



Valeo Scala®

2020

Notice of Meeting

COMBINED SHAREHOLDERS' MEETING

THURSDAY JUNE 25, 2020, 2:00 P.M.
BEHIND CLOSED DOORS (without the physical presence of shareholders)

AT THE COMPANY'S HEADQUARTERS
43, RUE BAYEN, 75017 PARIS

SMART TECHNOLOGY FOR SMARTER MOBILITY



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HOW TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

Warning – Covid-19 pandemic

In the context of the global Covid-19 pandemic and with respect to the fight brought against its spread, having considered the measures taken by the Government to restrict free movement and gatherings of people, and in accordance with the provisions set forth by the Ordinance No. 2020-321 of March 25, 2020 concerning in particular the adaptation of the rules of meeting and deliberation of the meetings and governing bodies of corporate legal entities and of private entities deprived of legal personality in the context of 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.

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

Valeo's General Shareholders' Meeting will be streamed (live and deferred broadcast) on the Company's website (www.valeo.com). Each shareholder may also submit written questions on the matters relevant to the General Shareholders' Meeting at the latest on the fourth business day prior to the date of the General Shareholders' Meeting.

During the General Shareholders' Meeting, it will not be possible to ask questions, or to table draft amendments or new resolutions.

The modalities of participation in the General Shareholders' Meeting may change according to health imperatives and/or legal requirements. Shareholders are therefore invited to regularly consult the page dedicated to the 2020 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 June 23, 2020,

- 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.

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.

Shareholders are entitled to sell all or part of their shares at any time.

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 June 23, 2020, are entitled to vote at the Shareholders' Meeting. If shares are sold before this date, the share ownership certificate will be deemed invalid to the extent of the shares sold and the votes attached to these shares will not be taken into account.

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 Covid-19 pandemic, 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 secured 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 secured 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 secured platform will be able to vote online.

If the shareholders' account-holding institution is connected to the designated VOTACCESS secured 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 secured platform and then vote or give proxy to the Chairman of the General Shareholders' Meeting or to a third party.

The secured website designated for voting prior to the General Shareholders' Meeting, VOTACCESS, will be open as from June 5, 2020 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 June 24, 2020, at 3 p.m., Paris time.

The proxy given to a designated person via the VOTACCESS platform must be received at the latest on June 21, 2020.

The proxy given to the Chairman of the General Shareholders' Meeting via the VOTACCESS platform can be received at the latest at 3 p.m., Paris time, on June 24, 2020.

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 19):
 - 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,
 - new: black out the boxes corresponding to the resolutions for which you wish to abstain. In this case, your shares will be counted in for in the determination of the required quorum of the Shareholders' Meeting. Nevertheless, your abstention will not be counted in for the adoption or rejection of the resolution;

- 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;
- for any amendments to resolutions or new resolutions submitted to the Meeting, **do not forget to check one of the options offered in the bottom left-hand corner of the form so that your view is taken into account in the quorum and in the vote:** for these resolutions, you may give your proxy to the Chairman of the General Shareholders' Meeting, you can abstain or give your proxy to another person. In the latter case, do not forget to state the name of your representative. If neither box is checked, a voting cast against the resolutions will be taken into account.

The single mail voting forms, duly executed and completed, must be received at the latest on June 22, 2020.

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 19) 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 June 22, 2020.

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 June 21, 2020.

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 June 21, 2020.

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

In accordance with the provisions of Article R. 225-79 of the French Commercial Code and of the Decree No. 2020-418 of April 10, 2020, the revocations of proxies can be provided electronically until the fourth day preceding the General Shareholders' Meeting, i.e. at the latest on June 21, 2020, 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 secured platform following the instruction detailed above

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.

Warning: this year it will not be possible to attend the Meeting as it will be held behind closed doors (you shall 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)

Important : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side
Quelle que soit l'option choisie, noircir comme ceci ■ la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this ■, date and sign at the bottom of the form

JE DÉSIRE ASSISTER À CETTE ASSEMBLÉE et demande une carte d'admission : dater et signer au bas du formulaire / I WISH TO ATTEND THE SHAREHOLDER'S MEETING and request an admission card: date and sign at the bottom of the form



43 rue Bayen - 75017 PARIS
Société Anonyme au Capital de 241 036 743 euros
552 030 967 RCS PARIS

ASSEMBLEE GENERALE MIXTE
du 25 Juin 2020 à 14h00
à huis clos - hors présence physique des actionnaires
au 43, rue Bayen - 75017 Paris

COMBINED GENERAL MEETING
on June, the 25th, 2020 at 2:00 pm
behind closed doors - without the physical presence of the
shareholders
at 43, rue Bayen - 75017 Paris

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account Vote simple / Single vote

Nom/Prénom / Registered Vote double / Double vote

Porteur / Bearer

Nombre d'actions / Number of shares Vote double / Double vote

Nombre de voix - Number of voting rights

JE VOTE PAR CORRESPONDANCE / I VOTE BY POST										Sur les projets de résolutions non agréés, je vote en noircissant la case correspondante à mon choix. / On the draft resolutions not approved, I cast my vote by shading the box of my choice.	
Ci, au verso (2) - See reverse (2)										A	B
1	2	3	4	5	6	7	8	9	10	Oui / Yes <input type="checkbox"/>	Non / No <input type="checkbox"/>
Non / No										Abs. <input type="checkbox"/>	
11	12	13	14	15	16	17	18	19	20	Oui / Yes <input type="checkbox"/>	Non / No <input type="checkbox"/>
Non / No										Abs. <input type="checkbox"/>	
21	22	23	24	25	26	27	28	29	30	Oui / Yes <input type="checkbox"/>	Non / No <input type="checkbox"/>
Non / No										Abs. <input type="checkbox"/>	
31	32	33	34	35	36	37	38	39	40	Oui / Yes <input type="checkbox"/>	Non / No <input type="checkbox"/>
Non / No										Abs. <input type="checkbox"/>	
41	42	43	44	45	46	47	48	49	50	Oui / Yes <input type="checkbox"/>	Non / No <input type="checkbox"/>
Non / No										Abs. <input type="checkbox"/>	

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée, je vote NON sauf si je signale un autre choix en noircissant la case correspondante.
In case amendments or new resolutions are proposed during the meeting, I vote NO unless I indicate another choice by shading the corresponding box.

- Je donne pouvoir au Président de l'assemblée générale. / I appoint the Chairman of the general meeting.

- Je m'abstiens. / I abstain from voting.

- Je donne procuration [cf. au verso renvoi (4)] à M. / Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint [see reverse (4)] Mr. / Mrs or Miss, Corporate Name to vote on my behalf.

Pour être pris en considération, tout formulaire doit parvenir au plus tard :
To be considered, this completed form must be returned no later than:

à la banque / to the bank: 22/06/2020
à la société / for the company: 22/06/2020

- Si le formulaire est rempli, daté et signé mais qu'aucun choix n'est coché (carte d'admission / vote par correspondance / pouvoir au président / pouvoir à mandataire), cela vaut automatiquement pouvoir au Président de l'assemblée générale.
If the form is returned dated and signed but no choice is checked (admission card / postal vote / power of attorney to the President / power of attorney to a representative), this automatically applies as a proxy to the Chairman of the General Meeting.

Don't forget to tick the box of your choice in case amendments or new resolutions are presented to the Shareholders' Meeting.
Warning: if you don't tick a box, your vote will be considered as a "NO"

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

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)



FOR YOUR INFORMATION

- ▶ 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@relationsactionnaires.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.



Our strategy [...] has paid off.
The Group **is now the leader**
in the areas of electrification
and advanced driving
assistance systems.●●

Jacques Aschenbroich

2019, a pivotal year for Valeo

2019 was a pivotal year for Valeo, in which the 12 new technological platforms we created and presented at our Investor Day on December 10, 2019 got up and running. This means that the considerable investments – 1.1 billion euros⁽¹⁾ – that we have made to this end over the last few years are now behind us. In 2019, we began to reap the rewards of these new technological platforms, as demonstrated by our significant outperformance versus the automotive market by 6 percentage points over the year and 8 percentage points in the second half, while reducing our Research and Development costs and our capital expenditure. Thanks to the rollout and use of the platforms, we were able to significantly improve our free cash flow, generating 519 million euros over the year, and bring our EBITDA and operating margin, excluding the Top Column Module (TCM)⁽²⁾ business and the impact of the General Motors strike, to 13.2% and 5.8% of sales, respectively. These results clearly show that, in a tough automotive market, we are able to grow faster than the market, finance our expansion and support the development of our Valeo Siemens eAutomotive joint venture.

2020, a year marked by the Covid-19 pandemic

In light of the Covid-19 pandemic affecting all our operations worldwide, our priority is to ensure the health and safety of our employees and their families. With this in mind, we have put in place a safety protocol combining proven best practices in China, South Korea and Japan, where activity has resumed under optimal conditions. This mandatory protocol is now applicable consistently across all Valeo sites worldwide.

As part of its commitment in the fight against Covid-19, Valeo has provided resources to a consortium of French industrial companies led by Air Liquide, Schneider and Groupe PSA for the manufacture of 10,000 ventilators, and has donated 30,000 FFP2/FFP3 masks to a number of hospitals.

In the face of a crisis that is unprecedented both in its scope and impact, we are adapting our production capacity to address production stoppages at customer sites on our main markets. We have taken measures to variabilize our costs and drastically reduce investments at our plants, headquarters and R&D centers, including short-time working. Naturally, we will continue to maintain strict control over costs when operations resume.

In terms of cash, Valeo has negotiated credit lines for an additional 1 billion euros with its main banks, and therefore currently has 2.3 billion euros in undrawn credit lines, enabling it to withstand any prolongation of the current crisis. The Group has a solid financial position with significant headroom under its bank covenant⁽³⁾.

In the current period of uncertainty, Valeo's Board of Directors has decided to ask shareholders to approve a dividend payout of 0.2 euros per share.

Strong growth outlook in the areas of powertrain electrification and ADAS

Our strategy of positioning Valeo in the most dynamic market segments has paid off. The Group is now the leader in the areas of powertrain electrification and advanced driving assistance systems (ADAS).

To succeed in our planned areas of development, the 12 new technological platforms we have created now give us a major competitive edge. The massive investments required 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; and the economies of scale and productivity gains they generate mean we can reduce our Research and Development costs and our capital expenditure.

We intend to take advantage of these technological platforms in a number of ways over the long term, particularly by outperforming global automotive production, and improving our profitability and our free cash flow generation. I am convinced that Valeo has adopted the best strategy and remain confident in its ability to maintain its momentum in the long term by leveraging its technological platforms and industrial expertise.

I would like to wholeheartedly thank the Group's 114,700 employees for their unwavering commitment in this very challenging time. I would like to assure them that they have the Group's support during the current unprecedented health crisis.

April 27, 2020



(1) Of which 600 million euros for Valeo Siemens eAutomotive.

(2) On October 24, 2019, Valeo announced it would withdraw from the Top Column Module (TCM) business.

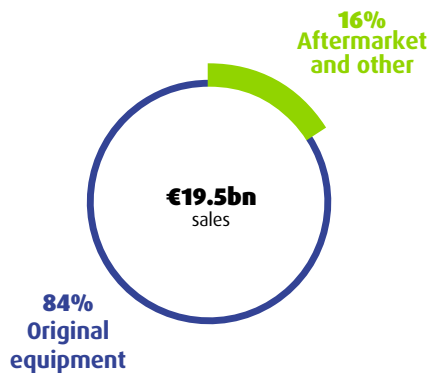
(3) Net debt to EBITDA (calculated over a 12-month rolling period) of <3.5.

FINANCIAL PERFORMANCE

SALES

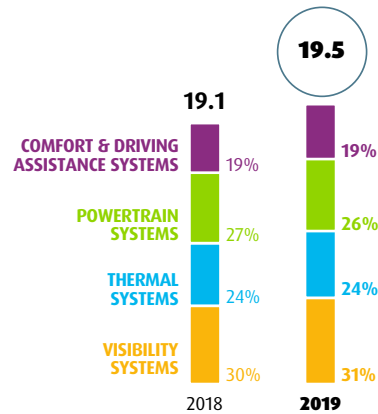
BY DISTRIBUTION NETWORK

In billions of euros and as % of total sales



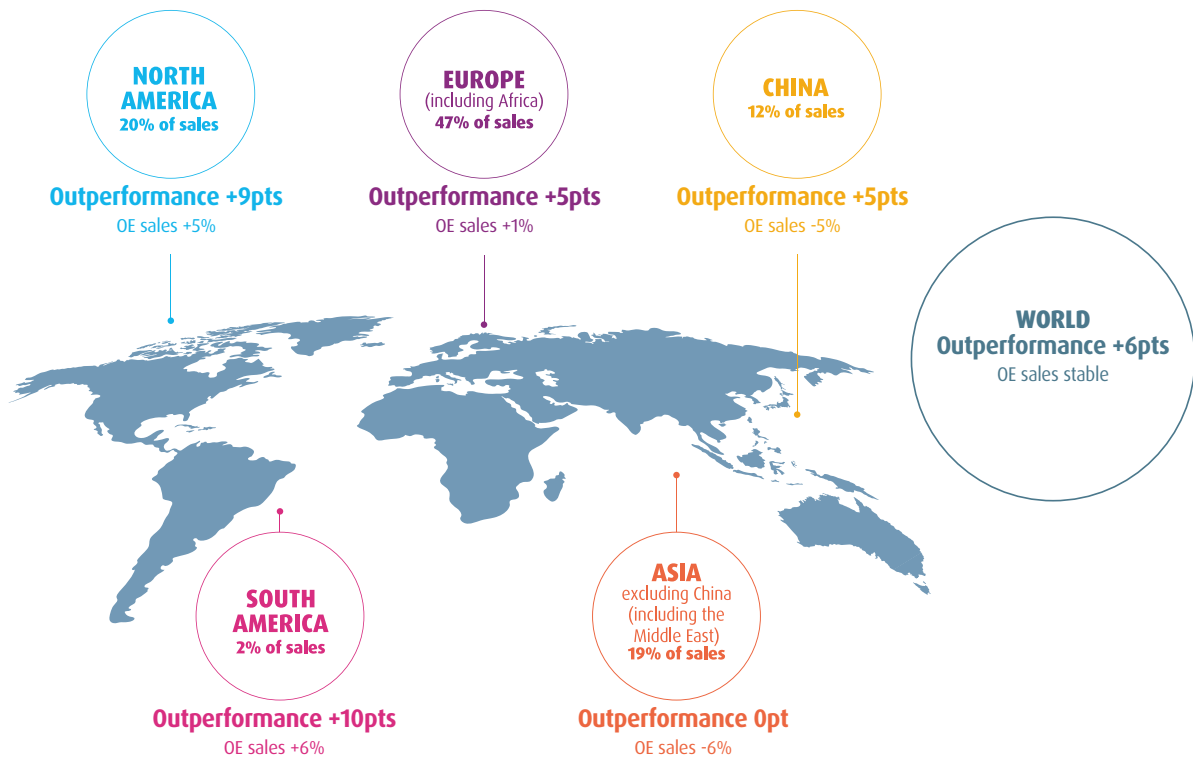
BY BUSINESS GROUP

In billions of euros and as % of total sales



ORIGINAL EQUIPMENT SALES: GROWTH, OUTPERFORMANCE* AND BREAKDOWN BY DESTINATION REGION

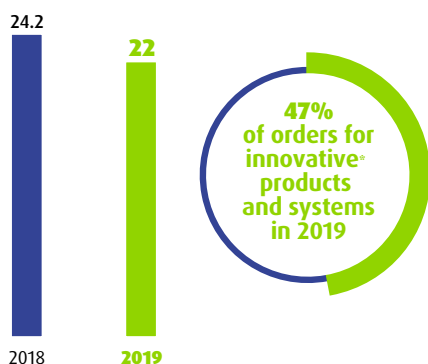
Like for like (constant Group structure and exchange rates)**



* Based on IHS automotive production estimates released on January 16, 2020/CPCA estimates for data relating to China.
 ** See financial glossary, page 23.

ORDER INTAKE

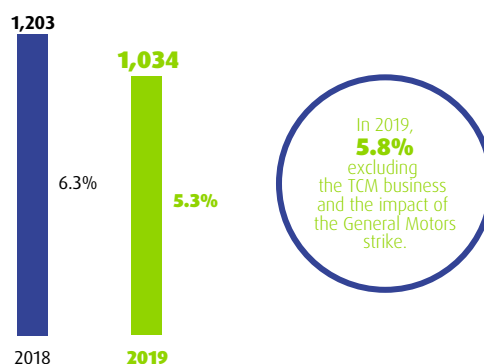
In billions of euros



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

OPERATING MARGIN*

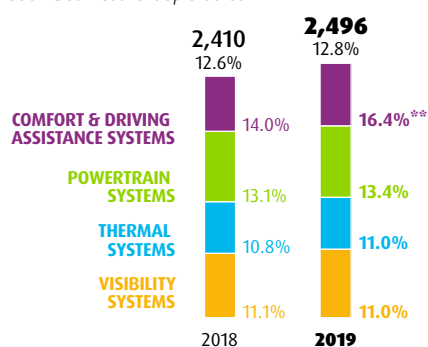
In millions of euros and as a % of sales



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

TOTAL EBITDA* AND EBITDA BY BUSINESS GROUP

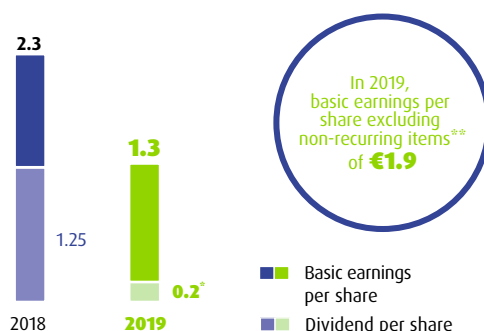
In millions of euros and as a % of each Business Group's sales



* See financial glossary, page 23.
** Excluding the TCM business.

BASIC EARNINGS PER SHARE AND DIVIDEND PER SHARE

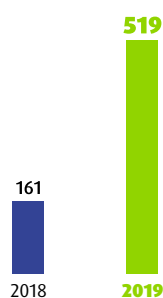
In euros



* In the current period of uncertainty caused by the Covid-19 pandemic, Valeo's Board of Directors has decided to ask shareholders to approve a dividend payout of 0.2 euros per share.
** Excluding the TCM business and the impact of the General Motors strike.

FREE CASH FLOW*

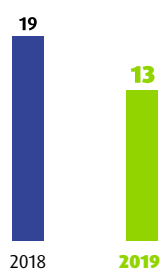
In millions of euros



* See financial glossary, page 23.

ROCE*

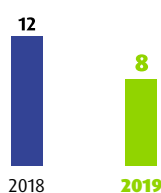
(Return on capital employed)
As a %



* See financial glossary, page 23.

ROA*

(Return on assets)
As a %



* See financial glossary, page 23.



FOR MORE INFORMATION

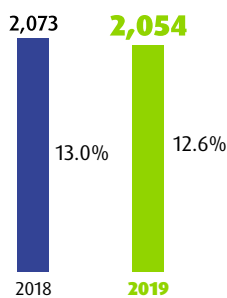
See Chapter 5 of the 2019 Universal Registration Document, "Financial and Accounting Information".

SUSTAINABLE DEVELOPMENT PERFORMANCE

RESEARCH AND DEVELOPMENT EXPENDITURE DRIVING CLEANER, SAFER AND SMARTER MOBILITY

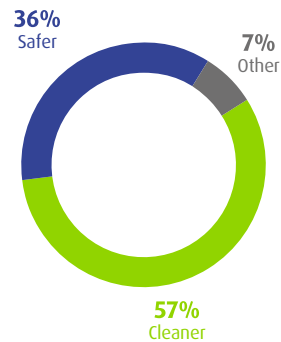
GROSS RESEARCH AND DEVELOPMENT EXPENDITURE

In millions of euros and as a % of original equipment sales



ORIGINAL EQUIPMENT SALES DERIVED FROM PRODUCTS CONTRIBUTING TO CLEANER, SAFER MOBILITY

As a % of original equipment sales*



19,900 Research and Development employees
of which 7,000 are software engineers

1,261 experts
+10% compared to 2018

1,698 patents filed in 2019
~5 patents filed per day

GOVERNANCE

95% average attendance rate at Board of Directors' meetings

92% of directors are independent**

42% of the Board of Directors' members are women***

SOCIAL FOOTPRINT

99.8% of people concerned by the fight against corruption were trained

79% of sites have partnerships with the world of higher education

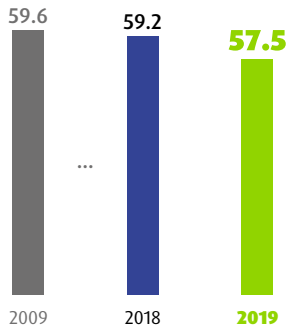
* Including Valeo Siemens eAutomotive.

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

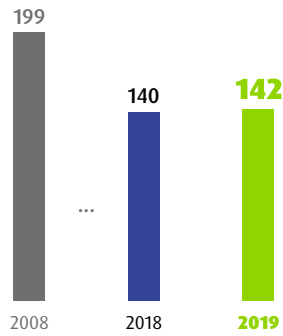
*** In accordance with Article L.225-27-1, II of the French Commercial Code (*Code de commerce*), this percentage does not include the director representing employees. This percentage rose to 50% after the co-optation, on March 24, 2020, to the Board of Directors of the Fonds Stratégique de Participations, represented by Julie Avrane-Chopard, replacing Georges Pauget. This co-optation will be submitted for ratification at Valeo's General Meeting on June 25, 2020.

ENVIRONMENTAL ECO-EFFICIENCY

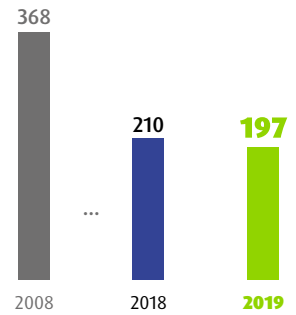
TOTAL DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) GHG* EMISSIONS AS A PROPORTION OF SALES (TCO₂/€M)



ENERGY CONSUMPTION (MWH/€M)



TOTAL WATER CONSUMPTION AS A PROPORTION OF SALES (CU.M/€M)



* See sustainable development glossary, page 23.

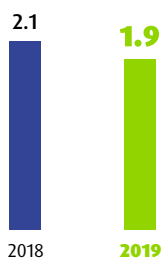
18% of sites certified ISO 50001
+10 pts compared to 2015

5.1 t/€m total consumption of packaging materials as a proportion of sales
-10% compared to 2018

€6,469m invested in environmental protection (excluding cleanup costs)
+11% compared to 2018

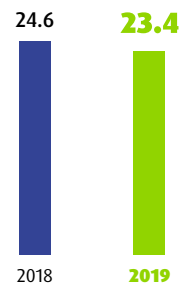
VALEO AND ITS EMPLOYEES

FREQUENCY RATE OF OCCUPATIONAL ACCIDENTS* (FR1)



* 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*



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

82/100⁽¹⁾ gender equality index Group average

50% of employees are Valeo shareholders

471 collective bargaining agreements in force in 2019

(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.



SUMMARY OF THE GROUP'S FINANCIAL RESULTS AND POSITION

This summary of the Group's financial results and position includes information from the 2019 results press release of February 20, 2020 and the Company's Universal Registration Document filed with the AMF on April 28, 2020 under number D.20-0385. See these documents for further details.

2019, a pivotal year for Valeo

The strategy of positioning Valeo in the most dynamic market segments has paid off. The Group is now the leader in the areas of powertrain electrification, both for 48V systems and high-voltage electric solutions (over 60V) through the Valeo Siemens eAutomotive joint venture, and advanced driving assistance systems (ADAS) thanks to its range of sensors and software.

2019 was a pivotal year for Valeo, in which the 12 new technological platforms created and presented at the Investor Day on December 10, 2019 got up and running.

Thanks to the rollout and use of the platforms, Valeo significantly improved its free cash flow, generating 519 million euros over the year, and brought its EBITDA and operating margin, excluding the

Top Column Module (TCM) business and the impact of the General Motors strike, to 13.2% and 5.8% of sales, respectively, in line with its guidance. These results come amid a 5.9% contraction in the global automotive market in 2019, following a fall in production at the end of 2018 due primarily to the new Worldwide Harmonised Light Vehicle Test Procedure (WLTP) and the market downturn in China.

These results clearly demonstrate that, in a tough automotive market, Valeo is able to grow faster than the market, finance its expansion and support the development of the Valeo Siemens eAutomotive joint venture.

2020, a year marked by the Covid-19 pandemic

Given the drop in business activity, which began to impact Valeo's plants in Europe and North America in the last two weeks of March, and the lack of visibility regarding when the crisis will end, the 2020 financial objectives announced in connection with Valeo's 2019 full-year results are no longer valid.

In the face of a crisis that is unprecedented both in its scope and impact, production capacity has been adapted to customer needs and measures have been taken to variabilize costs and drastically reduce investments. All of the measures taken to date, together with 2.3 billion euros in undrawn credit lines, will enable Valeo to withstand any prolongation of the current crisis.

On April 23, 2020, in the current period of uncertainty caused by the Covid-19 pandemic, Valeo's Board of Directors decided to ask shareholders to approve a dividend payout of 0.2 euros per share.

Once the current health crisis has stabilized, Valeo remains confident in its ability to maintain its growth momentum by leveraging its technological platforms and industrial expertise.

The Group's financial and accounting information is presented in full in Chapter 5 of the 2019 Universal Registration Document, available on www.valeo.com and on the AMF website.

