

The maximum nominal amount of the share capital increases would be set at 23 million euros, i.e. 9.52% of the share capital as of December 31, 2020, it being specified that this limit of 23 million euros would be jointly applicable to these two resolutions, and to the twentieth, the twenty-first, and the twenty-third resolution, and that this would also count toward the Global Ceiling (Equity).

Please note that pursuant to applicable laws, the share capital increases carried out by public offerings referred to at Article L. 411-2, 1° of the French Monetary and Financial Code are capped at 20% of the share capital per year. The limit set by the nineteenth resolution is therefore much lower than this legal limit.

The maximum nominal amount of securities that represent debt securities would be set at 1.5 billion euros per resolution, it being specified that this would count toward the Global Ceiling (Debt).
Presentation of the proposed resolutions

Period of validity

These delegations would be valid for a period of 26 months as from this General Shareholders’ Meeting and would cancel the delegations granted by the General Shareholders’ Meeting of May 23, 2019 under its thirteenth and fourteenth resolutions.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

Eighteenth resolution

(Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s or a subsidiary’s share capital by way of public offerings (other than those referred to in Article L. 411-2 of the French Monetary and Financial Code), with cancellation of the shareholders’ preferential subscription right, with possible use as consideration for securities contributed to the Company in relation to a public exchange offer initiated by the Company, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Directors’ report and the Statutory Auditors’ special report, and pursuant to the provisions of Articles L. 225-129 et seq. of the French Commercial Code (particularly Article L. 225-129-2), Articles L. 22-10-51, L. 22-10-52 and L. 22-10-54 and Articles L. 228-91 et seq. of the same Code:

1. delegates its authority to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to decide (and where relevant postpone) on one or more occasions, in France and/or abroad, in the proportion(s) the Board of Directors deems appropriate, in euros or in any other currency or currency unit established by reference to more than one currency, the issue by way of public offerings (other than those referred to in Article L. 411-2 of the French Monetary and Financial Code) of (i) shares of the Company and/or (ii) securities governed by Articles L. 228-92 paragraph 1 and L. 228-93 paragraphs 1 and 3 of the French Commercial Code giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital (including equity securities granting entitlement to the allocation of debt securities) for which the subscription may be made in cash or by offsetting against certain, liquid and payable claims or, in whole or in part, by capitalisation of reserves, profits, premiums or any other amounts that may be capitalised; it is further specified that the instruments referred to in (i) to (ii) above may be issued following the issuance by a Subsidiary of securities giving access to the Company’s share capital to be issued;

2. decides that the issues referred to in this resolution may be combined, as part of the same issue or of multiple issues carried out simultaneously, with the offers referred to in the nineteenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity thereof);

3. decides to set the following limits on the amounts of the issues authorised in the event that the Board of Directors should decide to use this delegation of authority:

   • the maximum nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation of authority is set at 23 million euros (i.e. for information purposes, as at December 31, 2020, 9.52% of the share capital) or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that (i) this limit is jointly applicable to issues carried out under the eighteenth to twenty-first and twenty-third resolutions of this General Shareholders’ Meeting (or any similar resolutions that may replace them for the duration of their respective validity periods), and that the nominal value of all share capital increases carried out under the aforementioned resolutions may not exceed this limit, (ii) any issue carried out under this delegation will count towards the maximum aggregate limit defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity thereof), (iii) as the case may be, the nominal amounts of any additional shares as may be issued as part of adjustments to protect the rights of holders of securities or other rights giving access to the Company’s share capital made pursuant to the applicable laws and regulations or pursuant to contractual terms, if any, providing for any other circumstances in which adjustments may be necessary, in the event of any new financial transactions, are to be added to these limits and (iv) in the event that the share capital is increased through the incorporation of premiums, reserves, profits, or other amounts that may be capitalised through the allotment of free shares during the period of validity of this delegation, the aforementioned limits will be adjusted by multiplying by a factor equal to the ratio between the number of shares making up the share capital before and after the transaction;

   • the maximum nominal amount of the securities in the form of debt securities, giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital, that may be issued under this delegation is set at 1.5 billion euros or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that (i) this amount does not include any above-par redemption premium(s) as may be applicable, (ii) this amount will count towards the maximum aggregate amount defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity thereof), and (iii) this amount is separate and independent from the amount of any debt securities issued pursuant to a decision or the authorisation of the Board of Directors in accordance with the provisions of Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6, and L. 228-94 paragraph 3 of the French Commercial Code;

4. decides to cancel the shareholders’ preferential subscription right for any shares and securities giving access, immediately or in the future, to the share capital to be issued under this delegation;

5. decides to grant the Board of Directors the ability to establish a priority subscription period for the shareholders applicable to all or part of a given issue and organised for the interval...
and in accordance with terms and conditions to be set by the Board of Directors in compliance with the applicable laws and regulations, the rights to which may not be traded and must be exercised in proportion to the number of shares held by each shareholder, supplemented, as applicable, by a subscription for excess shares on a reducible basis, it being specified that unsubscribed securities will be offered to the public in France and/or abroad;

6. decides that if subscriptions, including those from shareholders where applicable, do not take up the full rights issue, the Board of Directors may limit the issue amount to the subscription amount received, provided that said issue is equivalent to at least three quarters of the amount of the planned issue, and/or freely allocate any unsubscribed securities;

7. acknowledges that this delegation of authority incorporates an automatic waiver by the shareholders, in favour of the holders of securities giving access to Company’s share capital, of their preferential right to subscribe for shares or securities to which the securities issued under this delegation could give rise immediately or in the future (including where shares or securities representing securities giving access to the Company’s share capital are issued by a Subsidiary, pursuant to Article L. 228-93 of the French Commercial Code);

8. decides that the issue price (i) of those shares issued directly will be at least equal to the minimum amount set by the laws and the regulations applicable on the issue date after any necessary adjustment of this amount to take into account the date upon which the shares will bear dividend rights (for information purposes, as at the date of this General Shareholders’ Meeting, a price at least equal to the weighted average share price of the Company of the last three trading sessions on the regulated market of Euronext Paris preceding the determination of the subscription price, possibly reduced by a maximum discount of 10%, as provided for in Articles L. 22-10-52 and R. 22-10-32 of the French Commercial Code) and (ii) of securities giving access to the share capital issued under this resolution and the number of shares to which the conversion, redemption or more generally the transformation of each security could give rise will be such that the amount received immediately by the Company, plus any amount as may be received by the Company at a later date, as applicable, will be, for each share issued as a result of the issue of these securities, at least equal to the minimum issue price defined in (i) above, after any necessary adjustment of this amount to take into account the date upon which the shares will bear dividend rights;

9. decides that this delegation may be used to issue shares (as stated in paragraph 1 (i)) or securities (as stated in paragraph 1 (ii)) as consideration for all or part of the securities contributed to the Company as part of a public exchange offer launched by the Company in France or abroad, under local rules (e.g., as part of a reverse merger), for securities meeting the conditions set out in Article L. 22-10-54 of the French Commercial Code and within the limit set out in this resolution;

10. grants full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to implement this delegation of authority and in particular:

- to determine the dates and terms and conditions of any issues of shares and securities giving access immediately or in the future to the share capital, together with the form and characteristics of the securities, including to set the issue amount of the shares and/or securities, the issue and subscription prices of the shares and/or securities, with or without a premium, the date upon which they will bear dividend rights, which may be retroactive, the procedure for paying up the shares or securities and, as applicable, the conditions under which any rights attached to the shares or securities may be exercised (by conversion, exchange, redemption, including by delivery of corporate assets of the Company such as the existing securities of the Company or a Subsidiary, as appropriate) and to set all other terms and conditions for completing the issue, as applicable;

- to decide, in the event of an issue of bonds or other debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code, whether or not these will be subordinated, the interest rate (including fixed or variable rate, zero coupon, indexed), their maturity date (fixed or open-ended) and provide, if necessary, the criteria for any mandatory or optional suspension or non-payment of interest, whether or not it is possible to reduce or increase the nominal value of securities and to set any other issuance terms (including the provision of any guarantees or security interests) or amortisation conditions (including redemption by delivery of corporate assets of the Company), if relevant, to set the conditions under which these securities will give access to the Company’s share capital, to amend the above-described terms and conditions in compliance with the applicable formalities during the lifetime of the securities;

- to set the terms on which the Company will be able to purchase or exchange the securities giving access to the share capital to be issued or already issued on the markets (if applicable), at any time or during fixed intervals and including for the purpose of cancelling such securities, in keeping with provisions of law;

- in the event of an issue of shares and/or securities giving access to the share capital as consideration for securities contributed to a public offer with an exchange component, to draw up the list of securities contributed to the exchange, to set the conditions for the issue, the exchange ratio and, if necessary, the amount of any cash adjustment to be paid as an exception to the terms for determining the price set out in paragraph 8 of this delegation and to define the terms of the issue in the context of a public exchange offer, an alternative purchase or exchange offer, a single offer proposing the acquisition or exchange of selected securities for consideration in cash and in securities, a primarily public purchase offer, an exchange offer combined with an ancillary public purchase offer or public exchange offer, or any other form of public offer which complies with the laws and regulations applicable thereto, to duly record the number of securities contributed to the exchange and to record, in the liabilities section of the balance sheet in an account named “contribution premium”, to which all shareholders shall have rights, the difference between the issue price of the new securities and their nominal value;
• if necessary, to create an option to suspend the exercise of the rights attached to the securities issued in accordance with the applicable laws and regulations;
• as applicable, to set and make all necessary adjustments to take into account the impact of transactions on the Company’s share capital or equity and in particular a change in the nominal value of the shares, share capital increase by capitalisation of reserves, profits or premiums, allotment of free shares, split or pooling of securities, a distribution of dividends, reserves, premiums or any other assets, amortisation of capital or any other transaction affecting equity or share capital (including in the event of a public offer and/or of a change of control) and, if necessary, to set any other terms and conditions in the interest of protecting the rights of holders of securities or other rights giving access to the Company’s share capital (including adjustments in cash);
• on its sole initiative, to make all necessary deductions from the issue premium(s) up to the limits authorised by law, including to cover expenses incurred for the implementation of the issue and to deduct from the issue premiums all necessary amounts for the legal reserve;
• to duly record the completion of each issue and make any amendments to the articles of association that may become necessary as a result thereof;
• more generally, to enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and decisions and complete all formalities required for the issue, listing and financial administration of securities issued under this resolution and for the exercise of the rights attached thereto;

11. decides that this delegation conferred upon the Board of Directors may be used at any time. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this delegation of authority, following the submission by a third party of a proposed public take-over offer for the securities of the Company, before the end of the offer period;

12. sets the term of validity of this delegation of authority at twenty-six months as from the date of this General Shareholders’ Meeting and acknowledges that, as of the same date, it cancels any unused portion of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under the thirteenth resolution.

**Nineteenth resolution**

(Delegation of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s or a subsidiary’s share capital by way of public offerings referred to in Article L. 411-2 1° of the French Monetary and Financial Code, with cancellation of the shareholders’ preferential subscription right, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Directors’ report and the Statutory Auditors’ special report, and pursuant to the provisions of Articles L. 225-129 et seq. of the French Commercial Code, particularly Articles L. 225-129-2, L. 22-10-51 and L. 22-10-52, and the provisions of Articles L. 228-91 et seq. of the same Code:

1. delegates its authority to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to decide (and where relevant postpone) on one or more occasions, in France and/or abroad, in the proportion(s) the Board of Directors deems appropriate, in euros or in any other currency or currency unit established by reference to more than one currency, the issue by way of public offerings referred to in Article L. 411-2 1° of the French Monetary and Financial Code reserved to a limited circle of investors, provided that such investors are acting on their own account, or qualified investors, with cancellation of the shareholders’ preferential subscription right, of (i) shares of the Company, and (ii) securities governed by Articles L. 228-92 paragraph 1 and L. 228-93 paragraphs 1 and 3 of the French Commercial Code giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital (including equity securities granting entitlement to the allocation of debt securities), for which the subscription may be made in cash or by offsetting against certain, liquid and payable claims, or in whole or in part by capitalisation of reserves, profits, premiums or any other amounts that may be capitalised. It is further specified that the instruments referred to in (i) to (ii) above may be issued following the issue by a Subsidiary of securities giving access to the Company’s share capital to be issued;

2. decides that the issues referred to in this resolution may be combined, as part of the same issue or of multiple issues carried out simultaneously, with the offers referred to in the eighteenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity thereof),

3. decides to set the following limits on the amounts of the issues authorised in the event that the Board of Directors should decide to use this delegation of authority:

• the maximum nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation is set at 23 million euros (or, for information purposes, as at December 31, 2020, 9.52% of the share capital) or the equivalent thereof in any other currency or
currency unit established by reference to more than one currency, it being specified that (i) this limit is jointly applicable to issues carried out under the eighteenth to twenty-first and twenty-third resolutions of this General Shareholders’ Meeting (or any similar resolutions that may replace these for the duration of their respective validity periods) and that the nominal value of all share capital increases carried out under the aforementioned resolutions may not exceed this limit, (ii) any issue carried out under this delegation will count towards the maximum aggregate limit defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity period of such resolution), (iii) as the case may be, the nominal amounts of any additional shares as may be issued as part of adjustments to protect the rights of holders of securities or other rights giving access to the Company’s share capital made pursuant to the applicable laws and regulations or pursuant to contractual terms, if any, providing for any other circumstances in which adjustments may be necessary, in the event of any new financial transactions, are to be added to these limits and (iv) in the event that the share capital is increased through the incorporation of premiums, reserves, profits, or other amounts that may be capitalised through the allotment of free shares during the period of validity of this delegation, the aforementioned limits will be adjusted by multiplying by a factor equal to the ratio between the number of shares making up the share capital before and after the transaction;

- the maximum nominal amount of the securities in the form of debt securities, giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital, that may be issued under this delegation is set at 1.5 billion euros or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that (i) this amount does not include any above-par redemption premium(s) as may be applicable, (ii) this amount will count towards the maximum aggregate amount defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity period of such resolution) and (iii) this amount is separate and independent from the amount of any debt securities issued pursuant to a decision or the authorisation of the Board of Directors in accordance with the provisions of Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

4. decides to cancel the shareholders’ preferential subscription right for any shares and securities giving access immediately or in the future to the share capital to be issued under this delegation;

5. decides that in the event that subscriptions, including, as applicable, subscriptions from the shareholders, do not take up the full rights issue, the Board of Directors may limit the issue amount to the amount of subscriptions received provided that said amount is equivalent to at least three quarters of the planned issue;

6. acknowledges that this delegation incorporates an automatic waiver by the shareholders in favour of the holders of securities giving access to the Company’s share capital of their preferential right to subscribe for shares or securities to which these securities issued under this delegation could give rise immediately or in the future (including where shares or securities representing securities giving access to the Company’s share capital are issued by a Subsidiary, pursuant to Article L. 228-93 of the French Commercial Code).

7. decides that the issue price (i) of those shares issued directly will be at least equal to the minimum amount set by the laws and the regulations applicable on the issue date, after any necessary adjustment of this amount to take into account the date upon which the shares will bear dividend rights (for information purposes, as at the date of this General Shareholders’ Meeting, a price at least equal to the weighted average share price of the Company of the last three trading sessions on the regulated market of Euronext Paris preceding the determination of the subscription price, possibly reduced by a maximum discount of 10%, as provided for in Articles L. 22-10-52 and R. 22-10-32 of the French Commercial Code) and (ii) of securities giving access to the share capital issued under this resolution and the number of shares to which the conversion, redemption or more generally the transformation of each security could give rise will be such that the amount received immediately by the Company, plus any amount as may be received by the Company at a later date, as applicable, will be, for each share issued as a result of the issue of these securities, at least equal to the minimum issue price defined in (i) above, after any necessary adjustment of this amount to take into account the date upon which the shares will bear dividend rights;

8. grants full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to implement this delegation of authority and in particular:

- to determine the dates, terms and conditions of any issues of shares and securities giving access immediately or in the future to the share capital, together with the form and characteristics of the securities, including to set the issue amount, the issue and subscription prices of the shares and/or securities, with or without a premium, the date upon which they will bear dividend rights, which may be retroactive, the procedure for paying up the shares or securities and, as applicable, the conditions under which any rights attached to the shares or securities may be exercised (by conversion, exchange, redemption, including by delivery of corporate assets of the Company such as the existing securities of the Company or a Subsidiary, as appropriate) and to set all other terms and conditions for the completing the issue, as relevant;

- to decide, in the event of an issue of bonds or other debt securities governed by Articles L. 228-91 et seq. of the French Commercial Code, whether or not these will be subordinated, the interest rate (including fixed or variable rate, zero coupon, indexed), their maturity date (fixed or open-ended), and to provide, if necessary, the criteria for any mandatory or optional suspension or non-payment of interest, whether or not it is possible to reduce or increase the nominal value of securities and any other issue (including the provision of any guarantees or security interests) or amortisation conditions (including redemption by delivery of corporate assets of the Company); if relevant, to set the conditions under which the securities will give access to the Company’s share capital to their holders; to amend the above-described terms and conditions in compliance with the applicable formalities during the lifetime of the securities,
to set the terms on which the Company will be able to purchase or exchange the securities giving access to the share capital to be issued or already issued on the markets (if applicable), at any time or during fixed intervals and including for the purpose of cancelling such securities, in keeping with provisions of law;

- if necessary, to create an option to suspend the exercise of the rights attached to the securities issued in accordance with applicable laws and regulations;

- as applicable, to set and make all necessary adjustments to take into account the impact of transactions on the Company’s share capital or equity and in particular a change in the nominal value of the shares, share capital increase by capitalisation of reserves, profits or premiums, allotment of free shares, split or pooling of securities, distribution of dividends, reserves, premiums or any other assets, amortisation of capital or any other transaction affecting equity or share capital (including in the event of a public offer and/or of a change of control) and, if necessary, to set any other terms and conditions in the interest of protecting the rights of holders of securities or other rights giving access to the Company’s share capital (including adjustments in cash);

- on its sole initiative, to make all necessary deductions from the issue premium(s) up to the limits authorised by law, among others to cover expenses incurred for the implementation of the issue and to deduct from the issue premiums all necessary amounts for the legal reserve;

- to duly record the completion of each issue and make any amendments to the articles of association as may become necessary as a result thereof;

- more generally, to enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and decisions and complete all formalities required for the issue, listing and financial administration of securities issued under this resolution and for the exercise of the rights attached thereto;

9. decides that this delegation of authority conferred upon the Board of Directors may be used at any time. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this delegation of authority, following the submission by a third party of a proposed public take-over offer for the securities of the Company, before the end of the offer period;

10. sets the term of validity of this delegation of authority at twenty-six months as from the date of this General Shareholders’ Meeting and acknowledges that as of the same date, it cancels any unused portion of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its fourteenth resolution.

C. Setting of the issue price by the Board of Directors, based on terms set by the General Shareholders’ Meeting, for issues of shares and/or securities giving immediate or future access to the share capital of the Company, with cancellation of the PSR (twentieth resolution)

Possible reasons for use of the resolutions

This authorisation would enable the Board of Directors to set the issue price of shares or securities, with cancellation of the PSR, in any public offering (excluding offerings referred to at Article L. 411-2 of the French Monetary and Financial Code) and/or in a public offering as referred to at Article L. 411-2 1° of the French Monetary and Financial Code (eighteenth and nineteenth resolutions), in keeping with the terms established by the General Shareholders’ Meeting and described below.

Conditions for implementation

The Board of Directors would have all necessary authority to implement this authorisation (with the ability to delegate such authority in accordance with the law).

Price

The issue price of shares issued directly would be at least equal to the volume-weighted average price of Company shares on the Euronext Paris regulated market over the course of the last trading day preceding the date on which the issue price is set or, if lower, the volume-weighted average price of Company shares on the Euronext Paris regulated market at the time the issue price is set, in both cases with a potential discount of up to 10%.

Regarding securities giving access to share capital, the issue price will be such that the total amount received by the Company as consideration for such securities, for each equity share issued as a result of the issue of these securities, is at least equal to the minimum issue price per share set out above.

Ceiling

The Board of Directors’ ability to set the price in accordance with the rules established by the General Shareholders’ Meeting may be exercised up to the limit of 10% of the Company’s share capital (assessed as at the date of the issue decision) every twelve months.

The nominal maximum share capital increase that may be carried out under this resolution would be 23 million euros, it being understood that the limit of 23 million euros would be jointly applicable to the eighteenth, nineteenth, twentieth, twenty-first, and twenty-third resolution, and would also count toward the Global Ceiling (Equity).
The maximum nominal amount of securities giving immediate or future access to the share capital of the Company or other Subsidiaries that may be issued under this resolution would be established at 1.5 billion euros, it being understood that this limit would count toward the Global Ceiling (Debt).

**Period of validity**

This authorisation would be valid for 26 months starting from the date of this General Shareholders’ Meeting.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

**Twentieth resolution**

(Authorisation for the Board of Directors, in the event of the issue of shares and/or securities with cancellation of the shareholders’ preferential subscription right, to set the issue price in accordance with the terms set by the General Shareholders’ Meeting, within the limit of 10% of the share capital per twelve-month period, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Director’s report and the Statutory Auditors’ special report, and pursuant to the provisions of Article L. 22-10-52 paragraph 2 of the French Commercial Code and within the limit of 10% of the share capital over a twelve-month period assessed at the date of the issue:

1. **authorises the Board of Directors, with powers to sub-delegate under the conditions set out by law, in the event of the issue of (i) shares of the Company and/or (ii) securities governed by Articles L. 228-92 paragraph 1 and L. 228-93 paragraphs 1 and 3 of the French Commercial Code giving access, immediately or in the future, to the Company’s or a Subsidiary share capital (including equity securities granting entitlement to the allocation of debt securities), with cancellation of the shareholders’ preferential subscription right pursuant to the eighteen and nineteen resolutions of this General Shareholders’ Meeting, to set the issue price in accordance with the following conditions:**

   - the issue price of the shares will be at least equal to the volume-weighted average price of the Company’s shares on the Euronext Paris regulated market, over the course of the last trading session preceding the date on which the issue price is set or, if lower, the volume-weighted average price of the Company’s shares on the Euronext Paris regulated Market, at the time the issue price is set, in both cases with a potential discount of up to 10%;

   - the issue price of the securities giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital, will be such that the amount received immediately by the Company as may be increased by an amount that may be received by the Company at a later date, be at least equal to the minimum subscription price defined in the previous paragraph;

2. **decides that the maximum nominal amount of the share capital increases that may be carried out under this delegation of authority is set at 23 million euros (i.e. for information purposes, as at December 31, 2020, 9.52% of the share capital) or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that (i) this limit is jointly applicable to issues carried out under the eighteenth to twenty-first and twenty-third resolutions of this General Shareholders’ Meeting (or any similar resolutions that may replace these for the duration of their respective validity periods) and that the nominal value of all share capital increases carried out under the aforementioned resolutions may not exceed this limit, (ii) any issue carried out under this delegation will count towards the maximum aggregate limit defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity period of such resolution);**

3. **decides that the maximum nominal amount of the debt securities giving access, immediately or in the future, to the Company’s or a Subsidiary’s share capital, that may be issued under this delegation is set at 1.5 billion euros or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that this amount will count towards the maximum aggregate amount defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity period thereof);**

4. **decides that this delegation of authority conferred upon the Board of Directors may be used at any time. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this delegation of authority, following the submission by a third party of a proposed public take-over offer for the securities of the Company, before the end of the offer period;**

5. **sets the term of validity of this authorisation at twenty-six months as from the date of this General Shareholders’ Meeting.**
D. Increase in the number of securities to be issued with maintenance or cancellation of the PSR under an over-allotment option in the event that demand exceeds the number of securities offered (twenty-first resolution)

Possible reasons for use of the resolution

This resolution would prevent the reduction of subscriptions in the event of high demand, by allowing the Board of Directors, within certain limits, to increase the number of securities initially issued, by reopening the relevant issue (greenshoe clause).

