

Information on the renewal of the Chairman and Chief Executive Officer's term of office, annual fixed compensation, and allotment of performance shares

At its meeting of May 23, 2019, the Board of Directors unanimously decided to confirm Jacques Aschenbroich as Chairman and Chief Executive Officer and determined the amount of his annual fixed compensation.

The Board of Directors also decided to allot free shares and performance shares to the employees and corporate officers of the Group and set the number of performance shares allotted to the Chairman and Chief Executive Officer.

1. Renewal of the Chairman and Chief Executive Officer's term of office and annual fixed compensation

Following the shareholders' adoption of the fourth resolution on the renewal of Jacques Aschenbroich's term of office as Board member for a period of four years at the General Meeting of May 23, 2019, the Board of Directors confirmed Jacques Aschenbroich as Chairman and Chief Executive Officer, at its meeting held on May 23, 2019 after the General Shareholders' Meeting, and decided to set the amount of his annual fixed compensation at EUR 1,100,000.

2. Allotment of performance shares

Further to the Compensation Committee's recommendation, and in accordance with the modalities set by the Board of Directors at its meeting of March 21, 2019 and announced to the shareholders in the Board of Directors' report on the resolutions presented to the General Shareholders' Meeting of May 23, 2019 (nineteenth resolution) as well as in the press release dated March 21, 2019 on the compensation policy for the Chairman and Chief Executive Officer for the 2019 financial year (available on the Company's website, www.valeo.com), the Board of Directors decided, at its meeting on May 23, 2019 to allot free shares and performance shares to employees and corporate officers of the Group, including 87,122 performance shares for the Chairman and Chief Executive Officer.

The amount of these 87,122 performance shares valued under IFRS standards is 27 % lower than the maximum amount of the long-term compensation of the Chairman and Chief Executive Officer, in accordance with the compensation policy applicable for the 2019 financial year, approved by the shareholders at the General Meeting of May 23, 2019 (tenth resolution). This level of allotment takes into account the difficult context of the automobile market and its impact on the stock market valuation of the industry.

In the case where the functions of Chairman and Chief Executive Officer are separated and Jacques Aschenbroich remains Chairman of the Board of Directors until the end of the vesting period for these 87,122 performance shares, the presence condition will be deemed satisfied. However, at Jacques Aschenbroich's proposal, approved by the Board of Directors, the number of performance shares that will be allotted to him definitively will be adjusted downwards to take into account the actual time he will have held the combined office of Chairman and Chief Executive Officer.

Performance shares are conditional upon achieving performance as measured against criteria set out in detail in the Board of Directors' report on resolutions proposed at the Shareholders' Meeting of May 23, 2019 (nineteenth resolution), and in the press release on the remuneration policy for the Chairman and Chief Executive Officer for the 2019 financial year (available on the Company's website, www.valeo.com). The performance objectives set by the Board of Directors at its meeting of March 21, 2019 are ambitious.

It should also be noted that none of the performance shares allotted to Jacques Aschenbroich under the 2016 performance share plan will definitively vest in 2019. The same is expected for the 2017 and 2018 allotments.