2019 consolidated results (condensed)

On February 20, 2020, Valeo's Board of Directors approved the consolidated financial statements for the year ended December 31, 2019⁽¹⁾. The results for 2019 shown below have been prepared in accordance with IFRS:

		2019	2018	Change
Valeo order intake ⁽¹⁾ (excluding Valeo Siemens eAutomotive)	<i>(in billions of euros)</i>	22.0	24.2	N/A
Sales	<i>(in millions of euros)</i>	19,477	19,124	+2%
Original equipment sales	<i>(in millions of euros)</i>	16,360	16,146	+1%
Gross margin	<i>(in millions of euros)</i>	3,454	3,674	-6%
	<i>(as a % of sales)</i>	17.7%	19.2%	-1.5 pts
R&D expenditure	<i>(in millions of euros)</i>	(1,550)	(1,560)	-1%
	<i>(as a % of sales)</i>	(8.0)%	(8.2)%	+0.2 pts
Selling and administrative expenses	<i>(in millions of euros)</i>	(870)	(911)	-4.5%
	<i>(as a % of sales)</i>	(4.5)%	(4.8)%	+0.3 pts
Operating margin excluding share in net earnings of equity-accounted companies	<i>(in millions of euros)</i>	1,034	1,203	-14%
	<i>(as a % of sales)</i>	5.3%	6.3%	-1 pt
Share in net earnings of equity-accounted companies	<i>(in millions of euros)</i>	(237)	(111)	N/A
	<i>(as a % of sales)</i>	(1.2)%	(0.6)%	-0.6 pts
Operating margin ⁽¹⁾ including share in net earnings of equity-accounted companies	<i>(in millions of euros)</i>	797	1,092	-27%
	<i>(as a % of sales)</i>	4.1%	5.7%	-1.6 pts
Net attributable income	<i>(in millions of euros)</i>	313	546	-43%
	<i>(as a % of sales)</i>	1.6%	2.9%	-1.3 pts
Basic earnings per share	<i>(in euros)</i>	1.3	2.3	-43%
Net income excluding non-recurring items ⁽¹⁾	<i>(in millions of euros)</i>	444	599	-26%
	<i>(as a % of sales)</i>	2.3%	3.1%	-0.8 pts
Basic earnings per share excluding non-recurring items	<i>(in euros)</i>	1.9	2.5	-24%
ROCE ⁽¹⁾		13%	19%	N/A
ROA ⁽¹⁾		8%	12%	N/A
EBITDA ⁽¹⁾	<i>(in millions of euros)</i>	2,496	2,410	+4%
	<i>(as a % of sales)</i>	12.8%	12.6%	+0.2 pts
Change in operating working capital*	<i>(in millions of euros)</i>	301	(22)	N/A
Investments in property, plant and equipment and intangible assets	<i>(in millions of euros)</i>	(1,766)	(1,916)	-8%
Free cash flow ^{(1)**}	<i>(in millions of euros)</i>	519	161	+223%
Net debt including the impact of IFRS 16 ⁽¹⁾	<i>(in millions of euros)</i>	2,817	2,248	+€569m

(1) See financial glossary, page 23.

* Change in working capital excluding (i) changes in non-recurring sales of accounts and notes receivable in a positive amount of 45 million euros in 2019 and a positive amount of 16 million euros in 2018 and (ii) the restatement of cash contributions to R&D reclassified within investments in property, plant and equipment and intangible assets.

** Following the application of IFRS 16, the Group's definition of free cash flow has been adjusted to take into account payments for the principal portion of lease liabilities. The resulting impact on free cash flow is marginal, at around 14 million euros.

(1) Further to their statutory audit, the Statutory Auditors issued an unqualified opinion on the consolidated financial statements for the year ended December 31, 2019.

Order intake⁽¹⁾ supported by technological innovations

Valeo continued to adopt a more selective approach for its **order intake** in 2019, to optimize the development and industrialization of its numerous ongoing projects. In 2019, the Group recorded order intake of 22.8 billion euros, comprising:

- 22 billion euros for Valeo, or 1.34 times original equipment sales;
- 0.8 billion euros for Valeo Siemens eAutomotive, corresponding to an order book worth 11 billion euros at end-2019.

Order intake (excluding Valeo Siemens eAutomotive) remained well-balanced across the Group's different regions:

- 35% in Asia (of which 18% in China, where 26% of orders were booked with local Chinese automakers);
- 43% in Europe (and Africa);
- 18% in North America.

In all, 47% of the order intake related to innovative products⁽²⁾, confirming the successful positioning of Valeo's new technologies and products in the powertrain electrification, driving assistance systems, autonomous vehicle and digital mobility segments.

Reconciliation of Valeo and Top Column Module (TCM) business data and impact of the General Motors strike

The Group decided to withdraw from the TCM segment.

In the second and third quarters of 2019, Valeo's sales were impacted by strikes at General Motors' (GM) plants in North America.

The table below reconciles reported consolidated data for 2019 with data excluding the TCM business and excluding the impact of the General Motors strike:

		2019 (audited)	TCM	2019 excluding TCM	Impact of GM strike	2019 excluding TCM and GM strike
Sales	<i>(in millions of euros)</i>	19,477	233	19,244	105	19,349
Original equipment sales	<i>(in millions of euros)</i>	16,360	238	16,122	105	16,227
Gross margin	<i>(in millions of euros)</i>	3,454	4	3,450	50	3,500
	<i>(as a % of sales)</i>	17.7%	1.7%	17.9%	47.6%	18.1%
R&D expenditure	<i>(in millions of euros)</i>	(1,550)	(24)	(1,526)	-	(1,526)
	<i>(as a % of sales)</i>	(8.0)%	(10.3)%	(7.9)%	-	(7.9)%
Selling and administrative expenses	<i>(in millions of euros)</i>	(870)	(10)	(860)	-	(860)
	<i>(as a % of sales)</i>	(4.5)%	(4.3)%	(4.5)%	-	(4.5)%
Operating margin excluding share in net earnings of equity-accounted companies	<i>(in millions of euros)</i>	1,034	(30)	1,064	50	1,114
	<i>(as a % of sales)</i>	5.3%	(12.9)%	5.5%	47.6%	5.8%
Share in net earnings of equity-accounted companies	<i>(in millions of euros)</i>	(237)	-	(237)	-	(237)
	<i>(as a % of sales)</i>	(1.2)%	-	(1.2)%	-	(1.2)%
Operating margin ⁽¹⁾ including share in net earnings of equity-accounted companies	<i>(in millions of euros)</i>	797	(30)	827	50	877
	<i>(as a % of sales)</i>	4.1%	(12.9)%	4.3%	47.6%	4.5%
EBITDA ⁽¹⁾	<i>(in millions of euros)</i>	2,496	(5)	2,501	50	2,551
	<i>(as a % of sales)</i>	12.8%	(2.1)%	13.0%	47.6%	13.2%

(1) See financial glossary, page 23.

(1) See financial glossary, page 23.

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

Change in sales⁽¹⁾: outperformance of 8 percentage points in the second half and 6 percentage points over the full year

Consolidated sales⁽¹⁾ totaled 19,244 million euros in 2019, up 1% year on year and stable like for like.

The overall impact of changes in exchange rates and in Group structure was minimal:

- changes in exchange rates had a positive 1.7% impact, primarily reflecting the appreciation of the US dollar and Japanese yen against the euro;
- changes in Group structure had a negative 1.4% impact, and chiefly relate to the exclusion of the Top Column Module (TCM) business from consolidated figures.

Balanced geographic alignment of Valeo's businesses

Year-on-year changes in the share of original equipment sales⁽¹⁾ in the four main production regions in 2019 were as follows:

- a rise of 2 percentage points for North America, accounting for 21% of original equipment sales⁽¹⁾;
- stable for South America, accounting for 2% of original equipment sales⁽¹⁾;
- a fall of 1 percentage point for Europe (including Africa), accounting for 47% of original equipment sales⁽¹⁾;
- a fall of 1 percentage point for Asia, accounting for 30% of original equipment sales⁽¹⁾.

Balanced customer portfolio

The share of original equipment sales⁽¹⁾ among the Group's customers remained stable in 2019:

- Asian customers accounted for 33% of original equipment sales⁽¹⁾;
- German customers accounted for 30% of original equipment sales⁽¹⁾;
- American customers accounted for 18% of original equipment sales⁽¹⁾;
- French customers accounted for 13% of original equipment sales⁽¹⁾.

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.

In 2019, original equipment sales⁽¹⁾ outpaced automotive production by 6 percentage points, with a sharp acceleration in the second half to 8 percentage points. All Business Groups significantly outperformed automotive production during the year:

- the **Comfort & Driving Assistance Systems Business Group** recorded a strong outperformance (8 percentage points for the year and 9 percentage points for the second half), fueled by many new launches in Europe, particularly front cameras for German and French customers, as well as a favorable customer mix in China;
- the **Powertrain Systems Business Group** outperformed by 6 percentage points (9 percentage points in the second half), mainly thanks to launches in the powertrain electrification segment, primarily in Europe;
- the 3 percentage point outperformance of the **Thermal Systems Business Group** (4 percentage point outperformance in the second half) was mainly attributable to an unfavorable customer mix in Asia, particularly with Nissan and Subaru in Japan. In Europe and North America, the Business Group is benefiting from the start of production on projects with French and US customers, respectively;
- the **Visibility Systems Business Group** reported a significant outperformance (6 percentage points over the year and 10 percentage points in the second half), spurred by the start of production on projects in North America with US customers in the lighting segment and a slight upturn in business in Europe and China.

(1) Excluding the TCM business.

Results

Operating margin⁽¹⁾ at 6.1% in the second half and 5.8% in 2019, in line with our October 2019 guidance

R&D expenditure⁽²⁾ contracted by 2%, or 0.3 percentage points compared with 2018, down a sharp 5% in the second half of the year. The decrease was driven by the strict implementation of cost savings measures thanks to the high degree of standardization of Valeo's new technological platforms, which led to a 44 million euro reduction in gross development expenditure (from 2,073 million euros in 2018 to 2,029 million euros in 2019). The contraction in R&D expenditure comes amid a sharp rise in amortization charged against previously capitalized development expenditure (representing 2.1% of sales in 2019 compared to 1.6% in 2018). This reduced the positive net impact of R&D capitalization (by 0.3 percentage points in 2019), with the trend significantly accelerating in the second half of the year (0.7 percentage point reduction in the net impact of the capitalization of development expenditure).

Thanks to the new cost savings program rolled out early in the year and to organizational efficiency measures, **general, administrative and selling expenses⁽²⁾** were also down, shrinking 6% to 860 million euros, representing 4.5% of sales, 0.3 percentage points lower than in 2018.

Operating margin⁽³⁾ narrowed 12% to 1,064 million euros, or 5.5% of sales (down 0.8 percentage points), primarily reflecting:

- a negative volume and inflation effect of 0.7 percentage points;
- start-up costs for new projects, which had a negative impact of 0.5 percentage points;
- a 0.3 percentage point decline in the tooling revenues margin;
- an overall 0.8 percentage point reduction in R&D expenditure and general, administrative and selling expenses;
- a positive scope effect of 0.2 percentage points relating to the Group's withdrawal from the Top Column Module business.

Free cash flow⁽⁴⁾ generation of 519 million euros

Valeo **generated 519 million euros in free cash flow⁽⁴⁾**. This chiefly results from:

- an 86 million euro improvement in EBITDA⁽⁴⁾ in value terms, including a 209 million euro increase in the second half of the year;
- a positive 301 million euro impact on free cash flow generation (including a positive 71 million euro impact in the second half) of the change in working capital, following the reduction in tooling inventories and in customer overdues; and

Excluding the impact of the General Motors strike, operating margin⁽³⁾ came in at 5.8% of sales, in line with our October 2019 guidance and the information disclosed at the December 2019 Investor Day. This performance came despite a bigger-than-expected slowdown in the European and Chinese markets leading to a 6% fall in automotive production. In the second half of the year, operating margin⁽¹⁾ represented 6.1% excluding the impact of the General Motors strike, a sharp 1.3 percentage point improvement on the same period in 2018.

The share in net earnings of equity-accounted companies represented a loss of 237 million euros, or a negative 1.2% of sales. It takes into account:

- the share of the loss recorded by Valeo Siemens eAutomotive which is bearing the costs needed for its expansion. The loss hit a high of 260 million euros in 2019, in line with our expectations;
- the contribution of the Chinese and Indian joint ventures, whose performance was hard hit by the weak performance of their markets.

Operating income totaled 732 million euros, or 3.8% of sales. It includes other income and expenses representing a net expense of 65 million euros.

After taking into account the cost of net debt of 73 million euros and an effective tax rate of 29.4%, **net attributable income** came to 313 million euros, or 1.6% of sales.

Return on capital employed (ROCE⁽⁴⁾⁽⁵⁾) and **return on assets (ROA⁽⁴⁾⁽⁵⁾)** stood at 14% and 9%, respectively.

EBITDA⁽⁴⁾ by Business Group

EBITDA came out at 2,496 million euros, or 12.8% of sales. In line with the plan unveiled at the Investor Day, EBITDA benefited from the 29% acceleration in amortization charged against development expenditure following the start of production on numerous projects in 2019.

- a 150 million euro reduction in capital expenditure (including a 122 million euro reduction in the second half) resulting from the roll-out of the cost savings program and of new technological platforms.

Net cash flow⁽⁴⁾ amounted to a negative 210 million euros, reflecting:

- 71 million euros in net financial expenses paid;
- other financial items totaling 658 million euros, including a 343 million euro outflow relating to the dividend payment.

(1) Excluding share in net earnings of equity-accounted companies, the TCM business and the impact of the General Motors strike.

(2) Excluding the TCM business.

(3) Excluding share in net earnings of equity-accounted companies and excluding the TCM business.

(4) See financial glossary, page 23.

(5) Excluding the TCM business and the impact of the General Motors strike.

Net debt stood at 2,817 million euros at December 31, 2019, up 569 million euros compared with end-December 2018, after taking account of lease liabilities recognized following the application of IFRS 16 (441 million euros at December 31, 2019) and the dividend payment (343 million euros).

Including the impact of IFRS 16, the **leverage ratio** (net debt/EBITDA) came out at 1.13x EBITDA and the **gearing ratio** (net debt/stockholders' equity excluding non-controlling interests) stood at 61% of equity.

The average maturity of gross long-term debt fell to 4 years at December 31, 2019, from 4.6 years at December 31, 2018.

Highlights until February 20, 2020

In February 2020, Valeo was included in the Clean 200 list published by Corporate Knights, a tribute to the Group's focus on solutions aimed at reducing CO₂ emissions. Valeo is therefore recognized by the major non-financial rating agencies as a global leader in the automotive supplier industry, and it continues to work towards its goal of growth and value creation through the transformation of mobility and its commitment to sustainable development. In 2019, more than 50% of the Group's original equipment sales were derived from products directly or indirectly helping to reduce CO₂ emissions.

In January 2020, at CES in Las Vegas for the seventh consecutive year, Valeo unveiled:

- in a world first, Valeo eDeliver4U, its autonomous, electric delivery droid, developed in partnership with Meituan Dianping, China's leading e-commerce platform for services. Powered by an all-electric 48V system and fitted with Valeo perception systems, the droid can deliver up to 17 meals per trip, autonomously negotiating dense and complex urban environments at about 12 km/h without generating any pollutant emissions;
- Valeo Move Predict.ai, a world-first technology that can detect vulnerable road users located in the vehicle's immediate vicinity, such as pedestrians, cyclists, skaters and scooter riders, and predict their intentions. The technology is based on combining Valeo's expertise in 360° perception around the vehicle, thanks to its sensors (latest generation of fisheye and Valeo SCALA® LiDAR), with artificial intelligence;
- a high-precision vehicle positioning system developed in partnership with Hyundai and Hexagon, enabling a vehicle to pinpoint its exact location with centimeter-level precision and thereby enhance road safety.

At its Investor Day held in Paris **in December 2019**, the Group unveiled its medium-term strategy of positioning itself as the leader on the market segments set to undergo strong growth over the next few years. Members of Valeo's management team also discussed the investments made over the last three years to create 12 new technological platforms and to build a unique portfolio of technologies in the electrification and driving assistance (ADAS) segments. They explained all the benefits that these platforms

are expected to provide Valeo, particularly in terms of sales growth (outperformance versus global automotive production of around 5 percentage points) as well as higher profitability (increase in EBITDA to more than 15% of sales) and free cash flow generation (between 1.3 and 1.5 billion euros in free cash flow to be generated over the 2020-2022 period, double the figure for the previous 2017-2019 period).

The 12 new technological platforms include two platforms specifically dedicated to the 48V electric system (e-machine and e-axle, DC/DC). During the Investor Day, members of the Powertrain Systems Business Group's management emphasized the importance of the 48V system, a key technology enabling automaker customers to meet ever stricter CO₂ regulatory requirements.

In February 2020 for example, VW published an article in *MTZ worldwide* magazine on the 48V system fitted to the Golf 8 model. Valeo supplies VW with the 48V electric system used on the Golf 8.

In October 2019, Valeo and Dana Incorporated announced a global collaboration to bring to market end-to-end 48V hybrid and electric vehicle systems, which are scheduled for release in early 2020 with a major European carmaker.

Strengthening Valeo's strategic position in the 48V market, this new offering provides all the components required to fully electrify light vehicles (three- and four-wheel urban vehicles) and hybridize vehicles weighing up to 2.5 tons. They comprise an electric motor and an inverter designed and manufactured by Valeo, and a Spicer® Electrified™ e-Gearbox developed by Dana.

In April 2019, for the third year running, Valeo took first place in France's 2018 INPI industrial property institute rankings, with 1,355 patents published in 2018, versus 1,110 in 2017, consolidating its position as the most innovative company in France. Valeo also ranked as France's leading patent filer with the European Patent Office (EPO), with 784 patents published in 2018 (18th worldwide). These two rankings underline Valeo's commitment to protecting the cornerstone of its strategy: innovation.

Subsequent events

This section reproduces section 5.2 "Subsequent events", pages 292 to 296 of the Company's 2019 Universal Registration Document filed with the AMF on April 28, 2020 under number D. 20-0385.

- On February 20, 2020, Valeo's Board of Directors approved the project to transform Valeo into a European company (*Societas Europaea*, SE). The European company corporate form has the advantage of benefiting from a common regulatory framework, recognized within the European Union. The legal status of European company will better reflect the European dimension of the Group with regard to all stakeholders, in particular its employees and customers. Of the 114,717 employees of the Group, 47,479 are located throughout Europe, with a strong presence notably in France, Germany, Poland, Spain, the Czech Republic, Hungary and Romania. With respect to customers, Valeo is a partner to all European automakers. This transformation does not affect Valeo's stock market listing and does not change its governance.
The transformation project will be submitted to Valeo's Shareholders Meeting to be held on June 25, 2020.
- On March 24, 2020, Valeo's Board of Directors made a unanimous decision to co-opt the Fonds Stratégique de Participations as a director, to replace Georges Pauget.
The Fonds Stratégique de Participations will be represented on Valeo's Board of Directors by Julie Avrane-Chopard, 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.
- On April 23, 2020, Valeo published its first-quarter sales press release, in which it reported a 16 point outperformance in a market down 24%, with an acceleration in all geographic areas and Business Groups.

First-quarter 2020

Global automotive production

Automotive production <i>(year-on-year change)</i>	First-quarter 2020 IHS + CPCA *
Europe & Africa	-21%
Asia, Middle East & Oceania	-31%
<ul style="list-style-type: none"> o/w China o/w Japan o/w South Korea o/w India 	-49% -8% -15% -21%
North America	-11%
South America	-17%
TOTAL	-24%

* Based on IHS automotive production estimates released on April 17, 2020/CPCA estimates for data relating to China.

Global automotive production fell 24% in the first quarter, mainly as a result of the Covid-19 pandemic:

- in China, automotive production slumped by 49% as a result of the health crisis and associated lockdowns in certain geographic areas;
- in Europe, automotive production fell by 21% due to sluggish business levels and production stoppages during the last fortnight of March.

Change in sales

Sales (in millions of euros)	As a % of Q1 2020 sales	First-quarter			
		2020	2019	Change	LFL* change
Original equipment	85%	3,797	4,121	-8%	-8%
Aftermarket	11%	491	501	-2%	-2%
Miscellaneous	4%	200	219	-9%	-9%
TOTAL	100%	4,488	4,841	-7%	-8%

* Like for like (constant Group structure and exchange rates)⁽¹⁾.

The impacts of **changes in exchange rates** and in **Group structure** were negligible in the first three months of the year.

Original equipment sales totaled 3,797 million euros (3,748 million euros excluding the Top Column Module business), down 8% on a like-for-like⁽¹⁾ basis versus the same prior-year period, with the outperformance as compared to global automotive production accelerating to 16 percentage points, and returning to previous highs.

Despite a challenging economic environment, **aftermarket sales** dipped by just 2% on a like-for-like basis⁽¹⁾, thanks to the resilience of the repair and maintenance services of certain workshops that have been able to continue operating.

"Miscellaneous" sales including tooling revenues (and revenues relating to customer contributions to R&D) fell by 9%, due to a lower number of new launches during the period compared to the first quarter of 2019.

Change in original equipment sales by region

Original equipment sales (in millions of euros)	2020	First-quarter		
		2019	LFL* change	Outperf. vs. IHS**
Europe and Africa	1,893	2,029	-7%	+14 pts
Asia, Middle East & Oceania	1,017	1,200	-16%	+15 pts
■ o/w China	289	428	-33%	+16 pts
■ o/w Japan	324	331	-6%	+2 pts
■ o/w South Korea	290	321	-7%	+8 pts
■ o/w India	40	47	-15%	+6 pts
North America	800	800	-3%	+8 pts
South America	87	92	+5%	+22 pts
TOTAL	3,797	4,121	-8%	+16 PTS

* Like for like (constant Group structure and exchange rates)⁽¹⁾.

** Based on IHS automotive production estimates released on April 17, 2020/CPCA estimates for data relating to China.

Boosted by a favorable product and customer mix, the outperformance in original equipment sales accelerated back up to previous highs in all production regions. Original equipment sales were down 8% like for like⁽¹⁾ in first-quarter 2020, outperforming global automotive production by 16 percentage points (IHS/CPCA estimates):

- in Europe (including Africa) (50% of original equipment sales), like-for-like⁽¹⁾ original equipment sales fell 7%, reflecting an outperformance of 14 percentage points over automotive production driven mainly by sales of driving assistance systems and 48V solutions;
- in Asia (27% of original equipment sales), like-for-like⁽¹⁾ original equipment sales fell 16%, reflecting an outperformance of 15 percentage points over automotive production.

The Group outpaced automotive production in all countries in the region:

- in China, like-for-like⁽¹⁾ original equipment sales decreased by 33%, but outperformed the market by 16 percentage points led by sales in the Comfort & Driving Assistance Systems Business Group;
- in Japan, like-for-like⁽¹⁾ original equipment sales retreated by 6% (outperformance of 2 percentage points);
- in South Korea, like-for-like⁽¹⁾ original equipment sales decreased by 7% (outperformance of 8 percentage points);
- in North America (21% of original equipment sales), like-for-like⁽¹⁾ original equipment sales declined by 3%, reflecting an outperformance of 8 percentage points over automotive production fueled by sales in the Comfort & Driving Assistance Systems and Visibility Systems Business Groups;

(1) See financial glossary, page 23.

- in South America (2% of original equipment sales), like-for-like⁽¹⁾ original equipment sales grew by 5%, outpacing automotive production by 22 percentage points, buoyed by sales in the Thermal Systems Business Group.

Balanced geographic alignment of Valeo's businesses

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

- a rise of 1 percentage point for Europe, accounting for 50% of original equipment sales;
- a rise of 2 percentage points for North America, accounting for 22% of original equipment sales;
- stable for South America, accounting for 2% of original equipment sales;

Change in sales by Business Group

Sales by Business Group (in millions of euros)	FIRST-QUARTER				
	2020	2019	Change in sales	Change in OE sales*	Outperf. vs. IHS**
Comfort & Driving Assistance Systems	886	901	-2%	-2%	+22 pts
Powertrain Systems	1,185	1,266	-6%	-7%	+17 pts
Thermal Systems	1,000	1,143	-13%	-14%	+10 pts
Visibility Systems	1,390	1,502	-8%	-9%	+15 pts
Other***	27	29	-9%	N/A	N/A
TOTAL	4,488	4,841	-7%	-8%	+16 PTS

* Like for like (constant Group structure and exchange rates)⁽¹⁾.

** Based on IHS automotive production estimates released on April 17, 2020/CPCA estimates for data relating to China.

*** Notably including the TCM business.

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.

The Comfort & Driving Assistance Systems Business Group outperformed global automotive production by 22 percentage points, the highest outperformance among Valeo's Business Groups. This performance was driven by high content per vehicle

- a fall of 3 percentage points for Asia, accounting for 26% of original equipment sales, reflecting the impact of Covid-19 in China during the first quarter.

Balanced customer portfolio

Year-on-year changes in the share of original equipment sales among the Group's customers in first-quarter 2020 were as follows:

- stable for German customers, accounting for 30% of original equipment sales;
- stable for American customers, accounting for 19% of original equipment sales;
- stable for French customers, accounting for 14% of original equipment sales;
- a fall of 1 percentage point for Asian customers, accounting for 31% of original equipment sales.

(take rates) in the driving assistance segment as well as a favorable geographic mix.

The Powertrain Systems and Visibility Systems Business Groups recorded an outperformance in original equipment sales in line with the Group as a whole, driven by momentum in 48V electric motors and LED lighting systems.

Top Column Module (TCM) business

In 2019, the Group decided to withdraw from the TCM segment.

The following table reconciles reported consolidated data with data excluding the TCM business:

		Group	TCM	excluding TCM
Sales	(in €m)	4,488	53	4,435
Original equipment sales	(in €m)	3,797	49	3,748

(1) See financial glossary, page 23.

ADDITIONAL DISCLOSURES RELATING TO COVID-19

Valeo published its 2019 results on February 20, 2020. These results do not take into account the emergence of the Covid-19 pandemic, nor the press releases published by Valeo subsequent to February 20, 2020 concerning the impacts of the health crisis on the Group.

On April 23, 2020, following the meeting of its Board of Directors, Valeo published a press release containing the following information:

During this worldwide pandemic, the Group's priority is to protect the health of its employees from the moment operations resume at our plants.

Reinforced safety protocol introduced to allow activity to resume in order to meet customer demand while ensuring maximum protection for employees

The Group has implemented a health protocol based on its own experience. The protocol combines proven best safety practices in China, South Korea and Japan where activity has resumed under optimal conditions.

The measures aimed at protecting personnel go beyond public local regulations and the recommendations of the health authorities.

The protocol is mandatory and will be applicable consistently across all Valeo sites worldwide, whether at plants, R&D centers or head offices.

The 30 or so mandatory measures include:

- daily body temperature checks;
- face masks to be worn at the workplace and during trips between home and the workplace;
- workspaces to be disinfected at the beginning and end of every shift;
- hydroalcoholic gel to be provided.

The safety protocol has been approved by the majority of employee representative organizations as part of a Group-wide agreement.