Conditions for implementation

This delegation of authority would allow the Board of Directors to decide to increase the number of securities to be issued, under the conditions set by applicable laws and regulations and in the event of excess demand for an issue of securities with maintenance or cancellation of the PSR (issues of securities with maintenance of the PSR (seventeenth resolution) and issues of securities by way of public offerings excluding those referred to at Article L. 411-2 of the French Monetary and Financial Code and/or by way of the public offering referred to at Article L. 411-2, 1° of the French Monetary and Financial Code (eighteenth and nineteenth resolutions).

The resolution would need to be implemented within the time periods and limits set out by laws and regulations applicable on the date of issue, i.e. to date, on the day of this General Shareholders’ Meeting, within 30 days from the closing of the subscription period.

Price

The issue would be carried out at the same price as that decided for the initial issue, in compliance with applicable laws.

Ceiling

This resolution allows the Company to serve an excess demand up to the limit set out by law, i.e. 15% of the initial issue as at the date hereof.

The maximum nominal amount of the share capital increases would count towards (i) the ceiling set in the resolution under which the issue is decided (issues of securities with maintenance of the PSR under the seventeenth resolution, and issues of securities with cancellation of the PSR by way of public offerings excluding those referred to at Article L. 411-2 of the French Monetary and Financial Code and/or by way of the public offering referred to at Article L. 411-2, 1° of the French Monetary and Financial Code under the eighteenth and nineteenth resolutions), (ii) the ceiling jointly applicable to the eighteenth to twenty-first and twenty-third resolutions, and (iii) the Global Ceiling (Equity). The same rules would apply to ceilings in relation to debt securities (resolution allowing the issue of securities and Global Ceiling (Debt)).

Period of validity

This delegation would be valid for a period of 26 months as from this General Shareholders’ Meeting and would cancel, as of the same date, the unused portion as at the date of this General Shareholders’ Meeting, of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its fifteenth resolution.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

Twenty-first resolution

(Delegation of authority to the Board of Directors to increase the number of securities to be issued in a rights issue with maintenance or cancellation of the shareholders’ preferential subscription right within the framework of options for over-allotment in the event demand exceeds the number of securities offered, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Director’s report and the Statutory Auditors’ special report and pursuant to the provisions of Articles L. 225-129 et seq. of the French Commercial Code, and in particular Articles L. 225-129-2, L. 225-135-1 and R. 225-118:

1. delegates its authority to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to decide (or where relevant postpone) to increase the number of securities to be issued in a rights issue with maintenance or cancellation of the shareholders’ preferential subscription right, carried out under the seventeenth, the eighteenth and the nineteenth resolutions of this General Shareholders’ Meeting (or any similar resolutions that may replace these for the duration of their respective validity periods), at the same price as that set for the initial issue and within the timeframes and up to the limits provided for by the applicable regulations on the issue date (as an indication, on the day of the General Shareholders’ Meeting, within thirty (30) days of the closing of the subscription period and up to 75% of the initial issue), including for the purpose of granting an over-allotment option in accordance with market practices;

2. decides that (i) the nominal amount of the share capital increase resulting from the issues carried out pursuant to this resolution will count towards (x) the maximum limit defined in the resolution under which the initial issue was decided and, (y) as the case may be, the maximum limit jointly applicable to all share capital increases without the shareholders’ preferential subscription right provided for in paragraph 3. of the eighteenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity period of such resolution) and (z) the maximum aggregate limit provided for in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity period of such resolution) and (ii) the nominal...
amount of the securities in the form of debt securities giving access to capital resulting from the issues carried out pursuant to this resolution will count towards the maximum limit defined in the resolution under which the initial issue was decided and towards the maximum aggregate limit provided for in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution that may replace it during the validity period of such resolution);

3. decides that this delegation conferred upon the Board of Directors may be used within the timeframe defined in paragraph 1. of this delegation. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this delegation of authority, following the submission by a third party of a proposed public take-over offer for the securities of the Company, before the end of the offer period;

4. sets the term of validity of this delegation of authority at twenty-six months as from the date of this General Shareholders’ Meeting and acknowledges that as of the same date, it cancels any unused portion of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its fifteenth resolution.

E. Issue by capitalisation of premiums, reserves, profits or other amounts that may be capitalised (twenty-second resolution)

Possible reasons for use of the resolution

This resolution would allow the Board of Directors to increase the share capital by successive or simultaneous capitalisations of reserves, profits, premiums and other amounts that may be capitalised, without the contribution of “fresh” money being necessary. The shareholders’ rights would not be affected by such a transaction, since it would involve the issue of new securities allocated free of charge or the increase of the nominal value of existing securities.

Conditions for implementation

As stated above, these share capital increases would be followed by the issue of new securities allocated free of charge or the increase of the nominal value of the existing shares or by a combination of the two methods.

The Board of Directors would be granted full powers to implement this delegation of authority (with powers to sub-delegate under the conditions set out by the applicable laws).

Ceiling

The maximum nominal amount of the share capital increases that may be carried out under this resolution would be set at 30 million euros.

Period of validity

This delegation would be valid for a period of 26 months as from this General Shareholders’ Meeting and would cancel, as of the same date, the unused portion as at the date of this General Shareholders’ Meeting, of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its sixteenth resolution.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

Twenty-second resolution

(Delegation of authority to the Board of Directors to increase the share capital by capitalisation of premiums, reserves, profits or other amounts that may be capitalised, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, having considered the Board of Director’s report and pursuant to the provisions of Articles L. 225-129, L. 225-129-2, L. 225-130 and L. 22-10-50 of the French Commercial Code:

1. delegates its authority to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to decide to increase the share capital on one or more occasions, in the proportions the Board of Directors deems appropriate, by successive or simultaneous capitalisations of premiums, reserves, profits or any other amounts authorised for capitalisation by law or the articles of association, by way of an issue and an allotment of free equity securities or by increasing the nominal amount of existing equity securities or by jointly using both such procedures;

2. decides that the maximum nominal amount of the capital increases that may be carried out under this delegation is set at 30 million euros or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that, as the case may be, the nominal amounts of any additional shares as may be issued as part of adjustments to protect the rights of holders of securities or other rights giving access to the Company’s share capital made pursuant to the applicable laws and regulations or pursuant to contractual terms, if any, providing for any other circumstances in which adjustments may be necessary, in the event of any new financial transactions, are to be added to these limits;

3. decides, in the event of an allotment of free equity securities, that fractional rights may not be traded or assigned and that the corresponding equity securities will be sold; the proceeds of such sale shall be allocated to the holders of said rights in accordance with applicable laws and regulations;
4. grants full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to implement this delegation and in particular:
   - to set the value and type of the amounts to be incorporated into the share capital; to set the number of equity securities to be issued and/or the amount by which the nominal value of existing equity securities will be increased, to set the date, which may be retroactive, from which the new equity securities will bear dividend rights or the date upon which the increase in the nominal value of the existing equity securities will be effective;
   - to decide whether the allotment rights giving rise to the securities’ sale mentioned in paragraph 3 of this delegation may or may not be traded and assigned;
   - to decide, if necessary and where applicable, that the shares allotted free of charge under this delegation on the basis of existing shares bearing double voting rights will benefit from this right immediately upon the issue of the new shares;
   - to make all necessary adjustments to take into account the impact of transactions on the Company’s share capital and in particular in the event of a change in the nominal value of the shares, share capital increase by capitalisation of reserves, allotment of free shares, split or pooling of securities, distribution of dividends, reserves, premiums or any other assets, amortisation of capital or any other transaction affecting equity or share capital (including in the event of a public offer and/or of a change of control) and, if necessary, to set any other terms and conditions in the interest of protecting the rights of holders of securities or other rights giving access to the Company’s share capital (including adjustments in cash);
   - to charge, should the Board of Directors deem it appropriate, all or part of the expenses and fees arising out of the planned transaction(s) to any reserve or premium account and to deduct all necessary amounts for the legal reserve;
   - to duly record the completion of each share capital increase and make any amendments to the articles of association as may become necessary as a result thereof;
   - more generally, to enter into all agreements, in particular to ensure completion of the proposed issues, take all measures and decisions and complete all formalities required for the issue, listing and financial administration of securities issued under this resolution and for the exercise of the rights attached thereto;
5. decides that this delegation conferred upon the Board of Directors may be used at any time. However, without prior consent from the General Shareholders’ Meeting, the Board of Directors may not use this delegation of authority, following the submission by a third party of a proposed public take-over offer for the securities of the Company, before the end of the offer period;
6. sets the term of validity of this delegation of authority at twenty-six months as from the date of this General Shareholders’ Meeting, and acknowledges that, as of the same date, it cancels any unused portion of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its sixteenth resolution.

F. Issue of securities to be used as remuneration for contributions in kind granted to the Company (twenty-third resolution)

Possible reasons for use of the resolution

This delegation would allow the Board of Directors to carry out external growth transactions in France or abroad or to repurchase minority stakes within the Group without any impact on the Company’s cash. However, this delegation cannot be used if the Company decides to issue securities to be used as remuneration for securities contributed to the Company within the context of a public exchange offer (such transaction being included in the eighteenth resolution described above).

Conditions for implementation

This resolution would enable the Board of Directors to issue shares and securities giving access to the share capital of the Company (including equity securities granting entitlement to the allocation of debt securities).

These issues will be carried out for the benefit of contributors, without PSR.

The Board of Directors would be granted full powers (with powers to sub-delegate under the conditions set out by the applicable laws) to implement this delegation of powers.

Ceiling

The maximum nominal amount of the share capital increases would be set at 23 million euros, i.e. 9.52% of the share capital as at December 31, 2020, it being specified that this limit would be jointly applicable with the eighteenth, nineteenth, twentieth and twenty-first resolutions and would count towards the Global Ceiling (Equity).

Please note that pursuant to the applicable law, the share capital increases carried out under this resolution are capped at 10% of the share capital. The limit set by this resolution is therefore lower than this legal limit.

The maximum nominal amount of the securities that represent debt securities would be set at 1.5 billion euros, it being specified that this would count toward the Global Ceiling (Debt).

Period of validity

This delegation would be valid for a period of 26 months as from this General Shareholders’ Meeting and would cancel, as from the same date, any unused portions of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its seventeenth resolution.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.
Twenty-third resolution

(Delegation of powers to the Board of Directors to proceed with the issue of shares and/or securities giving access, immediately or in the future, to the Company’s share capital to be used as remuneration for contributions in kind granted to the Company, without the shareholders’ preferential subscription right, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Director’s report and the Statutory Auditors’ special report and pursuant to the provisions of Articles L. 225-129, L. 225-129-2, L. 22-10-53 and L. 228-91 of the French Commercial Code,

1. delegates its powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to issue, on one or more occasions and in proportions determined by the Board, (i) shares of the Company and (ii) securities governed by Articles L. 228-92 paragraph 1 of the French Commercial Code giving access, immediately or in the future, to the Company’s share capital (including equity securities granting entitlement to the allocation of debt securities) as compensation for contributions in kind granted to the Company and in the form of equity securities or securities giving access to the share capital, where the provisions of Article L. 22-10-54 of the French Commercial Code are not applicable;

2. decides to set the following limits on amounts of the issues authorised in the event that the Board of Directors should decide to use this delegation of powers:
   - the total nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation is set at 23 million euros (or, for information purposes, as at December 31, 2020, 9.52% of the share capital), or the equivalent thereof in any other currency or currency unit established by reference to more than one currency (but may not exceed the limits set out in applicable legal provisions on the date of the decision of the Board of Directors, i.e. 10% of the Company’s share capital), it being specified that (i) this limit is jointly applicable to issues carried out under the eighteenth to twenty-first and twenty-third resolutions of this General Shareholders’ Meeting (or any similar resolutions that may replace these for the duration of their respective validity periods) and that the nominal value of all share capital increases carried out under the aforementioned resolutions may not exceed this limit, (ii) any issue carried out under this delegation will count towards the maximum aggregate limit defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution replacing it during the validity period of such resolution) and (iii) as the case may be, the nominal amounts of any additional shares as may be issued as part of adjustments to protect the rights of holders of securities or other rights giving access to the Company’s share capital made pursuant to the applicable laws and regulations or pursuant to contractual terms, if any, providing for any other circumstances in which adjustments may be necessary, in the event of any new financial transactions, are to be added to these limits; and (iv) in the event that the share capital is increased through the incorporation of premiums, reserves, profits, or other amounts that may be capitalised through the allotment of free shares during the period of validity of this delegation, the aforementioned limits will be adjusted by multiplying by a factor equal to the ratio between the number of shares making up the share capital before and after the transaction;
   - the maximum nominal amount of the securities in the form of debt securities giving access, immediately or in the future, to the Company’s share capital, that may be issued under this delegation is set at 1.5 billion euros (or the equivalent thereof in any other currency or currency unit established by reference to more than one currency), it being specified that (i) this amount does not include any above-par redemption premium(s) that may be applicable, (ii) this amount will count towards the maximum aggregate amount defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution replacing it during the validity period of such resolution) and (iii) this amount is separate and independent from the amount of any debt securities issued pursuant to a decision or the authorisation of the Board of Directors in accordance with the provisions of Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

3. acknowledges that this delegation incorporates an automatic waiver by the shareholders, in favour of the holders of securities giving access to the Company’s share capital, of their preferential right to subscribe for shares or securities to which securities issued under this delegation could give rise immediately or in the future;

4. grants full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to implement this delegation of powers and in particular:
   - to establish the list of equity securities and/or securities giving access to the share capital contributed;
   - to decide, on the report of the Contribution Auditor(s) mentioned in the first and second paragraphs of Article L. 225-147 of the French Commercial Code, on the appraisal of contributions and any specific advantages granted and to reduce, with consent from the contributing party, the valuation of contributions or the remuneration of specific advantages;
   - to define the type and characteristics of the shares and/or securities giving access to the share capital in payment for assets contributed to be issued and to modify those terms and characteristics during the lifetime of the securities, in keeping with applicable formalities;
   - to set the number of securities to be issued and, if necessary, the amount of any cash adjustment to be paid, to set the dates, which may be retroactive, upon which the securities to be issued will bear dividend rights;
   - as applicable, to set and make all necessary adjustments to take into account the impact of transactions on the Company’s share capital and in particular a change in the nominal value of the shares, share capital increase by capitalisation of reserves, allotment of free shares, split or pooling of securities, distribution of dividends, reserves, premiums or any other assets, amortisation of capital or any other transaction affecting equity or share capital (including in the event of a public offer and/or of a change of control).
and, if necessary, to set any other terms and conditions in
the interest of protecting the rights of holders of securities
or other rights giving access to the Company’s share capital
(including adjustments in cash);
• to set the terms on which the Company will be able to
purchase or exchange securities giving access to the share
capital that have been or will be issued on the markets
(if applicable), at any time or during fixed intervals and
including for the purpose of cancelling such securities, in
keeping with applicable laws and regulations;
• if applicable, to provide for the possibility of suspending the
exercise of the rights related to these securities in accordance
with applicable laws and regulations;
• to duly record the completion of each issue and make any
amendments to the articles of association as may become
necessary as a result thereof;
• on its sole initiative, to make all necessary deductions from
the contribution premium(s) up to the limits authorised
by law, among others to cover expenses incurred for the
implementation of the issue and to deduct from the issue
premiums all necessary amounts for the legal reserve;
• more generally, to enter into all agreements, in particular to
ensure completion of the proposed issues, take all measures
and decisions and complete all formalities required for the
issue, listing and financial administration of shares or securities
issued under this resolution and for the exercise of the rights
attached thereto;

5. decides that this delegation conferred upon the Board of
Directors may be used at any time. However, without prior
consent from the General Shareholders’ Meeting, the Board
of Directors may not use this delegation of powers, following
the submission by a third party of a proposed public take-over
offer for the securities of the Company, before the end of
the offer period;

6. sets the term of validity of this delegation of powers
at twenty-six months as from the date of this General
Shareholders’ Meeting and acknowledges that, as of the
same date, it cancels any unused portion of the delegation
granted by the General Shareholders’ Meeting of May 23, 2019
under its seventeenth resolution.

G. Incentive schemes for the Company’s
employees or corporate officers:
issue of securities to be subscribed
for by members of savings plans,
with cancellation of the PSR
(twenty-fourth resolution)

Possible reasons for use of the resolution
This resolution enables the Board of Directors to provide the
Group’s employees, in France and abroad, the opportunity to
subscribe for the Company’s securities so as to involve them
more closely in the Company’s expansion and success in its
historical markets and in emerging markets that are essential
for the Group’s future growth.

It would also aim to meet the requirements of applicable laws
which provide that the General Shareholders’ Meetings shall
decide upon a draft resolution on a share capital increase reserved
for employee members of a savings plan whenever the agenda
of such General Shareholders’ Meeting includes the adoption of
resolutions pursuant to which a share capital increase through a
cash contribution is decided immediately or through delegation,
unless the share capital increase results from a prior issue of
securities giving access to the Company’s share capital.

Conditions for implementation
This resolution would enable the Board of Directors to issue, on
one or more times, shares and securities giving access to the
share capital of the Company (including equity securities granting
entitlement to the allocation of debt securities).

These issues would be carried out with cancellation of the PSR.

The Board of Directors will be granted full powers (with powers
to sub-delegate under the conditions set out by the applicable
laws) to implement this delegation of authority.

Price
The issue price of the securities would be determined pursuant
to the conditions set out by the applicable law and would be
at least equal to the Reference Price, to which a discount up to
the maximum provided for by law could be applied. The term
“Reference Price” means the average share price of the Company
on the regulated market of Euronext Paris from the last twenty
trading sessions preceding the date of the decision defining
the opening date of the subscription period for the members of
Company’s or Group’s savings plans (or similar plans).

The Board of Directors would also be granted authority to reduce or
eliminate this discount, within the limits set out by the applicable
laws and regulations, in order to take into account any local
legal, accounting, financial or social security-related rules as
may be applicable. The Board of Directors could also decide to
allocate additional securities in lieu of all or part of the discount
on the Reference Price and/or employer’s contribution, it being
specified that the benefit resulting from any such allocation may
not exceed the legal or regulatory limits.
Presentation of the proposed resolutions

Ceiling

The maximum nominal amount of the share capital increases would be set at 5 million euros, it being specified that this ceiling would count towards the Global Ceiling (Equity).

The maximum nominal amount of the securities that represent debt securities would be set at 1.5 billion euros, it being specified that this ceiling would count towards the Global Ceiling (Debt).

Period of validity

This delegation would be valid for a period of 26 months as from this General Shareholders’ Meeting and would cancel, as of the same date, the unused portion as at the date of this General Shareholders’ Meeting, of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its eighteenth resolution.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

Twenty-fourth resolution

(Degression of authority to the Board of Directors to decide to issue shares and/or securities giving access, immediately or in the future, to the Company’s share capital reserved to members of a savings plan, with cancellation of the shareholders’ preferential subscription right, non-applicable during a public take-over offer)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Ordinary General Shareholders’ Meetings, having considered the Board of Director’s report and the Statutory Auditors’ special report and pursuant, on the one hand, to the provisions of Articles L. 225-129-2, L. 225-129-6, L. 22-10-49 et seq. and L. 225-138-1 of the French Commercial Code and Articles L. 228-91 et seq. of the French Commercial Code and, on the other hand, Articles L. 3332-18 to L. 3332-24 of the French Labour Code:

1. delegates its authority to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to decide (or where relevant postpone) on one or more occasions the issue of (i) shares of the Company and (ii) securities governed by Article L. 228-92 paragraph 1 of the French Commercial Code giving access, immediately or in the future, to the Company’s share capital (including equity securities giving access to debt securities) reserved for the members of one or more employee savings plans (or for the members of any other plan or plans for whom a share capital increase may be reserved under equivalent conditions pursuant to Articles L. 3332-1 et seq. of the French Labour Code or any equivalent law or regulation) established within the Company or a French or foreign undertaking or group of undertakings falling within the scope of the Company’s consolidated or combined financial statements pursuant to Articles L. 3344-1 et seq. of the French Labour Code; it being specified that this resolution may be used to implement schemes with a leverage effect;

2. decides to set the following limits on the amounts of the issues authorised in the event that the Board of Directors should decide to use this delegation:

- the maximum nominal amount of the share capital increases that may be carried out immediately and/or in the future under this delegation is set at 5 million euros or the equivalent thereof in any other currency or currency unit established by reference to more than one currency, it being specified that (i) any issue carried out under this delegation will count towards the maximum aggregate limit defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution replacing it during the validity period of such resolution) and (ii) as the case may be, the nominal amounts of any additional shares as may be issued as part of adjustments to protect the rights of holders of securities or other rights giving access to the Company's share capital made pursuant to the applicable laws and regulations or pursuant to contractual terms, if any, providing for any other circumstances in which adjustments may be necessary, in the event of any new financial transactions, are to be added to these limits, and (iii) in the event that the share capital is increased through the incorporation of premiums, reserves, profits, or other amounts that may be capitalised through the allotment of free shares during the period of validity of this delegation, the aforementioned limits will be adjusted by multiplying by a factor equal to the ratio between the number of shares making up the share capital before and after the transaction;

- the maximum nominal amount of the securities in the form of debt securities giving access, immediately or in the future, to the Company’s share capital that may be issued under this delegation is set at 1.5 billion euros (or the equivalent thereof in any other currency or currency unit established by reference to more than one currency), it being specified that (i) this amount does not include any above-par redemption premium(s) that may be applicable, (ii) this amount will count towards the maximum aggregate amount defined in paragraph 2. of the seventeenth resolution of this General Shareholders’ Meeting (or any similar resolution replacing it during the validity period of such resolution) and (iii) this amount is separate and independent from the amount of any debt securities issued pursuant to a decision or the authorisation of the Board of Directors in accordance with the provisions of Articles L. 228-36-A, L. 228-40, L. 228-92 paragraph 3, L. 228-93 paragraph 6 and L. 228-94 paragraph 3 of the French Commercial Code;

3. decides that the issue price of the new shares or securities giving access to the share capital which would be issued under this resolution will be determined under the conditions set forth in Articles L. 3332-18 et seq. of the French Labour Code and will be at least equal to (x) 70% of the Reference Price (as defined below) or to (y) 60% of the Reference Price (as defined below) where the lock up period stipulated in the plan in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years, for the purposes of this paragraph, the term “Reference Price” means an average share price of the Company on the regulated market of Euronext Paris
from the last twenty trading sessions preceding the date of the decision defining the opening date of the subscription period for members of a company or group savings plan (or equivalent plan), the General Shareholders’ Meeting nevertheless expressly authorises the Board of Directors, should the Board of Directors deem it necessary, to reduce or eliminate the above-mentioned discount within the limits defined by laws and regulations in order to take into account any local legal, accounting, fiscal or social security related rules as may be applicable;

4. authorises the Board of Directors to allot to the beneficiaries defined above, free of charge and in addition to any shares or securities giving access to the share capital to subscribe for in cash, new or existing shares or securities giving access to the share capital in lieu of all or part of the discount on the Reference Price and/or the employer’s contribution, it being specified that the benefit resulting from any such allotment may not exceed the applicable legal or regulatory limits;

5. decides to cancel the shareholders’ preferential subscription right for shares and securities giving access, immediately or in the future, to the share capital issued under this delegation, in favour of the aforementioned beneficiaries, in the event of an allotment of free shares or securities giving access to the share capital to the above-defined beneficiaries, the shareholders will further waive all rights to said shares or securities giving access to the share capital, including the portion of all reserves, profits, premiums or any other amounts as may be incorporated into the share capital, for the purposes of the free allotment of the said securities carried out under this resolution;

6. acknowledges that this delegation incorporates an automatic waiver in favour of the holders of securities giving access to the share capital by the shareholders of their preferential right to subscribe for those shares or securities to which the securities issued under this delegation could give rise immediately or in the future;

7. authorises the Board of Directors, under the terms stated in this resolution, to assign shares to the members of an employee or group savings plan (or equivalent plan) as provided for in Article L. 3332-24 of the French Labour Code, it being specified that any discounted assignments of shares to the members of an employee savings plan or plans as stated in this resolution will count towards the limit defined in paragraph 2. above, to the extent of the nominal value of the assigned shares;

8. grants full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by law, to implement this delegation and in particular:
   • to establish, pursuant to the applicable legal conditions, the scope of companies in which the aforementioned beneficiaries will be entitled to subscribe to shares or securities giving access to the share capital so issued and benefit, if applicable, from allotment of free shares or securities giving access to the share capital referred to in this delegation;
   • to set the conditions, among others regarding seniority, to be met by the beneficiaries of the issues of shares or securities giving access to the share capital;
   • to decide that subscriptions may be made directly by the beneficiaries, members of a company or group savings plan (or equivalent plan), or through dedicated mutual funds or other vehicles or entities authorised under applicable laws and regulations;
   • to set the amounts of the issues to be made under this delegation and, in particular, to determine the issue prices, dates (including the opening and closing dates for subscriptions), time periods, terms and conditions of subscription and exercise of the related rights, payment, delivery and dividend entitlement (which may be retroactive), the rules for scaling down in the event of over-subscription and any other terms and conditions of the issues, subject to the applicable legal and regulatory limits;
   • in the event debt securities are issued, to establish all characteristics and terms for issuing the securities (including whether they are for a fixed or open-ended period, subordinated or not, and their yield) and to amend the terms and the characteristics referred to herein throughout the lifetime of these securities, in keeping with the applicable formalities;
   • as applicable, to set and make any adjustments to take into account the impact of transactions on the Company’s share capital or equity, and in particular a change in the nominal value of the shares, share capital increase by capitalisation of reserves, profits or premiums, allotment of free shares, split or pooling of securities, distribution of dividends, reserves, premiums or any other assets, amortisation of capital or any other transaction affecting equity or share capital (including in the event of a public offer and/or of a change of control) and, if necessary, to set any other terms and conditions to preserve the rights of holders of securities or other rights giving access to the Company’s share capital (including adjustments in cash);
   • in the event of an allotment of free shares or securities giving access to the share capital, to determine the type, characteristics and number of shares or securities to be issued and the number to be allotted to each beneficiary, to set the dates, time periods, terms and conditions of allocation of said shares or securities within the applicable legal and regulatory limits and in particular to decide whether to allot these shares or securities in lieu of all or part of the discount on the Reference Price specified above or to offset the equivalent value of such shares or securities against the total amount of the employer’s contribution or a combination of these two options;
   • in the event of an issue of new shares, to charge the necessary amounts to pay up said shares against reserves, profits or issue premiums, where necessary;
   • to provide for the possibility of suspending the exercise of the rights attached to these securities in keeping with legal and regulatory provisions, as applicable;
   • to charge the expenses for the share capital increases against the related premiums and to deduct from the premiums all necessary amounts for the legal reserve, as applicable;
   • to duly record the completion of any share capital increases equal to the amount of securities actually subscribed;
Presentation of the proposed resolutions

H. Inclusion of the Company’s employees and corporate officers as Company shareholders: award of existing or future shares free of charge (twenty-fifth resolution)

This resolution would enable free shares to be allocated subject either to performance criteria (the “Performance Shares”) or not (the “Free Shares”) in accordance with the terms described below.