Gradual recovery in Valeo's sales in China, which should return to 2019 levels during the second quarter

Since February 10, production has gradually resumed at all 34 Group plants in China. Following very sluggish activity levels in February, sales in March climbed back to 60% of prior-period 2019 levels. Activity levels should return to those seen in 2019 during the second quarter.

In Europe and North America, Valeo has adjusted production levels in line with stoppages decided by automaker customers. Automaker production should resume progressively by the end of April in Europe and by end-April/early May in North America.

Financial objectives no longer valid due to the drop in business activity and lack of visibility regarding when the crisis will end

On April 14, 2020, Valeo announced that due to the drop in business activity impacting its plants and the lack of visibility regarding when the crisis will end, the 2020 financial objectives concerning profitability and free cash flow⁽¹⁾ are no longer valid.

Once the health situation stabilizes, the Group remains confident in its ability to maintain its growth momentum by leveraging its technological platforms and industrial expertise.

Variabilization of costs at production sites, head offices and R&D centers, including use of short-time working measures to address production stoppages at customer sites on our main markets

To mitigate the impacts of the crisis as far as possible, Valeo has implemented the following measures:

- variabilization of costs across all plants, particularly through short-time working arrangements;
- variabilization of costs for support activities such as R&D and at administrative centers;
- drastic reduction of all costs not essential for business continuity;
- strict control over working capital thanks to close monitoring of trade receivables and inventory levels;
- reduction of investments by more than 45% in the second quarter;
- strict monitoring of the Group's cash position.

Valeo Siemens eAutomotive has implemented the same measures as Valeo to mitigate the impact of the crisis as far as possible: cash consumption and net earnings show a performance slightly better than initial estimates.

Valeo will continue to maintain strict control over costs when operations resume.

2.3 billion euros available in undrawn credit lines

Valeo has negotiated credit lines for an additional 1 billion euros with its main banks, and therefore currently has 2.3 billion euros in undrawn credit lines, enabling it to withstand any prolongation of the current crisis.

The Group has a solid financial position:

- no debt falling due before June 2021;
- average debt maturity of 3.7 years;
- significant headroom under its bank covenant (net debt⁽¹⁾ to EBITDA⁽¹⁾ ratio calculated over a 12-month rolling period of <3.5).

(1) See financial glossary, page 23.

Dividend

In the current period of uncertainty, Valeo's Board of Directors has decided to ask shareholders to approve a dividend payout of 0.2 euros per share.

Credit ratings

On March 26, 2020, Moody's placed Valeo's "Baa3/P3" long- and short-term issuer ratings under review for downgrade.

On April 3, 2020, Standard & Poor's placed Valeo's "BBB-/A-3" long- and short-term issuer ratings on creditwatch with negative implications.

Shareholders' Meeting

On March 24, 2020, due to the exceptional and evolving context of the Covid-19 pandemic, Valeo's Board of Directors decided, at its meeting held on that date, to postpone the Annual Shareholders' Meeting, which was initially scheduled to be held on Tuesday May 26, 2020, until Thursday June 25, 2020, at 2:00 pm.

Other information

Since April 2020, Valeo has been putting its expertise and know-how at the service of a good cause by forming part of an international consortium led by Air Liquide in response to requests from the French government to supply 10,000 ventilators in 50 days between the beginning of April and mid-May. Within this task force, Valeo is supporting the Air Liquide teams by mobilizing buyers and R&D teams and engineers specialized in wide-scale industrial production.

The Group has also donated equipment to various hospitals and medical centers, including tens of thousands of face masks, goggles, gloves, medical caps and protective gowns. For example, Valeo donated 30,000 FFP2/FFP3 masks to French hospitals.

On April 14, 2020, Chairman and Chief Executive Officer Jacques Aschenbroich pledged to donate 25% of his compensation for the duration of the shutdown to support Covid-19-related solidarity initiatives. The members of the Board of Directors and the Operations Committee have unanimously decided to follow this initiative.

On April 21, 2020, the Group also appealed for solidarity among its French employees, including:

- an appeal for donations from employees. The funds raised are being paid over to the Fondation de France to support healthcare professionals and researchers, as well as people who are vulnerable and living in isolation;
- a Solidarity Fund to help compensate non-managerial staff currently on short-time working arrangements for lost pay. To build up the fund, all managerial staff in France are contributing one day's annual leave, and an appeal has been extended to all Group employees to donate some of their annual leave in the same spirit of solidarity.

Valeo is also getting behind various local solidarity initiatives. For example, the Group's sites in Zaragoza and Martos in Spain are manufacturing protective visors for hospitals, and nurses at French sites that are temporarily closed are making themselves available to local hospitals.

2019 dividend

On April 23, 2020, in the current period of uncertainty caused by the Covid-19 pandemic, Valeo's Board of Directors decided to ask shareholders to approve a dividend payout of 0.2 euros 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.
- **Operating margin including share in net earnings of equity-accounted companies** corresponds to operating income before other income and expenses.
- **Net attributable income excluding non-recurring items** corresponds to net attributable income adjusted for "other income and expenses" net of tax and non-recurring income and expenses net of tax shown in operating margin including share in net earnings of equity-accounted companies.
- **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.

Sustainable development glossary

- **GHG**: 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, 2019

Operation and summary of the composition of the Board of Directors at December 31, 2019

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, 2019, the Board of Directors' 13 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. 42%⁽¹⁾ of the Board's members are women and 92% are under 70 and, except for the director representing employees, who is not included in the calculation, all of them except the Chairman and Chief Executive Officer are considered independent⁽²⁾⁽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.

The assessment of the Board of Directors was performed by an outside firm the previous year. Accordingly, the Board decided to conduct the 2019 assessment internally.

The assessment was carried out between the end of 2019 and the beginning of 2020 by the Lead Director supported by the Secretary of the Board of Directors, using a questionnaire given to all directors to obtain their insight into the operating procedures of the Board and their suggestions for improvement. The topics covered included the operation, structure, governance, composition and duties, Board meeting procedures, directors' access to information, the choice of matters addressed, the quality of debate, and the participation in and 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, 2020, and presented and discussed at the Board of Directors' meeting held on March 24, 2020. The assessment revealed that its members are unanimously satisfied with the Board of Directors' operation. The main areas of satisfaction include:

- the maturity, dynamism and quality of the Company's governance;
- General Management, considered to be suited to the current situation of the Company, thanks to the role carried out by Jacques Aschenbroich and the Lead Director, who contributes to balanced governance;
- the composition of the Board of Directors, guaranteeing a complementary mix of profiles and solid expertise and experience;
- involvement of new directors;
- the management of succession and renewal plans for the Board of Directors, which has been astutely prepared, particularly due to the carefully selected new members;

• more generally, the quality, interactive nature and content of discussion, and the genuine openness of the Chairman and the members of Management ensure a continued high quality and degree of freedom in debates and discussions;

• the efficient operation of the Board Committees and the effective teamwork achieved by them;

• the strategy seminar in India, considered a key moment for the Board of Directors, as it provides genuine insight into Valeo's strategy and is an excellent opportunity for discussion with the management team and the Group's main executive managers;

• the usefulness of "executive sessions", which tackle a variety of key topics.

The Board of Directors continued to work on how best to evolve its composition. In this respect, it proposed to continue its drive to encourage diversity in terms of gender, profiles and skills. The arrival of new directors also revealed the importance of creating a strong induction and training framework.

Various recommendations were made about organizational aspects and the matters which the Board of Directors wished to address on a priority basis.

(1) In accordance with Article L.225-27-1, II of the French Commercial Code (Code de commerce), this percentage does not include the director representing employees. This percentage rose to 50% after the co-optation, on March 24, 2020, to the Board of Directors of the Fonds Stratégique de Participations, represented by Julie Avrane-Chopard, replacing Georges Pauget. This co-optation will be submitted for ratification at Valeo's General Meeting on June 25, 2020.

(2) For more information, see section "Director independence review", of the 2019 Universal Registration Document, page 108.

Composition of the Board of Directors

The composition of the Board of Directors at December 31, 2019 is shown in the table below.

	Personal information				Experience	Position on the Board of Directors				
	Age	Gender	Nationality	Number of shares	Number of directorships held in listed companies ⁽¹⁾	Independence	First appointed	Expiration of term of office	Years' service on the Board	Membership of Board committees ⁽²⁾
Jacques Aschenbroich Chairman and Chief Executive Officer	65	M	FR	832,833	2	-	03/20/2009	2023 Shareholders' Meeting	11 years	-
Bruno Bézard	56	M	FR	1,500	0	✓	10/24/2017	2022 Shareholders' Meeting	3 years	ARC
Stéphanie Frachet Permanent representative of Bpifrance Participations	42	F	FR	12,368,826 ⁽³⁾	2	✓	06/21/2019	2023 Shareholders' Meeting	1 year	ARC/GACSRC/CC
Éric Chauvirey Director representing employees	45	M	FR	N/A ⁽⁴⁾	0	N/A ⁽⁵⁾	06/30/2017	06/30/2021	3 years	CC
C. Maury Devine	68	F	US	3,500	2	✓	04/23/2015	2021 Shareholders' Meeting	5 years	GACSRC/CC
Mari-Noëlle Jégo-Laveissière	51	F	FR	1,500	1	✓	05/26/2016	2021 Shareholders' Meeting	4 years	ARC
Gilles Michel Lead Director since October 24, 2019	63	M	FR	1,500	2	✓	05/23/2018	2022 Shareholders' Meeting	2 years	GACSRC (Chairman)/CC (Chairman)
Thierry Moulouquet	68	M	FR	1,500	0	✓	06/08/2011	2020 Shareholders' Meeting	9 years	ARC (Chairman)/SC
Georges Pauget Lead Director until October 24, 2019	72	M	FR	1,500	2	✓	04/10/2007	2020 Shareholders' Meeting ⁽⁶⁾	13 years	SC
Olivier Piou	61	M	FR	1,500	2	✓	05/23/2019	2023 Shareholders' Meeting	1 year	ARC/SC
Patrick Sayer	62	M	FR	1,500	3	✓	05/23/2019	2023 Shareholders' Meeting	1 year	GACSRC/CC/SC
Ulrike Steinhorst	68	F	DE	1,500	2	✓	02/24/2011	2020 Shareholders' Meeting	9 years	GACSRC/CC/SC (Chair)
Véronique Weill	60	F	FR	2,390	0	✓	05/26/2016	2021 Shareholders' Meeting	4 years	ARC/GACSRC/CC

Nationalities: FR: French – US: American – DE: German



FOR MORE INFORMATION

See Chapter 3 of the 2019 Universal Registration Document.

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 director representing employees is not required to hold 1,500 shares.

(5) The director representing employees does not count, in accordance with the recommendation in Article 9.3 of the AFEP-MEDEF Code.

(6) Georges Pauget does not intend to stand for reappointment at the Shareholders' Meeting on June 25, 2020.

The changes in the composition of the Board of Directors and Board committees in 2019 are shown in the table below.

	Departures	Appointment	Reappointment
Board of Directors	Pascal Colombani ⁽¹⁾ (May 23, 2019) Michel de Fabiani ⁽¹⁾ (May 23, 2019) Noëlle Lenoir ⁽²⁾ (June 14, 2019)	Olivier Piou ⁽³⁾ (May 23, 2019) Patrick Sayer ⁽³⁾ (May 23, 2019) Stéphanie Frachet (permanent representative of Bpifrance Participations) ⁽⁴⁾ (June 21, 2019)	Jacques Aschenbroich ⁽³⁾ (Chairman) (May 23, 2019)
Governance, Appointments & Corporate Social Responsibility Committee	Pascal Colombani ⁽¹⁾ (May 23, 2019) Michel de Fabiani ⁽¹⁾ (May 23, 2019) Georges Pauget ⁽⁵⁾ (Chairman) (October 24, 2019)	Patrick Sayer ⁽⁶⁾ (May 23, 2019) Véronique Weill ⁽⁶⁾ (May 23, 2019) Stéphanie Frachet (permanent representative of Bpifrance Participations) ⁽⁴⁾ (June 21, 2019) Gilles Michel ⁽⁷⁾ (Chairman) (October 24, 2019)	N/A
Compensation Committee	Pascal Colombani ⁽¹⁾ (May 23, 2019) Michel de Fabiani ⁽¹⁾ (May 23, 2019) Georges Pauget ⁽⁵⁾ (Chairman) (October 24, 2019)	Patrick Sayer ⁽⁶⁾ (May 23, 2019) Véronique Weill ⁽⁶⁾ (May 23, 2019) Stéphanie Frachet (permanent representative of Bpifrance Participations) ⁽⁴⁾ (June 21, 2019) Gilles Michel ⁽⁷⁾ (Chairman) (October 24, 2019)	N/A
Audit & Risks Committee	Michel de Fabiani ⁽¹⁾ (May 23, 2019) Noëlle Lenoir ⁽²⁾ (June 14, 2019)	Olivier Piou ⁽⁶⁾ (May 23, 2019) Stéphanie Frachet (permanent representative of Bpifrance Participations) ⁽⁴⁾ (June 21, 2019) Bruno Bézard ⁽⁸⁾ (July 19, 2019)	N/A
Strategy Committee	Pascal Colombani ⁽¹⁾ (May 23, 2019) Véronique Weill ⁽⁶⁾ (May 23, 2019)	Olivier Piou ⁽⁶⁾ (May 23, 2019) Patrick Sayer ⁽⁶⁾ (May 23, 2019)	N/A
Lead Director	Georges Pauget ⁽⁵⁾ (October 24, 2019)	Gilles Michel ⁽⁷⁾ (October 24, 2019)	N/A

N/A: Not applicable.

(1) Until the end of his term on May 23, 2019.

(2) Until the date of her resignation, which took effect on June 14, 2019.

(3) At the Shareholders' Meeting on May 23, 2019, Olivier Piou brings the Board of Directors the benefit of his expertise in digital security and his experience as an executive corporate officer. Patrick Sayer is a valuable asset to the Board of Directors thanks to his experience in investment funds and his experience as an executive corporate officer. Following the reappointment of Jacques Aschenbroich as director, the Board of Directors was able to reappoint him as Chairman and Chief Executive Officer of the Company.

(4) Decision of the Board of Directors on June 21, 2019, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee. The co-optation of Bpifrance Participations will be submitted to the Shareholders' Meeting on June 25, 2020 for ratification.

(5) Until October 24, 2019, the date of his resignation as member and Chair of the Governance, Appointments & Corporate Social Responsibility Committee, member and Chair of the Compensation Committee and Lead Director. After this date, Georges Pauget remained a director and member of the Strategy Committee.

(6) Decision of the Board of Directors on May 23, 2019, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee.

(7) Decision of the Board of Directors on October 24, 2019, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee. Gilles Michel was already a member of the Governance, Appointments & Corporate Social Responsibility Committee and the Compensation Committee before being appointed their Chairman.

(8) Decision of the Board of Directors on May 23, 2019, on the recommendation of the Governance, Appointments & Corporate Social Responsibility Committee, effective July 19, 2019.

Director biographies

Presentation of directors in 2019

(Information updated at December 31, 2019)

Jacques Aschenbroich

Chairman and
Chief Executive Officer



French
Age: 65
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: 832,833

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).

Bruno Bézard

Independent director



French
Age: 56

**Cathay Capital
Private Equity**
52, rue d'Anjou
75008 Paris

First appointed: 10/24/2017

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:

- Audit & Risks Committee (since July 19, 2019)

Main position held outside the Company

- Managing Partner of investment fund Cathay Capital Private Equity

Directorships and other offices currently held

Directorships and other offices within the Group

–

Directorships and other offices held outside the Group

- Director, Matmut

Directorships and other offices held within the past five years

- Director, EDF, SNCF, Areva, La Poste, Thales, Air France, Engie, PSA and Fonds Stratégique d'Investissement (FSI)
- Head of the French Public Finance General Directorate
- Head of the French Treasury

Summary of main areas of expertise and experience

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.

For example, he has 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.

Stéphanie Frchet

Permanent representative of Bpifrance Participations
Independent director (since June 21, 2019)



French
Age: 42
Bpifrance Investissement
6-8, boulevard Haussmann
75009 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: 12,368,826⁽¹⁾

Membership of Board committees:

- Audit & Risks Committee (since June 21, 2019)
- Compensation Committee (since June 21, 2019)
- Governance, Appointments & Corporate Social Responsibility Committee (since June 21, 2019)

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

- Member of the Supervisory Board, Sabena Technics Participations
- Director, Constellium 
- Permanent representative of Bpifrance Investissement, Director, Sulo
- Permanent representative of Bpifrance Participations, Director, Eutelsat Communications  (member of the Appointments & Governance Committee)
- 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 Participations, Director, FIDEC
- Permanent representative of Bpifrance Investissement, Director, Sarenza
- Permanent representative of Bpifrance Participations, Board Observer, Horizon Parent Holdings (Verallia) and Financière Carso

Summary of main areas of expertise and experience

Stéphanie Frchet 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 18 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 Frchet 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), and 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).*

(1) These shares are held by Bpifrance Participations.

Éric Chauvirey

Director representing employees



French
Age: 45
14, avenue des Béguines
Immeuble Le Delta
95892 Cergy-Pontoise
Cedex

First appointed by the Group Works Council: 06/30/2017

Start of current term of office: 06/30/2017

End of current term of office: 06/30/2021

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:

- Compensation Committee

Main position held outside the Company

-

Directorships and other offices currently held

Directorships and other offices within the Group

- R&D Knowledge Manager Special Projects in 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 (Étapes-sur-Mer) and R&D (Montigny-le-Bretonneux & Cergy). He began his career with Valeo as Head of Project Design at Étapes-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 Special Projects, 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 is a French citizen and speaks French and English.

Pascal Colombani

Independent director (until May 23, 2019) – Honorary Chairman



French
Age: 74
3, rue de Logelbach
75017 Paris, France

First appointed: 05/21/2007

Start of current term of office: 05/26/2015

End of current term of office: Shareholders' Meeting called to approve the 2018 financial statements

Number of shares held: 1,800

Membership of Board committees:

- Governance, Appointments & Corporate Social Responsibility Committee (until May 23, 2019)
- Compensation Committee (until May 23, 2019)
- Strategy Committee (until May 23, 2019)

Main position held outside the Company

- Chairman, TII Stratégies SASU
- Senior Advisor, J.P. Morgan Chase (United States), ♦ A.T. Kearney Paris and Truffle Venture
- Lead Director, TechnipFMC (United Kingdom) ♦ (member of the Strategy Committee and the Appointments and Governance Committee) and Noordzee Helikopters Vlaanderen (N.H.V.) (Belgium) (Chairman of the Audit Committee and member of the Compensation Committee)
- Member of the Supervisory Committee, SIACI Saint-Honoré (Chairman of the Audit Committee)

Directorships and other offices currently held

Directorships and other offices within the Group

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Directorships and other offices held outside the Group

- Director, *Agence Nationale de la Recherche*, Sorbonne University, and *Institut de physique du globe de Paris*
- Member of the European Advisory Board, J.P. Morgan Chase (United States) ♦
- Member, French Academy of Technology (*Académie des Technologies*)
- Vice-President, *Conseil Stratégique de la Recherche* (a research advisory board set up by the French government – CSR)
- Consultant, French Ministry of Foreign Affairs

Directorships and other offices held within the past five years

- Director, Alstom SA, Technip SA and Energy Solutions Inc. (United States)
- Chairman of the Board of Directors, N.H.V. (Belgium)
- Member, AFEP-MEDEF High Committee on Corporate Governance (*Haut Comité de Gouvernement d'Entreprise AFEP-MEDEF*)

Summary of main areas of expertise and experience

Pascal Colombani was a director of Valeo until May 23, 2019 and Chairman of the Board of Directors from March 20, 2009 to February 18, 2016. He has recognized expertise in new technologies and scientific fields. He has held senior management positions in the energy sector and has worked in Europe, the United States and Japan.

Pascal Colombani spent close to 20 years (1978-1997) at Schlumberger in various management positions, in Europe and in the United States, before becoming Chairman of its Japanese subsidiary in Tokyo. Between 1997 and 1999, he was the Director of Technology at the French Ministry for Research.

In January 2000, he was appointed Managing Director of the French Alternative Energies and Atomic Energy Commission (*Commissariat à l'Énergie Atomique – CEA*), a post that he held until December 2002. The instigator of the restructuring of CEA's industrial holdings and of the creation of Areva in 2000, he chaired the Supervisory Board of Areva until May 2003. On March 20, 2009, Pascal Colombani was appointed Chairman of the Board of Directors, a position he held until February 18, 2016.

He served as a director at Energy Solutions Inc. until 2013, member of the AFEP-MEDEF High Committee on Corporate Governance until November 24, 2016, Chairman of the Board of Directors of N.H.V. (Belgium) until December 9, 2016, director at Technip SA until January 16, 2017 and director at Alstom until March 17, 2017.

He has also notably served as a director at EDF, France Telecom, British Energy Group Plc and Rhodia SA, and Senior Advisor at both Detroyat Associés and Arjil Banque.

Pascal Colombani is a graduate of *École normale supérieure de Saint-Cloud*, is an associate professor in sciences (*agrégé de physique*) and has a doctorate in physics.

He is a French citizen and speaks French and English.

♦ Listed company (for directorships and positions currently held).

C. Maury Devine

Independent director



American
Age: 68
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

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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), Georgetown Visitation Preparatory School (United States) (Chair of the Audit Committee and member of the Executive Committee) and ConocoPhillips (United States) ♦ (member of the independent Nominations and Governance Committee and the Public Policy Committee)
- Member of the independent Nominating and Governance Committee, Petroleum Geo-Services (Norway) ♦ (until April 24, 2019)

Directorships and other offices held within the past five years

- Director, Technip SA (Lead Director, member of the Nominating and Compensation Committee and Chair of the Ethics and Governance Committee) and FMC Technologies (United States)

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's in Public Administration).

She is an American citizen and speaks French and English.

♦ Listed company (for directorships and positions currently held).

Michel de Fabiani

Independent director (until May 23, 2019)



French
Age: 74
CCI Franco-Britannique
63, avenue de Villiers,
75017 Paris, France

First appointed: 10/20/2009

Start of current term of office: 05/26/2015

End of current term of office: Shareholders' Meeting called to approve the 2018 financial statements

Number of shares held: 1,500

Membership of Board committees:

- Audit & Risks Committee (until May 23, 2019)
- Compensation Committee (until May 23, 2019)
- Governance, Appointments & Corporate Social Responsibility Committee (until May 23, 2019)

Main position held outside the Company

- Vice-President, Franco-British Chamber of Commerce and Industry
- Chairman of the Compensation Club of the French Institute of Directors (IFA)
- Chairman of the Policy Committee of the European Confederation of Directors Associations (ECODA) (Belgium)
- Director (various companies)

Directorships and other offices currently held

Directorships and other offices within the Group

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Directorships and other offices held outside the Group

- Director, EB Trans SA (Luxembourg)
- Member of the Supervisory Board, Valco Group
- Chairman of the Board of Directors, British Hertford Hospital Corporation (United Kingdom)
- Founding Chairman, *Cercle économique Sully* (a think tank) and Association for the Promotion of Ecological Vehicles (*Association pour la promotion des véhicules écologiques*)
- Director, *Œuvre du Perpétuel Secours* (a non-profit association)

Directorships and other offices held within the past five years

- Director, BP France, Rhodia group, Star Oil Mali (Mali) and SEMS (Morocco)
- Member of the Supervisory Board, Vallourec

Summary of main areas of expertise and experience

Michel de Fabiani has extensive experience in the industrial world. He was the first Frenchman to become President, in 2005 and again in 2009, of the Franco-British Chamber of Commerce and Industry, an institution founded in 1873 to promote and develop business and trade between France and the United Kingdom. He has held a number of directorships and brings the Board of Directors considerable experience in corporate governance.

After joining the BP group in 1969, Michel de Fabiani held a number of positions in the nutrition, chemicals, finance and oil sectors in Milan, Paris and Brussels. In May 1995, he became Chairman and Chief Executive Officer of BP France. In September 1997, he was appointed Chief Executive Officer of the BP/Mobil joint venture in Europe and in 1999, President, Europe of the BP group and Vice-President of Europa (European Oil Industry Association) in Brussels until the end of 2004, when he left his executive position after 35 years with the BP group.

He has also served as a director of Rhodia and a member of the Supervisory Board of Vallourec.

Michel de Fabiani is a graduate of HEC business school in Paris.

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

Mari-Noëlle Jégo-Laveissière

Independent director



French
Age: 51
Orange
78, 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, Technology & Global Innovation, Orange

Directorships and other offices currently held

Directorships and other offices within the Group

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Directorships and other offices held outside the Group

- Director, Engie ♦ (member of the Ethics, Environment and Sustainable Development Committee), Orange Romania (Romania), BuyIn SA and NowCp
- Chair of the Board of Directors, Soft@Home and Viaccess SA

Directorships and other offices held within the past five years

- Director, Nordnet and the French National Frequency Agency (*Agence Nationale des Fréquences*)

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 holds a degree from *École normale supérieure* and she graduated in engineering from *Corps des Mines Telecom*. She also holds a doctorate in quantum chemistry from the Université de Paris XI - Waterloo.

She is a French citizen and speaks French and English.

♦ *Listed company (for directorships and positions currently held).*

Noëlle Lenoir

Independent director (until June 14, 2019)



French
Age: 71
Kramer Levin Naftalis & Frankel LLP
47, avenue Hoche
75008 Paris, France

First appointed: 06/03/2010

Start of current term of office: 05/23/2018

End of current term of office: Shareholders' Meeting called to approve the 2021 financial statements
Resigned on June 14, 2019

Number of shares held: 3,000

Membership of Board committees:

- Audit & Risks Committee (until June 14, 2019)

Main position held outside the Company

- Partner, Kramer Levin Naftalis & Frankel LLP

Directorships and other offices currently held

Directorships and other offices within the Group

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Directorships and other offices held outside the Group

- Honorary member of the *Conseil d'État* (France's highest administrative court) and the French Constitutional Council (*Conseil constitutionnel*)
- President, HEC Europe Institute (*Institut de l'Europe de l'École des Hautes Études Commerciales*)
- Adjunct Professor, HEC business school in Paris (HEC)
- Member of the French Technology Academy (*Académie des Technologies*) and the American Law Institute
- Member of the bureau, French Association of Constitutionalists (*Association Française des Constitutionnalistes*)
- Member of the International Committee of the French Institute of Directors (IFA) (until January 2019)
- Founding Chair, *Cercle des Européens* and *Association des amis d'Honoré Daumier*
- Chair of the Ethics and Scientific Committee, Parcoursup (until February 2019)
- Chair of the Committee for the Attractiveness of the Paris Ile-de-France Economic Capital (*Comité Attractivité de la Paris Ile-de-France Capitale Économique*)
- Vice-President of the International Chamber of Commerce (French section)
- Director, Cluster Maritime Français and HEC business school in Paris

Directorships and other offices held within the past five years

- Chair of the Ethics Committee, Radio France
- Director, Generali France and Compagnie des Alpes (member of the Appointment & Compensation Committee, member of the Strategy Committee)
- Ethics Officer at the French National Assembly
- Director, Comparative Law Society (*Société de Législation Comparée*)

Summary of main areas of expertise and experience

A practising lawyer, Noëlle Lenoir has held several very high-level positions in the French government during her career. As well as being the first woman to be appointed as a member of the French Constitutional Council (*Conseil constitutionnel*) (1992-2001), she was Deputy Minister of European Affairs from 2002 to 2004. Apart from her extensive knowledge of the workings of the French government and European institutions, she also brings the Board of Directors the benefit of her considerable legal experience in European regulations, competition law and compliance.

She worked as a partner in the law firms Debevoise & Plimpton LLP (2004-2009) and Jeantet et Associés before joining Kramer Levin Naftalis & Frankel LLP in 2011. She was a member of the *Conseil d'État* (France's highest administrative court) and the French Constitutional Council, a director of Generali France and Compagnie des Alpes, Ethics Officer at the French National Assembly, a director of the Law Committee of the French Senate, a director of the French Data Protection Authority (*Commission Nationale de l'Informatique et des Libertés*) and Mayor of Valmondois (Val d'Oise).

Noëlle Lenoir is a graduate of *Institut d'études politiques de Paris* (IEP) and holds a postgraduate degree in public law. She is a French citizen and speaks French and English.

Gilles Michel

Independent director, Lead Director since October 24, 2019



French
Age: 63
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 (Chair since October 24, 2019)
- Compensation Committee (Chair since October 24, 2019)

Main position held outside the Company

- Director (various companies)

Directorships and other offices currently held

Directorships and other offices within the Group

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Directorships and other offices held outside the Group

- Director, Charles Telfair Institute (Chairman of the Board of Directors) (Mauritius), IBL Ltd (Mauritius) ♦ (Chair of the Corporate Governance Committee, member of the Strategy Committee) and Solvay (Belgium) ♦ (member of the Finance Committee, member of the Appointments Committee and member of the Compensation Committee)
- Director, Maurilait Production Ltée (Mauritius) and Management and Development Company Limited (Mauritius)
- Chairman of the Board of Directors, Imerys (until June 25, 2019) ♦

Directorships and other offices held within the past five years

- Chairman and Chief Executive Officer, 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 ENSAE, 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*, ENSAE 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: 68
Fimalac
97, rue de Lille,
75007 Paris, France

First appointed: 06/08/2011

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:

- 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

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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)
- Chairman of the Supervisory Board, Webedia (Fimalac group) (Chairman of the Audit and Risks Committee until June 2019)

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, Lead Director until October 24, 2019



French
Age: 72
Rue Augusto Rosa 7-5ESQ
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:

- Governance, Appointments & Corporate Social Responsibility Committee (Chair) (until October 24, 2019)
- Compensation Committee (Chairman) (until October 24, 2019)
- Strategy Committee

Main position held outside the Company

- Legal Manager of ALMITAGE16.LDA (Portugal) and ALMISANTO.LDA (Portugal); director (various companies)

Directorships and other offices currently held

Directorships and other offices within the Group

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Directorships and other offices held outside the Group

- Director, Worldline SA ♦ (since April 30, 2019)
- 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)

Directorships and other offices held within the past five years

- Chairman, Économie 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 Chair 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 was Chief Executive Officer of the Crédit Agricole SA group from 2005 to 2010. He was also the permanent representative of Crédit Agricole SA on the Supervisory Board of Fonds de Garantie des Dépôts and Chief Operating Officer, a member of the Executive Committee and Director of the Regional Banks division of Crédit Agricole SA.

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 Économie 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 (since May 23, 2019)



French
Age: 61
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: 1,500

Membership of Board committees:

- Audit & Risks Committee (since May 23, 2019)
- Strategy Committee (since May 23, 2019)

Main position held outside the Company

- Director, Nokia (Finland) ♦ and TechnipFMC (United Kingdom) ♦

Directorships and other offices currently held

Directorships and other offices within the Group

-

Directorships and other offices held outside the Group

- Director, Nokia (Finland) ♦ and TechnipFMC (United Kingdom) (since June 1, 2019) ♦

Directorships and other offices held within the past five years

- Chief Executive Officer, Gemalto NV (Netherlands)
- Director, Alcatel-Lucent

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.

Olivier Piou is a member of the Board of Directors of Nokia and TechnipFMC. 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, and of Alcatel-Lucent from 2008 to 2016.

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 (since May 23, 2019)



French
Age: 62
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 (since May 23, 2019)
- Compensation Committee (since May 23, 2019)
- Strategy Committee (since May 23, 2019)

Main position held outside the Company

- Chairman of Augusta

Directorships and other offices currently held

Directorships and other offices within the Group

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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 (member of the Strategic Committee) ♦
- Director, Ipulse (United States), the Paris Museum of Decorative Arts (*Musée des arts décoratifs de Paris*), AccorHotels (until April 30, 2019) ♦ and Tech Data Corporation (United States) ♦
- 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) and Rexel
- Manager, Investco 3d Bingen
- Vice Chairman and member of the Supervisory Board, ANF Immobilier

Summary of main areas of expertise and experience

Patrick 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, Patrick 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 currently serves as a member of the Supervisory Board

of Europcar Mobility Group and a director of Ipulse and Tech Data Corporation (United States). He is a former President of the French Association of Investors for Growth (*Association Française des Investisseurs pour la Croissance*) (AFIC), (2006-2007), director of the Musée des Arts Décoratifs (Paris Museum of Decorative Arts), 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



German
Age: 68
3, villa du Coteau,
92140 Clamart, France

First appointed: 02/24/2011

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 (Chair)
- Governance, Appointments & Corporate Social Responsibility Committee
- 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

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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)

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 group and EADS/Airbus, with a strong focus on international business and strategy.

She started her career in France at the office of the Minister for European Affairs. She then worked for the *Électricité de France* group from 1990 until 1998, where she held a number of positions in the International division, then within the General Management of the group, before becoming head of the International Subsidiaries in the Industrial division. In 1999, she joined Degussa AG group in Germany (Head of Human Resources of a division, and then Vice-President, Executive Development). She later headed the subsidiary Degussa France and the group's representative office in Brussels.

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.

Ulrike Steinhorst is a state-certified German lawyer and graduate of CPA/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.

♦ Listed company (for directorships and positions currently held).

Véronique Weill

Independent director



French
Age: 60
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 (since May 23, 2019)
- Compensation Committee (since May 23, 2019)
- Strategy Committee (until May 23, 2019)

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

–

Directorships and other offices held outside the Group

- Director, Translate Plus – Publicis Groupe (United Kingdom), BBH Holdings Ltd. (Bartle Bogle Hegarty) – Publicis Groupe (United Kingdom), Gustave Roussy Foundation, Georges Besse Foundation and the Louvre Museum

Directorships and other offices held within the past five years

- Chief Customer Officer, AXA group
- Chief Executive Officer, AXA Global Asset Management
- Member of the Scientific Board, AXA Research Fund
- Chair of the Board of Directors, AXA Assicurazioni Spa (Italy), AXA Aurora Vida, Sa De Seguros Y Reaseguros (Spain), AXA Pensiones SA, Entidad Gestora De Fondos De Pensiones, Sociedad Unipersonal (Spain), AXA Seguros Generales SA De Seguros Y Reaseguros (Spain), AXA Vida SA De Seguros Y Reaseguros (Spain), AXA Global Direct SA (France) and AXA Banque Europe (Belgium)
- 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.

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.



AGENDA

Agenda for the Ordinary General Shareholders' Meeting

Approval of the parent company financial statements for the financial year ended December 31, 2019 (<i>first resolution</i>)	45
Approval of the consolidated financial statements for the financial year ended December 31, 2019 (<i>second resolution</i>)	45
Allocation of earnings for the financial year ended December 31, 2019 and setting of the dividend (<i>third resolution</i>)	45
Approval of agreements and undertakings governed by Articles L. 225-38 <i>et seq.</i> of the French Commercial Code (<i>fourth resolution</i>)	47
Ratification of the appointment of Bpifrance Participations as director (<i>fifth resolution</i>)	50
Ratification of the appointment of the Fonds Stratégique de Participations as director (<i>sixth resolution</i>)	50
Renewal of Thierry Moulonguet's term of office as director (<i>seventh resolution</i>)	50
Renewal of Ulrike Steinhorst's term of office as director (<i>eighth resolution</i>)	50
Renewal of the Fonds Stratégique de Participations's term of office as director (<i>ninth resolution</i>)	50
Approval of the information pertaining to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2019 to all corporate officers (<i>tenth resolution</i>)	51
Approval of the compensation components paid during, or allocated in respect of, the financial year ended December 31, 2019 to the Chairman and Chief Executive Officer (<i>eleventh resolution</i>)	52
Approval of the compensation policy applicable to the directors (<i>twelfth resolution</i>)	52
Approval of the compensation policy applicable to the Chairman and Chief Executive Officer (<i>thirteenth resolution</i>)	53
Authorisation for the Board of Directors to carry out transactions in shares issued by the Company, non-applicable during a public takeover offer (<i>fourteenth resolution</i>)	54
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Agenda for the Extraordinary General Shareholders' Meeting

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Approval of the transformation of the Company into an European company with a Board of Directors (<i>seventeenth resolution</i>)	61
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PRESENTATION OF THE PROPOSED RESOLUTIONS

Report of the Board of Directors and proposed resolutions

▼ 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 report on the financial year ended December 31, 2019 which you are invited to read.

Madam, Sir, dear Shareholders,

We have convened this combined (ordinary and extraordinary) General Shareholders' Meeting of Valeo S.A. (the "Company" or "Valeo") to submit for your approval **19** resolutions described in this report.

I. Resolutions within the powers of the Ordinary General Shareholders' Meeting

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 (*second resolution*) of the Company for the financial year ended December 31, 2019, to allocate the earnings and to set the dividend (*third resolution*).

The Company financial statements for the financial year ended December 31, 2019 show a profit of 281,830,799.64 euros. The distributable profit of the Company (profit of the financial year ended December 31, 2019 and previous retained earnings of 1,449,176,648.91 euros) for the financial year ended December 31, 2019 amounts to 1,731,007,448.55 euros.

The Board of Directors of the Company proposes to pay a dividend of 0.20 euros per share for each share entitled to dividends.

Following the decision to pay a dividend of 0.20 euros per share for each share entitled to dividends, i.e. 47,805,822.20 euros⁽¹⁾, the balance of the distributable profit recorded in the "retained earnings" account amounts to 1,683,201,626.35 euros. The ex-dividend date will be June 29, 2020, the record date will be June 30, 2020 and the payment date will be July 1, 2020.

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

- financial year 2018: 297.4 million euros;
- financial year 2017: 295.9 million euros;
- financial year 2016: 296.6 million euros.

The aforementioned amounts were eligible for the 40% tax allowance for natural persons having their tax residence in France, as provided for in 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, 2019, i.e. 239,029,111 shares, and may vary if the number of shares entitled to dividends changes between January 1, 2020 and the ex-dividend date, depending in particular on the number of treasury shares, as well as the final allotment of free shares and exercise of options (if the beneficiary is entitled to a dividend in accordance with the provisions of the relevant plans).

When paid to individuals who are tax residents in France, the gross dividend is either subject to a single withholding tax at a flat rate of 30% including (i) the income tax at the 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 domiciled for tax purposes in France may, however, opt to have this dividend subject to the progressive scale of income tax when filing the income tax return and at the latest before the deadline for filing (Article 200-A-2 of the French General Tax Code).

First resolution

(Approval of the parent company financial statements for the financial year ended December 31, 2019)

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, 2019 which include the balance sheet, the income statement and the notes, approves the parent company financial statements for the financial year ended December 31, 2019 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 281,830,799.64 euros.

Second resolution

(Approval of the consolidated financial statements for the financial year ended December 31, 2019)

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 Company's consolidated financial statements for the financial year ended December 31, 2019 which include the balance sheet, the income statement and the notes, approves the consolidated financial statements for the financial year ended December 31, 2019, 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, 2019 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, 2019 as approved by this General Shareholders' Meeting, show profits for the financial year of 281,830,799.64 euros and decides, on the proposal of the Board of Directors, to allocate the distributable earnings as follows:

Profits	281,830,799.64 euros
Earnings previously retained	1,449,176,648.91 euros
Distributable earnings	1,731,007,448.55 euros
Allocation to dividend	47,805,822.20 euros ⁽¹⁾
Balance recorded in retained earnings	1,683,201,626.35 euros

(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, 2019, i.e. 239,029,111 shares, and may vary if the number of shares entitled to dividends changes between January 1, 2020 and the ex-dividend date, depending in particular on the number of treasury shares, as well as the final allotment of free shares and exercise of options (if the beneficiary is entitled to a dividend in accordance with the provisions of the relevant plans).

The dividend is set at 0.20 euro per share for each of the shares entitled to dividends.

The dividend will be paid on July 1, 2020, it being understood that the ex-dividend date will be June 29, 2020 and the record date will be June 30, 2020. It is specified 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 with the 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 (included 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 and no later than 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 2019 financial year were as follows:

Financial year	Number of shares entitled to dividends	Dividend per share (in euros)	Total (in million euros)
2016	237,254,525	1.25	296.6 ⁽¹⁾
2017	236,680,841	1.25	295.9 ⁽¹⁾
2018	237,898,784	1.25	297.4 ⁽¹⁾

(1) Amounts which are eligible for the 40% tax deduction applying to individuals who are tax residents in France pursuant to Article 158,3-2° of the French General Tax Code.

B. Approval of agreements and undertakings governed by Articles L. 225-38 *et seq.* of the French Commercial Code (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, (i) agreements 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 and (ii) certain undertakings given to executive corporate officers.

Pursuant to the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code, all “related party” agreements or undertakings are 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 they must be approved by the Ordinary General Shareholders’ Meeting.

Finally, in accordance with Article L. 225-40-2 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.

Agreements and undertakings previously approved by the Annual General Shareholders’ Meeting and which remained in force during the financial year ended December 31, 2019

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 previously approved by the General Shareholders’ Meeting and which remained in force during the financial year ended December 31, 2019. These agreements and undertakings do not therefore require any new approval from you.

The undertaking made to Jacques Aschenbroich concerning a life insurance policy covering death, disability or any other consequences of an accident occurring during a business trip remained in effect during the past financial year.

In addition, and for information purposes, the following undertakings were subject in 2019 to the procedure provided for in Article L. 225-38 of the French Commercial Code in accordance with Article L. 225-42-1 of the same Code, repealed since November 29, 2019, authorized by the Board of Directors on March 21, 2019 and approved by the General Shareholders’ Meeting of May 23, 2019:

- (a) The pension commitment made in favour of Jacques Aschenbroich with respect to the so-called “Article 39” defined benefit pension plan. This plan, effective as of January 1, 2010, was closed to new beneficiaries as from July 1, 2017. Its main characteristics are as follows:
 - cap due to the nature of the plan: additional pension of 1% of the reference salary per year of seniority, with a maximum limit of 20%;

- cap on the basis determining entitlements: the supplement, under all plans combined, may not exceed 55% of the reference salary;
 - the reference salary is the end-of-career salary, which is equal to the average last 36 months of fixed base compensation, increased by the variable part of the compensation for the periods subsequent to February 1, 2014, these components being received in respect of full time activity within the Group;
 - since February 18, 2016, the acquisition of supplementary pension rights is subject to a performance condition, which would be satisfied if the variable compensation of the executive corporate officer to be paid in financial year N+1 with respect to financial year N were to reach 100% of the fixed compensation owed for financial year N. Failing this, the calculation of the rights allocated would be made on a pro rata basis.
- (b) The non-competition agreement between the Company and Jacques Aschenbroich, implemented by the Board of Directors on February 24, 2010, under the terms of which Jacques Aschenbroich would be prohibited, for a period of 12 months following the termination of his duties as Chief Executive Officer of Valeo, for any reason whatsoever, from collaborating in any way whatsoever with an automotive equipment manufacturer and, more generally, with a competitor of Valeo. In light of the recommendations of the AFEP-MEDEF Code (the “AFEP-MEDEF Code”), which provide that the payment of the non-competition indemnity is excluded when the executive corporate officer claims his pension rights and in any event beyond the age of 65 years old, Jacques Aschenbroich has announced his decision to waive his right to the non-competition compensation. In order to comply with the AFEP-MEDEF Code, the Board of Directors acknowledged this at its meeting of February 21, 2019 and decided during the meeting held on March 21, 2019 to amend the non-competition agreement accordingly.

Lastly, further to the appointment by the Board of Directors of Jacques Aschenbroich as Chairman of the Board of Directors on February 18, 2016, as a result of which he became both Chairman and Chief Executive Officer, Jacques Aschenbroich, directly upon his appointment, informed the Board of Directors of his wish to waive his termination benefits. His decision to waive this right was acknowledged by the Board of Directors on February 18, 2016.

New undertaking submitted for approval by the Annual General Shareholders’ Meeting

The Statutory Auditors’ special report on the agreements and undertakings referred to in Article L. 225-38 of the French Commercial Code describes a new related party undertaking authorized by the Board of Directors on February 20, 2020 and submitted for your approval.

In the fourth resolution, after reviewing the Statutory Auditors’ special report on the agreements and undertakings referred to in Article L. 225-38 of the French Commercial Code, you are therefore requested to approve the said undertaking described below and in the Statutory Auditors’ report.

In accordance with French Ordinance No. 2019-697 of July 3, 2019, the so-called “Article 39” defined benefit pension plan, which no longer welcomes new members since July 1, 2017, no longer allows for the acquisition of new rights as from January 1, 2020 (the “**Closed Plan**”). Thus, in accordance with the new legal provisions, a new commitment is made in favour of Jacques Aschenbroich. This 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.

The usefulness of the commitment for the Company and its shareholders is justified by the following:

This pension plan commitment is in line with Group and market practices. It entitles Jacques Aschenbroich to continue to benefit from a defined benefit pension plan. This also ensures that the compensation policy for the Chairman and Chief Executive Officer is in line with the corporate interest and contributes to the Company’s strategy and long-term future.

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-related 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;
- 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 this 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.

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. 225-86 *et seq.* of the French Commercial Code, acknowledges that the Statutory Auditors (i) have not been advised of any new agreement or undertaking authorized by the Board of Directors during the financial year ended December 31, 2019 and not already approved by the General Shareholders’ Meeting and (ii) have been advised of a new agreement authorized by the Board of Directors on February 20, 2020 pertaining to the defined benefit pension scheme applicable to the Chairman and Chief Executive Officer as described in the aforementioned reports and, in consideration hereof, approves the said defined benefit pension scheme, in accordance with the provisions set out in Article L. 225-38 of the French Commercial Code.

C. Ratification/Renewal of members of the Board of Directors (fifth, sixth, seventh, eighth and ninth resolutions)

As of the date of this report, the Board of Directors is composed of 13 members, including a director representing employees since June 30, 2017.

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, Thierry Moulouquet, Ulrike Steinhorst and the Fonds Stratégique de Participations, expire at the end of this General Shareholders’ Meeting.

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

Ratification of the co-optations of Bpifrance Participations and the Fonds Stratégique de Participations (fifth and sixth resolutions)

It should be noted that, in accordance with the applicable legal and statutory provisions, the Board of Directors may make temporary appointments for the remaining term of office of directors who have left the Company. These co-optations must then be ratified by the General Shareholders’ Meeting.

At its meeting of June 21, 2019, on the recommendation of the Governance, Appointments and Corporate Social Responsibility Committee (the “**CGNRSE**”), the Board of Directors unanimously decided to co-opt Bpifrance Participations to replace Noëlle Lenoir. Bpifrance Participations is represented on the Board of Directors by Stéphanie Frachet. Bpifrance Participations was also appointed as a member of the Audit and Risks Committee, the Compensation Committee and the CGNRSE.

At its meeting on March 24, 2020, on the recommendation of the CGNRSE, the Board of Directors unanimously decided to co-opt the Fonds Stratégique de Participations to replace Georges Pauget. The Fonds Stratégique de Participations is represented on the Board of Directors by Julie Avrane-Chopard. The Fonds Stratégique de Participations was also appointed as a member of the Audit and Risks Committee.

These co-optations allow your Board of Directors to benefit from the expertise of Stéphanie Frchet, permanent representative of Bpifrance Participations, and Julie Avrane-Chopard, permanent representative of the Fonds Stratégique de Participations, as described in the biographies below.

Bpifrance Participations represented by Stéphanie Frchet, and the Fonds Stratégique de Participations represented by Julie Avrane-Chopard are considered to be independent directors with respect to the criteria set out in the Internal Procedures of the

Board of Directors and the AFEP-MEDEF Code (recommendation No. 9) to which the Company refers. A more detailed analysis of the independence of the Fonds Stratégique de Participations represented by Julie Avrane-Chopard is set out in Section 3.2.1 of the Company's 2019 Universal Registration Document, pages 108 to 110.

It is proposed that you ratify the co-optation by the Board of Directors of (i) Bpifrance Participations represented by Stéphanie Frchet as director, replacing Noëlle Lenoir, for the remainder of the latter's term of office, either until the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2021 and of (ii) Fonds Stratégique de Participations represented by Julie Avrane-Chopard as director, replacing Georges Pauget, for the remainder of the latter's term of office, or until the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2019⁽¹⁾.

Biography of Stéphanie Frchet

Stéphanie Frchet 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 eighteen 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, Stéphanie Frchet joined Société Générale's Leverage Finance team, where she was in charge of LBO deals for middle market companies and large groups.

Stéphanie Frchet 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), and 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.

Stéphanie Frchet is a graduate of the ESSEC Business School.

Biography of Julie Avrane-Chopard

Julie Avrane-Chopard is a Senior Partner in McKinsey & Company's Paris office, which she joined in 1999. She heads the firm's high-tech industries practice in France (advanced electronics, aerospace and defence, automotive and assembly).

She also co-leads 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 deals with strategy, growth, M&A and post-merger integration issues in cross-border contexts as well as large-scale transformation plans.

Prior to joining McKinsey's Paris office, Julie Avrane-Chopard worked for two years as a business analyst in McKinsey's London office from 1995 to 1997 and as a researcher with Cogema (Areva) in 1994.

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.

(1) The percentage of women sitting within the Board of Directors rose from 42% to 50% after the co-optation of the Fonds Stratégique de Participations, represented by Julie Avrane-Chopard (this percentage does not include the director representing employees, pursuant to Article L. 225-27-1, II of the French Commercial Code).

Renewal of the terms of office of Thierry Moulouquet, Ulrike Steinhorst and the Fonds Stratégique de Participations (seventh, eighth and ninth resolutions)

The terms of office of Thierry Moulouquet, Ulrike Steinhorst and the Fonds Stratégique de Participations will expire at the end of this General Shareholders' Meeting.

Further to the recommendation of the CGNRSE, the Board of Directors proposes that the General Shareholders' Meeting renews the terms of office as directors of Thierry Moulouquet (*seventh resolution*), Ulrike Steinhorst (*eighth resolution*) and of the Fonds Stratégique de Participations (*ninth resolution*), 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 year ended December 31, 2023.

Thierry Moulouquet, Ulrike Steinhorst and the Fonds Stratégique de Participations represented by Julie Avrane-Chopard 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 Thierry Moulouquet and Ulrike Steinhorst is set out in Section 3.2.1 of the Company's 2019 Universal Registration Document, pages 108 to 110. The renewal of Thierry Moulouquet, Ulrike Steinhorst and the Fonds Stratégique de Participations represented by Julie Avrane-Chopard, would allow the Board of Directors to continue to benefit from their respective expertise as described in their biographies.

Biography of Thierry Moulouquet

Thierry Moulouquet has extensive experience in the French and international automotive industry.

He spent most of his career with the Renault-Nissan group, which he joined in February 1991 as Head of Banking Strategy and Financial Communication. He later served as director of Financial Relations, 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.

Thierry Moulouquet is an independent director of Fimalac SA, Fimalac Développement (Luxembourg), Groupe Lucien Barrière and HSBC France. He is also Chairman of the Supervisory Board of Webedia (Fimalac Group).

He was also a director of HSBC Europe (UK), Prodways Group, Fitch Ratings Ltd, Ssangyong Motor Co. (Korea), Avtovaz (Russia), RCI Banque and Renault Retail Group.

Thierry Moulouquet is a graduate of the *École nationale d'administration* (ENA) and the *Institut d'études politiques de Paris* (IEP).

Biography of Ulrike Steinhorst

Ulrike Steinhorst, a German citizen, has extensive experience in top-level corporate positions, mainly at EDF, Degussa group and EADS/Airbus, with a strong focus on international business and strategy.

Ulrike Steinhorst is the founder and chair of Nuria Consultancy, and serves as a director of the Franco-German Chamber of Commerce and Industry, the *École nationale supérieure des mines de ParisTech*, Mersen S.A. and Albioma S.A.

She also sat as a member of the Board of Directors of IMAGINE, the genetic disease research institute, and FZI (UIMM).

She started her career in France in the office of the Minister for European Affairs. She then worked for the Électricité de France group from 1990 until 1998, where she held a number of positions in the International Division, then within the General Management of the group, before becoming head of the International Subsidiaries in the Industrial Division. In 1999, she joined Degussa AG group in Germany (Head of Human Resources of a division, and then Vice-President, Executive Development). She later headed the subsidiary Degussa France and the group's representative office in Brussels. 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 Division.

Ulrike Steinhorst is a state-certified German lawyer and graduate of CPA/HEC, the *Université Paris-II - Panthéon* (post-graduate DEA degree in public law) and the *École nationale d'administration* (ENA).

Biography of Julie Avrane-Chopard

See above.