This new resolution is intended to replace the previous resolution which had the same purpose, and which was approved by the General Shareholders’ Meeting of May 23, 2019 under its eighteenth resolution.

In its nineteenth resolution, the General Shareholders’ Meeting of May 23, 2019 authorised the Board of Directors to grant a maximum of 4,445,000 shares, the maximum number of Performance Shares that can be allotted to corporate officers cannot exceed 250,000.

The Board of Directors used this authorisation twice over 2019 and 2020 financial years:

- in a decision dated May 23, 2019, it allotted 1,699,281 shares, including 87,122 shares to the Chairman and Chief Executive Officer,
- in a decision dated March 24, 2020, it allotted 2,342,306 shares, including 130,000 shares to the Chairman and Chief Executive Officer.

In light of the above allotments, the balance of shares still eligible for allocation under the resolution is 403,413. We therefore propose that the General Shareholders’ Meeting renew this resolution aimed at giving the Company’s employees and officers shares in the Company by authorising the Board of Directors to allocate or issue free shares to them.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

Changes to certain Performance Shares criteria

The performance share plans contain performance criteria to be satisfied over a period of three consecutive years. These are strict and demanding performance criteria considered as particularly representative of the Company’s performance.

The Board of Directors, on the recommendation of the Compensation Committee, decided, as part of the 2021 Compensation Policy for the Chairman and Chief Executive Officer, to make adjustments to the criteria used in previous years, in order to better reflect the Group’s strategy, its financial, non-financial, and operational performance objectives, the creation of value for Valeo’s shareholders measured against the external performance criterion, the Total Shareholder Return (TSR), and performance measurement in the proposed criteria.

Thus, the Board of Directors, on the recommendation of the Compensation Committee, has decided on March 24, 2021 to make the following adjustments:

- adjusting the measurement of internal performance criteria through:
  - replacement of the operating margin criterion with an EBITDA level, which reflects the new criterion for the guidance published by the Group in February 2021, and
  - replacement of the rate of return on assets (ROA) with a rate of return on capital employed (ROCE) which is more relevant today, and on which all beneficiaries of performance shares concerned by this criterion have a more direct influence compared to the ROA criterion;
- given the importance of corporate social responsibility (CSR) issues, adding two CSR criteria, namely an environmental criterion and a gender diversity criterion, whose ambitious objectives, published at the time of the free share allocation, will be measured over three years. These objectives will be consistent with the carbon neutrality objectives described in Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” of the 2020 Universal Registration Document and with the gender diversity targets described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph “Diversity policy within the governing bodies” of the 2020 Universal Registration Document. This decision reflects the importance Valeo attaches to these elements and the desire of the Board of Directors to make them part of the long-term objectives.

(1) In light of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer planned for January 2022 and Jacques Aschenbroich’s continuation as Chairman of the Board of Directors until the end of his term as director in May 2023, the number of performance shares allotted to Jacques Aschenbroich under the 2020 plan will be reduced to two thirds for the period for which he will have held both roles (Chairman and Chief Executive Officer).
Possible reasons for use of the resolution

The resolution allows the Company to involve employees and corporate officers in the Group’s success through a stake in Company share capital. The resolution would enable the establishment of plans for awarding free shares and performance shares, in order to increase Group employee and corporate officer loyalty and motivation.

Implementation and ceilings

The Board of Directors, acting on the recommendation of the Compensation Committee, has established the guidelines for granting Free Shares or Performance Shares under the twenty-fifth resolution (provided that the resolution is approved by the General Shareholders’ Meeting). The Board of Directors has decided that:

- a maximum of 4,500,000 Free Shares and Performance Shares may be granted (approximately 1.86% of the share capital as at December 31, 2020);
- the beneficiaries would be the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Executive Officer (after the separation of roles) and all employees;
- allocation of Free Shares or Performance Shares to beneficiaries would only become final after a minimum vesting period of three years after the date of allocation;
- the maximum number of Performance Shares that can be granted to executive corporate officers would be 350,000 i.e. approximately 0.14% of share capital as of December 31, 2020. Please note that the maximum number of conditional Performance Shares that can be allocated, valued according to IFRS accounting standards, must not exceed the maximum stated in the applicable compensation policy;
- the Performance Shares allocated to executive corporate officers and to members of the Operations Committee would depend on demanding performance criteria:
  1. (i) 60% of the grant (i.e. 30% for each criterion) would vest depending on performance as measured for each of the three financial years (Y, Y+1, and Y+2) of the vesting period. Performance is measured by two criteria: an EBITDA level (replacing the operating margin rate used under previous resolutions) and the ROCE rate (replacing the ROA rate). These criteria will be satisfied if, for each financial year covered under the grant, the rate effectively achieved for each criterion is greater than or equal to the target rate established by the Board of Directors, it being understood that (i) the target rate cannot be lower than the guidance for the financial year of reference, (ii) the selected criterion cannot be changed by the Board of Directors at a later date and (iii) the target rates cannot be changed by the Board of Directors at a later date, except by a duly justified decision in the context of exceptional circumstances beyond the beneficiaries’ control. Accordingly, under this method:
  (a) if, for each financial year covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for each of those three financial years, 100% of the shares allocated under the criterion will vest;
  (b) if, for only two of the financial years covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for each of those two financial years, 50% of the shares allocated under the criterion will vest;
  (c) if, for only one of the financial years covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for that financial year, 20% of the shares allocated under the criterion will vest;
  (d) if the target rate for the corresponding criterion is not satisfied for any of the financial years covered by the scheme, none of the allocated Performance Shares will vest.
  2. (ii) 20% of the grant would vest once the fulfillment of two corporate social responsibility (CSR) criteria has been ascertained: (x) an environmental criterion relating to the amount of CO₂ emissions (10%), and (y) a gender diversity criterion based on the number of women in the Group’s management committees (relating to the 300 most important Group management positions) (10%), as determined by the Board of Directors over a three-year period (allocation year Y, Y+1, and Y+2) and published at the time of the free shares allotment. These objectives, measured over three years, will be consistent with the carbon neutrality objectives described Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” of the 2020 Universal Registration Document and with the gender diversity targets described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph “Diversity policy within the governing bodies” of the 2020 Universal Registration Document. Thereafter:
  (a) if the level of CO₂ emissions recorded over the reference period is lower than or equal to the target rate established for the reference period: 100% of Performance Shares granted will vest (while if the level is greater, 0% will vest);
  (b) if the number of women within the Group’s management committees (relating to the 300 most important Group management positions) recorded over the reference period is greater than or equal to the target rate established for the reference period: 100% of Performance Shares granted will vest (while if the number is lower, 0% will vest);
  (c) if Valeo achieves a certain level of TSR as measured against the TSR of the CAC 40 index (10%) and the TSR of a panel of European companies in the automotive sector selected by the Board of Directors as this TSR has been disclosed by the Company (10%) over a three-year period (allocation year Y, Y+1, and Y+2). Thereafter:
  (a) if Valeo’s TSR recorded over the reference period is greater than the CAC 40 index’s TSR recorded over the reference period: 100% of allocated Performance Shares will vest (while if TSR is equal or lower, 0% will vest);
  (b) if Valeo’s TSR recorded over the reference period is greater than the median TSR of companies from a panel of European companies in the automotive sector
the reference period. 100% of allocated Performance Shares will vest (while if TSR is equal or lower, 0% will be vested).

The panel used by the Board of Directors is not intended to evolve unless a change in the structure or business of one of the companies makes it less relevant, in which case it will be replaced by another company to maintain the greatest possible comparability between Valeo and its peers:

- 100% of Performance Shares allocated to Liaison Committee members (other than Operations Committee members) and 50% of Performance Shares allocated to those reporting directly to Liaison Committee members and to other Group executives, would depend on performance as measured for each of the three financial years (Y, Y+1, and Y+2) in the vesting period. Performance will be measured based on two internal performance criteria (50% for each criterion): an EBITDA level and a ROCE rate. The rules for determining whether these two criteria have been satisfied and the scheme for allocating shares is the same as applicable to executive corporate officers and Operations Committee members;
- the shares allocated to other staff members (at lower levels of responsibility) would be Free Shares (and would not be subject to performance criteria);
- Free Shares allocated to participants outside France under a worldwide employee shareholding plan shall be allocated as a type of conditional matching (abondement conditionnel). For the avoidance of doubt, these Free Shares would not be subject to performance criteria;
- Executive corporate officers must satisfy a condition of holding a position in the Company. The conditions for receiving any final award of Performance Shares, including if they leave the Company, are described in section 3.3.1 "Compensation policies for corporate officers", (i) subsection “Compensation policy for the Chairman and Chief Executive Officer”, part "Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2021"; “Long-term compensation policy – Allotment of performance shares” of the Company’s 2020 Universal Registration Document, (ii) subsection “Compensation policies for Christophe Périllat as Deputy Chief Executive Officer and then as Chief Executive Officer”, part “Compensation policy for Christophe Périllat as Deputy Chief Executive Officer”, “Long-term compensation policy – Allotment of performance shares” of the Company’s 2020 Universal Registration Document, and (iii) subsection “Compensation policies for Christophe Périllat as Deputy Chief Executive Officer and then as Chief Executive Officer”, part “Compensation policy for Christophe Périllat as Chief Executive Officer in anticipation of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer”, “Long-term compensation policy – Allotment of Performance Shares” of the Company’s 2020 Universal Registration Document. For other beneficiaries, the final award is also subject to a condition of holding a position in the Company Specifically, beneficiaries must have an employment contract or hold corporate office on the vesting date. They must not be in a pre-departure notice period on the vesting date due to resignation, dismissal, or contractual termination, although there are a few limited exceptions to this rule (death, total and permanent disability, retirement or early retirement, beneficiaries working for an entity that was sold, or by decision of the Board of Directors);
- Executive corporate officers would also be subject to non-disposal obligations. After the three-year vesting period, a two-year non-disposal period applies. When the non-disposal period expires they must continue to hold at least 50% of the vested Performance Shares in registered form until the end of their term of office;
- Executive corporate officers, Operations Committee members and Liaison Committee members cannot enter into hedging transactions.

For the sake of clarity, it is noted that (i) outstanding Free Shares and Performance Shares as at December 31, 2020 represented 2.15% of the Company’s share capital on that date and (ii) the Company’s standard practice is to grant existing shares and not to issue new shares, thereby avoiding dilution. If this resolution was to be carried out entirely by issuing new shares, it would have a limited diluting effect, as it would increase the percentage of outstanding Free Shares and Performance Shares to 4.01% of share capital based on the share capital as at December 31, 2020. In accordance with applicable laws, when the allocation is made out of unissued shares, the authorisation granted by the Shareholders at a General Shareholders’ Meeting automatically includes a waiver of their preferential subscription rights.

The average three-year unadjusted burn rate totals 0.73% (which is lower than the maximum rate applicable to companies in the Company’s sector).

In accordance with Article L. 22-10-60 of the French Commercial Code, Performance Shares can only be allocated to the Company’s executive corporate officers if the Company implements one of the measures referred to in that article.

The modalities of allocation (including performance criteria) to executive corporate officers described herein also appear in the 2021 Compensation Policies submitted to the General Shareholders’ Meeting. If the Shareholders do not approve these policies, the allocation system (including performance criteria) described in the previously approved 2020 Compensation Policy for the Chairman and Chief Executive Officer will be implemented.

Period of validity

This authorisation will be valid for a 26 month period starting from this General Shareholders’ Meeting and will cancel, as at the same date, the unused portion, at the date of this General Shareholders’ Meeting, of the authorisation granted by the General Shareholders’ Meeting of May 23, 2019 by way of its nineteenth resolution.

A summary of the proposed resolution is included in the table attached as Appendix 8 of this report.

(1) The Automotive European Panel was modified by the Board of Directors at its meeting held on March 24, 2021, on the proposal of an external consultant, Willis Towers Watson. Fiat Chrysler Automobiles and PSA were replaced by Stellantis and Volkswagen was added. This panel is available on the Company’s website (www.valeo.com), under the heading “Governance”.

Notice of Meeting 2021 - Valeo
Presentation of the proposed resolutions

Twenty-fifth resolution

(Authorisation for the Board of Directors to award existing shares or issue new shares free of charge to Group employees and corporate officers or a subset thereof, with automatic waiver from the shareholders of their preferential subscription right)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Directors’ report and the Statutory Auditors’ special report:

1. authorises the Board of Directors, acting in accordance with Articles L. 225-197-1 et seq. and L. 22-10-59 and L. 22-10-60 of the French Commercial Code, with the power to delegate such authority within the limits set by law, to carry out, in one or more instalments, allocations of free shares, whether existing or to be issued, to individual beneficiaries or to categories of beneficiaries to be determined by the Board of Directors from among the employees of the Company or companies or groups affiliated to the Company under the conditions provided for in Article L. 225-197-2 of the French Commercial Code or among the corporate officers of the Company or companies or groups affiliated to the Company and meeting the conditions set forth in Articles L. 225-197-1-II, L. 22-10-59, III and L. 22-10-60 of the same Code, under the conditions defined below;

2. decides that the total number of existing shares or shares to be issued pursuant to this authorisation (i) may not exceed 4,500,000 shares (corresponding to approximately 1.86% of the Company’s share capital as at December 31, 2020), and (ii) may not represent more than 10% of the share capital on the date of the Board of Directors’ decision, as applicable, any shares to be issued as a result of the adjustments to be made to protect the rights of the beneficiaries of free shares will not be included in this limit. It is specified that this limit is separate and independent from the limits set in the other resolutions submitted to this General Shareholders’ Meeting;

3. decides that the total number of existing shares or shares to be issued pursuant to this authorisation for corporate officers of the Company may not exceed 350,000 shares (corresponding to approximately 0.14% of the Company’s share capital as at December 31, 2020) on the date of the Board of Director’s decision; as applicable, any shares to be issued as a result of the adjustments to be made to protect the rights of the beneficiaries of free shares will not be included in this limit;

4. decides that the allocations of shares to the beneficiaries will become final after a vesting period, the duration of which shall be set by the Board of Directors, of not less than three years, it being understood that the allocations will become final before the expiry of this vesting period and that the shares may be transferred without restriction in the event that the beneficiary should become disabled (second or third category as defined in Article L. 341-4 of the French Social Security Code or foreign equivalent), the General Shareholders’ Meeting further authorises the Board of Directors to set or not to set an obligation for the beneficiaries to retain the shares after the expiry of the vesting period;

5. decides, with respect to those shares allocated free of charge to corporate officers, that the final acquisition will be subject to the fulfilment of performance conditions to be set by the Board of Directors;

6. grants full authority to the Board of Directors, with the power to delegate within the limits set by law, to implement this authorisation and in particular to:

- determine if the shares to be allocated free of charge are existing and/or to be issued and, as applicable, amend its choice before the final allocation of the shares;
- select the beneficiaries or category(ies) of beneficiaries of the allocations of shares from among the employees and corporate officers of the Company and companies or groups affiliated to the Company and the number of shares to be allocated to those beneficiaries;
- set the conditions, including performance conditions for the relevant beneficiaries and, as applicable, the criteria for allocating shares, including the minimum vesting period and, if any, the retention period applicable to each beneficiary, under the conditions set forth above, it being understood, with respect to the free shares allocated to corporate officers, that the Board of Directors must either (a) decide that the free shares may not be transferred by the beneficiary until the end of his/her term of office or (b) set the number of free shares that must be retained in registered form until the end of the beneficiary’s term of office;
- provide for an option to suspend allocation rights on a temporary basis;
- make an official record of the final allocation dates and, as applicable, the dates from which the shares may be transferred without restriction, taking into account legal limits;
- set the date upon which newly issued shares will bear dividends;
- register the free shares in an account under the name of the holder, stating whether any retention period is applicable and, if so, the length of such period; terminate the retention period;
- where new shares are issued and as applicable, deduct any amounts necessary for paying up the shares from the reserves, profits or issue premiums, make an official record of any rights issues undertaken pursuant to this authorisation, make any corresponding amendments to the articles of association and, more generally, take all actions and complete all formalities as may be necessary;

7. decides that the Company may make, during the vesting period, any applicable adjustments to the number of shares allocated free of charge in order to protect beneficiaries’ rights in the event of any transactions related to the
Company’s share capital, including any change to the share par value, share capital increase by incorporation of reserves, allocation of free shares, issue of new shares with preferential subscription right for existing shareholders, stock split or reverse stock split, distribution of reserves, issue premiums or any other assets, amortisation of capital, change to the distribution of profits due to the creation of preference shares or any other transaction affecting the equity or share capital (including a public take-over offer and/or change of control), it being understood that any shares allocated pursuant to these adjustments will have the same official issue date as the shares that were initially issued;

8. recognises that, in the event of an issue of new shares to be allocated free of charge and as the share allocations become final, this authorisation will constitute a share capital increase by incorporation of reserves, profits or issue premiums for the beneficiaries of said shares, with cancellation of the shareholders’ preferential subscription right;

9. acknowledges that, if the Board of Directors were to use this authorisation, it must notify each year the Ordinary General Shareholders’ Meeting of any transactions carried out pursuant to Articles L. 225-197-1 to L. 225-197-3 and L. 22-10-59 to L. 22-10-60 of the French Commercial Code under the conditions set forth in Article L. 225-197-4 of the same Code;

10. sets the term of validity of this authorisation at twenty-six months as from the date of this General Shareholders’ Meeting and acknowledges that as of the same date, it cancels any unused portion of the authorisation granted by the General Shareholders’ Meeting of May 23, 2019 under its nineteenth resolution.

I. Share capital decrease by cancellation of treasury shares (twenty-sixth resolution)

Possible reasons for use of the resolution

The cancellation of the Company’s treasury shares that were in general acquired within the framework of a share buy-back program, authorised by the General Shareholders’ Meeting, may have various financial purposes such as active capital management, balance sheet optimisation or the offsetting of the dilution resulting from share capital increases.

Conditions for implementation

The Board of Directors would have the authority to cancel all or part of the shares that it may purchase under a share buy-back program.

The Board of Directors would be granted full powers (with powers to sub-delegate under the conditions set out by the applicable laws) to implement this authorisation.

Ceiling

Pursuant to applicable laws, cancellation of treasury shares would be limited to 10% of the share capital per 24-month period, as adjusted for transactions affecting it subsequent to this General Shareholders’ Meeting.

Period of validity

This authorisation would be valid for a period of 26 months as from this General Shareholders’ Meeting and would cancel, as of the same date, the unused portion as at the date of this General Shareholders’ Meeting of the delegation granted by the General Shareholders’ Meeting of May 23, 2019 under its twentieth resolution.

Twenty-sixth resolution

(Authorisation for the Board of Directors to reduce the share capital by cancelling treasury shares)

The General Shareholders’ Meeting, voting in accordance with the quorum and majority rules required for Extraordinary General Shareholders’ Meetings, having considered the Board of Director’s report and the Statutory Auditors’ special report and pursuant to applicable laws and regulations, in particular the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code:

1. authorises the Board of Directors to reduce the share capital by cancelling, on one or more occasions, in the proportions and at whatever time it decides within the limit of 10% of the Company’s share capital per 24-month period, all or part of the shares that the Company holds or may acquire as part of the share buy-back program authorised by the General Shareholders’ Meeting, it being specified that the limit of 10% (namely, for information purposes, as at December 31, 2020, a limit of 24,171,740 shares) will apply to the Company’s amount of share capital adjusted, as necessary, to take into account any transactions affecting said share capital after this General Shareholders’ Meeting;

2. grants full powers to the Board of Directors, with powers to sub-delegate under the conditions set out by the applicable laws and the regulations, to undertake any cancellation and share capital reduction operations as may be carried out under this authorisation, to charge the difference between the buy-back value of the cancelled shares and their nominal value against the available premiums and reserve accounts of its choice, to transfer as a consequence the funds which become available in the legal reserve, and to make corresponding amendments to the articles of association and to complete all formalities;

3. sets the term of validity of this authorisation at twenty-six months as from the date of this General Shareholders’ Meeting and acknowledges that, as of the same date, it cancels any unused portion of the authorisation granted by the General Shareholders’ Meeting of May 23, 2019 under its twentieth resolution.
III. Information relating to ongoing business since the beginning of the 2021 financial year

Information relating to the financial year ended December 31, 2020 is available in the Company’s 2020 Universal Registration Document available on the Company’s website (www.valeo.com) and on the Autorité des marchés financiers’ website (www.amf-france.org).