Fifth resolution

(Ratification of the appointment of Bpifrance Participations as director)

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, hereby ratifies the appointment by the Board of Directors of Bpifrance Participations as director, replacing Noëlle Lenoir for the latter's remaining term of office expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ending on December 31, 2021.

Sixth resolution

(Ratification of the appointment of the Fonds Stratégique de Participations as director)

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, hereby ratifies the appointment by the Board of Directors of the Fonds Stratégique de Participations as director, replacing Georges Pauget for the latter's remaining term of office expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the financial year ended on December 31, 2019.

Seventh resolution

(Renewal of Thierry Moulouguet's term of office as director)

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 acknowledging that the term of office of Thierry Moulouguet expires at the end of this General Shareholders' Meeting, decides to renew the term of office of Thierry Moulouguet for a new period of four (4) 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, 2023.

Eighth resolution

(Renewal of Ulrike Steinhorst's term of office as director)

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 acknowledging that the term of office of Ulrike Steinhorst expires at the end of this General Shareholders' Meeting, decides to renew the term of office of Ulrike Steinhorst for a new period of four (4) 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, 2023.

Ninth resolution

(Renewal of the Fonds Stratégique de Participations's term of office as director)

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 acknowledging that the term of office of the Fonds Stratégique de Participations expires at the end of this General Shareholders' Meeting, decides to renew the term of office of the Fonds Stratégique de Participations for a new period of four (4) 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, 2023.

D. Approval of the information pertaining to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2019 to all corporate officers – *ex post* vote (tenth resolution)

In accordance with the provisions of Articles L. 225-37-3 and L. 225-100-II 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. 225-37-3-I of the French Commercial Code relating to the compensation paid to the directors for the financial year ended December 31, 2019 is set forth in Section 3.3.2 "Compensation of corporate officers in respect of the year ended December 31, 2019", subsection "Director's compensation in respect of the year ended December 31, 2019" of the Company's 2019 Universal Registration Document, page 180. In addition, a table summarizing the compensation components paid to directors for the financial year ended December 31, 2019, drawn up on the basis of the template provided by the AFEP, is appended hereto, for information purposes, as [Appendix 1](#).

The information required by Article L. 225-37-3-I of the French Commercial Code relating to the compensation paid during or for the financial year ended December 31, 2019 to the Chairman and Chief Executive Officer pursuant to the 2019 compensation policy approved at a rate of 91.92% by the General Shareholders' Meeting of May 23, 2019 under its tenth resolution (the "**2019 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, 2019", subsection "Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2019 and prior years", part "Compensation in respect of the year ended December 31, 2019" of the Company's 2019 Universal Registration Document, pages 165 to 168. In addition, a table summarizing the compensation components paid or awarded to the Chairman and Chief Executive Officer for the financial year ended December 31, 2019 pursuant to the 2019 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](#).

Tenth resolution

(Approval of the information pertaining to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2019 to all 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. 225-37-3 and L. 225-100-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 information pertaining to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2019 to the Chairman and Chief Executive Officer, as well as the information pertaining to the compensation paid to the directors in respect of the financial year ended December 31, 2019, as presented in the aforementioned report and as appearing in the 2019 Universal Registration Document, Section 3.3.2 "Compensation of corporate officers in respect of the year ended December 31, 2019", subsection "Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2019 and prior years", part "Compensation in respect of the year ended December 31, 2019", pages 165 to 168, and Section 3.3.2 "Compensation of corporate officers in respect of the year ended December 31, 2019", subsection "Directors' compensation in respect of the year ended December 31, 2019", page 180.

E. Approval of the compensation components paid during, or allocated in respect of, the financial year ended December 31, 2019 to the Chairman and Chief Executive Officer – ex post vote (eleventh resolution)

In accordance with the provisions of Articles L. 225-37-3 and L. 225-100-III of the French Commercial Code, the General Shareholders' Meeting votes on the fixed, variable or exceptional items making up the total compensation and benefits of any kind paid during or awarded for 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 awarded to the Chairman and Chief Executive Officer for the financial year ended December 31, 2019 pursuant to the 2019 Compensation Policy for the Chairman and Chief Executive Officer, approved at a rate of 91.92% by the General Shareholders' Meeting of May 23, 2019 under its tenth resolution, are set forth in Section 3.3.2 "Compensation of

corporate officers in respect of the year ended December 31, 2019", subsection "Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2019 and prior years", part "Compensation in respect of the year ended December 31, 2019" of the Company's 2019 Universal Registration Document, pages 165 to 168. In addition, a table summarizing the compensation components paid or awarded to Jacques Aschenbroich for the financial year ended December 31, 2019 pursuant to the 2019 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](#).

Under the eleventh resolution, we propose that you approve the following compensation components paid during or awarded to Jacques Aschenbroich by Valeo for the financial year ending December 31, 2019 in application of the 2019 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: 1,060,753 euros;
- the amount of his annual variable compensation: 1,113,791 euros, representing 105% of his annual fixed compensation (out of a maximum percentage of 170%, of which 115% related to quantifiable criteria and for which 57.50% was achieved, and 55% related to qualitative criteria, for which 47.50% was achieved). The level of achievement of the quantifiable criteria, for which the objectives are ambitious, is in line with the complex environment in which the Group has evolved in 2019, marked in particular by the disruptions in the automotive industry which continued during the year (notably, a 6% drop in global automotive production compared to forecasts at the beginning of 2019, and a 10% drop in the market in China, a particularly unstable economic and geopolitical environment and prices for commodities which remained high);
- the number and accounting valuation of the performance shares granted to him in 2019: 87,122 performance shares⁽¹⁾ valued in accordance with IFRS at 2,093,541.60 euros, representing 190% 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. Due to the challenging performance criteria, it should be noted that none of the performance shares allotted to Jacques Aschenbroich under the 2016 and 2017 performance share plans definitively vested;
- 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: 24,791 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, 2019.

(1) In 2019, in light of the difficult and volatile automobile market conditions which affected Valeo's share price, in order to reflect the significant decline in the share price during the period preceding the allotment, the number of performance shares allotted to the Chairman and Chief Executive Officer (IFRS valuation) was calculated with a discount of 27% as compared to the maximum permitted under the compensation policy (270% of the 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 87,122 shares, valued at 2,093,541 euros under IFRS, i.e. 73% of the maximum amount permitted under the compensation policy.

Eleventh resolution

(Approval of the compensation components paid during, or allocated in respect of, the financial year ended December 31, 2019 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. 225-100-III 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, 2019, to Chairman and Chief Executive Officer, as presented in the aforementioned report and as appearing in the 2019 Universal Registration Document, Section 3.3.2 "Compensation of corporate officers in respect of the year ended December 31, 2019", subsection "Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2019 and prior years", part "Compensation in respect of the year ended December 31, 2019", pages 165 to 168.

F. Approval of the compensation policy applicable to the directors (twelfth resolution)

Under the twelfth resolution, we propose that you approve the remuneration policy applicable to the directors established in accordance with Article L. 225-37-2 of the French Commercial Code relating to the principles and criteria for determining, allocating and awarding the sums allocated to the compensation of directors for the financial year ending December 31, 2020. The compensation policy applicable to directors is presented in the 2019 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 225-37-2 of the French Commercial Code, in Section 3.3.1 "Compensation policy for corporate officers", subsection "Compensation policy for other directors (non-executive corporate officers) for the year ending December 31, 2020", pages 163 to 164. It is also included in [Appendix 3](#) of this report.

All the directors have agreed to donate 25% of their compensation for the duration of the shutdown to support Covid-19-related solidarity initiatives.

Twelfth 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. 225-37-2 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 2019 Universal Registration Document, Section 3.3.1 "Compensation policy for corporate officers", subsection "Compensation policy for other directors (non-executive corporate officers) for the year ending December 31, 2020", pages 163 to 164, and reproduced in Appendix 3 of the Board of Directors' report.

G. Approval of the compensation policy applicable to the Chairman and Chief Executive Officer (thirteenth resolution)

Under the thirteenth resolution, we propose that you approve the compensation policy applicable to the Chairman and Chief Executive Officer established in accordance with Article L. 225-37-2 of the French Commercial Code relating to the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to the Chairman and Chief Executive Officer for the financial year ended December 31, 2020. The compensation policy applicable to the Chairman and Chief Executive Officer is presented in the 2019 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 225-37-2 of the French Commercial Code, in Section 3.3.1 "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", pages 159 to 163. It is also included in [Appendix 4](#) of this report.

Jacques Aschenbroich has agreed to donate 25% of his fixed compensation for the duration of the shutdown to support Covid-19-related solidarity initiatives⁽¹⁾.

(1) All members of the Operations Committee have decided to follow this initiative.

Thirteenth 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. 225-37-2 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 2019 Universal Registration Document, Section 3.3.1 "Compensation policy for corporate officers", subsection "Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020", pages 159 to 163, and reproduced in Appendix 4 of the Board of Directors' report.

H. Authorisation for the Board of Directors to carry out transactions in shares issued by the Company, non-applicable during a public takeover offer (fourteenth 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, 2019, the Company used the authorisations granted by the General Shareholders' Meetings of May 23, 2018 and May 23, 2019 under the eleventh resolutions to repurchase its own shares. 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 2019 Universal Registration Document, pages 431 to 434.

Conditions for implementation

As the authorisation granted by the General Shareholders' Meeting of May 23, 2019, will expire during the 2020 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 implementation of any stock option purchase plans enabling the acquisition of Company shares, in particular, by any employee or corporate officer;
- the allotment of free shares, in particular to employees and corporate officers;

- 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 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.

The resolution may be implemented 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 tender offer for the securities of the Company before the end of the offer period.

Share repurchase price

The maximum repurchase price is set at 80 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 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, at any time, as adjusted to reflect transactions affecting the share capital subsequent to this General Shareholders' Meeting.

The maximum amount of funds that the Company may allocate to this share buyback program would be 1,928,293,920 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.

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 of May 23, 2019 under its eleventh resolution.

The proposed resolution is included in the summary table attached as [Appendix 5](#) of this report.

Fourteenth resolution

(Authorisation for the Board of Directors to carry out transactions in shares issued by the Company, non-applicable during a public takeover 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 Directors' 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. 225-209 *et seq.* of the French Commercial Code, Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014, Delegated Regulation No. 2016/1052 of the European Commission 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 purpose of:
 - the implementation of any stock option plan regarding the Company's shares under the terms of Articles L. 225-177 *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 according to applicable legal and regulatory provisions, or
 - the allotment of free shares under the terms of Article L. 225-197-1 *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 according to 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 pursuant to a 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
 - as a general matter, complying with obligations in respect of stock option plans or other allocation of shares to employees or corporate officers of the issuer 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 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. 225-209 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 shall 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 tender 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 80 euros 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 1.928.293.920 euros (excluding acquisition expenses) corresponding, as at December 31, 2019 (for information purposes), to a maximum number of 24.103.674 shares based on a maximum price of 80 euros per share;

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 tender 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 the applicable laws, 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 the present 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 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 May 23, 2019 under its eleventh resolution.

I. Power to complete formalities (nineteenth 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.

Nineteenth resolution

(Powers to complete formalities)

The 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, formalities and publications as may be required by law.

II. Resolutions falling within the powers of the Extraordinary General Shareholders' Meeting

A. Delegation to the Board of Directors for the purpose of making the necessary amendments to the articles of association to bring them into compliance with legal and regulatory provisions (fifteenth resolution)

Under the fifteenth resolution, and pursuant to the provisions of Article L. 225-36 of the French Commercial Code, it is proposed that you delegate to the Board of Directors the power to make the necessary amendments to the Articles of Association to bring them into compliance with the legal and regulatory provisions, subject to their ratification by the next Extraordinary General Shareholders' Meeting.

This delegation would be granted to the Board of Directors for a period of eighteen months from the date of this General Shareholders' Meeting.

Fifteenth resolution

(Delegation to the Board of Directors for the purpose of making the necessary amendments to the articles of association to bring them into compliance with legal and regulatory provisions)

The General Shareholders' Meeting, voting in accordance with the quorum and majority rules required for extraordinary general shareholders' meetings, acting pursuant to Article L. 225-36 of the French Commercial Code and having considered the Board of Director's report,

1. authorizes the Board of Directors to make the necessary amendments to the articles of association of the Company in order to bring them into compliance with the legal and regulatory provisions, provided that such amendments are ratified by the following extraordinary general shareholders' meetings;
2. sets the period of validity for the present delegation to eighteen months as from the date hereof.

B. Amendments to the Articles of Association (sixteenth resolution)

In view of recent legislative changes, under the sixteenth resolution it is proposed that you amend the Company's Articles of Association accordingly. A summary of the main proposed amendments is set out in [Appendix 6](#) of this report.

Sixteenth resolution

(Amendment of the articles of association)

The General Shareholders' Meeting, voting in accordance with the quorum and majority rules applicable to extraordinary general shareholders' meetings, having considered the Board of Director's report, decides to amend Articles 14, 16, 18 and 23 of the articles of association of the Company as follows, it being specified that the other provisions remain unchanged:

Previous wording	New wording
ARTICLE 14	ARTICLE 14
DIRECTORS' TERM OF OFFICE – AGE LIMIT – CONDITIONS – COMPENSATION	DIRECTORS' TERM OF OFFICE – AGE LIMIT – CONDITIONS – COMPENSATION
<p>1. Each member of the Board of Directors shall be appointed for a four-year term by the Ordinary Shareholders' Meeting; members may be re-elected. The terms of one-fourth of the members of the Board of Directors are renewed each year or, when the total number of its members divided by four does not equal a whole number, the number that is immediately higher or lower than the number resulting from this division, provided that to the extent possible, for each year within the same period of four consecutive years, the gap between the number of seats to be renewed in such year and the number of seats to be renewed in each of the three other years of such period may not be higher than one.</p> <p>At the first meeting of the Board of Directors following the Shareholders' Meeting called to approve the financial statements for the 2010 fiscal year, the expiration of the terms of office of the members appointed during the shareholders' meetings called to approve the financial statements for the 2011, 2012, and 2014 fiscal years will be designated in advance, the number of which was determined applying the rules above in order to allow the implementation of the renewal by one-fourth. This designation will be agreed upon at the Board of Directors' meeting unanimously by the members present or represented or, failing that, by random-drawing performed during the meeting.</p> <p>The term of the directors so appointed or who are chosen by way of random-drawing will be cancelled automatically on the expiration dates determined as stipulated in the preceding paragraph. Once the rollover is established, the renewals will take place in the chronological order of the appointments</p>	<p>1. Each member of the Board of Directors shall be appointed for a four-year term by the Ordinary Shareholders' Meeting; members may be re-elected. The terms of one-fourth of the members of the Board of Directors are renewed each year or, when the total number of its members divided by four does not equal a whole number, the number that is immediately higher or lower than the number resulting from this division, provided that to the extent possible, for each year within the same period of four consecutive years, the gap between the number of seats to be renewed in such year and the number of seats to be renewed in each of the three other years of such period may not be higher than one.</p>

Previous wording

A director who is appointed to replace a director whose mandate has not yet expired will only remain in office for the remainder of his or her predecessor's mandate.

2. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the law is equal to or less than 12, the Board of Directors also includes a director representing employees appointed by the Company Group Committee. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the law is greater than 12, and provided this criterion continues to be satisfied on the date of appointment (which must occur within six months after the threshold is exceeded), a second director representing employees is appointed by the European Works Council. If the number of directors becomes equal to or less than 12, the term of office of the second director representing employees and appointed by the European Works Council will continue until its scheduled expiry date.

The provisions of Article 14.1 of the articles of association regarding the length and the renewal of the term of office apply to directors representing employees (with the exception of the rules relating to the renewal by quarter of the Board of Directors).

The term of office of the director representing employees will expire in advance under the conditions set out by law and this Article 14; if the implementing conditions provided by law are no longer satisfied, the term of office of the director or directors representing employees will expire at the close of the Board of Directors meeting during which the Board of Directors ascertains that the Company no longer comes within the scope of the law.

3. In case of vacancies resulting from the death or resignation of one or more directors, the Board of Directors may, in the period between two shareholders' meetings, appoint replacements on a temporary basis in accordance with law. As an exception to the foregoing, in case of vacancies for any reason of the seat of a director representing employees, the vacant seat is filled pursuant to the conditions set out by law.

4. No individual who is more than 70 years of age may be appointed a member of the Board of Directors if his/her appointment results in more than one-third of the members of the Board of Directors being over 70 years of age. This age limit shall apply to the permanent representatives of legal entities that serve as directors.

5. Each director must own a minimum of 1,500 shares during his/her term of office. Such shares shall be held in a registered account. The provisions of this Article 14.5 do not apply to a director representing employees.

6. The acceptance and exercise of the position of director includes an undertaking, by each director, to certify in writing upon request that he/she personally abides by the conditions and obligations required of directors under applicable law, in particular regarding the holding of several offices.

7. The Shareholders' Meeting may grant the members of the Board of Directors, in compensation for their services, a fixed annual fee, which will be recorded as an operating expense. The Board of Directors shall freely allocate the aggregate amount among its members. The Chairman's compensation is determined by the Board of Directors. The Board of Directors may grant additional exceptional compensation for assignments or offices entrusted to members of the Board of Directors, in particular in case of attendance at any of the committees referred to in Article 17 hereof.

New wording

A director who is appointed to replace a director whose mandate has not yet expired will only remain in office for the remainder of his or her predecessor's mandate.

2. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the law is equal to or less than eight, the Board of Directors also includes a director representing employees appointed by the Company Group Committee. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the law is greater than eight, and provided this criterion continues to be satisfied on the date of appointment (which must occur within six months after the threshold is exceeded), a second director representing employees is appointed by the European Works Council. If the number of directors becomes equal to or less than eight, the term of office of the second director representing employees and appointed by the European Works Council will continue until its scheduled expiry date.

The provisions of Article 14.1 of the articles of association regarding the length and the renewal of the term of office apply to directors representing employees (with the exception of the rules relating to the renewal by quarter of the Board of Directors).

The term of office of the directors representing employees will expire in advance under the conditions set out by law and this Article 14; if the implementing conditions provided by law are no longer satisfied, the term of office of the director or directors representing employees could expire, upon decision of the Board of Directors, at the close of the Board of Directors meeting during which the Board of Directors has ascertained that the Company no longer comes within the scope of the law.

3. In case of vacancies resulting from the death or resignation of one or more directors, the Board of Directors may, in the period between two shareholders' meetings, appoint replacements on a temporary basis in accordance with law. As an exception to the foregoing, in case of vacancies for any reason of the seat of a director representing employees, the vacant seat is filled pursuant to the conditions set out by law.

4. No individual who is more than 70 years of age may be appointed a member of the Board of Directors if his/her appointment results in more than one-third of the members of the Board of Directors being over 70 years of age. This age limit shall apply to the permanent representatives of legal entities that serve as directors.

5. Each director must own a minimum of 1,500 shares during his/her term of office. Such shares shall be held in a registered account. The provisions of this Article 14.5 do not apply to the directors representing employees.

6. The acceptance and exercise of the position of director includes an undertaking, by each director, to certify in writing upon request that he/she personally abides by the conditions and obligations required of directors under applicable law, in particular regarding the holding of several offices.

7. The Shareholders' Meeting may grant the members of the Board of Directors, in compensation for their services, a fixed annual fee, which will be recorded as an operating expense. The Board of Directors shall freely allocate the aggregate amount among its members. The Chairman's compensation is determined by the Board of Directors. The Board of Directors may grant additional exceptional compensation for assignments or offices entrusted to members of the Board of Directors, in particular in case of attendance at any of the committees referred to in Article 17 hereof.

Previous wording	New wording
ARTICLE 16 OPERATION OF THE BOARD OF DIRECTORS	ARTICLE 16 OPERATION OF THE BOARD OF DIRECTORS
<p>1. The Board of Directors shall meet as often as the interests of the Company require, upon notice given by its Chairman through any means, including orally. The meeting shall be held either at the registered office, or in any other location mentioned in the notice given by the Chairman</p> <p>If the Board of Directors has not met for more than two months, directors representing at least one-third of the members of the Board may at any time request that the Chairman call a meeting of the Board of Directors with a stated agenda. The Chief Executive Officer (Directeur Général) may also, at any time, request that the Chairman call a meeting of the Board of Directors with a stated agenda. The Chairman is bound by the requests sent to him/her pursuant to this paragraph.</p> <p>If the Chairman is unable to do so, a meeting of the Board of Directors may be called either by at least one-third of the members of the Board or by the Chief Executive Officer or a Vice-Chief Executive Officer (Directeur Général Délégué) if he/she is a director.</p> <p>2. The Board of Directors shall act under the quorum and majority conditions provided by law. In the event that there is a tie, the Chairman of the meeting shall cast the deciding vote.</p> <p>3. The Board of Directors may appoint a secretary chosen from among its members or otherwise.</p>	<p>1. The Board of Directors shall meet as often as the interests of the Company require, upon notice given by its Chairman through any means, including orally. The meeting shall be held either at the registered office, or in any other location mentioned in the notice given by the Chairman</p> <p>If the Board of Directors has not met for more than two months, directors representing at least one-third of the members of the Board may at any time request that the Chairman call a meeting of the Board of Directors with a stated agenda. The Chief Executive Officer (Directeur Général) may also, at any time, request that the Chairman call a meeting of the Board of Directors with a stated agenda. The Chairman is bound by the requests sent to him/her pursuant to this paragraph.</p> <p>If the Chairman is unable to do so, a meeting of the Board of Directors may be called either by at least one-third of the members of the Board or by the Chief Executive Officer or a Vice-Chief Executive Officer (Directeur Général Délégué) if he/she is a director.</p> <p>2. The Board of Directors shall act under the quorum and majority conditions provided by law. In the event that there is a tie, the Chairman of the meeting shall cast the deciding vote.</p> <p>3. The Board of Directors may appoint a secretary chosen from among its members or otherwise.</p> <p><u>4. The decisions relating to the Board of Directors' powers set out in Article L. 225-24, the last paragraph of Article L. 225-35, the second paragraph of Article L. 225-36 and the first part of Article L. 225-103 of the French Commercial Code, as well as the decision to transfer the corporate office within the same department can be taken by written consultation of the directors.</u></p>
ARTICLE 18 GENERAL MANAGEMENT	ARTICLE 18 GENERAL MANAGEMENT
<p>1. The General Management of the Company shall be the responsibility of either the Chairman of the Board of Directors, or of another individual, that need not be a director, who holds the title of Chief Executive Officer.</p> <p>The Board of Directors, when appointing its Chairman, shall choose between the two forms of General Management. The option retained by the Board of Directors may be changed only during the reappointment or replacement of the Chairman of the Board of Directors, or upon expiration of the term of office of the Chief Executive Officer.</p> <p>Shareholders and third parties shall be informed of such choice in accordance with applicable law.</p> <p><i>[the rest of the article remains unchanged]</i></p>	<p>1. The General Management of the Company shall be the responsibility of either the Chairman of the Board of Directors, or of another individual, that need not be a director, who holds the title of Chief Executive Officer.</p> <p>The Board of Directors shall choose <u>at any time</u> between the two forms of General Management. <u>The option remains valid until the Board of Directors decides otherwise.</u></p> <p>Shareholders and third parties shall be informed of such choice in accordance with applicable law.</p> <p><i>[the rest of the article remains unchanged]</i></p>
ARTICLE 23 ATTENDANCE OF MEETING; PROXIES	ARTICLE 23 ATTENDANCE OF MEETING; PROXIES; REMOTE VOTING
<p>Any shareholder has the right to attend the meetings under the conditions provided for by law.</p> <p>Each shareholder at the Meeting shall, without limitation, have a number of votes equal to the number of shares it owns or for which it holds proxies. However, a double voting right compared to the voting rights granted to other shares will be granted to all registered shares that are fully paid up and recorded in the name of the same holder for at least four years. In addition, in the event of a capital increase by capitalization of reserves, profits or issuing premiums, this double voting right will be granted as of the date of their issue to registered shares offered free of charge to shareholders in connection with pre-existing shares already entitled to such double voting right. The double voting right shall cease, automatically, with respect to any shares converted into bearer form or transferred; however, the four-year period set forth above shall not be interrupted and the vested right will be retained in the event of a transfer effected as a result of an inheritance, a division of marital property or an inter vivos gift to the benefit of a spouse or relatives entitled to inherit.</p> <p>The shareholders may, in compliance with applicable laws and regulations, send proxies and mail voting instructions with respect to any Shareholders' Meeting either in paper format or by remote transmission.</p>	<p>Any shareholder has the right to attend the meetings under the conditions provided for by law.</p> <p>Each shareholder at the Meeting shall, without limitation, have a number of votes equal to the number of shares it owns or for which it holds proxies. However, a double voting right compared to the voting rights granted to other shares will be granted to all registered shares that are fully paid up and recorded in the name of the same holder for at least four years. In addition, in the event of a capital increase by capitalization of reserves, profits or issuing premiums, this double voting right will be granted as of the date of their issue to registered shares offered free of charge to shareholders in connection with pre-existing shares already entitled to such double voting right. The double voting right shall cease, automatically, with respect to any shares converted into bearer form or transferred; however, the four-year period set forth above shall not be interrupted and the vested right will be retained in the event of a transfer effected as a result of an inheritance, a division of marital property or an inter vivos gift to the benefit of a spouse or relatives entitled to inherit.</p> <p>The shareholders may, in compliance with applicable laws and regulations, send proxies and mail voting instructions with respect to any Shareholders' Meeting either in paper format or by remote transmission.</p> <p><u>The shareholders participating in the Meeting through videoconference or other telecommunications means, including via Internet, which allow the identification of the shareholders in accordance with laws and regulations in force the day the said means of communication are used, will be deemed present for purposes of quorum and majority.</u></p>

C. Approval of the transformation of the Company into a European company (seventeenth and eighteenth resolutions)

Under the seventeenth resolution, it is proposed that you change your Company's corporate form into a European Company and, accordingly, under the eighteenth resolution, amend your Company's Articles of Association in order to adapt them to its new corporate form.

Economic aspects of the transformation

A significant portion of the revenue of your Company and its subsidiaries is generated in Europe.

The Group is present in many member states of the European Union, particularly in France, Germany, Poland, Spain, the Czech Republic, Hungary and Romania.

As of December 31, 2019, the Group had 47,479 employees in several European countries in which the Company and its subsidiaries have 54 industrial sites, 33 research and development centers and six distribution platforms.