The following significant events have been announced since the beginning of the 2021 financial year:

- on February 10, 2021, the European Investment Bank (EIB) announced it had approved 600 million euros in financing for Valeo’s European R&D projects related to technologies in the field of CO₂ emissions reduction and vehicle safety improvement. An initial 300 million euros line of credit was signed on February 4, 2021;

- the transformation of Valeo into a European Company (Société Européenne), as approved by the Board of directors of Valeo of February 20, 2020 and the General Shareholders’ Meeting of June 25, 2020 took effect on March 9, 2021 which is the date of Valeo’s registration as a European Company with the Trade and Companies Register. This new legal form better reflects the group’s European dimension with regard to all stakeholders, in particular its employees and customers. In this context, an agreement to organize the involvement of the employees in the company under its new legal form of European Company was concluded on January 28, 2021. Valeo continues to be governed by French law. This change of legal form does not affect its place of listing nor its governance. Its headquarters remain located in Paris.
## APPENDIX 1

### Compensation components paid to directors for the financial year ended December 31, 2020

<table>
<thead>
<tr>
<th>Name</th>
<th>Compensation components paid for the financial year ended December 31, 2020</th>
<th>Amounts or accounting valuation submitted for a vote</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Julie Avrane-Chopard</td>
<td>Fixed 19,230.77</td>
<td>30,000</td>
<td>The rules applied to allocate and award compensation to directors are described in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for other directors (non-executive corporate officers) for the financial year ending December 31, 2021”, of the 2020 Universal Registration Document.</td>
</tr>
<tr>
<td>Bruno Bézard</td>
<td>Fixed 25,000</td>
<td>42,000</td>
<td></td>
</tr>
<tr>
<td>Erich Chauvirey</td>
<td>Fixed 25,000</td>
<td>42,000</td>
<td></td>
</tr>
<tr>
<td>Caroline Maury Devine</td>
<td>Fixed 25,000</td>
<td>42,000</td>
<td></td>
</tr>
<tr>
<td>Mari-Noëlle Jégo-Laveissière</td>
<td>Fixed 25,000</td>
<td>42,000</td>
<td></td>
</tr>
<tr>
<td>Stéphanie Frachet</td>
<td>Fixed 25,000</td>
<td>60,000</td>
<td></td>
</tr>
<tr>
<td>Gilles Michel</td>
<td>Fixed 83,000</td>
<td>42,000</td>
<td></td>
</tr>
<tr>
<td>Thierry Moulonguet</td>
<td>Fixed 40,000</td>
<td>51,000</td>
<td></td>
</tr>
<tr>
<td>Georges Pauget</td>
<td>Fixed 5,769.23</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td>Olivier Piou</td>
<td>Fixed 25,000</td>
<td>51,000</td>
<td></td>
</tr>
<tr>
<td>Patrick Sayer</td>
<td>Fixed 27,119.56</td>
<td>51,000</td>
<td></td>
</tr>
<tr>
<td>Ulrike Steinhorst</td>
<td>Fixed 34,880.43</td>
<td>51,000</td>
<td></td>
</tr>
<tr>
<td>Grzegorz Szelag</td>
<td>Fixed 2,921.19</td>
<td>/</td>
<td></td>
</tr>
<tr>
<td>Véronique Weill</td>
<td>Fixed 25,000</td>
<td>60,000</td>
<td></td>
</tr>
</tbody>
</table>

Please note that directors donated 25% of their 2020 compensation throughout the shutdown due to the Covid-19 pandemic to support Covid-19-related solidarity initiatives.
## APPENDIX 2

### Table summarising compensation components paid to the Chairman and Chief Executive Officer over the course of or awarded for the financial year ended December 31, 2020

<table>
<thead>
<tr>
<th>Compensation components paid or awarded for the financial year ended December 31, 2020</th>
<th>Amounts or accounting valuation submitted for a vote</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual fixed compensation</td>
<td>1,100,000 euros (amount paid)</td>
<td>The terms for annual variable compensation as approved by the General Shareholder’s Meeting of June 25, 2020 in the vote on the 2020 Compensation Policy for the Chairman and Chief Executive Officer are described in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer”, part “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, “Fixed Compensation” of the Company’s 2020 Universal Registration Document. It is noted that Jacques Aschenbroich donated 25% of his 2020 fixed compensation due to the Covid-19 pandemic throughout the shutdown to support Covid-19 related solidarity initiatives.</td>
</tr>
</tbody>
</table>
| Annual variable compensation | 1,089,000 (amount awarded for the financial year ended December 31, 2020) | The terms for annual variable compensation as approved by the General Shareholder’s Meeting of June 25, 2020 in the vote on the 2020 Compensation Policy for the Chairman and Chief Executive Officer and after applying a downward adjustment of 20% to the achievement rate of the quantifiable criteria – that the achievement rate for quantifiable criteria was 46% (out of 115% maximum) and that the achievement rate for qualitative criteria was 53% (out of 55% maximum) of the annual fixed compensation due to Jacques Aschenbroich for the 2020 financial year. The Board of Directors therefore set the amount of variable compensation due to Jacques Aschenbroich for 2020 at 99% (out of 170% maximum) of his annual fixed compensation for 2020, i.e. 1,089,000 euros. The detailed components for assessing achievement of quantifiable and qualitative criteria for Jacques Aschenbroich’s variable compensation for the financial year ended December 31, 2020 – the main points of which are set forth below – are set forth in section 3.3.2 “Compensation policy for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer”, part “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, “Variable Compensation” of the Company’s 2020 Universal Registration Document. Qualitative criteria: In order to assess the degree of achievement of each of these qualitative criteria for 2020, 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 criterion. The following elements are particularly representative of the 2020 financial year:  
• 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)). |
Presentation

during the period from January 1, 2019 to December 31, 2020, Valeo’s Total Shareholder
Valeo resorted to part-time unemployment in 2020 like its competitors but did not resort
the second half of the year was marked by a return to activity and economic management,
for the whole year 2020: (i) Valeo will have generated 294 million euros in free cash
moreover, despite the crisis, the Group’s liquidity position was strengthened in the first
in July and October 2020, particularly in terms of the Group’s liquidity or order intake; and
excellent whatever the criteria used: in absolute value, in respect of the guidance published
second half of the year, the Board of Directors noted that the Group’s performance has been
Committee, considered that the quantifiable objectives, as far as the first half of 2020 is
Compensation Policy, the Board of Directors, on the recommendation of the Compensation
situation of the various stakeholders, notably through the following considerations:
Moreover, the Board of Directors has taken into account the situation of 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 2.3 billion euros available in undrawn credit lines and 2.1 billion
euros 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: (i) 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; (ii) EBITDA margin
at 13.9% of sales and record Group free cash flow of 1.343 billion euros; (iii) order intake
of 13.3 billion euros, book-to-bill ratio of 1.7 and 56% related to innovative products; (iv)
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(3);
• for the whole year 2020: (i) Valeo will have generated 294 million euros in free cash
flow; (ii) net debt has been reduced to 2,944 billion euros at the end of 2020, one year
ahead of the Group schedule; (iii) at the end of 2020, the Group’s liquidity situation is very
healthy with significant available cash (almost 3 billion euros) and a total of 2.3 billion
euros 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 48 million euros (0.20 euro per share) in respect of the 2019
financial year. In addition, a dividend of 0.30 euro 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 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.
Jacques Aschenbroich did not receive any exceptional compensation.

Jacques Aschenbroich did not receive any multiannual variable compensation.

Jacques Aschenbroich did not receive any awards of stock options.

Jacques Aschenbroich did not receive any compensation in his capacity as director.

### Variable multiannual compensation

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount/Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>No value</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Jacques Aschenbroich did not receive any multiannual variable compensation.

### Compensation as director

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount/Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>No value</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Jacques Aschenbroich did not receive any compensation in his capacity as director.

### Exception compensation

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount/Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>No value</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Jacques Aschenbroich did not receive any exceptional compensation.

### Allotment of stock options

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount/Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>No value</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Jacques Aschenbroich did not receive any awards of stock options.

### Allotment of Performance Shares

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount/Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number: 130,000</td>
<td>1,821,300 euros</td>
</tr>
</tbody>
</table>

The terms for the allotment of Performance Shares as approved by the General Shareholder’s Meeting of June 25, 2020 in the vote on the 2020 Compensation Policy for the Chairman and Chief Executive Officer are described in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer”, part “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, “Long-term compensation policy – Allotment of performance shares” of the Company’s 2020 Universal Registration Document.

In accordance with the 2020 Compensation Policy for the Chairman and Chief Executive Officer, the Board of Directors, acting on the recommendation of the Compensation Committee, decided at its meeting of March 24, 2020 to allot 130,000 performance shares to Jacques Aschenbroich pursuant to the nineteenth resolution of the General Shareholders’ Meeting of May 23, 2019. Due to the extreme volatility of the automotive market and the Covid-19 epidemic which affected Valeo’s share price, and in keeping with the approach used, on an exceptional basis, in 2019 in similar market conditions in order to reflect the significant decline in the share price in early 2020, the number of performance shares allotted to the Chairman and Chief Executive Officer (IFRS valuation) was calculated with a discount of 39% as compared to the maximum permitted under the compensation policy (270% of annual fixed compensation). This discount corresponds to the ratio between the share price for the last 20 days and the share price over the last 18 months prior to the allotment of the performance shares. Based on the share price on the date of the Board of Directors’ meeting (average of 20 days, IFRS valuation), this corresponds to 130,000 shares, valued at 1,821,300 euros under IFRS, i.e. 61% of the maximum amount permitted under the compensation policy.

The allotment to Jacques Aschenbroich during the 2020 financial year represents 166% (out of a maximum 270%) of his annual fixed compensation for that financial year, based on an IFRS valuation of 14.01 euros for each of the 130,000 Performance Shares.

Dilution from the allotment of Performance Shares to Jacques Aschenbroich is limited. It totaled 0.05% of Company share capital as at December 31, 2020.

Ceilings, criteria, and conditions for this allotment are described in the 2020 Compensation Policy for the Chairman and Chief Executive Officer (Section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer”, part “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, “Long-term compensation policy – Allotment of performance shares” of the Company’s 2020 Universal Registration Document).

The methods for allotting Performance Shares (including conditions and performance criteria) are described in section 3.3.2 “Compensation of corporate officers for the financial year ended December 31, 2020”, subsection “Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2020”, part “Long-term compensation policy – Allotment of performance shares” of the Company’s 2020 Universal Registration Document.

It is understood that final awards are subject to the achievement of objectives for each internal performance criterion set at the beginning of the year based on guidance at the Group level. Assessment of performance: the criteria is binary (achieved/not achieved). The objectives set for the 2020 financial year are therefore relevant to the 2018, 2019 and 2020 plans which set out performance criteria to be met over a period of three consecutive years.
According to the 2020 Compensation Policy for the Chairman and Chief Executive Officer\(^6\), Group guidance excludes the impact of the Covid-19 pandemic and the Board of Directors may take this impact into account when assessing whether financial targets have been achieved. Also according to the 2020 Compensation Policy for the Chairman and Chief Executive Officer, target rates cannot be modified by the Board of Directors at a later date except by duly motivated decision in exceptional circumstances beyond the control of beneficiaries. The ability to make adjustments is also provided for in the 2019 Compensation Policy for the Chairman and Chief Executive Officer, which was approved by the General Shareholders’ Meeting of May 23, 2019 by a 91.92% majority (the tenth resolution).

For 2020 internal performance criteria, initial guidance published in February 2020 was 10% for the ROA rate\(^5\), 15% for the ROCE rate\(^6\) (for the 2018 plan), and 6% for the operating margin rate\(^5\).

Given the exceptional circumstances of the Covid-19 pandemic in 2020 that were out of the control of beneficiaries and the suspension of Group guidance in April 2020, the Board of Directors, acting on the recommendation of the Compensation Committee, reflected on the degree of actual achievement in 2020 of the financial performance objectives from the performance share plans containing 2020 objectives, and decided that taking the impact of the pandemic into account was justified but only for the 2019 and 2020 plans. The Board of Directors therefore decided not to make any adjustments to the 2018 plan. Thus, no shares were ultimately awarded to the Chairman and Chief Executive Officer under the 2018 plan.

In making its assessment, the Board of Directors considered the following:

- since the guidance published in February 2020 is no longer relevant to assess the degree of achievement of financial performance criteria, the only objectives available for 2020 were those from the guidance in July and October 2020\(^5\);
- the objectives from the guidance in July and October were either achieved or exceeded. The EBITDA margin for the second half of the year was 13.9% of sales. This EBITDA margin can be extrapolated to ascertain whether or not the financial performance criteria were achieved. These were an operating margin rate of 5.0% and a ROA rate of 9.0%, higher than the results obtained on the basis of October guidance\(^5\). These figures have been confirmed by the statutory auditors.

Based on the above, after taking into account the Company’s performance in a crisis context as well as the circumstances of the different stakeholders, the Board of Directors, at its meeting held on March 24 2021 and acting on the recommendation of the Compensation Committee, decided the two financial performance criteria (operating margin and ROA) would be considered achieved for 2020 in respect of the 2019 and 2020 plans. However in light of the fact that these financial performance criteria were achieved for the second half of 2020 only, the Board of Directors, acting on the recommendation of the Compensation Committee, decided to deduct one-sixth of performance shares allotted under the 2019 and 2020 plans\(^6\) from the portion represented by internal performance criteria (80%). As a result of this decision not to adjust the 2018 plan and to deduct one-sixth of shares awarded under the 2019 and 2020 plans (taking into account the pro rata temporis rule on the 2020 plan described below), the Board of Directors, acting on the recommendation of the Compensation Committee, recorded a total reduction of over one-third (34.17%) of shares allotted under the relevant performance share plans for the objectives set for the 2020 financial year (i.e. the 2018, 2019 and 2020 plans).

As a reminder, no final award of shares was made to Jacques Aschenbroich in 2019 under the 2016 plan, in 2020 under the 2017 plan, and in 2021 under the 2018 plan, the last final award of shares was in 2019 under the 2015 plan.

As a result of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer planned for January 2022 and Jacques Aschenbroich’s continued service as Chairman of the Board of Directors until the end of his term of office as director in May 2023, the number of performance shares allotted to Jacques Aschenbroich under the 2020 plan will be reduced to two-thirds of the original number shares allotted, which covers the period for which he held the combined roles of Chairman of the Board of Directors and Chief Executive Officer, i.e. a reduction of 43,334 shares. This proportional rule will also apply to the allotment to be made in 2021.

The Board of Directors thus recorded a reduction of 121,531 shares of a total of 272,148 shares initially allotted to Jacques Aschenbroich under the 2018, 2019, and 2020 plans, i.e., a reduction of 44.6%\(^7\), taking into account the total reduction in the shares allotted under the plans concerned by 2020 (i.e., the 2018, 2019 and 2020 plans) as described above and the shares not allotted due to the pro rata rule (43,334 shares). The remaining 150,617 shares will not vest unless the performance criteria for the three-year period concerned by the 2019 and 2020 plans are met.

Since joining the Group as Chief Executive Officer on March 20, 2009, Jacques Aschenbroich has not sold any shares obtained by exercising stock purchase options allotted to him, nor sold any vested performance shares.
Appendices

Compensation components paid or awarded for the financial year ended December 31, 2020

<table>
<thead>
<tr>
<th>Component</th>
<th>Amounts or accounting valuation submitted for a vote</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointment benefit</td>
<td>N/A</td>
<td>Jacques Aschenbroich did not receive any appointment benefit.</td>
</tr>
<tr>
<td>Termination benefit</td>
<td>N/A</td>
<td>Jacques Aschenbroich did not receive any termination benefit.</td>
</tr>
</tbody>
</table>
| Supplementary pension            | No benefits or capital paid out for the financial year ended December 31, 2020 | The terms for the supplementary pension plan as approved by the General Shareholders’ Meeting on June 25, 2020 in a vote on the 2020 Compensation Policy for the Chairman and Chief Executive Officer are described in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer”, part “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”.

As a reminder, Jacques Aschenbroich waived the benefit of his termination benefit when the roles of Chairman of the Board of Directors and Chief Executive Officer were combined on February 18, 2016 and he was appointed as Chairman of the Board of Directors that same day, thereby becoming Chairman and Chief Executive Officer. The Board of Directors acknowledged this decision at the meeting on February 18, 2016.

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

At its meeting held on March 24, 2020, the Board of Directors, acting on the recommendation of the Compensation Committee, decided that the vesting of supplementary pension rights for the Chairman and Chief Executive Officer under the New Plan would be subject to the same performance condition as applied for the financial year ended December 31, 2019. This condition is deemed to have been met if the variable portion of compensation, paid in year Y+1 in respect of year Y, reaches 100% of the fixed compensation due in respect of year Y. If the event the variable portion does not reach 100% of the fixed compensation, rights will be calculated on a pro rata basis.

At its meeting held on March 24, 2021, the Board of Directors, acting on the recommendation of the Compensation Committee, recorded that the 2020 variable compensation was lower than 100% of the 2020 fixed compensation, which was set at 99% of the 2020 fixed compensation amount. Therefore the rights granted pro rata total 0.99%.

Benefits in kind

- Garantie Sociale des Chefs et Directeurs d’entreprise (mandatory health, unemployment, and life insurance fund for company managers);
- Collective and mandatory health, death, and disability plan; and life insurance: annual premium value 2,300 euros;
- Company car: annual premium value 5,704 euros; and
- Company car: 14,606 euros.

The terms for the benefits package as approved by the General Shareholders’ Meeting on June 25, 2020 in a vote on the 2020 Compensation Policy for the Chairman and Chief Executive Officer are described in section 3.3.1 “Compensation policies for corporate officers”, subsection “Compensation policy for the Chairman and Chief Executive Officer”, part “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, “Benefits in kind” of the Company’s 2020 Universal Registration Document.

(1) Approved by a 94.03% majority in the thirteenth resolution of the General Shareholders’ Meeting of June 25, 2020.
(2) Pursuant to the October 2020 guidance, EBITDA margin for the second half of the year above 12% and free cash flow above 600 million euros 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 400 million euros 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.
(3) In light of the separation of the roles of Chairman and Chief Executive Officer planned for January 2022 and Jacques Aschenbroich’s continuation as Chairman of the Board of Directors until the end of his term of office as director in May 2023, the number of performance shares allotted to Jacques Aschenbroich under the 2020 plan will be reduced to two-thirds of the original number shares allotted, which covers the period for which he held the combined roles of Chairman of the Board of Directors and Chief Executive Officer.
(4) Approved by a 94.03% majority in the thirteenth resolution of the General Shareholders’ Meeting of June 25, 2020.
(5) Including share in net earnings of equity-accounted companies.
(6) Excluding share in net earnings of equity-accounted companies.
(7) According to October 2020 guidance, an EBITDA margin greater than 12% in the second half of the year and free cash flow of over 600 million euros. According to July 2020 guidance, an EBITDA margin of around 10% in the second half of the year and free cash flow of over 400 million euros.
(8) 3.8% for the operating margin and 6.0% for the ROA, calculated by extrapolation from October guidance (second semester EBITDA margin over 12%).
(9) Adjusted to the pro rata temporis that would apply to the 2020 plan starting from the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer as described below.
(10) Which, by way of illustration, represents a value of 3,566,935 euros based on Valeo’s closing share price at March 30, 2021.
Directors’ compensation policy for the year ending December 31, 2021

Non-executive corporate officers receive compensation (previously known as attendance fees) for their presence at Board of Directors’ and committee meetings.

In accordance with the French Commercial Code, the articles of association, the Board’s Internal Procedures and the internal procedures of the Compensation Committee, the Board of Directors has authority to decide how this compensation should be allocated. The Compensation Committee makes recommendations to the Board of Directors on the rules for allocating directors’ compensation and the individual amounts to be paid to each director, taking into account the actual number of Board and committee meetings attended. The variable portion linked to attendance must, other than in exceptional circumstances, have a heavier weighting than the fixed portion (see the exception in 2020, for which an explanation is provided in the table concerning the application of the AFEP-MEDEF Code in section 3.2.4 of the Company’s 2020 Universal Registration Document).

When determining the rules for allocating directors’ compensation, the Board of Directors considers the corporate interest and the Company’s long-term future by taking into account market practices and encouraging director attendance at meetings. The weighting of the variable portion of directors’ compensation, which is based on attendance at meetings, therefore contributes to the objectives of the compensation policy.

Following the Shareholders’ Meeting of May 26, 2016 (eleventh resolution), the budget for directors’ compensation was set at 1,100,000 euros for 2016 and subsequent years until a new decision of the Shareholders’ Meeting, compared to 700,000 euros for 2014 and 2015 as approved at the Shareholders’ Meeting of May 21, 2014. In 2018, and in January 2019, the Compensation Committee carried out a comparative study on the basis for allocating directors’ compensation in CAC 40 companies. This study confirmed that the amounts budgeted for the remuneration of Valeo’s directors was appropriate (although slightly below the average of the study sample), and the Board of Directors, acting on the recommendation of the Compensation Committee, decided not to ask the shareholders to increase this amount.

The basis for allocating directors’ compensation is as follows:

(i) each director receives:
   - fixed portion: 25,000 euros/year,
   - variable portion: 3,000 euros/meeting attended;

(ii) each director who is a member (but not Chair(man)) of a Board committee also receives:
   - fixed portion: 0 euro/year,
   - variable portion: 3,000 euros/meeting attended;

(iii) the director who is also Chair(man) of the Audit and Risks Committee also receives:
   - fixed portion: 15,000 euros/year,
   - variable portion: 3,000 euros/meeting attended;

(iv) each director who is also Chair(man) of a Board committee (other than the Audit & Risks Committee) also receives:
   - fixed portion: 12,000 euros/year,
   - variable portion: 3,000 euros/meeting attended.

These payments are not capped, but if the budget is exceeded in any one year, the following formula is applied:

\[
\text{Compensation allocated to an individual director} \times 1,100,000 \text{ euros} \leq \text{Total compensation paid to all directors}
\]

Compensation is paid every six months, according to the following rules:
- payment of the fixed portion (where applicable, prorata to the period of the year during which the director held office, as described below);
- payment of the variable portion based on the number of meetings that the director actually attended during the year.

For directors joining or leaving the Board during 2021, the fixed compensation will be calculated prorata to the length of time the director holds office during the year. The variable portion is based on the number of Board and committee meetings attended during the period.
On February 12, 2009, acting on the recommendation of the Appointments, Compensation & Governance Committee, the Board of Directors decided that no directors’ compensation would be paid to corporate officers in respect of any offices held in the Group (other than those within Valeo). The Chairman and Chief Executive Officer does not receive any directors’ compensation for offices held in the Group. This principle is expressly included in the 2020 Compensation Policy for the Chairman and Chief Executive Officer and the 2021 Compensation Policy for the Chairman and Chief Executive Officer.

The compensation of the Lead Director is equal to the fixed portion and variable portion that he/she receives as director for a given year, in accordance with the Board of Directors’ decision of October 21, 2015.

Apart from Jacques Aschenbroich and Christophe Périllat (whose appointment has been proposed in the eighth resolution presented to this General Shareholders’ Meeting), no Board member was (i) paid any other compensation or benefits during the year other than directors’ compensation, or (ii) allocated any stock subscription or purchase options or performance shares. Apart from Jacques Aschenbroich and Christophe Périllat (whose appointment has been proposed in the eighth resolution presented to this General Shareholders’ Meeting), no director holds any stock subscription or purchase options, free shares or performance shares. However, the directors representing employees are Group employees with an employment contract and thus receive a salary. Alongside the Group’s other employees, they may also be entitled to allotments of free shares.
APPENDIX 4

Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2021

This section sets out the principles and criteria for determining, structuring and awarding the fixed, variable and exceptional components of the Chairman and Chief Executive Officer’s total compensation and benefits package for the year ending December 31, 2021, constituting his compensation policy for 2021 (the “2021 Compensation Policy for the Chairman and Chief Executive Officer”). It forms part of the report prepared in accordance with Article L. 225-37 of the French Commercial Code and contains the information required pursuant to Article L. 22-10-8 (former Article L. 225-37-2) of said Code.

Given the current economic situation and the fact that the comparative review carried out in 2020 on the basis of four panels used by Valeo (1) confirmed that the fixed compensation as well as the ceilings for variable and long-term compensation of the Chairman and Chief Executive Officer are in line with the market, the Compensation Committee recommended to the Board that these remain unchanged both for the compensation policy for the Chairman and Chief Executive Officer for the financial year ending December 31, 2020 (2) (the “2020 Compensation Policy for the Chairman and Chief Executive Officer”) and for the compensation policy for the Chairman and Chief Executive Officer for the financial year ending December 31, 2019 (3) (the “2019 Compensation Policy for the Chairman and Chief Executive Officer”).

Following the analysis process, the Compensation Committee nevertheless proposed to the Board of Directors adjustments to the elements used to assess the qualitative and quantitative criteria of the variable compensation, as described below.

At its meeting held on March 24, 2021, the Board of Directors, on the recommendation of the Compensation Committee, set the 2021 Compensation Policy for the Chairman and Chief Executive Officer, as described below.

Fixed compensation

The annual fixed compensation notably remunerates for responsibilities associated with the role of Chairman and Chief Executive Officer. In accordance with the AFEP-MEDEF Code, fixed compensation is reviewed at relatively long intervals.

The Chairman and Chief Executive Officer’s annual fixed compensation has been set at 1,100,000 euros since May 23, 2019.

Variable compensation

The maximum amount of the Chairman and Chief Executive Officer’s variable portion is 170% of the annual fixed compensation, unchanged compared to those set in the 2019 Compensation Policy for the Chairman and Chief Executive Officer and in the 2020 Compensation Policy for the Chairman and Chief Executive Officer.

In assessing the 2021 Compensation Policy for the Chairman and Chief Executive Officer, on March 24, 2021, the Board of Directors, on the recommendation of the Compensation Committee, decided to make adjustments to the quantifiable criteria and the qualitative sub-criteria previously used, in order to better reflect the Group’s current financial, non-financial and operational performance objectives.

Thus, for the quantifiable criteria, the Board of Directors, on the recommendation of the Compensation Committee, decided to replace the operating margin rate with an EBITDA level which reflects the new criterion for the guidance published by the Group in February 2021. In addition, and in order to be consistent with the adjustments to the internal performance criteria of the performance share plans decided by the Board of Directors (as described below) and in particular the insertion of an internal performance criterion relating to the rate of return on capital employed (ROCE), the rate of return on capital employed (ROCE) previously used has been removed from the quantifiable criteria of the variable compensation and the respective weighting of each of the other quantifiable criterion has been adjusted accordingly.

The qualitative criteria for the annual variable compensation of the Chairman and Chief Executive Officer for 2021 are exactly the same as those stated in the 2020 Compensation Policy for the Chairman and Chief Executive Officer, with an adjustment to qualitative sub-criteria (see table below).

The quantifiable and qualitative criteria used for the 2021 Compensation Policy for the Chairman and Chief Executive Officer are as follows:

- **four quantifiable criteria**: (i) EBITDA, (ii) free cash flow, (iii) net income and (iv) Group order intake;
- **three qualitative criteria**: (i) strategic vision, (ii) risk management and (iii) corporate social responsibility.

For each quantifiable criterion, the variable portion varies within a range of 0% to 100% of the maximum amount of annual fixed compensation obtainable under the relevant criterion.

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(1) 1. CAC 40, 2. CAC 40 excluding finance and luxury sector companies, 3. European car makers and original equipment manufacturers and 4. International original equipment manufacturers. These panels are available on the Company website (www.valeo.com) under the heading “Governance”.

(2) Approved at a rate of 94.03% by the General Shareholders’ Meeting of June 25, 2020 under its thirteenth resolution.

(3) Approved at a rate of 91.92% by the General Shareholders’ Meeting of May 23, 2019 under its tenth resolution.
The table below summarizes in a synthetic way the quantifiable and qualitative criteria, the percentage of the fixed annual compensation related to each of those criteria as well as the maximum amount of the variable portion for 2021. The principles and criteria relating to the annual variable compensation for 2021 will be as follows:

### Quantifiable Criteria

<table>
<thead>
<tr>
<th>Nature of the quantifiable criterion</th>
<th>Maximum amount of the variable portion as a % of the annual fixed compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA(3)</td>
<td>30%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>30%</td>
</tr>
<tr>
<td>Net Income</td>
<td>25%</td>
</tr>
<tr>
<td>Group order intake(4)</td>
<td>30%</td>
</tr>
<tr>
<td><strong>TOTAL QUANTIFIABLE CRITERIA</strong></td>
<td><strong>115%</strong></td>
</tr>
</tbody>
</table>

### Qualitative Criteria

<table>
<thead>
<tr>
<th>Nature of the qualitative criterion</th>
<th>Maximum amount of the variable portion as a % of the annual fixed compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic vision</strong></td>
<td></td>
</tr>
<tr>
<td>Strategic vision assessed against the following elements:</td>
<td></td>
</tr>
<tr>
<td>• strategic and technological operations carried out;</td>
<td></td>
</tr>
<tr>
<td>• development of technology platforms;</td>
<td></td>
</tr>
<tr>
<td>• new evaluation of the presentation at the next strategic seminar of a technology roadmap and its directions on software.</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Risk management</strong></td>
<td></td>
</tr>
<tr>
<td>This criterion is assessed in particular against the following elements:</td>
<td></td>
</tr>
<tr>
<td>• compliance: new measures implemented to ensure the strict enforcement of anti-corruption, anti-trust and personal data protection rules (GDPR);</td>
<td></td>
</tr>
<tr>
<td>• risk management related to the adaptation of the production plant given the new product launches and customer disputes (evolution of the number of “red launches”);</td>
<td>15%</td>
</tr>
<tr>
<td>• controlling the aftermath of the Covid-19 crisis during 2021;</td>
<td></td>
</tr>
<tr>
<td>• quality of the supplies crisis management (electronic components and raw materials).</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Social Responsibility</strong></td>
<td></td>
</tr>
<tr>
<td>CSR assessed in particular against the following elements:</td>
<td></td>
</tr>
<tr>
<td>• overall assessment of safety performance through the number of lost-time workplace accidents;</td>
<td></td>
</tr>
<tr>
<td>Particular attention will be paid to France in 2021 with respect to lost-time workplace accidents;</td>
<td>20%</td>
</tr>
<tr>
<td>• implementation of specific action plans following the measurement of employees engagement in the first quarter survey;</td>
<td></td>
</tr>
<tr>
<td>• progression of the Gender Equity Index in 2021 to an average of 85 for the Group with no country below 75.</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL QUALITATIVE CRITERIA</strong></td>
<td><strong>55%</strong></td>
</tr>
</tbody>
</table>

### Total Quantifiable and Qualitative Criteria

| **TOTAL QUANTIFIABLE AND QUALITATIVE CRITERIA** | 170% |

---

(1) Excluding regulatory and tax impacts.
(2) Concerning the quantifiable criteria, the impacts of the Covid-19 epidemic and its potential consequences on the Group for the financial year ending December 31, 2021 cannot be predicted on the date of this report (including the resulting components and raw materials crisis which massively impacts the whole automotive industry and will lead notably to a loss of production that cannot be assessed at the date of this report). Thus, when assessing the degree of achievement of these quantifiable objectives, the Board of Directors may take these potential impacts into account.
(3) Including the Top Column Module (TCM) business.
(4) Excluding the Top Column Module (TCM) business and Valeo Siemens eAutomotive (VSeA).
**Long-term compensation policy – Allotment of performance shares**

The maximum amount of the Chairman and Chief Executive Officer’s long-term variable compensation is 270% of the annual fixed compensation, unchanged compared to the amount set in the 2020 Compensation Policy for the Chairman and Chief Executive Officer (unchanged since February 18, 2016), in light of the current economic situation and the fact that the comparative review carried out in 2020 confirmed that this was an appropriate level.

As indicated in the 2020 Compensation Policy for the Chairman and Chief Executive Officer, the aim of allotting performance shares is not only to encourage the Chairman and Chief Executive Officer to take a long-term approach to his duties but also to retain him and align his interests with those of Valeo and its shareholders. Under the performance share plans, performance criteria must be met over a period of three consecutive years. Valeo applies strict and ambitious financial and operating performance objectives considered as particularly representative of the Company’s performance. The Board of Directors, on the recommendation of the Compensation Committee, has decided to replace the internal performance criterion, the Return on Assets (ROA) rate, with an EBITDA level, which is more relevant today, and on which all beneficiaries of performance shares concerned by this criterion have a more direct influence compared to the ROA criterion.

Thus, the Board of Directors, on the recommendation of the Compensation Committee, has decided to replace the internal performance criteria previously used as follows:

(i) the operating margin rate is replaced with an EBITDA level, which reflects the new criterion for the guidance published by the Group in February 2021; and

(ii) the rate of return on assets (ROA) is replaced with the rate of return on capital employed (ROCE) (a criterion previously used for the annual variable compensation of the Chairman and Chief Executive Officer but which was removed in the 2021 Compensation Policy for the Chairman and Chief Executive Officer), which is more relevant today, and on which all beneficiaries of performance shares concerned by this criterion have a more direct influence compared to the ROA criterion.

In addition, given the importance of corporate social responsibility (CSR) issues, the Board of Directors, on the recommendation of the Compensation Committee, has considered it appropriate to add two CSR criteria to the long-term compensation of the Chairman and Chief Executive Officer, namely an environmental criterion and a gender diversity criterion, whose ambitious objectives, published at the time of the free share allocation, will be measured over three years. These objectives will be consistent with the carbon neutrality objectives described in Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” of the 2020 Universal Registration Document and with the gender diversity targets described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph “Diversity policy within the governing bodies” of the 2020 Universal Registration Document. This decision reflects the importance Valeo attaches to these elements and the desire of the Board of Directors to make them part of the long-term objectives.

Thus, the allocation of performance shares would depend on performance measured against the following criteria:

(i) two internal performance criteria, namely the EBITDA level (which has replaced the operating margin rate) as well as the rate of return on capital employed (ROCE) (which has replaced the rate of return on assets (ROA)). The internal performance criteria will represent no more than 60% of the allocated shares (30% for each criterion),

(ii) an external performance criterion, Valeo’s TSR, which will be measured against the CAC 40 index (10%) and against a European Automotive Panel (10%). Thus, the external performance criterion will represent no more than 20% of the allocated shares,

(iii) two corporate social responsibility (CSR)-related criteria: an environmental criterion relating to the level of CO2 emissions and a gender diversity criterion based on the number of women within the Group’s management committees (relating to the 300 most important Group management positions). The CSR criteria will represent no more than 20% of the allocated shares (10% for each criterion).

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1. It is noted that following the separation of the roles of Chairman and Chief Executive Officer planned for January 2022, Jacques Aschenbroich will remain Chairman of the Board of Directors until the end of his term of office as director, i.e. until May 2023. For the purposes of the grant made in 2021, (i) it is expected that the right to performance shares will be maintained and that the performance criteria will apply and (ii) it has been agreed that the number of performance shares that would be definitively granted to him under the 2021 plan would be reduced on a pro rata basis according to the period during which he will have exercised the associated functions of Chairman and Chief Executive Officer.

2. The Automotive European Panel was modified by the Board of Directors at its meeting of March 24, 2021 on the proposal of an external consultant, Willis Towers Watson. Fiat Chrysler Automobiles and PSA were replaced by Stellantis and Volkswagen was added. This panel is available on the Company’s website (www.valeo.com) under the heading “Governance”.

Notice of Meeting 2021 - Valeo
The table below summarizes in a synthetic way the criteria and methods used to assess the performance shares selected as part of the 2021 Compensation Policy for the Chairman and Chief Executive Officer.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Weight/Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal performance criterion: ROCE rate (30%)</td>
<td>Performance measured by two criteria (ROCE rate and EBITDA level) for each of the three financial years (Y, Y+1, and Y+2) of the vesting period. The criterion will be satisfied if, for each financial year covered under the grant, the rate effectively achieved for each criterion is greater than or equal to the target rate established by the Board of Directors, it being understood that (i) the target rate cannot be lower than the guidance for the financial year of reference, (ii) the selected criterion cannot be changed by the Board of Directors at a later date and (iii) the target rates cannot be changed by the Board of Directors at a later date, except by a duly justified decision in the context of exceptional circumstances beyond the beneficiaries’ control.</td>
</tr>
</tbody>
</table>
| Internal performance criterion: EBITDA level (30%) | • If, for each financial year covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for each of those three financial years: 100%.
• If, for only two of the financial years covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for each of those two financial years: 50%.
• If, for only one of the financial years covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for that financial year: 20%.
• If the target rate for the corresponding criterion is not satisfied for any of the financial years covered by the scheme: 0%.

| External performance criterion: TSR (20%) | TSR recorded over a period of three years from January 1 of the allotment year to December 31 of the year prior to delivery:
• If Valeo’s TSR recorded over the reference period is greater than the CAC 40 index’s TSR recorded over the reference period: 100% (0% if equal or lower).
• If Valeo’s TSR recorded over the reference period is greater than the median of the TSRs of the companies in the European Automotive Panel over the reference period: 100% (0% if equal or lower).

| Corporate social responsibility: CO2 emissions (10%) | CSR criterion recorded over a period of three years from January 1 of the allotment year to December 31 of the year prior to delivery and published at the time of the free shares allotment:
• If the level of CO2 emissions recorded over the reference period is lower than or equal to the target rate established for the reference period: 100% (0% if lower).

| Corporate social responsibility: the number of women within the Group’s management committees (relating to the 300 most important Group management positions) (10%) | • If the number of women within the Group’s management committees (relating to the 300 most important Group management positions) recorded over the reference period is greater than or equal to the target rate established for the reference period: 100% (0% if lower).

(1) For 2021, the guidance is 11.10% for the ROCE rate (excluding the Top Column Module (TCM) business) and 12.80% for the EBITDA (including the Top Column Module (TCM) business). It should be noted that the impacts of the covid-19 pandemic and its potential consequences on the Group for the financial year ending December 31, 2021 cannot be predicted on the date of this report (including the resulting components and raw materials crisis which massively impacts the whole automotive industry and will lead notably to a loss of production that cannot be assessed at the date of this report). Thus, when assessing the achievement of the internal performance criteria, the Board of Directors may take these potential impacts into account.

(2) For the 2031 plan, the achievement of this target will be assessed as at December 31, 2023, on the basis of the carbon neutrality objective by 2050 and, by December 31, 2030, a plan to reduce emissions related to its operating activities (Scopes 1 and 2) by 75% and emissions related to its supply chain and to the use of its products (Scope 3) by 55% compared to January 1, 2020, as presented in Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” of the 2020 Universal Registration Document. This 2030 objective implies an annual reduction of -0.75 Mt CO2 from 49.6 Mt CO2 at January 1, 2020 to 41.4 Mt CO2 at December 31, 2030. Accordingly, based on a linear annual progression until 2030, the rate of achievement of this target is set at a minimum of 22% of women in the Group’s management committees (relating to the 300 most important Group management positions) by December 31, 2023, on a like for like basis, which constitutes an acceleration of the intermediate objective for 2024 set at 20% by Valeo’s Board of Directors in 2020 (as described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph "Diversity policy within the governing bodies" of the 2020 Universal Registration Document).

In addition, a presence condition must be met at the time of the allotment. Thus, the performance shares allotted to the Chairman and Chief Executive Officer will vest only if his term of office has not expired on the vesting date. Entitlement to the performance shares will be lost in the event of (i) dismissal due to gross negligence or wilful misconduct or (ii) dismissal for reasons attributable to the Chairman and Chief Executive Officer’s performance, before the expiry of the vesting period. Except for these two cases, the Board of Directors will determine whether or not the Chairman and Chief Executive Officer will retain his entitlement to the performance shares before the expiry of the vesting period based on an in-depth analysis of the reasons for and circumstances surrounding his departure. In any event, the shares will only vest if the performance criteria are achieved. By way of exception to the foregoing, in the event of termination of his corporate office in connection with the liquidation of mandatory and supplementary pension plans, death or disability, entitlement to performance shares will be maintained and the performance criteria will apply to retirement but not to death or disability.

(1) Or, as from the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer, his office as Chairman of the Board of Directors subject to adjustment of the number of performance shares that would definitively vest on a pro rata basis for the period during which he held the combined roles of Chairman of the Board of Directors and Chief Executive Officer.
It is understood that with the separation between the roles of Chairman of the Board of Directors and Chief Executive Officer scheduled for January 2022, Jacques Aschenbroich will remain Chairman of the Board of Directors until the end of his term of office as director in May 2023. For the purposes of the allotment made in 2021 and in keeping with the plan as described in this section, (i) the entitlement to performance shares will be maintained and performance criteria will apply, and (ii) it is agreed that the number of performance shares to vest under the 2021 plan will be reduced prorata to the period during which he held the combined roles of Chairman of the Board of Directors and Chief Executive Officer. It should be noted that given the demanding performance criteria, no performance shares allotted to Jacques Aschenbroich under the 2016, 2017, and 2018 performance share plans have vested.

Each time that it decides to allot performance shares, the Board of Directors ensures that performance share allotments, valued under IFRS, do not represent a disproportionate percentage of all compensation and performance shares allotted, that they have a limited impact in terms of dilution (i.e., for illustrative purposes, a maximum of 250,000 under the fourteenth resolution of the Shareholders’ Meeting of May 23, 2019) and that the allotments are made at the same times of the year. In accordance with applicable laws and Company practices, the Group’s executive managers and employees are also entitled to performance shares.

The maximum amount of performance shares allotted to the Chairman and Chief Executive Officer, valued under IFRS, must not exceed 270% of his annual fixed compensation (i.e., 100% of maximum combined annual fixed and variable compensation). The cap of 270% of annual fixed compensation is a maximum amount and the Board of Directors reserves the right to award a lower percentage depending on Valeo’s performance.

In accordance with the recommendations of the AFEP-MEDEF Code and the provisions of the Code of Conduct, the Chairman and Chief Executive Officer is not permitted to use hedging transactions to reduce his risk. He has made a formal commitment in this respect as required by the AFEP-MEDEF Code. At the end of the holding period set by the Board of Directors, the Chairman and Chief Executive Officer must also hold a significant number of vested performance shares in the form of registered shares until the end of his term of office. This holding obligation corresponds to 50% of the vested performance shares(1).

**Defined benefit pension plan**

Jacques Aschenbroich benefits from a defined benefit pension plan in accordance with Group and market practices.

With a view to retaining and motivating the executive corporate officer with regard to the Company’s objectives, general interest and market practices, the Board of Directors decided, when determining the executive corporate officer’s overall compensation at its meeting of April 9, 2009, to register Jacques Aschenbroich with the supplementary defined benefit pension plan for the Group’s senior executives (“hors catégorie”) and referred to in Article L. 137-11 of the French Social Security Code. This decision was implemented on October 20, 2009. In view of Jacques Aschenbroich’s age and the fact that he was not covered by any other supplementary pension plan, the decision was made to credit him with five additional years of service at the start of his tenure.

There is a cap both on the amount of this pension plan, which came into effect on January 1, 2010 and no longer welcomes new members since July 1, 2017 (entitlement pursuant to the plan’s conditions corresponding to 1% of the reference salary per year of service, capped at 20%), and on the basis for determining entitlements (additional pension benefits, all plans combined, are capped at 55% of the reference salary).

In accordance with French Ordinance no. 2019-697 of July 3, 2019, Valeo’s “Article 39” defined benefit pension plan (the “Closed Plan”) which no longer welcomes new members since July 1, 2017, no longer allows for the acquisition of new rights since January 1, 2020. In accordance with the new legal provisions, a new commitment was 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(2).

Its main characteristics are the following:

- supplementary pension rights are equal to 1% of the reference salary per vesting year;
- the vesting of supplementary pension rights is subject to a performance condition, which is deemed to have been met if the variable portion of Jacques Aschenbroich’s compensation, paid in year Y+1 in respect of year Y, reaches 100% of his fixed compensation due in respect of year Y. In the event that the variable portion does not reach 100% of the fixed compensation, the rights granted will be calculated on a pro rata basis down to zero;
- the reference salary is the base salary and the variable compensation received in each year of vesting;
- the cap due to the nature of the plan: a cap of 20% of the final reference salary as defined in the Closed Plan (cap which applies to the sum of the rights acquired under the Closed Plan and under the New Plan);
- the cap on the base for determining entitlements: all plans combined are capped at 55% of the final reference salary.

Under the New Plan, the rights of Jacques Aschenbroich will vest without condition of presence in the Company at the end of his career.

The rights under the Closed Plan crystallized at December 31, 2019 and remain conditional on the presence of Jacques Aschenbroich within Valeo at the time of his retirement.

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(1) Since joining the Group as Chief Executive Office on March 20, 2009, Jacques Aschenbroich has not sold any shares obtained by exercising stock purchase or subscription options allotted to him nor sold any vested performance shares.

(2) The New Plan was approved at the General Shareholders’ Meeting of June 25, 2020 by a 94.03% majority vote on the 2020 Compensation Policy for the Chairman and Chief Executive Officer (thirteenth resolution) and by a 98.19% majority vote on related-party undertakings and agreements (fourth resolution).
Non-compete compensation

The Board of Directors may decide to make a non-compete commitment to the executive corporate officer in accordance with the recommendations of the AFEP-MEDEF Code.

Jacques Aschenbroich has had a non-compete agreement since February 24, 2010 (see section 3.3.1 of the Company’s 2020 Universal Registration Document, “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, section “Non-compete compensation”).

Given the recommendations of the AFEP-MEDEF Code on non-compete agreements, Jacques Aschenbroich announced his decision to waive his right to non-compete compensation. In order to comply with the AFEP-MEDEF Code, the Board of Directors formally noted this decision at its meeting on February 21, 2019 and consequently decided to amend the non-compete agreement accordingly.

Benefits in kind

The principles and criteria relating to this compensation component set out in the 2020 Compensation Policy for the Chairman and Chief Executive Officer (see section 3.3.1 of the Company’s 2020 Universal Registration Document, “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, section “Benefits in kind”), remain unchanged in the 2021 Compensation Policy for the Chairman and Chief Executive Officer.

Other components of compensation – No multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits, directors’ compensation, benefits of any kind under agreements with the Company or any Group company or options or any other long-term component of compensation

The principles and criteria relating to this compensation component set out in the 2020 Compensation Policy for the Chairman and Chief Executive Officer (see section 3.3.1 of the Company’s 2020 Universal Registration Document, “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020”, section “Other components of compensation – No multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits, directors’ compensation, benefits of any kind under agreements with the Company or any Group company or options or any other long-term component of compensation”), remain unchanged in the 2021 Compensation Policy for the Chairman and Chief Executive Officer.

Accordingly, the Chairman and Chief Executive Officer will not be entitled to multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation or termination benefits. In this respect, it should be noted that Jacques Aschenbroich was entitled to termination benefits as Chief Executive Officer before his appointment as Chairman of the Board of Directors, which he waived following the combination of the roles of Chairman of the Board of Directors and Chief Executive Officer on February 18, 2016. At its meeting on that date, the Board of Directors duly noted his decision.

The Chairman and Chief Executive Officer does not receive compensation in his capacity as director. He is not entitled to any compensation or other benefits as a result of agreements entered into with the Company or any Group company.

No stock purchase or subscription options or other long-term component of compensation other than performance shares will be allotted to the Chairman and Chief Executive Officer in 2021.

In accordance with Articles L. 22-10-8 and L. 22-10-34 (former Articles L. 225-37-2 and L. 225-100, II. and III.) of the French Commercial Code, the Chairman and Chief Executive Officer’s variable compensation for 2021 will only be paid once the fixed, variable and exceptional components comprising the total compensation and benefits package paid or awarded to him in respect of the 2021 financial year have been approved by the shareholders at an Ordinary Shareholders’ Meeting (ex post vote).

In accordance with Article L. 22-10-8, III. (former Article L. 225-37-2 III.) of the French Commercial Code, having consulted the Compensation Committee and, where appropriate, the other Specialized Committees, the Board of Directors will, in exceptional circumstances, temporarily have the discretionary power to adjust the provisions relating to the quantifiable variable components of the 2021 Compensation Policy for the Chairman and Chief Executive Officer, in particular where the changes made are in line with the corporate interest and necessary to guarantee Valeo’s long-term future or viability. Events that may lead to the use of this option include events outside Valeo’s control that could not have been reasonably foreseen or quantified when the compensation policy was drawn up, such as the impact of the Covid-19 epidemic and its potential consequences on the Group for the financial year ending December 31, 2021, including the resulting components and raw materials crisis which massively impacts the whole automotive industry and will lead notably to a loss of production that cannot be assessed at the date of this report.
APPENDIX 5

Compensation policy applicable to the Deputy Chief Executive Officer for the year ending December 31, 2021

This section sets out the principles and criteria for determining, structuring and awarding the fixed, variable and exceptional components of the Deputy Chief Executive Officer’s total compensation and benefits package for the year ending December 31, 2021, constituting his compensation policy for 2021 (the “2021 Compensation Policy for the Deputy Chief Executive Officer”).