Already adopted by other major groups listed in Paris and having an international and European dimension, the status of European Company has the advantage of benefiting from a homogeneous system recognized within the European Union, consistent with the economic reality of your Company, both with regard to its employees and its customers and partners.

Your Company's adoption of the European Company status will allow it to reflect the European dimension of the Group and its activities, both with respect to its employees and to its customers and partners, to strengthen its international image and its attractiveness to all stakeholders and to establish a sense of belonging to the Group for its employees outside France.

Legal aspects of the transaction

Legal regime and transformation procedure

The transformation is governed primarily by the provisions of Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company (the "**Regulation**"), those of Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European Company with regard to the involvement of employees (the "**Directive**") and by the laws and regulations in force in France applicable to European Companies and, where compatible, those applicable to joint stock companies (*sociétés anonymes*).

The conditions required by the legislation in force to transform into a European Company are satisfied by your Company in particular to the extent that:

- the share capital of your Company exceeds 120,000 euros;
- your Company has directly controlled for more than two years its subsidiaries Valeo International Holding B.V. (Netherlands) and Coreval (Luxembourg), located in European Union countries.

In accordance with the provisions of Article L. 225-245-1 of the French Commercial Code, Mr. Jean-Jacques Dedouit, transformation auditor, was appointed on March 9, 2020 by order of the President of the Paris Commercial Court ruling on the petition. His assignment is to prepare a report for you, certifying that the net assets of your Company are at least equal to the capital plus reserves that the law or the articles of association do not allow to be distributed. This report will be made available to you prior to the Shareholders' Meeting in accordance with legal and regulatory provisions.

If you approve the proposed transformation of your Company into a European Company, the definitive transformation of your Company into a European Company and its registration with the Trade and Companies Registry may only take place once the procedure relating to the involvement of employees provided for in Articles L. 2351-1 *et seq.* of the French Employment Code has been completed.

In this respect, in accordance with the provisions of the Directive, a Special Negotiating Body (SNB) composed of employee representatives from all Valeo's direct or indirect subsidiaries and the establishments concerned whose registered office is located in the European Union or the European Economic Area is in the process of being set up. Negotiations may continue for six months from the establishment of the SNB. They may be extended by mutual agreement between the parties, but the duration of the negotiations may not exceed one (1) year.

Thus, the SNB's negotiations on the involvement of employees in your Company may lead to the following situations:

- the conclusion of an *ad hoc* agreement, which will determine the conditions for the establishment and operation of an employee representative body within the European Company, i.e. a European Company Committee, as well as the terms and conditions of employee participation on the Board of Directors of Valeo SE, which must be at least equivalent to those existing within Valeo SA;
- absence of an agreement, in which case the subsidiary provisions of the Directive and Articles L. 2353-1 *et seq.* of the French Employment Code will apply to organise employee involvement in the European Company.

It is proposed that you grant full powers to the Board of Directors to (i) acknowledge the completion of the negotiations relating to the terms and conditions of employee involvement in the European Company and, where applicable, the execution of an agreement to this effect, (ii) consequently acknowledge that the prerequisite for the registration of your Company in its new form relating to the completion of the procedure relating to employee involvement referred to above has been met, and (iii) proceed with the formalities necessary for the registration of your Company as a European Company.

Consequences of the transformation for your Company

As a European Company, your Company will be governed by its Articles of Association, the Regulation and by the laws and regulations in force in France applicable to European Companies and, where compatible, those applicable to joint stock companies (*sociétés anonymes*).

The transformation will not result in the dissolution of your Company nor in the creation of a new legal entity.

Your Company will retain the corporate name “Valeo” followed by the abbreviation SE.

The transformation will not result in any change in the term of your Company or its corporate purpose.

The duration of the current financial year will not be modified and the financial statements for this financial year will be prepared, presented and audited under the same conditions as before.

Your Company will maintain a single tier structure, in accordance with the option provided for by the Regulation, and will therefore continue to have a Board of Directors, whose composition will not be modified. The terms of office of the directors, of the Chairman and Chief Executive Officer and of the incumbent and alternate Auditors in effect at the time of the transformation of your Company into a European company will remain in effect until their respective terms.

All of the authorizations and delegations of competence and powers granted to the Board of Directors in its current form as a joint stock company (*société anonyme*) and which will be in effect on the date of completion of the transformation of your Company into a European Company will, on the date of said completion, be automatically transferred to the Board of Directors of your Company in its new form as a European Company.

Amendment of the Articles of Association

A draft of the Articles of Association of your Company in the form of a European Company is set out in [Appendix 7](#) of this report, with amendments to the current Articles of Association underlined. This draft constitutes an adaptation to the form of a European Company of the draft new Articles of Association of your Company, the adoption of which is proposed to you under the sixteenth resolution described above.

The Regulation provides for a limited number of rules concerning the operation of the European Company and refers essentially to the provisions of the relevant national legislation.

Apart from wording adjustments, the main amendments made will therefore seek to (i) recall the rules applicable to the Company transformed into a European Company, and (ii) make a reference to the European and national legal or regulatory provisions in effect applicable to European Companies.

Consequences of the transformation for shareholders

The number of shares making up the share capital and their nominal value will remain unchanged. Your Company's shares will continue to be admitted to trading on the regulated market of Euronext Paris. The transformation will also not affect the share of each shareholder in the voting rights of your Company. In this respect, the statutory provisions on double voting rights will remain unchanged.

The transformation will result in a strengthening of the political rights of shareholders, as the Regulation recognizes the right of one or more shareholders holding together shares representing at least 10% of the subscribed share capital of the European Company to request the convening of a General Shareholders' Meeting and the setting of the agenda, as this provision has no equivalent in the French *société anonyme*. Indeed, for a French-law *société anonyme*, the convening of a Meeting at the request of shareholders requires the use of a judicial representative.

Consequences of the transformation for employees

The transformation of your Company into a European company will not change the Group's current configuration as it consists of a parent company and, as regards the European Economic Area perimeter, subsidiaries and establishments located within this perimeter.

The individual and collective rights of the employees of your Company and of these various subsidiaries and establishments will not be modified, in the sense that:

- individual relations between each of the employees and their employer will continue in accordance with the national rules that usually govern them; in particular, no changes will be made to the employment contracts of the employees of your Company and its subsidiaries and establishments as a result of its transformation into a European Company; and
- collective relations will also continue to take place or evolve in accordance with each national law, and in particular will in no way be diminished or hindered as a result of the transformation of the Company into a European Company.

On the other hand, Article L. 2351-2 of the French Employment Code provides that the provisions relating to the European Works Council are not applicable to the European Company and its subsidiaries. This means that as from the registration of the Company as a European Company, the current European Works Council will automatically disappear and will be replaced by a European Employee Representation Committee set up pursuant to Article L. 2352-16 of the French Employment Code or, failing that, Article L. 2353-1 of the said Code.

Consequences of the transformation for creditors

The transformation of your Company into a European Company will not result in any change in the rights of the Company's creditors.

In accordance with the issuance documentation and the terms and conditions governing the bonds issued by your Company, the consultation of the Meeting of Bondholders regarding the change of corporate form, as provided for by Articles L. 225-244 and L. 228-65 of the French Commercial Code, is not required.

You will find additional information on the proposed transformation of your Company into a European Company as well as on the resolutions proposed to you in the draft transformation agreement approved by the Board of Directors on February 24, 2020 (notably available on the Company's website) and in the text of the draft resolutions submitted to you.

Seventeenth resolution

(Approval of the transformation of the Company into an European company with a Board of Directors)

The General Shareholders' Meeting, voting in accordance with the quorum and majority rules required for extraordinary general shareholders' meetings, having considered:

- the report of the Board of Directors;
- the proposed transformation of the Company into an European company (*Societas Europaea*) as decided by the Board of Directors on February 24, 2020 and filed with the Registry of the Commercial Court of Paris on March 4, 2020, explaining and justifying the legal and economic aspects of the transformation and indicating the consequences of the transformation into an European company for the Company's shareholders, employees and creditors; and
- the report of Jean-Jacques Dedouit, transformation auditor, appointed by order of the President of the Paris Commercial Court on March 9, 2020,

After having acknowledged that the Company meets the conditions required by the provisions set forth in the Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European Company, and in particular those referred to in Articles 2-(4) and 37 of said Regulation, as well as in Article L. 225-245-1 of the French Commercial Code, relating to the transformation of a French joint stock company (*société anonyme*) into an European Company,

And after having acknowledged and confirmed insofar as necessary that:

- the transformation of the Company into an European company shall not result in the dissolution of the Company or the creation of a new legal entity;
- the Company's name after the transformation will, in accordance with the provisions set forth in Article 11 of the Council Regulation (EC) No. 2157/2001, be followed by the words "*société européenne*" or the abbreviation "SE";
- the duration of the Company, its purpose and its registered office will remain unchanged;
- the Company's share capital, the number of shares and their nominal value will remain unchanged;
- the Company's shares will continue to be admitted to trading on the regulated market of Euronext Paris;
- the duration of the current financial year will not be modified by the transformation into an European company and the financial statements for the current financial year will be prepared, presented and audited in accordance with the conditions set out in the articles of association of the Company in its new form and the provisions of the French Commercial Code applicable to the European companies;
- the terms of office of the directors and of the statutory and alternate auditors in force at the time of the Company's transformation into an European company will continue until their respective terms;
- all the authorizations and delegations of authority and powers that have been and will be granted to the Board of Directors in its form of European company by all general meetings of the Company and that will be in force on the date of completion of the transformation of the Company into an European company will, on the date of said completion, be

automatically transferred to the Board of Directors of the Company in its new form of European company,

After having acknowledged that, in accordance with the issuance documentation and terms and conditions of the bonds issued successively by the Company, the relevant general bondholders' meetings need not be consulted on the transformation of the Company's corporate form, pursuant to Articles L. 225-244 and L. 228-65 of the French Commercial Code,

After having acknowledged that, in accordance with Article 12§2 of the EC Regulation No. 2157/2001, the registration of the Company as an European Company will only take place when the procedure relating to the involvement of employees, as provided for in Articles L. 2351-1 *et seq.* of the French Labour Code, will have been completed, such negotiations being able to lead (i) to a written agreement determining the terms and conditions of employee involvement within the European Company, or (ii) to the application of the subsidiary provisions relating to the European Company committee provided for in Articles L. 2353-1 *et seq.* of the French Employment Code when, at the end of the negotiation period provided for in article L. 2352-9 of the said Code, no agreement has been reached,

Approves the change of the Company's corporate form into an European company with a Board of Directors, approves the terms of the proposed transformation of the Company as decided by the Board of Directors, and acknowledges that this transformation will take effect as from the registration of the Company in its new form with the Paris Trade and Companies Register, which will take place at the end of the negotiations pertaining to the involvement of employees in the European company.

The General Shareholders' Meeting grants full powers to the Board of Directors to (i) acknowledge the completion of the negotiations relating to the terms and conditions of employee involvement within the European company and acknowledge, as the case may be, the execution of an agreement to this effect, (ii) acknowledge, as a result thereof, that the condition precedent to the registration of the Company in its new form relating to the completion of said negotiations has been met, and (iii) proceed with the formalities necessary for the registration of the Company in its new form as an European company.

Eighteenth resolution

(Approval of the articles of association of the Company reflecting its change into an European company)

The General Shareholders' Meeting, voting in accordance with the quorum and majority rules required for extraordinary general shareholders' meetings, having considered the proposed transformation, the Board of Directors' report and the draft articles of association of the Company in the form of an European company, and subject to a positive vote on the preceding resolution, adopts article by article, and then as a whole, the articles of association of the Company in its new form as an European company.

A copy of the articles of association thus adopted will be attached as Annex A to the minutes of this Meeting.

It is specified that these articles of association will become effective as from the completion of the transformation of the Company into an European company, i.e. as from the registration of Valeo as an European company with the Paris Trade and Companies Registry.

III. Information relating to ongoing business since the beginning of the 2020 financial year

Information relating to the financial year ended December 31, 2019 is available in the Company's 2019 Universal Registration Document available on the Company's website (www.valeo.com) and on the website of the *Autorité des marchés financiers* (www.amf-france.org).

The drop in business activity due to the Covid-19 crisis began to impact Valeo's plants in Europe and North America in the last two weeks of March 2020. Based on the production shutdowns put in place by each of its carmaker customers, and in compliance with regulatory measures taken in each country where the Group operates, Valeo has adapted its production capacity:

- firstly, in China, where all 34 Valeo plants have gradually begun to resume production since February 10, 2020. In March 2020, sales reached 60% of their 2019 level and should be back to normal in the coming months;
- since mid-March 2020, European plants have adapted their production to customer demand and have also gradually shut down production, except at sites that manufacture goods for export;
- in North America, plants have progressively shut down based on customer decisions to shut down production.

To address this situation, Valeo has adopted the following measures:

- variabilizing its costs across all plants, particularly through part-time working arrangements;
- variabilizing its costs for support activities such as R&D and at administrative centers;
- drastically reducing all investments and costs not essential for business continuity;
- strict daily monitoring of its cash position.

A reinforced safety protocol designed to guarantee the utmost protection for Group employees will be adopted worldwide across all plants, R&D centers and other Group facilities.

In terms of cash flow, Valeo has currently 2.3 billion euros in undrawn credit lines, which will enable it to withstand a continuation of the current crisis and justifies that the Company remains a going concern in accordance with the approach taken by the Company at the closing date of the 2019 financial statements.

Once the health situation stabilizes, the Group remains confident in its ability to maintain its growth momentum by leveraging its technological platforms, industrial expertise and the innovations generated through its research.



APPENDICES

Appendix 1

Compensation components paid to directors for the financial year ended December 31, 2019

	Compensation components paid for the financial year ended December 31, 2019	Amounts or accounting value subject to a vote	Presentation
Bruno Bézard	Fixed portion	25,000	The rules for awarding and allocating directors' compensation that have been applied are described in Section 3.3.1 "Compensation policy for corporate officers", section "Compensation policy for other directors (non-executive corporate officers) for the year ending December 31, 2020" of the Company's Universal Registration Document on pages 163 to 164.
	Variable portion	36,000	
Pascal Colombani	Fixed portion	9,875.69	
	Variable portion	33,000	
Eric Chauvirey	Fixed portion	25,000	
	Variable portion	45,000	
Caroline Maury Devine	Fixed portion	25,000	
	Variable portion	39,000	
Michel de Fabiani	Fixed portion	9,875.69	
	Variable portion	33,000	
Mari-Noelle Jégo-Laveissière	Fixed portion	25,000	
	Variable portion	39,000	
Noelle Lenoir	Fixed portion	11,325.95	
	Variable portion	27,000	
Stéphanie Frachet	Fixed portion	12,500	
	Variable portion	18,000	
Gilles Michel	Fixed portion	35,163.04	
	Variable portion	39,000	
Thierry Moulonguet	Fixed portion	40,000	
	Variable portion	54,000	
Georges Pauget	Fixed portion	79,945.64	
	Variable portion	51,000	
Olivier Piou	Fixed portion	15,193.37	
	Variable portion	27,000	
Patrick Sayer	Fixed portion	15,193.37	
	Variable portion	21,000	
Ulrike Steinhorst	Fixed portion	37,000	
	Variable portion	48,000	
Véronique Weill	Fixed portion	25,000	
	Variable portion	48,000	

Appendix 2

Compensation components paid during or awarded to the Chairman and Chief Executive Officer for the financial year ended December 31, 2019

Compensation components paid or awarded for the financial year ended December 31, 2019	Amounts or accounting value subject to a vote	Presentation
Annual fixed compensation	1,060,753 euros (amount paid)	The annual fixed compensation conditions, as approved by the General Shareholders' Meeting of May 23, 2019 as part of the vote on the 2019 Compensation Policy for the Chairman and Chief Executive Officer, are described in Section 3.3.1 "Compensation policy for corporate officers", subsection "Compensation policy for the Chairman and Chief Executive Officer", part "Overview of the 2019 Compensation Policy for the Chairman and Chief Executive Officer", "Fixed compensation" of the Company's 2019 Universal Registration Document, page 153.
Annual variable compensation	1,113,791 euros (amount allocated for the financial year ended December 31, 2019)	<p>The annual variable compensation conditions, as approved by the General Shareholders' Meeting of May 23, 2019 as part of the vote on the 2019 Compensation Policy for the Chairman and Chief Executive Officer, are described in Section 3.3.1 "Compensation policy for corporate officers", subsection "Compensation policy for the Chairman and Chief Executive Officer", part "Overview of the 2019 Compensation Policy for the Chairman and Chief Executive Officer", "Variable compensation" of the Company's 2019 Universal Registration Document, pages 153 to 155.</p> <p>At its meeting on March 24, 2020, acting on the recommendation of the Compensation Committee, the Board of Directors noted that the achievement rate for the quantifiable criteria was 57.50% (out of 115% maximum) and that the achievement rate for the qualitative criteria was 47.50% (out of 55% maximum) of the annual fixed compensation due to Jacques Aschenbroich for the 2019 financial year, bringing the amount of variable compensation due to Jacques Aschenbroich for 2019 to 105% (out of 170% maximum) of his annual fixed compensation for 2019, i.e. 1,113,791 euros. The achievement rate of the quantifiable criteria, for which the targets were ambitious, was due to the challenging conditions of the Group's operating environment in 2019, marked in particular by disruptions in the automotive industry during the year (such as the 6% fall in global automotive production compared with estimates at the beginning of the year, the 10% fall in the Chinese market, the highly unstable economic and geopolitical environment and continued high commodity prices). The satisfaction of these quantifiable and qualitative criteria was evaluated by the Board of Directors, on the recommendation of the Compensation Committee, in accordance with the method set out in the table in Section 3.3.2 "Compensation of corporate officers in respect of the year ended December 31, 2019", subsection "Compensation of the Chairman and Chief Executive Officer", subsection "Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the year ended December 31, 2019 and prior years", part "Compensation in respect of the year ended December 31, 2019", "Variable compensation" of the Company's 2019 Universal Registration Document, pages 165 to 166.</p> <p>Payment of the 2019 variable compensation to the Chairman and Chief Executive Officer is subject to the approval of his 2019 compensation by this General Shareholders' Meeting (ex post vote).</p>
Multiannual variable compensation	N/A	Jacques Aschenbroich does not receive any multiannual- variable compensation.
Compensation as a director	N/A	Jacques Aschenbroich does not receive any remuneration in his capacity as director.
Exceptional compensation	N/A	Jacques Aschenbroich does not receive any exceptional compensation.
Stock purchase or subscription option allocations	N/A	Jacques Aschenbroich has not received any stock purchase or subscription option allocations.

Compensation components paid or awarded for the financial year ended December 31, 2019	Amounts or accounting value subject to a vote	Presentation
Performance share allocations	<u>Number:</u> 87,122 <u>IFRS valuation:</u> 2,093,541.60 euros	<p>The conditions for allotting performance shares, as approved by the General Shareholders' Meeting of May 23, 2019 as part of the vote on the 2019 Compensation Policy for the Chairman and Chief Executive Officer, are described in Section 3.3.1 "Compensation policy for corporate officers", subsection "Compensation policy for the Chairman and Chief Executive Officer", part "Overview of the 2019 Compensation Policy for the Chairman and Chief Executive Officer", "Long-term compensation policy – Allotment of performance shares" of the Company's 2019 Universal Registration Document, pages 156 to 157.</p> <p>At its meeting on May 23, 2019, acting on the recommendation of the Compensation Committee, the Board of Directors decided to allot 87,122 performance shares to Jacques Aschenbroich, pursuant to the nineteenth resolution of the General Shareholders' Meeting of May 23, 2019.</p> <p>In 2019, in light of the difficult and volatile automobile market conditions which impacted Valeo's share price, in order to reflect the significant decline in the share price during the period preceding the allotment, the number of performance shares allotted to the Chairman and Chief Executive Officer (IFRS valuation) was calculated with a discount of 27% as compared to the maximum permitted under the compensation policy (270% of the 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 87,122 shares, valued under IFRS at 2,093,541 euros, i.e. 73% as compared to the maximum permitted under the compensation policy.</p> <p>The Board of Directors noted, at its meeting of May 23, 2019 that, based on an IFRS valuation of the 87,122 performance shares at 24.03 euros each, the grant to Jacques Aschenbroich during the 2019 financial year represented 190% (out of 270% maximum) of his annual fixed compensation for this financial year.</p> <p>The dilutive effect of the grant of performance shares to Jacques Aschenbroich is limited. It amounts to 0.04% of the Company's share capital as of December 31, 2019.</p> <p>The implementation of the allotment of performance shares (including the conditions and performance criteria) is described in Section 3.3.2 "Compensation of corporate officers in respect of the year ended December 31, 2019", subsection "Compensation of Jacques Aschenbroich, Chairman and Chief Executive Officer, for the financial year ended December 31, 2019 and prior years", part "Compensation in respect of the year ended December 31, 2019", "Long-term compensation – Allotment of performance shares" of the Company's 2019 Universal Registration Document on page 167.</p> <p>Due to the challenging performance criteria, it should be noted that none of the performance shares allotted to Jacques Aschenbroich under the 2016 and 2017 performance share plans definitively vested.</p>
Benefits on appointment	N/A	Jacques Aschenbroich did not receive any benefits on appointment.
Termination benefits	N/A	<p>Jacques Aschenbroich does not receive any termination benefits.</p> <p>As a reminder, Jacques Aschenbroich waived his termination benefits following the combination of the positions of Chairman of the Board of Directors and Chief Executive Officer on February 18, 2016 and his appointment on the same day as Chairman of the Board of Directors, thus becoming Chairman and Chief Executive Officer. At its meeting of the same date, the Board of Directors acknowledged this decision.</p>

Compensation components paid or awarded for the financial year ended December 31, 2019	Amounts or accounting value subject to a vote	Presentation
<p>Supplementary Pension Plan</p>	<p><u>No annuity or capital awarded or paid for the financial year ended December 31, 2019</u></p>	<p>The conditions for the supplementary pension plan, as approved by the General Shareholders' Meeting of May 23, 2019 as part of the vote on the 2019 Compensation Policy for the Chairman and Chief Executive Officer, are described in Section 3.3.1 "Compensation policy for corporate officers", subsection "Compensation policy for the Chairman and Chief Executive Officer", part "Overview of the 2019 Compensation Policy for the Chairman and Chief Executive Officer", "Commitment pursuant to Article L. 225-42-1 of the French Commercial Code – Defined benefit pension plan" of the Company's 2019 Universal Registration Document, page 157.</p> <p>This pension plan was approved as a related party agreement referred to in Article L. 225-38 of the French Commercial Code by the General Shareholders' Meeting of June 3, 2010 under its twelfth resolution and as a regulated commitment referred to in Article L. 225-42-1 of the French Commercial Code by the General Shareholders' Meeting of May 26, 2016 under its fifth resolution.</p> <p>The acquisition of additional conditional pension rights under this supplementary defined benefit pension plan is subject to a condition linked to the beneficiary's performance, which is deemed to have been met, if the variable portion of the Chairman and Chief Executive Officer's compensation, paid in year 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 prorata basis.</p> <p>At its meeting on March 24, 2020, acting on the recommendation of the Compensation Committee, the Board of Directors noted that the amount of the variable compensation for 2019 was greater than 100% of the fixed compensation for 2019, which amounted to 105% of the amount of the fixed compensation for 2019, and that consequently this condition had been fully met for the 2019 financial year.</p>
<p>Benefits of any kind</p>	<ul style="list-style-type: none"> ■ <u>Garantie sociale des chefs et dirigeants d'entreprise insurance scheme</u>: annual contribution valued at 7,731 euros; ■ <u>Compulsory collective scheme for health, death and disability and life insurance</u>: annual contribution valued at 2,300 euros; ■ <u>Company car</u>: 14,606 euros. 	<p>The conditions for benefits of any kind, as approved by the General Shareholders' Meeting of May 23, 2019 as part of the vote on the 2019 Compensation Policy for the Chairman and Chief Executive Officer, are described in Section 3.3.1 "Compensation for corporate officers", subsection "Compensation policy for the Chairman and Chief Executive Officer", part "Overview of the 2019 Compensation Policy for the Chairman and Chief Executive Officer", "Other benefits" of the Company's 2019 Universal Registration Document, page 158.</p>

Appendix 3

Directors' compensation policy for the year ending December 31, 2020

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 powers 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 2019, for which an explanation is provided in the table concerning the application of the AFEP-MEDEF Code in section 3.2.4 of the 2019 Universal Registration Document, page 145).

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.

In accordance with the requirements of Article L. 225-37-2 of the French Commercial Code, this compensation policy will be submitted for approval at the Shareholders' Meeting of June 25, 2020.

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. As this study confirmed that the amount paid by Valeo was appropriate, the Board of Directors, acting on the recommendation of the Compensation Committee, decided not to ask the shareholders to increase the current budget for directors' compensation.

The basis for allocating directors' compensation is as follows:

- (i) each director receives:
 - fixed portion: 25,000 euros/year,
 - variable portion: 3,000 euro/meeting attended;
- (ii) each director who is a member (but not Chair(man)) of a Board committee also receives:
 - fixed portion: 0 euros/year,
 - variable portion: 3,000 euro/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 euro/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 euro/meeting attended.

These payments are not capped, but if the budget is exceeded in any one year, the following formula is applied:

$$\frac{\text{Compensation allocated to an individual director}}{\text{Total compensation paid to all directors}} \times 1,100,000 \text{ euros}$$

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 2020, 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 2019 Compensation Policy for the Chairman and Chief Executive Officer and the 2020 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, 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, no director holds any stock subscription or purchase options, free shares or performance shares.. However, the director representing employees is a Group employee with an employment contract and thus receives a salary. Alongside the Group's other employees, he may also be entitled to allotments of free shares.

All the directors have agreed to donate 25% of their compensation for the duration of the shutdown to support Covid-19-related solidarity initiatives.

Appendix 4

Compensation policy for the Chairman and Chief Executive Officer for the year ending December 31, 2020

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, 2020, constituting his compensation policy for 2020 (the **"2020 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. 225-37-2, paragraph 2 of said Code.

In determining the 2020 Compensation Policy for the Chairman and Chief Executive Officer, the Compensation Committee analysed the structure of the Chairman and Chief Executive Officer's compensation based on a comparative review on the basis of four panels used by Valeo⁽¹⁾, with particular attention paid to the European car makers and OEMs panel (the **"2020 Comparative Study"**). The panels are available on the Company's website (www.valeo.com), under "Corporate Governance".

In general, the 2020 Comparative Study shows that the fixed compensation as well as the ceilings for variable and long-term compensation are in line with the market and will therefore remain unchanged in the 2020 Compensation Policy for the Chairman and Chief Executive Officer compared to those set in the 2019 Compensation Policy approved at a rate of 91.92% by the Shareholders' Meeting of May 23, 2019 under its tenth resolution.

After this comparative study, the Compensation Committee nevertheless suggested to the Board of Directors the following adjustments to the assessment of the qualitative criteria.

At its meeting held on March 24, 2020, the Board of Directors, on the recommendation of the Compensation Committee, established the 2020 Compensation Policy for the Chairman and Chief Executive Officer, as summarized below, with certain adjustments related to the elements used to assess the qualitative criteria determining the variable compensation, as compared to the 2019 Compensation Policy for the Chairman and Chief Executive Officer. In accordance with Article L. 225-37-2 of the French Commercial Code, the Shareholders' Meeting of June 25, 2020 will be called upon to approve the elements of the 2020 Compensation Policy for the Chairman and Chief Executive Officer.

A policy that is in line with the corporate interest and contributes to the Company's strategy and long-term future

The Board of Directors considers that the compensation policy for the Chairman and Chief Executive Officer is in line with the corporate interest by contributing to the implementation of its strategy and long-term development and by taking into account the social and environmental impacts of its operations, thus assuring its long-term future.

The compensation policy for the Chairman and Chief Executive Officer includes financial criteria selected for their consistency with regard to the achievement of its objectives, thus tying the Chairman and Chief Executive Officer's compensation to the Group's performance and its short- and long-term value creation. More particularly, to foster the Company's long-term development, the compensation policy includes conditions related to order intake, strategic vision, risk management, in particular the quality of management of the Covid-19 crisis and social and environmental responsibility.

In addition, in preparing, determining and reviewing the compensation policy, the Board of Directors takes into account the various indicators related to the Company's employees, thus supporting its development model. A portion of the variable compensation is therefore based on compliance with conditions relating to corporate social responsibility, including the presentation of a plan to increase the percentage of women on the various management committees by 2024 and 2030, the number of lost-time accidents and the reduction in the number of category 1 and 2 accidents.

Fixed compensation

The annual fixed compensation notably remunerates for responsibilities associated with the duties 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.

There are no plans to change this amount until the end of Jacques Aschenbroich's current term of office as Chairman and Chief Executive Officer.

Jacques Aschenbroich has agreed to donate 25% of his fixed compensation for the duration of the shutdown to support Covid-19-related solidarity initiatives⁽²⁾.

(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.

(2) All members of the Operations Committee have decided to follow this initiative.

Variable compensation

The principles and criteria relating to variable compensation under the 2019 Compensation Policy for the Chairman and Chief Executive Officer approved in the tenth resolution passed by the Shareholders' Meeting of May 23, 2019 with a majority of

91.92% (see paragraph "Variable compensation" of this section, pages 153 to 155 remain unchanged in the 2020 Compensation Policy for the Chairman and Chief Executive Officer, subject to a number of amendments to the qualitative assessment criteria.

The principles and criteria for the 2020 annual variable compensation will therefore be as follows under the 2020 Compensation Policy for the Chairman and Chief Executive Officer:

▶ QUANTIFIABLE CRITERIA⁽¹⁾⁽²⁾

Nature of the quantifiable criteria	Maximum amount of the variable portion as a % of annual fixed compensation
Operating margin rate ⁽³⁾	25%
Free cash flow	25%
Net Income	20%
ROCE rate ⁽³⁾	20%
Group order intake ⁽⁴⁾	25%
TOTAL QUANTIFIABLE CRITERIA	115%

▶ QUALITATIVE CRITERIA

Nature of the qualitative criteria	Maximum amount of the variable portion as a % of annual fixed compensation
<p>Strategic vision <i>Strategic vision assessed against the following indicators:</i></p> <ul style="list-style-type: none"> ■ strategic and technological operations carried out by Valeo; ■ development of technology platforms in line with the Investor Day communication; ■ new evaluation of the presentation at the next strategic seminar of a technology roadmap and its impact on R&D and human resources. 	20%
<p>Risk management <i>This criteria is measured in particular by the following indicators:</i></p> <ul style="list-style-type: none"> ■ compliance: continued and intensified measures to reinforce the compliance policy; ■ management of the Group's cash; ■ Company's transformation, organizational changes, evolution of the professions, implementation of industrial and human resources to make the transformation successful; ■ quality of management and adaptability to the effects of the Covid-19 crisis. 	15%
<p>Corporate Social Responsibility <i>Overall assessment of safety performance, in particular through the following indicators:</i></p> <ul style="list-style-type: none"> ■ number of lost-time workplace accidents; ■ decrease in the number of accidents in categories 1 (death, amputation, severe trauma, disability/incapacity) and 2 (major material damage and major accident). <p><i>Progress made by Valeo in terms of skills and diversity management:</i></p> <ul style="list-style-type: none"> ■ presentation of a plan to increase the number of women on management committees by 2024 and 2030 (quantitative objectives and accompanying measures). <p><i>Build and present a vision of carbon neutrality for Valeo in 2020, including five-year objectives</i></p>	20%
TOTAL QUALITATIVE CRITERIA	55%
TOTAL QUANTIFIABLE AND QUALITATIVE CRITERIA	170%

(1) Excluding regulatory and tax impacts.

(2) Concerning the quantifiable criteria, excluding the impact of the Covid-19 epidemic whose impact on the Group cannot be predicted on the date of this report. Thus, when assessing the degree of achievement of these quantifiable objectives, the Board of Directors may take this impact into account.

(3) Excluding the Top Column Module (TCM) business.

(4) Excluding the Top Column Module (TCM) business and Valeo Siemens eAutomotive (VSeA).

Long-term compensation policy – Allotment of performance shares

The Chairman and Chief Executive Officer's maximum long-term variable compensation, which in any event remains capped at 270% of annual fixed compensation, remains unchanged compared with the 2019 Compensation Policy for the Chairman and Chief Executive Officer, as the 2020 Comparative Study confirmed that this was an appropriate level.

As indicated in the 2019 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 criteria considered as particularly representative of the Company's performance. The Board of Directors, acting on the recommendation of the

Compensation Committee, decided to make some adjustments to the criteria used in previous years for the 2019 Compensation Policy for the Chairman and Chief Executive Officer. These adjustments are aimed at better reflecting, in the proposed criteria, the Group's strategy, current financial and operating performance objectives, value creation for Valeo's shareholders measured using the new external performance criterion, Total Shareholder Return (TSR), and performance measurement. These criteria remain in the 2020 Compensation Policy for the Chairman and Chief Executive Officer.

The final allocation of performance shares would depend on performance, based on two internal performance criteria already used – namely the operating margin rate and the pre-tax rate of return on assets (ROA) – as well as an external performance criterion, the Total Shareholder Return (TSR). Valeo's TSR will be measured against the CAC 40 index and a panel of European automotive companies. Internal performance criteria will represent a maximum of 80% of allotted shares (40% for each criterion), while the external performance criterion will represent no more than 20% of the allotment.

The table below summarizes the criteria and methods used to assess the performance shares selected as part of the 2020 Compensation Policy for the Chairman and Chief Executive Officer:

Criterion	Weight / Assessment
Internal performance criterion: ROA rate⁽¹⁾ (40%)	Performance measured by two criteria (operating margin rate and ROA rate) 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. <ul style="list-style-type: none"> ■ 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%.
Internal performance criterion: operating margin rate⁽¹⁾ (40%)	<ul style="list-style-type: none"> ■ 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. <ul style="list-style-type: none"> ■ If Valeo's TSR recorded over the reference period is greater than the CAC 40 index's TSR recorded over the reference period: 10% (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 of a European car makers Panel⁽²⁾ over the reference period: 10% (0% if equal or lower).

(1) For 2020, the guidance is 10% for the ROA rate (taking into account share in net earnings of equity-accounted companies) and for the operating margin rate (excluding share in net earnings of equity-accounted companies), the guidance is 6%. It should be noted that the Group's guidance excludes the impact of the Covid-19 epidemic, whose impact on the Group cannot be predicted on the date of this report. The Board of Directors may take this impact into account. Note: after this guidance was established by the Group at the beginning of 2020, the Group announced on April 14, 2020 that the drop in business activity impacting its plants due to the Covid-19 crisis, and the lack of visibility regarding when the crisis will end, render invalid the 2020 financial objectives concerning profitability and free cash flow.

(2) The European Automotive Panel was amended by the Board of Directors at its meeting of October 24, 2019. GKN, a panel member, was acquired by a fund and then delisted. Its inclusion in the panel was no longer relevant and it was therefore replaced by Schaeffler, a German automotive equipment manufacturer.

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⁽¹⁾ 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 misconduct or (ii) dismissal for reasons attributable

to the Chairman and Chief Executive Officer's performance, before the end 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 end of the vesting period based

(1) Or, if the roles of Chairman of the Board of Directors and Chief Executive Officer are separated before the final award date, the office of Chairman of the Board of Directors or Chief Executive Officer will be taken into account when assessing whether the condition is satisfied. For the purposes of the grant made in 2020, in the event that, following the separation of Chairman and Chief Executive Officer roles, Jacques Aschenbroich would remain Chairman of the Board of Directors until the end of the vesting period of the performance shares granted in 2020, it was agreed that the number of performance shares that would be definitively granted to him would be reduced to be adjusted on a pro rata basis for the period during which he was Chairman and Chief Executive Officer.

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 and 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 (i.e., for illustrative purposes, a maximum of 250,000 under the nineteenth 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 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.

Therefore, at its meeting on March 24, 2020, and after consulting the Compensation Committee, the Board of Directors decided to grant 130,000 performance shares to the Chairman and Chief Executive Officer for 2020. Due to the extreme volatility of the automobile market and the Covid-19 epidemic which affected Valeo's share price, in accordance with the approach retained exceptionally last year in similar market circumstances, and to take into account the significant fall in the share price, 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 under IFRS at 1,821,300 euros, i.e., 61% as compared to the maximum permitted under the compensation policy. This allotment is made subject to the approval of the 2020 Compensation Policy for the Chairman and Chief Executive Officer by the shareholders at the Shareholders' Meeting of June 25, 2020. It should also be noted that, due to the challenging performance criteria, none of the performance shares allotted to Jacques Aschenbroich under the 2016 and 2017 performance share plans definitively vested.

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.

Defined benefit pension plan

Jacques Aschenbroich benefits from a defined benefit pension plan in accordance with Group and market practices.

In accordance with French Ordinance No. 2019-697 of July 3, 2019, the so-called "Article 39" defined benefit pension plan, which no longer welcomes new members since July 1, 2017, no longer allows for the acquisition of new rights as from January 1, 2020 (the "**Closed Plan**"). Thus, in accordance with the new legal provisions, a new commitment has been made in favour of Jacques Aschenbroich. This 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.

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 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;
- 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 this 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.

Non-competition compensation

The Board of Directors may decide to make a non-competition commitment to the executive corporate officer in accordance with the recommendations of the AFEP-MEDEF Code.

Jacques Aschenbroich has had a non-competition agreement since February 24, 2010 (see paragraph “Commitment pursuant to Article L. 225-42-1 of the French Commercial Code – Non-competition payment” of this section, page 158).

Given the recommendations of the AFEP-MEDEF Code on non-competition agreements, Jacques Aschenbroich announced his decision to waive his right to non-competition 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-competition agreement accordingly on March 21, 2019.

Other benefits

The principles and criteria relating to this component of compensation under the 2019 Compensation Policy for the Chairman and Chief Executive Officer (see paragraph “Other benefits” of this section, page 158), remain unchanged in the 2020 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 component of compensation under the 2019 Compensation Policy for the Chairman and Chief Executive Officer (see paragraph “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” of this section, page 158), remain unchanged in the 2020 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 positions 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 2020.

In accordance with Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, the Chairman and Chief Executive Officer’s variable compensation for 2020 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 2020 financial year have been approved by the shareholders at an Ordinary Shareholders’ Meeting (*ex post* vote).

In accordance with 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 variable quantitative components of the 2020 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.

Appendix 5

Summary table on the financial resolutions submitted by the Board of Directors to this General Shareholders' Meeting

No	Description	Period of validity	Possible reasons for use of the authorisation or delegation	Ceilings	Price	Conditions for the implementation of the authorisation
14	Authorisation to carry out transactions in shares issued by the Company	18 months.	<p>Possible purposes for such share buyback program:</p> <ul style="list-style-type: none"> ■ Implementation of any stock option purchase plans enabling the acquisition of Company shares, in particular, by any employee or corporate officer. ■ Allotment of free shares, in particular to employees and corporate officers. ■ 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. ■ 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. ■ Cancellation of all or part of the repurchased shares. ■ 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 (<i>Autorité des marchés financiers</i>). ■ Implement any market practice that may become authorised by market authorities, and more generally, complete any other transaction in accordance with laws and regulations that are or may become applicable. 	<ul style="list-style-type: none"> ■ 10% of the share capital (at any time). ■ 5% in the event of external growth transaction, merger, spin-off or contribution. ■ Global amount allocated to the share buyback program: 1,928,293,920 euros (excluding acquisition costs) 	Maximum purchase price: 80 euros per share (excluding acquisition costs).	May not be used during a public offer

Appendix 6

Summary of the amendments to the Articles of Association proposed to the General Shareholders Meeting (sixteenth resolution) and updated draft articles of association

#	Subject Article of the Company's Articles of Association	Amendments under consideration
1.	Mandates of directors Article 14.1	Removal of the transitional provisions relating to financial years 2010, 2011, 2012 and 2014.
2.	Directors representing employees Article 14.2	Article 14.2 of the Articles of Association must be amended and brought into compliance with the new Article L. 225-27-1 of the French Commercial Code as amended by the Pacte Law. This provision is also amended to specify that in event that the Company is no longer in the scope of application of the law, the term of office of the director representing employees may, if the Board of Directors so decides, expire at the end of the meeting of the Board of Directors acknowledging this fact.
3.	Compensation of directors Article 14.7	The reference to "attendance fees" (<i>jetons de présence</i>) is deleted in Article 14.7 of the Articles of Association and replaced by the term "compensation".
4.	Written consultation of directors New paragraph 16.4	In accordance with the new Article L. 225-37 of the French Commercial Code, it is proposed that certain decisions of the Board of Directors may henceforth be adopted by written consultation. This procedure would be applied to the following decisions: (i) co-optations, (ii) sureties, endorsements and guarantees, (iii) bringing the Articles of Association into compliance with the law, (iv) convening a General Shareholders' Meeting and (v) transfer of the registered office within the same department.
5.	Form of General Management Article 18	Article 18 of the Articles of Association would be amended to give the Board of Directors the freedom to separate the functions of Chairman and Chief Executive Officer during their term of office.
6.	Voting by teletransmission Article 23	Article 26 of the Articles of Association (quorum and majority – powers) provides that "shareholders who participate in the Meeting through videoconference or other telecommunications means, which permit the identification of the shareholders in accordance with applicable laws and regulations, will be deemed present for purposes of quorum and majority." It is proposed to add further details on this procedure in Article 23 (attendance and proxies).

Updated draft articles of association

Title I

Form – Company name – Purpose – Registered office – Term – Share capital

Article 1 Form

The Company is established as a French *société anonyme* managed by a Board of Directors. It is governed by these articles of association and the laws and regulations applicable to French companies.

Article 2 Company name

The name of the Company is VALEO.

Article 3 Purpose

The purpose of the Company is as follows:

- the research, manufacturing, sale, trade and supply of all products, equipment and services for the industrial and retail sectors, that may be manufactured and developed by factories of the Company and of companies of its Group or that may be of interest to their customers;
- and more generally, engaging in any transactions whatsoever, including industrial, commercial, financial, real estate and other property transactions, sales, acquisitions, capital contributions, etc., directly or indirectly related to the corporate purpose or contributing to its extension or development.

Article 4 Registered office

The registered office is located in the 17th *arrondissement* of Paris, 43, rue Bayen.

It may be transferred to any other location in the same *département* or a neighboring *département*, by a decision of the Board of Directors, which will be subject to the approval of the next Ordinary Shareholders' Meeting.

Article 5 Term

The term of the Company shall be ninety-nine years effective as from February 10, 1972, subject to an earlier winding up.

Article 6 Share capital

The share capital is 241,036,743 euros, divided into 241,036,743 shares, each with a par value of 1 euro.

Title II

Shares / Securities

Article 7 Type

The Company may issue shares and other securities, either in exchange for cash or contributions or through the capitalization of reserves or any other means provided by law.

Article 8 Characteristics

The shares may be registered shares or bearer shares, at the option of the shareholder.

The Board of Directors may, in its discretion, issue bearer securities representing several fully paid-up shares.

Article 9 Transfer

1. The shares are freely transferable unless provided otherwise by law or regulation.

In the event of a share capital increase, the new shares will be transferable as of the date of such increase.

2. In order to identify holders of securities in bearer form, the Company may request, in accordance with the applicable laws and regulations and the sanctions provided for by the French Commercial Code, that any organization or intermediary provides information enabling to identify holders of securities of the Company that have, or may in the future have, voting rights in its shareholders' meetings, and especially the number of securities held by each of them.

With respect to registered securities, giving access to capital immediately or in the future, the intermediary recorded under the terms provided for by the French Commercial Code must reveal the identity of the owners of such securities, as well as the number of shares held by each of them, upon the request by the Company or its agent, which may be made at any time. Failure of the holders of the securities or their intermediaries to comply with their obligation to communicate the information mentioned above may, subject to any relevant legal constraints, cause the suspension or withdrawal of the right to vote and any right to dividend payments related to the shares.

3. In addition to the thresholds provided for by Article L. 233-7 of the French Commercial Code, any individual or legal entity owning directly or indirectly, alone or in concert with other entities, a number of shares representing more than 2% of the share capital or voting rights of the Company, must notify the Company by registered letter with acknowledgement of receipt within fifteen days upon crossing the said 2% threshold, setting forth its name and the names of the persons acting in concert. This notification obligation also applies to each additional 2% of the share capital or voting rights. This obligation also applies when the threshold of 2% (or of a multiple thereof) is crossed in connection with a decrease in ownership of share capital or voting rights.

The thresholds mentioned in the first paragraph of this Article 9.3 shall be calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the General Regulations of the French Financial Markets Authority.

The intermediary recorded as holder of shares in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code shall provide the declarations required by this Article for all the shares held for its account, without prejudice to the obligations of the owners of the shares.

In the event of failure to comply with the obligations set forth above, the sanctions under Article L. 233-14 of the French Commercial Code will be applied provided that a request for such sanctions by one or more shareholders holding at least 2% of the share capital or voting rights is recorded in the minutes of the Shareholders' Meeting.

Article 10 Payment in full

The subscription price of the shares issued in connection with a share capital increase, and to be fully paid up in cash, will be due under the conditions defined by the Board of Directors.

The subscribers and shareholders shall be informed of any calls for capital at least fifteen days before the date set for each payment by a notice published in a legal gazette of the location of the registered office or by individual registered letter.

Any late payment of the amounts due related to shares which have not been paid up will entail, automatically and without any formality, the payment of a late payment interest calculated at the legal rate applicable to commercial matters plus two points,

accrued on a daily basis as of the due date, without prejudice to any action that the Company may bring against the defaulting shareholder and enforcement procedures provided for by law.

Article 11 Rights and obligations related to the shares

Each share will give rise to the ownership of the Company's assets, a share of the profits and liquidating rights, in proportion to the number of existing shares.

Tax exemptions or various taxes, related to the current or future capitalization of reserves, or transactions treated as such, and which may become due in the event of a capital redemption, either during the course of the Company's existence or during its liquidation, will be allocated uniformly among all the shares constituting the share capital. This allocation will be carried out so that the net amount allocated to each share is equal, and that all shares enjoy the same rights and bear the same obligations.

Any time that a shareholder is required to hold a certain number of shares in order to exercise a given right, the owners of individual shares or a number of shares lower than the required number will not have any right against the Company. In such an event, each such shareholder will, if it wishes to exercise such right, be responsible for acquiring the required number of shares or fractional shares.

The shares are indivisible with respect to the Company.

Title III

Bonds

Article 12 Issue and type

The Company may issue bonds upon the decision or authorization of the Board of Directors in accordance with applicable laws.

Such bonds may be in registered or bearer form, at the option of the holder.

Title IV

Management and control of the Company

Article 13 Board of Directors – Composition

The Company shall be managed by a Board of Directors which will be composed of no less than three directors and no more than eighteen directors, or any other maximum number permitted by applicable law. The number of directors representing employees is not taken into account for determining the minimum or maximum number of directors.

Article 14 Directors' term of office – Age limit – Conditions – Compensation

1. Each member of the Board of Directors shall be appointed for a four-year term by the Ordinary Shareholders' Meeting; members may be re-elected. The terms of one-fourth of the members of the Board of Directors are renewed each year or, when the total number of its members divided by four does not equal a whole number, the number that is immediately higher or lower than the number resulting from this division, provided that to the extent possible, for each year within the same period of four consecutive years, the gap between the number of seats to be renewed in such year and the number of seats to be renewed in each of the

three other years of such period may not be higher than one.

A director who is appointed to replace a director whose mandate has not yet expired will only remain in office for the remainder of his or her predecessor's mandate.

2. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the law is equal to or less than eight, the Board of Directors also includes a director representing employees appointed by the Company Group Committee. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the law is greater than eight, and provided this criterion continues to be satisfied on the date of appointment (which must occur within six months after the threshold is exceeded), a second director representing employees is appointed by the European Works Council. If the number of directors becomes equal to or less than eight, the term of office of the second director representing employees and appointed by the European Works Council will continue until its scheduled expiry date.

The provisions of Article 14.1 of the articles of association regarding the length and the renewal of the term of office apply to directors representing employees (with the exception of the rules relating to the renewal by quarter of the Board of Directors).

The term of office of the directors representing employees will expire in advance under the conditions set out by law and this Article 14; if the implementing conditions provided by law are no longer satisfied, the term of office of the director or directors representing employees could expire, upon decision of the Board of Directors, at the close of the Board of Directors meeting during which the Board of Directors has ascertained that the Company no longer comes within the scope of the law.

3. In case of vacancies resulting from the death or resignation of one or more directors, the Board of Directors may, in the period between two shareholders' meetings, appoint replacements on a temporary basis in accordance with law. As an exception to the foregoing, in case of vacancies for any reason of the seat of a director representing employees, the vacant seat is filled pursuant to the conditions set out by law.
4. No individual who is more than 70 years of age may be appointed a member of the Board of Directors if his/her appointment results in more than one-third of the members of the Board of Directors being over 70 years of age. This age limit shall apply to the permanent representatives of legal entities that serve as directors.
5. Each director must own a minimum of 1,500 shares during his/her term of office. Such shares shall be held in a registered account. The provisions of this Article 14.5 do not apply to the directors representing employees.
6. The acceptance and exercise of the position of director includes an undertaking, by each director, to certify in writing upon request that he/she personally abides by the conditions and obligations required of directors under applicable law, in particular regarding the holding of several offices.

- The Shareholders' Meeting may grant the members of the Board of Directors, in compensation for their services, a fixed annual fee, which will be recorded as an operating expense. The Board of Directors shall freely allocate the aggregate amount among its members. The Chairman's compensation is determined by the Board of Directors. The Board of Directors may grant additional exceptional compensation for assignments or offices entrusted to members of the Board of Directors, in particular in case of attendance at any of the committees referred to in Article 17 hereof.

Article 15 Chairman of the Board of Directors – Vice-Chairman

- The Board of Directors shall elect a Chairman among its individual members. It shall determine his/her compensation and set the term of his/her office, which may not exceed that of his/her term of office as director.

The Chairman organizes and manages the operations of the Board of Directors, which he/she shall report on to the Shareholders' Meeting. He/she shall oversee the proper operation of the Company's bodies and make sure, in particular, that the directors are able to fulfill their duties.

If the Chairman becomes temporarily unavailable or dies, the Board of Directors may delegate the Chairman's duties to the Vice-Chairman or to a director. In a case of temporary unavailability, such delegation is granted for a limited term. In a case of death, such delegation is valid until the election of a new Chairman.

The Chairman's duties shall cease no later than upon adjournment of the Shareholders' Meeting reviewing the financial statements of the fiscal year during which he/she reaches the age of 70.

- The Board of Directors may decide to appoint a Vice-Chairman. It shall set the term of his/her office, which may not exceed that of his/her term of office as director.

Article 16 Operation of the Board of Directors

- The Board of Directors shall meet as often as the interests of the Company require, upon notice given by its Chairman through any means, including orally. The meeting shall be held either at the registered office, or in any other location mentioned in the notice given by the Chairman.

If the Board of Directors has not met for more than two months, directors representing at least one-third of the members of the Board may at any time request that the Chairman call a meeting of the Board of Directors with a stated agenda. The Chief Executive Officer (*Directeur Général*) may also, at any time, request that the Chairman call a meeting of the Board of Directors with a stated agenda. The Chairman is bound by the requests sent to him/her pursuant to this paragraph.

If the Chairman is unable to do so, a meeting of the Board of Directors may be called either by at least one-third of the members of the Board or by the Chief Executive Officer or a Vice-Chief Executive Officer (*Directeur Général Délégué*) if he/she is a director.

- The Board of Directors shall act under the quorum and majority conditions provided by law. In the event that there is a tie, the Chairman of the meeting shall cast the deciding vote.
- The Board of Directors may appoint a secretary chosen from among its members or otherwise.

- The decisions relating to the Board of Directors' powers set out in Article L. 225-24, the last paragraph of Article L. 225-35, the second paragraph of Article L. 225-36 and the first part of Article L. 225-103 of the French Commercial Code, as well as the decision to transfer the corporate office within the same department can be taken by written consultation of the directors.

Article 17 Powers of the Board of Directors

- The Board of Directors shall determine the Company's strategy and oversee its implementation. Subject to the powers expressly granted to the shareholders' meetings and within the scope of the corporate purpose, it shall take up any question concerning the proper operation of the Company and settle by its deliberations the matters concerning it.
- The Board of Directors shall perform any such audits and verifications that it may deem necessary. The Chairman of the Board of Directors or the Chief Executive Officer shall provide each director with all documents and information necessary to fulfill his/her duties.
- The Board of Directors may create one or more committees to examine issues that the Board or its Chairman refers to it.