It is expected that the components of Christophe Périllat’s remuneration as Associate Chief Executive Officer (Directeur Général Adjoint), unchanged from those received as Chief Operating Officer, will remain unchanged after his appointment as Deputy Chief Executive Officer. These components are therefore reflected in the 2021 Compensation Policy for the Deputy Chief Executive Officer, it being specified that the criteria for the variable remuneration for the Deputy Chief Officer are aligned with those applicable to the Chairman and Chief Executive Officer.

Fixed compensation

At its meeting held on March 24, 2021, on the recommendation of the Compensation Committee, the Board of Directors set the annual fixed compensation of the Deputy Chief Executive Officer at 725,000 euros which corresponds to the same level as that of Chief Operating Officer and Associate Chief Executive Officer (since October 27, 2020).

Variable compensation

The variable portion of the compensation must be in line with the Deputy Chief Executive Officer’s performance, as well as the Company’s strategy and progress. It was therefore determined partly according to quantifiable, strict and ambitious criteria based on the Group’s financial, non-financial and operational performance, and partly on a qualitative basis. The quantifiable and qualitative objectives to be reached were set according to specific, strict and ambitious predetermined objectives. These criteria are determined each year by the Board of Directors, based on recommendations made by the Compensation Committee.

During its review of the 2021 Compensation Policy for the Deputy Chief Executive Officer, at its meeting held on March 24, 2021, the Board of Directors, on the recommendation of the Compensation Committee, set the following quantifiable and qualitative criteria, which are identical to those applicable to the variable compensation of the Chairman and Chief Executive Officer for the 2021 financial year:

- **four quantifiable criteria:** (i) EBITDA, (ii) free cash flow, (iii) net income and (iv) Group order intake;
- **three qualitative criteria:** (i) strategic vision, (ii) risk management and (iii) corporate social responsibility.

In accordance with the recommendations of the AFEP-MEDEF Code, the total amount of the variable portion is expressed as a percentage of the annual fixed compensation, each criterion granting entitlement to a percentage of the annual fixed compensation.

The maximum amount of the Deputy Chief Executive Officer’s variable portion of compensation was set at 120% of his annual fixed compensation. The decision to cap his variable compensation at 120% of his annual fixed compensation was made by the Board of Directors at its meeting held on March 24, 2021, on the recommendation of the Compensation Committee which corresponds to the same level that as Chief Operating Officer and Associate Chief Executive Officer.

The maximum amount of annual variable compensation (120% of annual fixed compensation) is contingent on the achievement of ambitious objectives set by the Board of Directors acting on the recommendation of the Compensation Committee.

For each quantifiable criterion, the variable portion will vary within a range of 0% to 100% of the maximum amount of annual fixed compensation obtainable under the relevant criterion.
The table below summarizes in a synthetic way the quantifiable and qualitative criteria, the percentage of the fixed annual compensation related to each of those criteria as well as the maximum amount of the variable portion for 2021:

<table>
<thead>
<tr>
<th>Nature of the quantifiable criterion</th>
<th>Maximum amount of the variable portion as a % of the annual fixed compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA(3)</td>
<td>21%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>21%</td>
</tr>
<tr>
<td>Net Income</td>
<td>17%</td>
</tr>
<tr>
<td>Group order intake(4)</td>
<td>21%</td>
</tr>
<tr>
<td><strong>TOTAL QUANTIFIABLE CRITERIA</strong></td>
<td><strong>80%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nature of the qualitative criterion</th>
<th>Maximum amount of the variable portion as a % of the annual fixed compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic vision</td>
<td></td>
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<tr>
<td><strong>Strategic vision assessed against the following elements:</strong></td>
<td></td>
</tr>
<tr>
<td>• strategic and technological operations carried out;</td>
<td></td>
</tr>
<tr>
<td>• development of technology platforms;</td>
<td></td>
</tr>
<tr>
<td>• new evaluation of the presentation at the next strategic seminar of a technology roadmap and its directions on software.</td>
<td>14%</td>
</tr>
<tr>
<td>Risk management</td>
<td></td>
</tr>
<tr>
<td><strong>This criterion is assessed in particular against the following elements:</strong></td>
<td></td>
</tr>
<tr>
<td>• compliance: new measures implemented to ensure the strict enforcement of anti-corruption, anti-trust and personal data protection rules (GDPR);</td>
<td></td>
</tr>
<tr>
<td>• risk management related to the adaptation of the production plant given the new product launches and customer disputes (evolution of the number of “red launches”);</td>
<td></td>
</tr>
<tr>
<td>• controlling the aftermath of the Covid-19 crisis during 2021;</td>
<td></td>
</tr>
<tr>
<td>• quality of the supplies crisis management (electronic components and raw materials).</td>
<td>12%</td>
</tr>
<tr>
<td>Corporate Social Responsibility</td>
<td></td>
</tr>
<tr>
<td><strong>CSR assessed in particular against the following elements:</strong></td>
<td></td>
</tr>
<tr>
<td>• overall assessment of safety performance through the number of lost-time workplace accidents. Particular attention will be paid to France in 2021 with respect to lost-time workplace accidents;</td>
<td></td>
</tr>
<tr>
<td>• implementation of specific action plans following the measurement of employees engagement in the first quarter survey;</td>
<td></td>
</tr>
<tr>
<td>• progression of the Gender Equity Index in 2021 to an average of 85 for the Group with no country below 75</td>
<td>14%</td>
</tr>
<tr>
<td><strong>TOTAL QUALITATIVE CRITERIA</strong></td>
<td><strong>40%</strong></td>
</tr>
<tr>
<td><strong>TOTAL QUANTIFIABLE AND QUALITATIVE CRITERIA</strong></td>
<td><strong>120%</strong></td>
</tr>
</tbody>
</table>

(1) Excluding regulatory and tax impacts.
(2) Concerning the quantifiable criteria, the impacts of the Covid-19 epidemic and its potential consequences on the Group for the financial year ending December 31, 2021 cannot be predicted on the date of this report (including the resulting components and raw materials crisis which massively impacts the whole automotive industry and will lead notably to a loss of production that cannot be assessed at the date of this report). Thus, when assessing the degree of achievement of these quantifiable objectives, the Board of Directors may take these potential impacts into account.
(3) Including the Top Column Module (TCM) business.
(4) Excluding the Top Column Module (TCM) business and Valeo Siemens eAutomotive (VSeA).
**Long-term compensation policy – Performance shares**

The aim of allotting performance shares is not only to encourage the Deputy Chief Executive Officer to take a long-term approach to his duties, but also to retain him and align his interests with those of Valeo and its shareholders. Under the performance share plans, performance criteria must be met over a period of three consecutive years. Valeo applies strict and ambitious performance criteria considered as particularly representative of the Company’s performance. Indeed, the proposed criteria are aimed at reflecting the Group’s strategy, financial, non-financial and operational performance objectives, value creation for Valeo’s shareholders measured using the external performance criterion, the Total Shareholder Return (TSR), and performance measurement.

Thus, for the sake of consistency with the 2021 Chairman and Chief Executive Officer long term compensation criteria, the Board of Directors, on the recommendation of the Compensation Committee, established an internal performance criterion relating to the return on capital employed rate (ROCE) as well as an internal performance criterion relating to an EBITDA level which reflects the new criterion for the guidance published by the Group in February 2021. In addition, given the importance of corporate social responsibility (CSR) issues, the Board of Directors, on the recommendation of the Compensation Committee, has considered it appropriate to set two CSR criteria to the long-term compensation of the Deputy Chief Executive Officer, namely an environmental criterion and a gender diversity criterion whose ambitious objectives, published at the time of the free share allocation, will be measured over three years. These objectives will be consistent with the carbon neutrality objectives described in Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” of the 2020 Universal Registration Document and with the gender diversity targets described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph “Diversity policy within the governing bodies” of the 2020 Universal Registration Document. This decision reflects the importance Valeo attaches to these elements and the desire of the Board of Directors to make them part of the long-term objectives.

The performance shares will depend on performance measured against the following criteria, identical to those applicable to the 2021 long-term compensation of the Chairman and Chief Executive Officer:

(i) two internal performance criteria, namely the EBITDA level as well as the return on capital employed rate (ROCE). The internal performance criteria will represent no more than 60% of the allocated shares (30% for each criterion);

(ii) an external performance criterion, Valeo’s TSR, which will be measured against the CAC 40 index (10%) and against the European Automotive Panel(1) (10%). Thus, the external performance criterion will represent no more than 20% of the allocated shares;

(iii) two corporate social responsibility (CSR)-related criteria: an environmental criterion relating to the level of CO\(_2\) emissions and a gender diversity criterion based on the number of women in the Group’s management committees (relating to the 300 most important Group management positions). The CSR criteria will represent no more than 20% of the allocated shares (10% for each criterion).

The Board of Directors, at its meeting held on March 24, 2021, set the maximum amount of the Deputy Chief Executive Officer’s long-term compensation at 200% of his annual fixed compensation which corresponds to the same level that as Chief Operating Officer and Associate Chief Executive Officer.

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(1) The Automotive European Panel was modified by the Board of Directors at its meeting of March 24, 2021 on the proposal of an external consultant, Willis Towers Watson. Fiat Chrysler Automobiles and PSA were replaced by Stellantis and Volkswagen was added. This panel is available on the Company’s website (www.valeo.com) under the heading “Governance.”
The table below summarizes in a synthetic way the criteria and methods used to assess the performance shares selected as part of the 2021 Deputy Chief Executive Officer Compensation Policy:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Weight/Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal performance criterion:</strong> ROCE rate(^{(1)}) (30%)</td>
<td>Performance measured by two criteria (ROCE rate and EBITDA level) for each of the three financial years (Y, Y+1, and Y+2) of the vesting period. The criterion will be satisfied if, for each financial year covered under the grant, the rate effectively achieved for each criterion is greater than or equal to the target rate established by the Board of Directors, it being understood that (i) the target rate cannot be lower than the guidance for the financial year of reference, (ii) the selected criterion cannot be changed by the Board of Directors at a later date and (iii) the target rates cannot be changed by the Board of Directors at a later date, except by a duly justified decision in the context of exceptional circumstances beyond the beneficiaries’ control.</td>
</tr>
</tbody>
</table>
| **Internal performance criterion:** EBITDA level\(^{(1)}\) (30%) | - If, for each financial year covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for each of those three financial years: 100%.
- If, for only two of the financial years covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for each of those two financial years: 50%.
- If, for only one of the financial years covered by the scheme, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for that financial year: 20%.
- If the target rate for the corresponding criterion is not satisfied for any of the financial years covered by the scheme: 0%.

| **External performance criterion:** TSR (20%) | TSR recorded over a period of three years from January 1 of the allotment year to December 31 of the year prior to delivery:
- If Valeo’s TSR recorded over the reference period is greater than the CAC 40 index’s TSR recorded over the reference period: 100% (0% if equal or lower).
- If Valeo’s TSR recorded over the reference period is greater than the median of the TSRs of the companies in the European Automotive Panel over the reference period: 100% (0% if equal or lower).

| **Corporate social responsibility:** CO₂ emissions\(^{(2)}\) (10%) | CSR criterion recorded over a period of three years from January 1 of the allotment year to December 31 of the year prior to delivery and published at the time of the free shares allotment:
- If the level of CO₂ emissions recorded over the reference period is lower than or equal to the target rate established for the reference period: 100% (0% if greater).

| **Corporate social responsibility:** the number of women within the Group’s management committees (relating to the 300 most important Group management positions)\(^{(3)}\) (10%) | If the number of women within the Group’s management committees (relating to the 300 most important Group management positions) recorded over the reference period is greater than or equal to the target rate established for the reference period: 100% (0% if lower).

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(1) For 2021, the guidance is 11.10% for the ROCE rate (excluding the Top Column Module (TCM) business) and 12.80% for the EBITDA (excluding the Top Column Module (TCM) business). It should be noted that the impacts of the Covid-19 epidemic and its potential consequences on the Group for the financial year ending December 31, 2021 cannot be predicted on the date of this report (including the resulting component and raw materials crisis which massively impacts the whole automotive industry and will lead notably to a loss of production that cannot be assessed at the date of this report). Thus, when assessing the achievement of the internal performance criteria, the Board of Directors may take these potential impacts into account.

(2) For the 2023 plan, the achievement of this target will be assessed as at December 31, 2023, on the basis of the carbon neutrality objective by 2050 and, by December 31, 2030, a plan to reduce emissions related to its operating activities (Scopes 1 and 2) by 75% and emissions related to its supply chain and to the end use of its products (Scope 3) by 5% compared to January 1, 2020, as presented in Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” of the 2020 Universal Registration Document. This 2030 objective implies an annual reduction of -0.75 Mt CO₂ from 49.6 Mt CO₂ at January 1, 2020 to 41.4 Mt CO₂ at December 31, 2030. Accordingly, based on a linear annual progression until 2030, the rate of achievement of this target is set at a minimum of 46.6 Mt CO₂ by December 31, 2023.

(3) For the 2023 plan, the achievement of this target will be assessed as at December 31, 2023 on the basis of the objective of doubling the number of women on the various Group’s management committees (relating to the 300 most important Group management positions) from 16% of women as at January 1, 2021 to 32% of women as at December 31, 2030. Accordingly, based on a linear annual progression, the rate of achievement of this target is set at a minimum of 22% of women in the Group’s management committees (relating to the 300 most important Group management positions) by December 31, 2023, on a like for like basis, which constitutes an acceleration of the intermediate objective for 2024 set at 20% by Valeo’s Board of Directors in 2020 (as described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph “Diversity policy within the governing bodies” of the 2020 Universal Registration Document).

In addition, a presence condition must be met at the time of the allotment. Thus, the performance shares allotted to the Deputy Chief Executive Officer will vest only if his term of office has not expired on the vesting date. Entitlement to the performance shares will be lost in the event of (i) dismissal due to gross negligence or willful misconduct or (ii) dismissal for reasons attributable to the Deputy Chief Executive Officer’s performance, before the expiry of the vesting period.

Except for these two cases, the Board of Directors will determine whether or not the Deputy Chief Executive Officer will retain his entitlement to the performance shares before the expiry of the vesting period, based on an in-depth analysis of the reasons for and circumstances surrounding his departure, it being specified that, in these cases, the benefit of performance shares granted to the Chief Executive Officer before the expiry of the vesting period will be maintained on a pro rata temporis basis of his presence as an executive corporate officer of Valeo. In any event, the shares will only vest if the performance criteria are achieved. By way of exception to the foregoing, in the event of termination of his corporate office in connection with the liquidation of any mandatory supplementary pension plans, death or disability, entitlement to performance shares will be maintained and the performance criteria will apply to retirement but not to death or disability.
Each time that it decides to allot performance shares, the Board of Directors ensures that performance share allotments, valued under IFRS, do not represent a disproportionate percentage of all compensation and performance shares allotted, that they have a limited impact in terms of dilution and that the allotments are made at the same times of the year. In accordance with applicable laws and Company practices, the Group’s executive managers and employees are also entitled to performance shares.

The maximum amount of performance shares allotted to the Deputy Chief Executive Officer, valued under IFRS, must not exceed 200% of the Deputy Chief Executive Officer annual fixed compensation (i.e., 91% of the maximum annual combined fixed and variable compensations), which corresponds to the same level as that of Chief Operating Officer and Associate Chief Executive Officer (Directeur Général Adjoint). The cap of 200% of annual fixed compensation is a maximum amount and the Board of Directors will reserve the right to award a lower percentage depending on Valeo’s performance.

In accordance with the recommendations of the AFEP-MEDEF Code and the provisions of the Code of Conduct, the Deputy Chief Executive Officer is not permitted to use hedging transactions to reduce his risk. He has made a formal commitment in this respect as required by the AFEP-MEDEF Code. At the end of the holding period set by the Board of Directors, the Deputy Chief Executive Officer must also hold a significant number of vested performance shares in the form of registered shares until the end of his term of office. This holding obligation corresponds to 50% of the vested performance shares.

Supplementary pension

As an employee of the Group, Christophe Périllat benefits from the so-called “Article 39” defined benefit pension plan, which 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 Christophe Périllat, as an employee of the Group, which will continue during his term of office as Deputy Chief Executive Officer during which his employment contract will be suspended. 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 as the Closed Plan.

Its main characteristics are the following:

- supplementary pension rights are equal to 1% of the reference salary per vesting year;
- the vesting of supplementary pension rights is subject to a performance condition, which is deemed to have been met if the variable portion of Christophe Périllat’s compensation, paid in year Y+1 in respect of year Y, reaches 70% of his fixed compensation due in respect of year Y. In the event that the variable portion does not reach 70% of the fixed compensation, the rights granted will be calculated on a pro rata basis down to zero;
- the reference salary is the base salary and the variable compensation received in each year of vesting;
- cap due to the nature of the plan: a cap of 20% of the final reference salary as defined in the Closed Plan (cap which applies to the sum of the rights acquired under the Closed Plan and under the New Plan);
- cap on the base for determining entitlements: all plans combined are capped at 55% of the final reference salary.

Under the New Plan, the rights of the beneficiary will vest without condition of presence in the Company at the end of his career. The rights under the Closed Plan crystallized at December 31, 2019 and remain conditional on the presence of the beneficiary within Valeo at the time of his retirement.

Employment contract

Christophe Périllat’s employment contract will be suspended as from his appointment as Deputy Chief Executive Officer until the end of his term of office as Deputy Chief Executive Officer and until his appointment as Chief Executive Officer, at which date his employment contract will be terminated.

Benefits in kind

The Deputy Chief Executive Officer is also entitled to benefits in kind set by the Board of Directors. He is therefore entitled to coverage under the unemployment insurance fund for company managers, the collective and mandatory health, death and disability plan and life insurance covering death, disability or the consequences of any accidents that may occur during business travel. Valeo also provides him with a company car and a driver.
Other compensation components – No multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits, non-compete compensation, directors’ compensation, benefits of any kind under agreements with the Company or any Group company or options or any other long-term compensation component

The Deputy Chief Executive Officer will not be entitled to multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits or non-compete compensation.

The Deputy Chief Executive Officer benefits from termination compensation and non-compete compensation for his employment contract, which will be suspended during his term of office as Deputy Chief Executive Officer and will be unchanged compared to those from which benefited as Chief Operating Officer and Associate Chief Executing Officer.

Christophe Périllat’s employment contract provides, under certain conditions, (i) a non-compete clause for a period of 12 months in exchange for the payment of monthly compensation equal to five tenths of the average monthly compensation (fixed, variable and other benefits) from which Christophe Périllat has benefited during the 12 months preceding his departure and (ii) payment of termination compensation corresponding to 18 months’ fixed salary in force at the time of departure in the event of dismissal (except in the case of gross negligence, willful misconduct or force majeure), these benefits not being cumulative with standard termination compensation, with only the higher of the two being due.

As from his appointment, the Deputy Chief Executive Officer will not receive compensation in his capacity as director. He will not be entitled to any compensation or other benefits as a result of agreements entered into with the Company or any Group company.

No stock purchase or subscription options or other long-term compensation component other than performance shares will be granted to the Deputy Chief Executive Officer (in this capacity) during the 2021 financial year.

In accordance with Articles L. 22-10-8 and L. 22-10-34 (former Articles L. 225-37-2 and L. 225-100, II. and III.) of the French Commercial Code, the Deputy Chief Executive Officer’s variable compensation for 2021 (as of his appointment as Deputy Chief Executive Officer) will only be paid once the fixed, variable and exceptional components comprising the total compensation and benefits package paid or awarded to the Deputy Chief Executive Officer in respect of the 2021 financial year have been approved by the shareholders at an Ordinary Shareholders’ Meeting (ex post vote).

In accordance with Article L. 22-10-8, III. (former Article L. 225-37-2 III.) of the French Commercial Code, having consulted the Compensation Committee and, where appropriate, the other Specialized Committees, the Board of Directors will, in exceptional circumstances, temporarily have the discretionary power to adjust the provisions relating to the quantifiable variable components of the 2021 Compensation Policy for the Deputy Chief Executive Officer, in particular where the changes made are in line with the corporate interest and necessary to guarantee Valeo’s long-term future or viability. Events that may lead to the use of this option include events outside Valeo’s control that could not have been reasonably foreseen or quantified when the compensation policy was drawn up, such as the impact of the Covid-19 epidemic and its potential consequences on the Group for the financial year ending December 31, 2021, including the resulting components and raw materials crisis which massively impacts the whole automotive industry and will lead notably to a loss of production that cannot be assessed at the date of this report.
APPENDIX 6

Compensation policy applicable to the Chief Executive Officer in anticipation of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer from January 2022

At its meeting held on October 27, 2020, the Board of Directors approved the succession plan for Jacques Aschenbroich according to which Christophe Périllat will succeed him in his role as Chief Executive Officer of Valeo from January 2022. It is noted that as from the appointment of Christophe Périllat as Chief Executive Officer, his employment contract will be terminated, in accordance with the recommendations of the AFEP-MEDEF Code.

At its meeting held on March 24, 2021, and on the recommendation of the Compensation Committee, the Board of Directors set the compensation policy of the Chief Executive Officer in anticipation of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer planned for January 2022. The Shareholders’ Meeting of May 26, 2021 will be called upon to approve the elements of the compensation policy of the new Chief Executive Officer.

The compensation policy of the Chief Executive Officer (following the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer) was set by the Board of Directors, on the recommendation of the Compensation Committee, taking into consideration the current compensation of Christophe Périllat and the compensation and other benefits of Jacques Aschenbroich as Chief Executive Officer of Valeo before the merger of the roles of Chief Executive Officer and Chairman of the Board of Directors in February 2016 (while taking into consideration the evolution of the market). The Board of Directors also relied on a benchmark study carried out by an external advisor (Willis Towers Watson) on compensation practices for similar roles in a sample of CAC 40 and SBF 120 companies, excluding finance and luxury sector companies.

Fixed compensation

At its meeting held on March 24, 2021, the Board of Directors, on the recommendation of the Compensation Committee, set the annual fixed compensation of the Chief Executive Officer at 975,000 euros.

Variable compensation

The variable portion of the compensation must be in line with the Chief Executive Officer’s performance, as well as the Company’s strategy and progress. It will be therefore determined partly according to quantifiable, strict and ambitious criteria based on the Group’s financial, non-financial and operational performance, and partly on a qualitative basis. The quantifiable and qualitative objectives to be reached will be set according to specific, strict and ambitious predetermined objectives. These criteria will be determined each year by the Board of Directors, based on recommendations made by the Compensation Committee.

In accordance with the recommendations of the AFEP-MEDEF Code, the total amount of the variable portion is expressed as a percentage of the annual fixed compensation, each criterion granting entitlement to a percentage of the annual fixed compensation.

The maximum amount of the Chief Executive Officer’s variable portion, will be set at 120% of his annual fixed compensation which corresponds to the same level as that of the Chief Operating Officer, the Associate Chief Executive Officer (Directeur Général Adjoint) and the Deputy Chief Executive Officer (Directeur Général Délégué). The decision to cap his variable compensation at 120% of his annual fixed compensation was made by the Board of Directors at its meeting held on March 24, 2021, on the recommendation of the Compensation Committee.

The maximum amount of annual variable compensation (120% of annual fixed compensation) is contingent on the achievement of ambitious objectives to be set by the Board of Directors at a later stage, on the recommendation of the Compensation Committee, and submitted for approval at the 2022 General Shareholders’ Meeting called upon to approve the elements of the 2022 compensation policy of the Chief Executive Officer.

For each quantifiable criterion, the variable portion will vary within a range of 0% to 100% of the maximum amount of annual fixed compensation obtainable under the relevant criterion.

Long-term compensation policy – Performance shares

The aim of allotting performance shares is not only to encourage the Chief Executive Officer to take a long-term approach to his duties, but also to retain him and align his interests with those of Valeo and its shareholders. Under the performance share plans, performance criteria must be met over a period of three consecutive years. Valeo applies strict and ambitious financial and operating performance criteria considered as particularly representative of the Company’s performance. Indeed, the proposed criteria are aimed at reflecting the Group’s strategy, financial, non-financial and operational performance objectives, value creation for Valeo’s shareholders measured using the external performance criterion, the Total Shareholder Return (TSR), and performance measurement.

Thus, for the sake of consistency with the 2021 Chairman and Chief Executive Officer and with the 2021 Deputy Chief Executive Officer long term compensation criteria, the Board of Directors, on the recommendation of the Compensation Committee, established an internal performance criterion relating to the return on capital employed rate (ROCE) as well as an internal performance criterion relating to an EBITDA level which reflects the new criterion for

(1) The CAC 40 and SBF120 Panel, excluding finance and luxury sector companies, is available on the Company’s website (www.valeo.com), under “Corporate Governance”. 
the guidance published by the Group in February 2021, which will also be used in 2022. In addition, given the importance of corporate social responsibility (CSR) issues, the Board of Directors, on the recommendation of the Compensation Committee, has considered it appropriate to set two CSR criteria to the long-term compensation of the Chief Executive Officer, namely an environmental criterion and a gender diversity criterion whose ambitious objectives, published at the time of the free share allocation, will be measured over three years. These objectives will be consistent with the carbon neutrality objectives described in Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” of the 2020 Universal Registration Document and with the gender diversity targets described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph “Diversity policy within the governing bodies” of the 2020 Universal Registration Document. This decision reflects the importance Valeo attaches to these elements and the desire of the Board of Directors to make them part of the long-term objectives.

The performance shares will depend on performance, measured against the following criteria, identical to those applicable to the 2021 Chairman and Chief Executive Officer and to the 2021 Deputy Chief Executive Officer long-term compensation:

(i) two internal performance criteria, namely the EBITDA level as well as the return on capital employed rate (ROCE). The internal performance criteria will represent no more than 60% of the allocated shares (30% for each criterion);

(ii) an external performance criterion, Valeo’s TSR, which will be measured against the CAC 40 index (10%) and against the European Automotive Panel (10%). Thus, the external performance criterion will represent no more than 20% of the allocated shares;

(iii) two corporate social responsibility (CSR)-related criteria: an environmental criterion relating to the level of CO2 emissions and a gender diversity criterion based on the number of women in the Group’s management committees (relating to the 300 most important Group management positions). The CSR criteria will represent no more than 20% of the allocated shares (10% for each criterion).

The maximum amount of long-term compensation of the Chief Executive Officer will be set at 200% of his annual fixed compensation.

The table below summarizes in a synthetic way the criteria and methods used to assess the performance shares selected as part of the compensation policy of the Chief Executive Officer as from the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Weight/Assessment</th>
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<tbody>
<tr>
<td><strong>Internal performance criterion:</strong></td>
<td></td>
</tr>
<tr>
<td>ROCE rate (30%)</td>
<td>Performance measured by two criteria (ROCE rate and EBITDA level) for each of the</td>
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<tr>
<td></td>
<td>three financial years (Y, Y+1, and Y+2) of the vesting period. The criterion will</td>
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<tr>
<td></td>
<td>be satisfied if, for each financial year covered under the grant, the rate</td>
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<tr>
<td></td>
<td>effectively achieved for each criterion is greater than or equal to the target</td>
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<tr>
<td></td>
<td>rate established by the Board of Directors, it being understood that (i) the</td>
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<tr>
<td></td>
<td>target rate cannot be lower than the guidance for the financial year of</td>
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<td></td>
<td>reference, (ii) the selected criterion cannot be changed by the Board of</td>
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<tr>
<td></td>
<td>Directors at a later date and (iii) the target rates cannot be changed by the</td>
</tr>
<tr>
<td></td>
<td>Board of Directors at a later date, except by a duly justified decision in the</td>
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<tr>
<td></td>
<td>context of exceptional circumstances beyond the beneficiaries’ control.</td>
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<tr>
<td></td>
<td>• If, for each financial year covered by the scheme, the rate of achievement of</td>
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<tr>
<td></td>
<td>the corresponding criterion is greater than or equal to the target rate for each</td>
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<tr>
<td></td>
<td>of those three financial years: 100%</td>
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<tr>
<td></td>
<td>• If, for only two of the financial years covered by the scheme, the rate of</td>
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<tr>
<td></td>
<td>achievement of the corresponding criterion is greater than or equal to the target</td>
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<td></td>
<td>rate for each of those two financial years: 50%</td>
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<td></td>
<td>• If, for only one of the financial years covered by the scheme, the rate of</td>
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<tr>
<td></td>
<td>achievement of the corresponding criterion is greater than or equal to the target</td>
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<tr>
<td></td>
<td>rate for that financial year: 20%</td>
</tr>
<tr>
<td></td>
<td>• If the target rate for the corresponding criterion is not satisfied for any of</td>
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<td></td>
<td>the financial years covered by the scheme: 0%</td>
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<tr>
<td>EBITDA level (30%)</td>
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<tr>
<td><strong>External performance criterion:</strong></td>
<td></td>
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<tr>
<td>TSR (20%)</td>
<td>TSR recorded over a period of three years from January 1 of the allotment year to</td>
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<tr>
<td></td>
<td>December 31 of the year prior to delivery.</td>
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<td></td>
<td>• If Valeo’s TSR recorded over the reference period is greater than the CAC 40</td>
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<td>index’s TSR recorded over the reference period: 100% (0% if equal or lower).</td>
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<td></td>
<td>• If Valeo’s TSR recorded over the reference period is greater than the median of</td>
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<td></td>
<td>the TSRs of the companies in the European Automotive Panel over the reference</td>
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<tr>
<td></td>
<td>period: 100% (0% if equal or lower).</td>
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<tr>
<td><strong>Corporate social responsibility:</strong></td>
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<tr>
<td>CO2 emissions (10%)</td>
<td>CSR criterion recorded over a period of three years from January 1 of the allotment</td>
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<tr>
<td></td>
<td>year to December 31 of the year prior to delivery and published at the time of</td>
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<td>the free shares allotment.</td>
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<td></td>
<td>• If the level of CO2 emissions recorded over the reference period is lower than</td>
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<td>or equal to the target rate established for the reference period: 100% (0% if</td>
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<td>greater).</td>
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<td></td>
<td>• If the number of women within the Group’s management committees (relating to the</td>
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<td>300 most important Group management positions) recorded over the reference</td>
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<tr>
<td></td>
<td>period is greater than or equal to the target rate established for the reference</td>
</tr>
<tr>
<td></td>
<td>period: 100% (0% if lower).</td>
</tr>
<tr>
<td>the number of women within the Group’s management committees (relating to the</td>
<td></td>
</tr>
<tr>
<td>300 most important Group management positions) (10%)</td>
<td></td>
</tr>
</tbody>
</table>
Pension plan

As an employee of the Group, Christophe Périllat benefits from the so-called “Article 39” defined benefit pension plan, which 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, effective as of January 1, 2020, in accordance with Article L. 137-11-2 of the French Social Security Code, has been made in favor of Christophe Périllat, as an employee of the Group (the “New Plan”), which will continue during his term of office as Deputy Chief Executive Officer during which his employment contract will be suspended.

It is noted that, as from the appointment of the Deputy Chief Executive Officer as Chief Executive Officer, his employment contract will be terminated. The termination of Christophe Périllat’s employment contract will entail the loss of the benefit of the supplementary pension plan currently attached to his status as employee for the defined benefit pension plan to which he would have been entitled to the benefit of a supplementary pension plan if he had remained an employee within Valeo until his retirement, except for the rights acquired under the New Plan put in place as of January 1, 2020 until the term of his employment contract (i.e. as of the date of his appointment as Chief Executive Officer).

Thus, as of January 2022, the Chief Executive Officer will benefit from an optional defined contribution plan, to replace the acquisition of rights under the defined benefit pension plan.

This plan is governed by Article 82 of the French General Tax Code and allows the employee to build up a capital sum to which he is entitled at retirement. Thus, Valeo will no longer guarantee a certain level of pension but will pay an annual contribution.

Under this new mechanism, the amount paid by the Company will be split between a payment to the insurance company on an individual account in Christophe Périllat’s name and a payment to Christophe Périllat to take into account the social costs and taxes due on the payments made to the insurance company.

The annual gross amount of the payments made by the Company to the insurance company will total 10% of the annual fixed and variable compensation received in each year of vesting, subject to the achievement of the performance condition described hereunder.

Given the loss of the defined benefit pension plan and the accrued rights at the end of 2019, a gross annual amount will also be paid to the insurance company amounting to:

- 10% for the 2022 and 2023 financial years;
- 12.5% for the 2024 and 2025 financial years;
- 15% for the 2026 and 2027 financial years;
- 20% for the 2028 to 2030 financial years (or the following financial years).

These rates will apply to the annual fixed and variable compensation received in each year of vesting, subject to the achievement of a performance condition.
Thus, the gross annual amount paid to the insurance company is subject to a performance condition considered to be achieved if the variable portion of the beneficiary’s compensation, paid in year \( Y+1 \) in respect of year \( Y \), reaches 70% of his fixed compensation due in respect of year \( Y \). In the event that the variable portion does not reach 70% of the fixed compensation, the gross annual amount paid will be calculated on a pro rata basis down to zero.

This new scheme was chosen between several alternatives and represents a lower total cost for the Company than the previous plans by approximately 36%, while retaining a retention effect similar to these previous pensions plans insofar as Christophe Périllat will have to remain with Valeo until the age of 65 to benefit from a supplementary pension of equivalent value to that which he had at the time his employment contract was terminated. For example, if he were to retire at 62 (age at which Christophe Périllat will be entitled to claim his legal, and therefore supplementary, pension entitlements) under this new scheme, he would receive a lower pension than under the old plan, with a discount of more than 40%.

**Benefits in kind**

The Chief Executive Officer will also be entitled to benefits in kind which will be set by the Board of Directors, when determining the executive corporate officer’s overall compensation. He will therefore be entitled to coverage under the unemployment insurance fund for company managers, the collective and mandatory health, death and disability plan and life insurance covering death, disability or the consequences of any accidents that may occur during business travel. Valeo will also provide him with a company car and a driver.

**Non-compete compensation and termination benefits**

**Non-compete compensation**

In order to protect the Company’s interests, a non-compete clause binding the Chief Executive Officer will be put in place by the Board of Directors.

If the Company triggers the non-compete clause, the executive corporate officer would be prohibited from working in any way for an automotive supplier or, more generally, for any of Valeo’s competitors. The clause will apply for 12 months after the end of his term of office as Chief Executive Officer of Valeo, regardless of the reason for termination.

In consideration, the executive corporate officer would receive non-compete compensation equal to 12 months of compensation (calculated by taking the average compensation (fixed and variable) paid as Chief Executive Officer and, as the case may be, as an employee for the 36 months preceding the month of departure). The compensation would be paid in equal monthly instalments over the entire period to which the non-compete clause applies.

If the Company triggers the non-compete clause, the amount owed would be taken into account to determine his termination benefit described below. As a result, the maximum amounts likely to be paid to the Chief Executive Officer in the form of a non-compete payment and/or termination benefits would be equal to twice the annual compensation (fixed and variable), in accordance with the recommendation of the AFEP-MEDEF Code.

In any event, in accordance with the recommendations of the AFEP-MEDEF Code, no non-compete compensation shall be paid beyond the age of 65 or if the Chief Executive Officer claims his retirement benefits. The Board of Directors will have to decide whether or not the non-compete agreement will be applied at the time the Chief Executive Officer leaves.

The Company reserves the right not to implement this agreement and to waive the non-compete clause (in which case no compensation would be owed).

**Termination benefits**

In the event of early termination of his duties following a change in control or strategy, the Chief Executive Officer shall be entitled, at the initiative of the Company and with the approval of the Board of Directors, except on the grounds of willful misconduct in the performance of his duties, to termination benefits paid by the Company for a maximum amount of his total compensation as Chief Executive Officer and, as the case may be, as an employee, during the two years preceding the end of his term of office.

Those termination benefits are submitted to performance criteria applicable to the annual variable compensation, in accordance with the following formula:

\[ \text{Total compensation paid as Chief Executive Officer and, as the case may be, as an employee during the two years preceding the end of his term of office} \times \left( \frac{\text{average (in %)} \text{ of the results achieved for the annual variable compensation as Chief Executive Officer and, as the case may be, as an employee, applicable to the three financial years preceding the departure}}{100} \right) \]

Furthermore, the amount effectively paid by the Company would be reduced, as the case may be, so that any other compensation would not have an effect of awarding him with a total compensation higher than the aforementioned amount of two years of compensation, in accordance with the AFEP-MEDEF Code.
Other compensation components – No multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, directors’ compensation, benefits of any kind under agreements with the Company or any Group company or options or any other long-term compensation component

The Chief Executive Officer will not be entitled to multi-annual variable compensation, compensation or benefits on appointment or exceptional compensation.

The Chief Executive Officer will not receive compensation in his capacity as director. The Chief Executive Officer will not be entitled to any compensation or other benefits as a result of agreements entered into with the Company or any Group company.

No stock purchase or subscription options or other long-term compensation component other than performance shares will be granted to the Chief Executive Officer.

In accordance with Articles L. 22-10-8 and L. 22-10-34 (former Articles L. 225-37-2 and L. 225-100, II. and III.) of the French Commercial Code, the Chief Executive Officer’s variable compensation for a given financial year will only be paid once the fixed, variable and exceptional components comprising the total compensation and benefits package paid or awarded to the Chief Executive Officer in respect of the relevant financial year have been approved by the shareholders at an Ordinary Shareholders’ Meeting (ex post vote).

In accordance with Article L. 22-10-8, III. (former Article L. 225-37-2 III.) of the French Commercial Code, having consulted the Compensation Committee and, where appropriate, the other Specialized Committees, the Board of Directors will, in exceptional circumstances, temporarily have the discretionary power to adjust the provisions relating to the quantifiable variable components of the compensation policy for the Chief Executive Officer, in particular where the changes made are in line with the corporate interest and necessary to guarantee Valeo’s long-term future or viability. Events that may lead to the use of this option include events outside Valeo’s control that could not have been reasonably foreseen or quantified when the compensation policy was drawn up.
APPENDIX 7

Compensation policy applicable to the Chairman of the Board of Directors in anticipation of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer from January 2022

In accordance with the succession plan unanimously approved by the Board of Directors on October 27, 2020 and disclosed on the same day, Jacques Aschenbroich will continue to act as Chairman of the Board of Directors until the end of his current term of office as Director, i.e. until May 2023, and will be vested with specific missions which aim to ensure a smooth transition with Christophe Périllat who will succeed Jacques Aschenbroich in his role as Chief Executive Officer of the Company from January 2022 (cf. section 3.2.1 “Composition of the Board of Directors”, paragraph “Succession plan” of the 2020 Universal Registration Document).

Jacques Aschenbroich does not have an employment contract with the Valeo Group.

The Board of Directors held on March 24, 2021, on the recommendation of the Compensation Committee, set the compensation policy of the Chairman of the Board of Directors which will be submitted for approval at the Shareholders’ Meeting of May 26, 2021 in anticipation of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer planned for January 2022.

Fixed compensation

The Chairman of the Board of Directors is entitled to an annual fixed compensation, excluding any other compensation element, in accordance with the recommendations of the AFEP-MEDEF Code.

The Board of Directors held on March 24, 2021, has decided, on the recommendation of the Compensation Committee, to set Jacques Aschenbroich’s annual fixed compensation for his role as Chairman of the Board of Directors following the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer taking into consideration the following elements:

- Jacques Aschenbroich’s experience, skills and career within Valeo;
- the range and scope of the specific missions that would be assigned to him as Chairman of the Board of Directors during the managerial transition period;
- the benchmark study of an external advisor (Willis Towers Watson) on the compensation of Chairmen of a Board of Directors who have specific missions and who previously held executive positions in the same company;
- the compensation given to Jacques Aschenbroich as Chairman of the Board of Directors being (i) temporary (until the end of his term of office as Director in May 2023), (ii) expressly indexed on Jacques Aschenbroich’s role during the transition period and not constituting a reference point for a future role as Chairman of the Board of Directors and (iii) related to exceptional circumstances necessary for the implementation of the succession plan within Valeo, in this particularly complex period due to the Covid-19 crisis, and to the essential role of Jacques Aschenbroich in such implementation;
- his contribution to a successful managerial transition.

On this basis, the Board of Directors held on March 24, 2021, on the recommendation of the Compensation Committee, set Jacques Aschenbroich’s annual fixed compensation following the separation of the roles of Chairman of the Board of Directors and of Chief Executive Officer until the end of his term of office which will terminate in May 2023 at 800,000 euros.

Variable compensation

Jacques Aschenbroich will not be entitled to variable compensation.

(1) The specific missions entrusted to Jacques Aschenbroich as Chairman of the Board of Directors will be carried out at the request of the Chief Executive Officer and will be without prejudice to (i) the executive functions of the Chief Executive Officer, who alone is responsible for the executive and operational management of Valeo and (ii) the powers of the Board of Directors.

(2) This panel is available on the Company’s website (www.valeo.com), under “Corporate Governance”.

Valeo - Notice of Meeting 2021
Long-term compensation policy – Allotment of performance shares

No performance shares will be allotted to Jacques Aschenbroich for his sole role as Chairman of the Board of Directors.

At the end of the holding period set out by the Board of Directors, the Chairman of the Board of Directors will also have to hold a significant number of vested performance shares in the form of registered shares until the end of his term of office. This holding obligation corresponds to 50% of the vested performance shares(1).

Pension plan

The Chairman of the Board of Directors will not benefit from any additional right in the Company supplementary pension plan.

Benefits in kind

Jacques Aschenbroich will be provided, as Chairman of the Board of Directors, with a company car and a driver.

Other compensation components – No multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits, non-compete compensation, directors’ compensation, benefits of any kind under agreements with the Company or any Group company or options or any other long-term compensation component

The Chairman of the Board of Directors will not be entitled to multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits or non-compete compensation.

The Chairman of the Board of Directors will not receive compensation in his capacity as director. The Chairman of the Board of Directors will not be entitled to any compensation or other benefits as a result of agreements entered into with the Company or any Group company.

No stock purchase or subscription options or other long-term compensation component will be granted to the Chairman of the Board of Directors.

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(1) Since joining the Group as Chief Executive Officer on March 20, 2009, Jacques Aschenbroich has not sold any shares obtained by exercising stock purchase or subscription options allotted to him, nor sold any vested performance shares.
### APPENDIX 8

**Summary table of financial resolutions submitted by the Board of Directors to this General Shareholders’ Meeting**

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Period of validity</th>
<th>Possible reasons for use of the authorisation or the delegation</th>
</tr>
</thead>
</table>
| 16  | Share buyback program | 18 months. | **Possible purposes for such share buyback program:**  
- The implementation of any stock option plan enabling the acquisition of Company’s shares, in particular by any employee and/or corporate officer.  
- The allocation of free shares, in particular to employees and/or corporate officers.  
- The allocation or sale of shares to employees as part of their involvement in the performance and growth of the Company or the implementation of any employee savings plans (or similar plan) under the conditions set out by the laws.  
- Generally, compliance with obligations in respect of stock option plans or other allocations of shares to employees or corporate officers.  
- The delivery of shares upon exercise of the rights attached to securities giving access to the share capital.  
- Retention and subsequent delivery shares in the context of external growth transactions, mergers, spin-offs or contributions.  
- The cancellation of all or part of the repurchased shares.  
- Ensuring the market-making of the Company’s share pursuant to a liquidity contract in accordance with market practice accepted by the French Financial Markets Authority (Autorité des marchés financiers).  
- Carrying out any market practice that may become authorised by market authorities and generally the completion of any other transaction in accordance with laws and regulations that are or may become applicable. |
| 17  | Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary, with maintenance of the PSR. | 26 months. | **May be used by the Board of Directors in order to raise funds on the market, with speed and flexibility, by approaching all shareholders in order to obtain the resources necessary to finance the growth and development of the Company and its Group.**  
**Use with maintenance of the PSR.** |
| 18  | Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary by way of a public offering (other than as referred to in Article L. 411-2 of the French Monetary and Financial Code), with cancellation of the PSR. | 26 months. | **May be used by the Board of Directors in order to carry out a distribution of securities on the best terms, especially when transaction speed is an essential condition of success, or where securities are issued on foreign financial markets.**  
**May be used to issue shares or securities giving immediate or future access to the share capital of the Company or a Subsidiary as compensation for securities contributed to a public exchange offer for the securities of a company meeting the conditions set out in Article L. 22-10-54 of the French Commercial Code.**  
**Use with cancellation of the PSR.** |
### Summary table of financial resolutions submitted by the Board of Directors

#### Period of 26 months.

- **Maximum nominal amount for share capital increases:** 23 million euros (i.e. 9.52% of the share capital as at December 31, 2020), limit jointly applicable with the 19th, 20th, 21st and 23rd resolutions, included in the Global Ceiling (Equity).
- **Maximum nominal amount for debt securities:** 1.5 billion euros, included in the Global Ceiling (Debt).

- **Issue of shares and securities giving immediate or future access to the share capital of the Company or a Subsidiary (including securities that are equity securities giving entitlement to the allocation of debt securities).**
- **Possibility to grant subscription right on a reducible basis.**
- **May not be used during a public offer.**

- **Share buyback program.**
- **Possible purposes for such share buyback program:**
  - 5% for shares acquired to hold and remit at a later date in external growth transactions, mergers, spin-offs or contributions.
  - Global amount allocated to the share buyback program: 1,692,021,800 euros (excluding acquisition costs).
  - 18 months.

- **Issue of shares and securities giving immediate or future access to the share capital of the Company or a Subsidiary as compensation for securities contributed to a public exchange offer launched by the Company.**

<table>
<thead>
<tr>
<th>Ceilings</th>
<th>Price</th>
<th>Conditions for the implementation of the authorisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 10% of the share capital (at any time).</td>
<td>Maximum purchase price: 70 euros per share (excluding acquisition costs).</td>
<td>May not be used during a public offer.</td>
</tr>
<tr>
<td>• 5% for shares acquired to hold and remit at a later date in external growth transactions, mergers, spin-offs or contributions.</td>
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<tr>
<td>• Global amount allocated to the share buyback program: 1,692,021,800 euros (excluding acquisition costs).</td>
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<tr>
<td>• Maximum nominal amount for share capital increases: 70 million euros (i.e. 28.96% of the share capital as at December 31, 2020), included in the Global Ceiling (Equity) (131 million euros).</td>
<td>Minimum price: nominal value.</td>
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<tr>
<td>• Maximum nominal amount for debt securities: 1.5 billion euros, included in the Global Ceiling (Debt) (1.5 billion euros).</td>
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<tr>
<td>• Maximum nominal amount for share capital increases: 70 million euros (i.e. 28.96% of the share capital as at December 31, 2020), included in the Global Ceiling (Equity) (131 million euros).</td>
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<td>• Maximum nominal amount for debt securities: 1.5 billion euros, included in the Global Ceiling (Debt).</td>
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</table>

**Shares:** the issue price will be at least equal to the minimum price per share set by the laws and regulations applicable on the issue date after correction, if necessary, of this amount to take into account the difference in the dividend entitlement date (as an indication on the day of the General Meeting hereof), a price at least equal to the weighted average Company share price of the last three trading sessions on the regulated market of Euronext Paris preceding the determination of the subscription price, possibly minus a maximum 10% discount.

**Securities:** regarding any share issued as a result of the issue of securities giving access to the share capital, the total amount received by the Company for such securities will be at least equal to the minimum issue price per share set out by the applicable laws and regulations (as described above). The above rules are not applicable in the event of remuneration for securities within the framework of a public exchange offer launched by the Company.

**Issue of shares and securities giving immediate or future access to the share capital of the Company or a Subsidiary (including securities that are equity securities giving access to the debt securities) with the possibility to issue these securities following the issue by a Subsidiary of securities giving access to the Company’s share capital under the conditions provided for by law.**

**Option to establish a non-tradable priority right, on a reducible basis as the case may be, to be exercised in accordance with the terms set out by the Board of Directors.**

**May not be used during a public offer.**
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</table>
| 19  | Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary by way of a public offering referred to at Article L. 411-2, 1° of the French Monetary and Financial Code, with cancellation of the PSR. | 26 months. | • May be used by the Board of Directors in order to carry out a distribution of securities on the best terms, especially when transaction speed is an essential condition of success, or where securities are issued on foreign financial markets.  
• Use with cancellation of the PSR. |
| 20  | Setting of issue price by the Board of Directors on terms set by the General Shareholders’ Meeting in the event shares and/or securities giving immediate or future access to share capital are issued, with cancellation of the PSR. | 26 months. | Allows the price of shares or securities issued by way of a public offering (other than as referred to in Article L. 411-2 of the French Monetary and Financial Code) and/or by way of a public offering referred to at Article L. 411-2 1° of the French Monetary and Financial Code (18th and 19th resolutions), with cancellation of the PSR. |
| 21  | Increase of the number of securities in the event of an issue with maintenance of or cancellation of the PSR, as part of the over-allotment options applicable if the demand exceeds the number of securities offered. | 26 months. | May be used to re-open an issue in the event of over-allotment (greenshoe clause). |
| 22  | Share capital increase by capitalisation of premiums, reserves, profits or other amounts that may be capitalised | 26 months. | May be used to increase the share capital by capitalisation of reserves, profits, premiums and other amounts that may be capitalised without any contribution of “fresh money” being necessary. The shareholders’ rights would not be affected by such transaction, since it would involve the issue of new securities allocated free of charge or the increase of the nominal value of existing securities. |
### Ceilings

- **Maximum nominal amount for share capital increases**: 23 million euros (i.e. 9.52% of the share capital as of December 31, 2020), limit jointly applicable with the 18\(^{\text{th}}, 20^{\text{th}}, 21^{\text{st}}, \) and 23\(^{\text{rd}}\) resolutions and included in the Global Ceiling (Equity).
- **Maximum nominal amount for securities representing debt securities**: 15 billion euros, included in the Global Ceiling (Debt).

### Price

- **Shares**: the price will be at least equal to the minimum price per share set out by the laws and regulations applicable on the issue date (as at the date hereof, the weighted average Company share price of the last three trading sessions on the regulated market of Euronext Paris preceding the determination of the subscription price, possibly minus a maximum 10%).
- **Securities**: regarding any share issued as a result of the issue of securities giving access to the share capital, the total amount received by the Company for such securities will be at least equal to the minimum issue price per share set out by the applicable laws and regulations (as described above).

### Conditions for the implementation of the authorisation

- **Issue of shares and securities giving immediate or future access to the share capital of the Company or a Subsidiary (including securities that are equity securities giving access to the debt securities) with the possibility to issue these securities following the issue by a Subsidiary of securities giving access to the Company's share capital under the conditions provided for by law.**
- **May not be used during a public offer.**

### 10% of share capital assessed as at the date of the issue decision, every twelve months.

- **Maximum nominal amount of the share capital increases would be set at 23 million euros (i.e. 9.52% of the share capital as of December 31, 2020), jointly applicable to the 18\(^{\text{th}}, 19^{\text{th}}, 21^{\text{st}}, \) and 23\(^{\text{rd}}\) resolutions, and this would also count toward the Global Ceiling (Equity).**
- **Maximum nominal amount of debt securities**: 15 billion euros which would count toward the Global Ceiling (Debt).

- **Shares**: issue price would be at least equal to the volume-weighted average price of Company shares on the Euronext Paris regulated market over the course of the last trading day preceding the date on which the issue price is set or, if lower, the volume-weighted average price of Company shares on the Euronext Paris regulated market at the time the issue price is set, in both cases with a potential reduction of up to 10%.
- **Securities**: the total amount received by the Company, for each equity share issued as a result of the issue of these securities, should be at least equal to the issue price per share set out above.

### 15% of the initial issue.

- **Ceilings of the resolution under which the issue is decided, jointly with those under the 18\(^{\text{th}}, 19^{\text{th}}, 20^{\text{th}}, \) and 23\(^{\text{rd}}\) resolutions and included in the Global Ceilings (Equity and Debt).**

- **Price identical to that applicable to the initial issue.**

### Maximum nominal amount for share capital increases: 30 million euros.

- **Amount of the sums to be capitalised determined by the Board of Directors.**

- **May be used in the event of excess demand for issues carried out under the 17\(^{\text{th}}, 18^{\text{th}}, \) or 19\(^{\text{th}}\) resolutions.**
- **May not be used during a public offer.**
<table>
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<tbody>
<tr>
<td>23</td>
<td>Issue of shares and/or securities giving, immediate or future, access to the share capital of the Company to be used as remuneration for contributions in kind granted to the Company, with cancellation of the PSR.</td>
<td>26 months.</td>
<td>May be used to carry out external growth transactions in France or abroad or to repurchase minority stakes within the Group without any impact on the Company’s cash.</td>
</tr>
</tbody>
</table>
| 24  | Issue of shares and/or securities giving, immediate or future access to the share capital of the Company reserved for members of a savings plan, with cancellation of the PSR. | 26 months.         | • May be used by the Board of Directors to offer Group employees in France and abroad the option of subscribing for securities, to involve them more closely in the growth of the Company, in both its traditional markets and emerging markets.  
  • Meets applicable statutory requirements to propose a draft resolution concerning a share capital increase reserved for employee members of a company savings plan when a proposal for a share capital increase via contributions in cash is made to the shareholders, save where the increase results from a prior issue of securities giving access to the share capital.  
  • Use with cancellation of the PSR. |
### Ceilings
- Maximum nominal amount for capital increase: 23 million euros (i.e. 9.52% of the share capital as at December 31, 2020, limit lower than the legal limit of 10%), limit jointly applicable with the 18th, 19th, 20th, and 21st resolutions and included in the Global Ceiling (Equity).
- Maximum nominal amount for debt securities: 1.5 billion euros, included in the Global Ceiling (Debt).

### Price
- Appraisal of the contributions, of the type of securities to be issued, the number of securities to be issued and of the amount of the potential cash adjustments to be paid, to be determined by the Board of Directors.
- Price at least equal to the Reference Price with possible discount up to the maximum discount provided for by law.
- Option to reduce or cancel discounts, within statutory and regulatory limits to take locally applicable laws and regulations into account.
- Possibility of allocating additional securities in lieu of all or part of the discount on the Reference Price and/or employer's contribution, the resulting benefit may not exceed legal or regulatory limits.

### Conditions for the implementation of the authorisation
- Issue of shares and securities giving access to the share capital (including equity securities giving entitlement to allocation of debt securities).
- Issue of shares and securities giving access to the share capital (including equity securities giving entitlement to allocation of debt securities).
- This resolution cannot be used in the event of issue of securities as consideration for securities contributed to a public exchange offer (transaction included in the 18th resolution).
- Issues carried out to the benefit of contributors, without PSR.
- May not be used during a public offer.
- Issue of shares and securities giving access to the share capital (including equity securities giving entitlement to allocation of debt securities).
- Issue of shares and securities giving access to the share capital (including equity securities giving entitlement to allocation of debt securities).
- May not be used during a public offer.
### Possible reasons for use of the authorisation or the delegation

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</table>
| 25  | Allocations of existing shares or shares to be issued free of charge to Group employees or corporate officers, or a subset thereof, with automatic waiver from the shareholders of their PSR. | 26 months.         | • May be used by the Board of Directors to involve employees and corporate officers in the Group's success through a stake in Company share capital.  
• Set-up of free and performance share plans aimed at increasing Group employee and corporate officer loyalty and motivation.  
• Automatic waiver from the shareholders of their PSR. |
Maximum number of Free Shares and/or Performance Shares that can be allocated: 4,500,000 shares (i.e. approximately 1.86% of share capital as of December 31, 2020).

Maximum number of Performance Shares allocated to corporate officers: 369,000 shares, i.e. approximately 0.14% of share capital as of December 31, 2020. The maximum number of conditional Performance Shares that can be allotted, valued under IFRS standards, cannot exceed the maximum as set in the applicable compensation policy.

Restaurant Options:

- **Maximum number of Free Shares and/or Performance Shares that can be allocated**: 4,500,000 shares (i.e. approximately 1.86% of share capital as of December 31, 2020).
- **Maximum number of Performance Shares allocated to corporate officers**: 369,000 shares, i.e. approximately 0.14% of share capital as of December 31, 2020. The maximum number of conditional Performance Shares that can be allotted, valued under IFRS standards, cannot exceed the maximum as set in the applicable compensation policy.

### Conditions for the implementation of the authorisation

- **General conditions**: allocations of Free Shares and Performance Shares to all employees and to corporate officers (i.e. the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Executive Officer (after the separation of roles)).
- **Minimum vesting period**: 3 years after the allocation date.
- **Performance conditions** measured for each of the financial years (Y, Y+1, and Y+2) covered by the vesting period applicable to the corporate officers and Operations Committee members:

  Two internal performance criteria (60% of the grant, 30% for each criterion): the EBITDA level and the ROCE rate, satisfied if for each financial year covered under the grant, the rate effectively achieved for each criterion examined is greater than or equal to the target rate established by the Board of Directors, it being understood that (i) the target rate cannot be lower than the guidance for the financial year of reference, (ii) the selected criterion cannot be changed by the Board of Directors at a later date and (iii) the target rates cannot be changed by the Board of Directors at a later date, except by a duly justified decision in the context of exceptional circumstances beyond the beneficiaries’ control.

  The number of Performance Shares granted that will definitively vest varies according to the rate of achievement of the criterion concerned: (i) if the achievement rate is, for each year covered by the plan, ≥ the target rate set for each of these three financial years: 100%, (ii) if the achievement rate is, for only two years covered by the plan, ≥ the target rate set for those two financial years concerned: 50%, (iii) if the achievement rate is, only for one financial year covered by the plan, ≥ the target rate set for that financial year: 20%, and (iv) if the achievement rate of the criterion in question is not achieved for any of the financial years covered by the acquisition period: 0%.

  Two corporate social responsibility criteria (CSR) (20% of shares allotted, 10% per criterion): ascertaining CSR criteria to be satisfied: (x) an environmental criterion relating to the amount of CO₂ emissions (for 10%), and (y) a gender diversity criterion based on the number of women in the Group’s management committees (relating to the 300 most important Group management positions) (for 10%), as determined by the Board of Directors over a three-year period (allotment year Y, Y+1, Y+2) and published at the time of the free shares allotment. These objectives, measured over three years, must be consistent with the carbon neutrality objectives described in Chapter 4, section 4.1.3 “Valeo’s carbon neutrality Plan by 2050” in the 2020 Universal Registration Document and with the gender targets described in subsection 3.2.1 “Composition of the Board of Directors”, paragraph “Diversity policy within the governing bodies” of the 2020 Universal Registration Document; (i) if the level of CO₂ emissions recorded over the period of reference is ≤ the target rate for that period: 100% (0% if >), (ii) if the number of women on the Group’s management committees (relating to the 300 most important Group management positions) (for 10%) recorded over the period of reference is ≥ the target rate for that period: 100% (0% if <).

  External performance criteria (20% of allocated shares, i.e. 10% per criterion): recording a certain level of Valeo Total Shareholder Return (TSR) measured against the TSR of the CAC 40 index and the TSR of a panel of European companies in the automotive sector set by the Board of Directors and disclosed by the Company over a three-year period (allotment year Y, Y+1, Y+2): (i) if Valeo’s TSR recorded over the reference period is > CAC 40 index TSR over the reference period: 100% (0% if ≤); (ii) if Valeo’s TSR recorded over the reference period is > median of the TSR of companies from a panel of European companies in the automotive sector over the reference period: 100% (0% if ≤).

  The panel used by the Board of Directors is not intended to evolve unless in the structure or business of one of the companies makes it less relevant, in which case it will be replaced by another company to maintain the greatest possible comparability between Valeo and its peers.

<table>
<thead>
<tr>
<th>Ceilings</th>
<th>Price</th>
<th>Conditions for the implementation of the authorisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td>• General conditions: allocations of Free Shares and Performance Shares to all employees and to corporate officers (i.e. the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer and the Chief Executive Officer (after the separation of roles)).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Minimum vesting period: 3 years after the allocation date.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Performance conditions measured for each of the financial years (Y, Y+1, and Y+2) covered by the vesting period applicable to the corporate officers and Operations Committee members:</td>
</tr>
</tbody>
</table>

Two internal performance criteria (60% of the grant, 30% for each criterion): the EBITDA level and the ROCE rate, satisfied if for each financial year covered under the grant, the rate effectively achieved for each criterion examined is greater than or equal to the target rate established by the Board of Directors, it being understood that (i) the target rate cannot be lower than the guidance for the financial year of reference, (ii) the selected criterion cannot be changed by the Board of Directors at a later date and (iii) the target rates cannot be changed by the Board of Directors at a later date, except by a duly justified decision in the context of exceptional circumstances beyond the beneficiaries’ control.

The number of Performance Shares granted that will definitively vest varies according to the rate of achievement of the criterion concerned: (i) if the achievement rate is, for each year covered by the plan, ≥ the target rate set for each of these three financial years: 100%, (ii) if the achievement rate is, for only two years covered by the plan, ≥ the target rate set for those two financial years concerned: 50%, (iii) if the achievement rate is, only for one financial year covered by the plan, ≥ the target rate set for that financial year: 20%, and (iv) if the achievement rate of the criterion in question is not achieved for any of the financial years covered by the acquisition period: 0%.

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External performance criteria (20% of allocated shares, i.e. 10% per criterion): recording a certain level of Valeo Total Shareholder Return (TSR) measured against the TSR of the CAC 40 index and the TSR of a panel of European companies in the automotive sector set by the Board of Directors and disclosed by the Company over a three-year period (allotment year Y, Y+1, Y+2): (i) if Valeo’s TSR recorded over the reference period is > CAC 40 index TSR over the reference period: 100% (0% if ≤); (ii) if Valeo’s TSR recorded over the reference period is > median of the TSR of companies from a panel of European companies in the automotive sector over the reference period: 100% (0% if ≤).

The panel used by the Board of Directors is not intended to evolve unless in the structure or business of one of the companies makes it less relevant, in which case it will be replaced by another company to maintain the greatest possible comparability between Valeo and its peers.
<table>
<thead>
<tr>
<th>no.</th>
<th>Description</th>
<th>Period of validity</th>
<th>Possible reasons for use of the authorisation or the delegation</th>
</tr>
</thead>
</table>
| 25  | Allocations of existing shares or shares to be issued free of charge to Group employees or corporate officers, or a subset thereof, with automatic waiver from the shareholders of their PSR. | 26 months.        | • May be used by the Board of Directors to involve employees and corporate officers in the Group's success through a stake in Company share capital.  
• Set-up of free and performance share plans aimed at increasing Group employee and corporate officer loyalty and motivation.  
• Automatic waiver from the shareholders of their PSR. |
| 26  | Share capital decrease by cancellation of treasury shares                                          | 26 months.        | May be used to reduce the Company’s share capital for various financial purposes such as active capital management, balance sheet optimisation or offsetting of the dilution resulting from share capital increases. |
### Ceilings

- **Maximum number of Free Shares and/or Performance Shares that can be allocated**: 4,500,000 shares (i.e. approximately 1.86% of share capital as of December 31, 2020).
- **Maximum number of Performance Shares allocated to corporate officers**: 350,000 shares, i.e. approximately 0.14% of share capital as of December 31, 2020. The maximum number of conditional Performance Shares that can be allotted, valued under IFRS standards, cannot exceed the maximum as set in the applicable compensation policy.

### Price

- **N/A**

### Conditions for the implementation of the authorisation

- Performance conditions measured for each of the three financial years (Y, Y+1, Y+2) covered by the vesting period applicable to Liaison Committee members other than Operations Committee members (up to 100% of the allocations) and to those reporting directly to Liaison Committee members and to other Group executives (up to 50% of the allocations): subject to two internal performance criteria (50% for each criterion), namely an EBITDA rate and an ROCE rate; rules for meeting these two criteria as well as the allocation scale are same as for allocations to corporate officers and Operations Committee members.
- Shares allocated to other staff members (at lower levels of responsibility) would be Free Shares (and would not be subject to performance criteria).
- Free Shares allocated to participants outside France under a worldwide employee shareholding plan shall be allocated as a type of conditional matching (abondement conditionnel). For the avoidance of doubt, these Free Shares are not subject to performance criteria.
- Additional conditions applicable to corporate officers:
  - Condition of presence: the conditions for receiving any final award of Performance Shares, including if they leave the Company, are described in section 3.3.1 “Compensation policies for corporate officers”, (i) subsection “Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2021”, “Long-term compensation policy – Allotment of performance shares” of the Company’s 2020 Universal Registration Document, (ii) subsection “Compensation policies for Christophe Périllat as Deputy Chief Executive Officer and then as Chief Executive Officer, part ‘Long-term compensation policy – Allotment of performance shares’ of the Company’s 2020 Universal Registration Document, and (iii) subsection “Compensation policies for Christophe Périllat as Deputy Chief Executive Officer and then as Chief Executive Officer”, part “Compensation policy for Christophe Périllat as Chief Executive Officer in anticipation of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer”, “Long-term compensation policy – Allotment of Performance Shares” of the Company’s 2020 Universal Registration Document.
  - Holding obligations: after the three-year vesting period, there is a two-year non-disposal period followed by an obligation to continue to hold at least 50% of the vested Performance Shares in registered form until the end of their term of office;
  - Additional conditions for beneficiaries other than corporate officers: condition of presence (in particular, employment contract or corporate office of the beneficiary in force, not being in a notice period on the vesting date due to resignation, dismissal, or contractual termination, as the case may be, except in defined exceptions (death, total, permanent disability, retirement or pre-retirement, disposal of beneficiary’s entity or decision of the Board of Directors)).
  - Additional condition applicable to corporate officers, Operations Committee and Liaison Committee members: no risk-hedging operations.

### Notes

- 10% of the share capital per 24-month period.
GLOSSARY

Free Shares and Performance Shares
The definitions of Free Shares and Performance Shares are set out in paragraph II, H. Association of employees and corporate officers in the share capital of your Company: allocation of free shares existing or to be issued (twenty-fifth resolution).

Global Ceiling (Equity)
General ceiling for capital increases carried out pursuant to the seventeenth to twenty-first, twenty-third, and twenty-fourth resolutions submitted to this General Meeting, equal to 131 million euros, or any other global ceiling that may be provided for by a resolution of the same nature as the seventeenth resolution of this General Meeting that may succeed the said resolution.

Global Ceiling (Debt)
General ceiling for the issuance of debt securities pursuant to the seventeenth to twenty-first, twenty-third and twenty-fourth resolutions submitted to this General Meeting, equal to 1.5 billion euros, or any other global ceiling that may be provided for by a resolution of the same nature as the seventeenth resolution of this General Meeting that may succeed the said resolution.

Preferential subscription right or PSR
For a description of the preferential subscription right or PSR and a statement of the reasons for requests to waive the PSR, see paragraph II.

Priority right
In return for the cancellation of the PSR, the Board of Directors could grant a priority right, if necessary also on a reducible basis. If this right is granted, it allows, like the PSR, shareholders to subscribe to the proposed issue in proportion to the number of existing shares they hold. However, unlike the PSR, this priority right can be exercised during a minimum priority period (currently set by law at a minimum of three trading days, shorter than the period provided for the PSR) and is non-negotiable. This priority right cannot be proposed for all issues: in the same way as for the PSR, it may be preferable, or even necessary, not to propose this priority right, in order to place securities in the best possible conditions, in particular when the speed of transactions is an essential condition for their success, or when issues are made on foreign financial markets.

Subsidiary
Company in which the Company owns, directly or indirectly, more than 50% of the share capital.

Reference price
The definition of the Reference Price is set out in paragraph II, G. Association of employees and corporate officers of the Company’s share capital: issue of shares to members of savings plans, with cancellation of the DPS (twenty-fourth resolution).
Securities giving immediate or future access to the share capital (including equity securities giving the right to the allocation of debt securities)

**Characteristics of these securities**

The seventeenth to twenty-first, twenty-third, and twenty-fourth resolutions submitted to this General Shareholders’ Meeting would allow the Board of Directors to decide the issue of securities giving access to the share capital of the Company, either by issuing new shares (such as shares with subscription warrants attached or bonds convertible into or redeemable for shares to be issued) or by delivering existing shares when the initial security is an equity security; these securities may take the form either of debt security (as in the example of convertible bonds provided that they give access to equity securities to be issued), or of equity security (as, for example, shares with share warrants attached). However, the issue of equity securities that are convertible or which may be transformed into debt security is prohibited by law. Securities giving access to the share capital which take the form of debt securities (such as bonds convertible into or redeemable for shares, or bonds with share warrants attached) may give access to their holders, at any time, or during specified periods, or on specified dates, to shares to be issued. This allotment of shares may be effected by conversion (such as bonds convertible into shares), redemption (such as bonds redeemable for shares), exchange (such as bonds exchangeable for shares), or presentation of a warrant (such as bonds with share warrants attached) or by any other means during the term of the debt security, whether or not shareholders’ preferential subscription rights are maintained in respect of the securities thereby issued. Pursuant to applicable law, the delegations made by this General Shareholders’ Meeting in connection with the issue of securities incorporate an express waiver by the shareholders of their preferential subscription right for the shares and securities issued immediately or in the future in connection with these securities. Therefore, if the General Shareholders’ Meeting were to approve these resolutions, you would by operation of law waive your preferential subscription rights to any shares that the Company might issue in connection with a potential redemption of bonds redeemable for shares to be issued.

The seventeenth to twenty-first, twenty-third, and twenty-fourth resolutions submitted to this General Shareholders’ Meeting would allow the Board of Directors to decide the issue of securities representing equities granting entitlement to debt securities. Please note that, as from the order no. 2014-863 dated July 31, 2014, the Board of Directors has the sole authority to issue securities that are debt securities granting entitlement to the allocation of other debt securities or giving access to existing equity securities, which do not imply any dilution and such issue is therefore excluded from the scope of these resolutions.
Request for documents and information

COMBINED SHAREHOLDERS’ MEETING
26 May 2021
Company headquarters – 43, rue Bayen – 75017 Paris

The undersigned

Last name (Mr., Mrs. or Miss)

First name

Address

Street address

Postal Code

City

Email address

Owner of

Company-registered shares

bearer shares(2)

or shares registered with a financial intermediary

Wishes to receive the documents or information stipulated in Articles R. 225-81, R. 225-83 and R. 225-88 of the French Commercial Code concerning the Combined Shareholders’ Meeting of May 26, 2021 by:

☐ Post; or

☐ Email (preferred)

Place .................................................., date ........................................ 2021

Shareholder’s signature:

Pursuant to Article R. 225-88 of the French Commercial Code, those holders of shares registered with the Company may request to have the aforementioned documents and information for future Shareholders Meetings sent to them on a continuing basis.

(1) If an entity, indicate the precise corporate name.

(2) Attach a copy of the shareholding certificate (attestation de participation) issued by the intermediary in charge of managing your securities.
Valeo
European company (Societas Europaea)
with capital of 241,717,403 euros
552 030 967 RCS Paris
43, rue Bayen – 75848 Paris Cedex 17 – France
Tel.: +33 (0)1 40 55 20 20
www.valeo.com

Institutional investor relations
Tel.: +33 (0)1 40 55 37 93

To arrange a meeting, please contact:
va.leo.corporateaccess.mailbox@valeo.com

Individual shareholder relations
Tel.: +33 (0)1 40 55 20 39
Email: valeo.actionnairesindividuels.mailbox@valeo.com