Article 18 General Management

- The General Management of the Company shall be the responsibility of either the Chairman of the Board of Directors, or of another individual, that need not be a director, who holds the title of Chief Executive Officer.

The Board of Directors shall choose at any time between the two forms of General Management. The option remains valid until the Board of Directors decides otherwise.

Shareholders and third parties shall be informed of such choice in accordance with applicable law.

- When the Company's General Management is ensured by the Chairman of the Board of Directors, the following provisions relating to the Chief Executive Officer shall apply to him/her.
- The Chief Executive Officer shall have the broadest power to act in the Company's name in all circumstances. He/she shall exercise such powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to the shareholders' meetings and to the Board of Directors. The Chief Executive Officer shall represent the Company vis-à-vis third parties and before courts of law.
- The Board of Directors shall determine the compensation and term of office of the Chief Executive Officer, which may not exceed, if applicable, that of his/her term of office as a director.
- At the request of the Chief Executive Officer, the Board of Directors may appoint, in accordance with law, one or more individuals charged with assisting the Chief Executive Officer, with the title of Vice-Chief Executive Officer (*Directeur Général Délégué*). With the consent of the Chief Executive Officer the Board of Directors shall determine the scope of the powers entrusted to the Vice-Chief Executive Officer and the term of his/her office, which may not exceed, if applicable, that of his/her office as a director. The Vice-Chief Executive Officer shall have, vis-à-vis third parties, the same powers as the Chief Executive Officer.
- The Chief Executive Officer and the Vice-Chief Executive Officers shall have the ability to partly substitute in their powers as many representatives as they deem necessary, within the limits set by the applicable law.

7. The duties of the Chief Executive Officer and Vice-Chief Executive Officers shall end no later than upon adjournment of the Shareholders' Meeting reviewing the financial statements of the fiscal year during which they reach the age of 68.

Article 19 Regulated agreements

Any direct or indirect agreement between the Company and one of the members of the Board of Directors, the Chief Executive Officer or a Vice-Chief Executive Officer, a shareholder holding more than 10% of the voting rights or, if such shareholder is a company, the company controlling it as defined in Article L. 233-3 of the French Commercial Code, must be subject to the prior authorization of the Board of Directors.

The same applies to agreements in which one of the persons mentioned in the preceding paragraph is indirectly concerned, as well as if the agreement takes place between the Company and another company, if one of the directors, the Chief Executive Officer or one of the Vice-Chief Executive Officers of the Company is also an owner, general partner, manager, director, member of the Supervisory Board or, generally, a senior manager of the other company.

The prior authorization granted by the Board of Directors must be substantiated, stating the benefit to be gained by the Company in entering into the agreement, including the financial terms relating thereto.

The provisions of the previous three paragraphs shall not apply to agreements entered into in the ordinary course of business and at arm's length or between two companies of which one directly or indirectly owns the full share capital of the other after deduction of the minimum number of shares necessary to meet the requirements of Article 1832 of the French Civil Code or Articles L. 225-1 and L. 226-1 of the French Commercial Code, as applicable.

Title V

Auditing of the Company

Article 20 Statutory Auditors

The Company will be audited by one or more Statutory Auditors in compliance with applicable law.

One or more substitute Statutory Auditors will be appointed in compliance with applicable law, to replace any Statutory Auditor in the event of such Statutory Auditor's refusal, unavailability, resignation or death.

Title VI

Shareholders' meetings

Article 21 Shareholders' meetings

The Shareholders' Meeting, duly constituted, shall represent all shareholders; decisions made in compliance with the law and these articles of association will bind all shareholders.

Each year, an Ordinary Shareholders' Meeting shall be held within six months of the end of the fiscal year. In addition, ordinary shareholders' meetings held on an exceptional basis or extraordinary shareholders meetings may be held at any time.

Article 22 Form and notice of Meeting

The shareholders' meetings shall be convened in compliance with applicable law. They will be held at the registered office or any other place mentioned in the notice of the Meeting.

Article 23 Attendance of Meeting; proxies; remote voting

Any shareholder has the right to attend the meetings under the conditions provided for by law.

Each shareholder at the Meeting shall, without limitation, have a number of votes equal to the number of shares it owns or for which it holds proxies. However, a double voting right compared to the voting rights granted to other shares will be granted to all registered shares that are fully paid up and recorded in the name of the same holder for at least four years. In addition, in the event of a capital increase by capitalization of reserves, profits or issuing premiums, this double voting right will be granted as of the date of their issue to registered shares offered free of charge to shareholders in connection with pre-existing shares already entitled to such double voting right. The double voting right shall cease, automatically, with respect to any shares converted into bearer form or transferred; however, the four-year period set forth above shall not be interrupted and the vested right will be retained in the event of a transfer effected as a result of an inheritance, a division of marital property or an *inter vivos* gift to the benefit of a spouse or relatives entitled to inherit.

The shareholders may, in compliance with applicable laws and regulations, send proxies and mail voting instructions with respect to any Shareholders' Meeting either in paper format or by remote transmission.

The shareholders participating in the Meeting through videoconference or other telecommunications means, including *via* Internet, which allow the identification of the shareholders in accordance with laws and regulations in force the day the said means of communication are used, will be deemed present for purposes of quorum and majority.

Article 24 Officers – Attendance sheet – Agenda

The meetings will be chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman or a director especially appointed for this purpose by the Board of Directors; otherwise, the Meeting shall elect its Chairman; the duties as tellers will be performed by two members attending the Meeting who receive the largest number of votes and who are willing to perform this position; the officers will appoint the Secretary who needs not be a shareholder.

An attendance sheet shall be kept in compliance with applicable law.

The agenda of the meetings shall be determined by the author of the notice of meetings; however, one or several shareholders may, in compliance with applicable law, require that proposed resolutions be included in the agenda.

Article 25 Minutes

Decisions made at the Shareholders' Meeting will be recorded in minutes drafted in compliance with applicable law; copies or excerpts of these minutes will be certified in compliance with applicable laws and regulations.

Article 26 Quorum and majorities – Powers

If the Board of Directors decides to use telecommunications technology to conduct the Meeting and publishes its decision to do so in the notice of meeting or the convening notice, shareholders who participate in the Meeting through videoconference or other telecommunications means, which permit the identification of the shareholders in accordance with applicable laws and regulations, will be deemed present for purposes of quorum and majority.

Title VII

Fiscal year

Financial statements / Appropriation of results Distribution of profits

Article 27 Fiscal year

The fiscal year shall begin on January 1 and end on December 31 of each year.

Article 28 Financial statements

The financial statements for the fiscal year shall be approved each year by the Shareholders' Meeting, which decides on the appropriation of the profits in compliance with applicable law.

Article 29 Distributable profits – Dividends

The distributable profit shall include the net income for the fiscal year, less any previous losses and sums allocated to the legal reserve and increased by any profits carried forward. In addition, the Shareholders' Meeting may decide in compliance with applicable law to distribute sums allocated to available reserves and/or retained earnings; in such case, the decision will expressly set forth the categories of reserves from which the deductions will be made.

The dividend payment terms will be set by the Shareholders' Meeting or, in the event such terms are not set by the Shareholders' Meeting, by the Board of Directors.

The Board of Directors may decide, if permitted by law, to distribute an interim dividend from the previous or current fiscal year, before the approval of such fiscal year's annual financial statements, and to set the dividend amount and payment date.

The Shareholders' Meeting approving the annual financial statements may grant to each shareholder, for all or part of the declared dividend or interim dividend, the option to choose between the payment of the dividend or interim dividend in cash or in shares, under the conditions set by, and in compliance with, applicable law.

Title VIII

Modifications of the share capital

Article 30 Increase – Amortization and reduction of capital

The share capital may be increased by decision of the Shareholders' Meeting, which may empower the Board of Directors to carry out the capital increase in one or more time(s), to set the terms and conditions, to record its completion and to make corresponding amendments to the articles of association.

Title IX

Winding-up – Liquidation / Jurisdiction

Article 31 Winding-up – Liquidation

At the end of the period set forth in these articles of association or in the event of an earlier winding-up, the Shareholders' Meeting shall determine the method of liquidation, shall appoint one or several receivers, and shall determine his or their powers; such receivers shall exercise their duties in compliance with applicable law.

Article 32 Jurisdiction

Any disputes which may arise during the Company's existence or during its liquidation, either between shareholders and the Company or among the shareholders themselves, relating to the interpretation or implementation of these articles of association or the Company's business generally shall be subject to the jurisdiction of the competent courts of the location of the registered office.

For such purpose, in the event of any disputes, each shareholder must elect a domicile in the jurisdiction of the competent court of the location of the registered office, and any summons will be served at such domicile; failing such election of domicile, such summons will be validly served at the Prosecutor's office at the *tribunal de grande instance* of the location of the registered office.

Appendix 7

Draft Articles of Association of the Company in its new form of a European company (eighteenth resolution)

Title I

Form – Company name – Purpose – Registered office – Term – Share capital

Article 1 Form

The Company has been established as a French *société anonyme* managed by a Board of Directors. It has been transformed into an European company (*Societas Europaea*) upon decision of the Mixed General Shareholder's Meeting on June 25, 2020. It is governed by the European and French laws and regulations applicable to European companies (the "Law") and by these articles of association.

Article 2 Company name

The name of the Company is VALEO.

Article 3 Purpose

The purpose of the Company is as follows:

- the research, manufacturing, sale, trade and supply of all products, equipment and services for the industrial and retail sectors, that may be manufactured and developed by factories of the Company and of companies of its Group or that may be of interest to their customers;
- and more generally, engaging in any transactions whatsoever, including industrial, commercial, financial, real estate and other property transactions, sales, acquisitions, capital contributions, etc., directly or indirectly related to the corporate purpose or contributing to its extension or development.

Article 4 Registered office

The registered office is located in the 17th *arrondissement* of Paris, 43, rue Bayen.

It may be transferred to any other location in the same *département* or a neighboring *département*, by a decision of the Board of Directors, which will be subject to the approval of the next Ordinary Shareholders' Meeting.

Article 5 Term

The term of the Company shall be ninety-nine years effective as from February 10, 1972, subject to an earlier winding up.

Article 6 Share capital

The share capital is 241,036,743 euros, divided into 241,036,743 shares, each with a par value of 1 euro.

Title II

Shares / Securities

Article 7 Type

The Company may issue shares and other securities, either in exchange for cash or contributions or through the capitalization of reserves or any other means provided by Law.

Article 8 Characteristics

The shares may be registered shares or bearer shares, at the option of the shareholder.

The Board of Directors may, in its discretion, issue bearer securities representing several fully paid-up shares.

Article 9 Transfer

1. The shares are freely transferable unless provided otherwise by Law.

In the event of a share capital increase, the new shares will be transferable as of the date of such increase.

2. In order to identify holders of securities in bearer form, the Company may request, in accordance with the Law and the sanctions provided for by the French Commercial Code, that any organization or intermediary provides information enabling to identify holders of securities of the Company that have, or may in the future have, voting rights in its shareholders' meetings, and especially the number of securities held by each of them.

With respect to registered securities, giving access to capital immediately or in the future, the intermediary recorded under the terms provided for by the French Commercial Code must reveal the identity of the owners of such securities, as well as the number of shares held by each of them, upon the request by the Company or its agent, which may be made at any time. Failure of the holders of the securities or their intermediaries to comply with their obligation to communicate the information mentioned above may, subject to any relevant legal constraints, cause the suspension or withdrawal of the right to vote and any right to dividend payments related to the shares.

3. In addition to the thresholds provided for by Article L. 233-7 of the French Commercial Code, any individual or legal entity owning directly or indirectly, alone or in concert with other entities, a number of shares representing more than 2% of the share capital or voting rights of the Company, must notify the Company by registered letter with acknowledgement of receipt within fifteen days upon crossing the said 2% threshold, setting forth its name and the names of the persons acting in concert. This notification obligation also applies to each additional 2% of the share capital or voting rights. This obligation also applies when the threshold of 2% (or of a multiple thereof) is crossed in connection with a decrease in ownership of share capital or voting rights.

The thresholds mentioned in the first paragraph of this Article 9.3 shall be calculated in accordance with the provisions of Articles L. 233-7 and L. 233-9 of the French Commercial Code and the provisions of the General Regulations of the French Financial Markets Authority.

The intermediary recorded as holder of shares in accordance with the seventh paragraph of Article L. 228-1 of the French Commercial Code shall provide the declarations required by this Article for all the shares held for its account, without prejudice to the obligations of the owners of the shares.

In the event of failure to comply with the obligations set forth above, the sanctions under Article L. 233-14 of the French Commercial Code will be applied provided that a request for such sanctions by one or more shareholders holding at least 2% of the share capital or voting rights is recorded in the minutes of the Shareholders' Meeting.

Article 10 Payment in full

The subscription price of the shares issued in connection with a share capital increase, and to be fully paid up in cash, will be due under the conditions defined by the Board of Directors.

The subscribers and shareholders shall be informed of any calls for capital at least fifteen days before the date set for each payment by a notice published in a legal gazette of the location of the registered office or by individual registered letter.

Any late payment of the amounts due related to shares which have not been paid up will entail, automatically and without any formality, the payment of a late payment interest calculated at the legal rate applicable to commercial matters plus two points, accrued on a daily basis as of the due date, without prejudice to any action that the Company may bring against the defaulting shareholder and enforcement procedures provided for by Law.

Article 11 Rights and obligations related to the shares

Each share will give rise to the ownership of the Company's assets, a share of the profits and liquidating rights, in proportion to the number of existing shares.

Tax exemptions or various taxes, related to the current or future capitalization of reserves, or transactions treated as such, and which may become due in the event of a capital redemption, either during the course of the Company's existence or during its liquidation, will be allocated uniformly among all the shares constituting the share capital. This allocation will be carried out so that the net amount allocated to each share is equal, and that all shares enjoy the same rights and bear the same obligations.

Any time that a shareholder is required to hold a certain number of shares in order to exercise a given right, the owners of individual shares or a number of shares lower than the required number will not have any right against the Company. In such an event, each such shareholder will, if it wishes to exercise such right, be responsible for acquiring the required number of shares or fractional shares.

The shares are indivisible with respect to the Company.

Title III

Bonds

Article 12 Issue and type

The Company may issue bonds upon the decision or authorization of the Board of Directors in accordance with the applicable Law.

Such bonds may be in registered or bearer form, at the option of the holder.

Title IV

Management and control of the Company

Article 13 Board of Directors – Composition

The Company shall be managed by a Board of Directors which will be composed of no less than three directors and no more than eighteen directors, or any other maximum number permitted by the applicable Law. The number of directors representing employees is not taken into account for determining the minimum or maximum number of directors.

A corporate entity can be appointed as director, but it must in turn appoint its permanent representative within the Board of Directors, in accordance with the applicable Law.

Article 14 Directors' term of office – Age limit – Conditions – Compensation

1. Each member of the Board of Directors shall be appointed for a four-year term by the Ordinary Shareholders' Meeting; members may be re-elected. The terms of one-fourth of the members of the Board of Directors are renewed each year or, when the total number of its members divided by four does not equal a whole number, the number that is immediately higher or lower than the number resulting from this division, provided that to the extent possible, for each year within the same period of four consecutive years, the gap between the number of seats to be renewed in such year and the number of seats to be renewed in each of the three other years of such period may not be higher than one.

A director who is appointed to replace a director whose mandate has not yet expired will only remain in office for the remainder of his or her predecessor's mandate.

2. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the Law is equal to or less than eight, the Board of Directors also includes a director representing employees appointed by the Company Group Committee. Where the number of directors appointed under paragraph 1 above and calculated in accordance with the Law is greater than eight, and provided this criterion continues to be satisfied on the date of appointment (which must occur within six months after the threshold is exceeded), a second director representing employees is appointed by the European Council for employee representation constituted in accordance with Article L. 2352-16 of the French Labor Code, or, as an alternative, in accordance with Article L. 2353-1 of the same Code. If the number of directors becomes equal to or less than eight, the term of office of the second director representing employees and appointed by the European Council for employee representation will continue until its scheduled expiry date.

The provisions of Article 14.1 of the articles of association regarding the length and the renewal of the term of office apply to directors representing employees (with the exception of the rules relating to the renewal by quarter of the Board of Directors).

The term of office of the directors representing employees will expire in advance under the conditions set out by Law and this Article 14; if the implementing conditions provided by Law are no longer satisfied, the term of office of the director or directors representing employees could expire, upon decision of the Board of Directors, at the close of the Board of Directors meeting during which the Board of Directors has ascertained that the Company no longer comes within the scope of the Law.

3. In case of vacancies resulting from the death or resignation of one or more directors, the Board of Directors may, in the period between two shareholders' meetings, appoint replacements on a temporary basis in accordance with the Law. As an exception to the foregoing, in case of vacancies for any reason of the seat of a director representing employees, the vacant seat is filled pursuant to the conditions set out by Law.

4. No individual who is more than 70 years of age may be appointed a member of the Board of Directors if his/her appointment results in more than one-third of the members of the Board of Directors being over 70 years of age. This age limit shall apply to the permanent representatives of legal entities that serve as directors.
5. Each director must own a minimum of 1,500 shares during his/her term of office. Such shares shall be held in a registered account. The provisions of this Article 14.5 do not apply to the directors representing employees.
6. The acceptance and exercise of the position of director includes an undertaking, by each director, to certify in writing upon request that he/she personally abides by the conditions and obligations required of directors under the applicable Law, in particular regarding the holding of several offices.
7. The Shareholders' Meeting may grant the members of the Board of Directors, in compensation for their services, a fixed annual fee, which will be recorded as an operating expense. The Board of Directors shall freely allocate the aggregate amount among its members. The Chairman's compensation is determined by the Board of Directors. The Board of Directors may grant additional exceptional compensation for assignments or offices entrusted to members of the Board of Directors, in particular in case of attendance at any of the committees referred to in Article 17 hereof.

Article 15 Chairman of the Board of Directors – Vice-Chairman

1. The Board of Directors shall elect a Chairman among its individual members. It shall determine his/her compensation and set the term of his/her office, which may not exceed that of his/her term of office as director.

The Chairman organizes and manages the operations of the Board of Directors, which he/she shall report on to the Shareholders' Meeting. He/she shall oversee the proper operation of the Company's bodies and make sure, in particular, that the directors are able to fulfill their duties.

If the Chairman becomes temporarily unavailable or dies, the Board of Directors may delegate the Chairman's duties to the Vice-Chairman or to a director. In a case of temporary unavailability, such delegation is granted for a limited term. In a case of death, such delegation is valid until the election of a new Chairman.

The Chairman's duties shall cease no later than upon adjournment of the Shareholders' Meeting reviewing the financial statements of the fiscal year during which he/she reaches the age of 70.

2. The Board of Directors may decide to appoint a Vice-Chairman. It shall set the term of his/her office, which may not exceed that of his/her term of office as director.

Article 16 Operation of the Board of Directors

1. The Board of Directors shall meet as often as the interests of the Company require, and at least one time every three months, upon notice given by its Chairman through any means, including orally. The meeting shall be held either at the registered office, or in any other location mentioned in the notice given by the Chairman.

If the Board of Directors has not met for more than two months, directors representing at least one-third of the members of the Board may at any time request that the Chairman call a meeting of the Board of Directors with a stated agenda.

The Chief Executive Officer (*Directeur Général*) may also, at any time, request that the Chairman call a meeting of the Board of Directors with a stated agenda. The Chairman is bound by the requests sent to him/her pursuant to this paragraph.

If the Chairman is unable to do so, a meeting of the Board of Directors may be called either by at least one-third of the members of the Board or by the Chief Executive Officer or a Vice-Chief Executive Officer (*Directeur Général Délégué*) if he/she is a director.

2. The Board of Directors shall act under the quorum and majority conditions provided by Law. In the event that there is a tie, the Chairman of the meeting shall cast the deciding vote.
3. The Board of Directors may appoint a secretary chosen from among its members or otherwise.
4. The decisions relating to the Board of Directors' powers set out in Article L. 225-24, the last paragraph of Article L. 225-35, the second paragraph of Article L. 225-36 and the first part of Article L. 225-103 of the French Commercial Code, as well as the decision to transfer the corporate office within the same department can be taken by written consultation of the directors.

Article 17 Powers of the Board of Directors

1. The Board of Directors shall determine the Company's strategy and oversee its implementation. Subject to the powers expressly granted to the shareholders' meetings and within the scope of the corporate purpose, it shall take up any question concerning the proper operation of the Company and settle by its deliberations the matters concerning it.
2. As a general matter, the Board of Directors takes all decisions and exercises all powers within its competence, in accordance with the applicable Law, the delegations of power granted by the General Shareholders' Meeting and the present articles of association. The Board of Directors shall seek prior authorization before acting upon, mainly, the following operations:
 - granting sureties, endorsements and guarantees by the Company, pursuant to the last paragraph of the Article L. 225-35 of the French Commercial Code;
 - regulated agreements pursuant to Article 19 of the present articles of association below;
 - bond issue by the Company, pursuant to Article 12 of the present articles of association above.
3. The Board of Directors shall perform any such audits and verifications that it may deem necessary. The Chairman of the Board of Directors or the Chief Executive Officer shall provide each director with all documents and information necessary to fulfill his/her duties.
4. The Board of Directors may create one or more committees to examine issues that the Board or its Chairman refers to it.

Article 18 General Management

1. The General Management of the Company shall be the responsibility of either the Chairman of the Board of Directors, or of another individual, that need not be a director, who holds the title of Chief Executive Officer.

The Board of Directors shall choose at any time between the two forms of General Management. The option remains valid until the Board of Directors decides otherwise.

Shareholders and third parties shall be informed of such choice in accordance with the applicable Law.

2. When the Company's General Management is ensured by the Chairman of the Board of Directors, the following provisions relating to the Chief Executive Officer shall apply to him/her.
3. The Chief Executive Officer shall have the broadest power to act in the Company's name in all circumstances. He/she shall exercise such powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by Law to the shareholders' meetings and to the Board of Directors. The Chief Executive Officer shall represent the Company vis-à-vis third parties and before courts of law.
4. The Board of Directors shall determine the compensation and term of office of the Chief Executive Officer, which may not exceed, if applicable, that of his/her term of office as a director.
5. At the request of the Chief Executive Officer, the Board of Directors may appoint, in accordance with the Law, one or more individuals charged with assisting the Chief Executive Officer, with the title of Vice-Chief Executive Officer (*Directeur Général Délégué*). With the consent of the Chief Executive Officer the Board of Directors shall determine the scope of the powers entrusted to the Vice-Chief Executive Officer and the term of his/her office, which may not exceed, if applicable, that of his/her office as a director. The Vice-Chief Executive Officer shall have, vis-à-vis third parties, the same powers as the Chief Executive Officer.
6. The Chief Executive Officer and the Vice-Chief Executive Officers shall have the ability to partly substitute in their powers as many representatives as they deem necessary, within the limits set by the applicable Law.
7. The duties of the Chief Executive Officer and Vice-Chief Executive Officers shall end no later than upon adjournment of the Shareholders' Meeting reviewing the financial statements of the fiscal year during which they reach the age of 68.

Article 19 Regulated agreements

Any direct or indirect agreement between the Company and one of the members of the Board of Directors, the Chief Executive Officer or a Vice-Chief Executive Officer, a shareholder holding more than 10% of the voting rights or, if such shareholder is a company, the company controlling it as defined in Article L. 233-3 of the French Commercial Code, must be subject to the prior authorization of the Board of Directors.

The same applies to agreements in which one of the persons mentioned in the preceding paragraph is indirectly concerned, as well as if the agreement takes place between the Company and another company, if one of the directors, the Chief Executive Officer or one of the Vice-Chief Executive Officers of the Company is also an owner, general partner, manager, director, member of the Supervisory Board or, generally, a senior manager of the other company.

The prior authorization granted by the Board of Directors must be substantiated, stating the benefit to be gained by the Company in entering into the agreement, including the financial terms relating thereto.

The provisions of the previous three paragraphs shall not apply to agreements entered into in the ordinary course of business and at arm's length or between two companies of which one directly or indirectly owns the full share capital of the other after deduction of the minimum number of shares necessary to meet the requirements of Article 1832 of the French Civil Code

or Articles L. 225-1 and L. 226-1 of the French Commercial Code, as applicable.

Title V

Auditing of the Company

Article 20 Statutory Auditors

The Company will be audited by one or more Statutory Auditors in compliance with the applicable Law.

One or more substitute Statutory Auditors will be appointed in compliance with the applicable Law, to replace any Statutory Auditor in the event of such Statutory Auditor's refusal, unavailability, resignation or death.

Title VI

Shareholders' meetings

Article 21 Shareholders' meetings

The Shareholders' Meeting, duly constituted, shall represent all shareholders; decisions made in compliance with the Law and these articles of association will bind all shareholders.

Each year, an Ordinary Shareholders' Meeting shall be held within six months of the end of the fiscal year. In addition, ordinary shareholders' meetings held on an exceptional basis or extraordinary shareholders meetings may be held at any time.

Article 22 Form and notice of Meeting

The shareholders' meetings shall be convened in compliance with the applicable Law. They will be held at the registered office or any other place mentioned in the notice of the Meeting.

Article 23 Attendance of Meeting; proxies; remote voting

Any shareholder has the right to attend the meetings under the conditions provided for by the Law.

Each shareholder at the Meeting shall, without limitation, have a number of votes equal to the number of shares it owns or for which it holds proxies. However, a double voting right compared to the voting rights granted to other shares will be granted to all registered shares that are fully paid up and recorded in the name of the same holder for at least four years. In addition, in the event of a capital increase by capitalization of reserves, profits or issuing premiums, this double voting right will be granted as of the date of their issue to registered shares offered free of charge to shareholders in connection with pre-existing shares already entitled to such double voting right. The double voting right shall cease, automatically, with respect to any shares converted into bearer form or transferred; however, the four-year period set forth above shall not be interrupted and the vested right will be retained in the event of a transfer effected as a result of an inheritance, a division of marital property or an *inter vivos* gift to the benefit of a spouse or relatives entitled to inherit.

The shareholders may, in compliance with the applicable Law, send proxies and mail voting instructions with respect to any Shareholders' Meeting either in paper format or by remote transmission.

The shareholders participating in the Meeting through videoconference or other telecommunications means, including *via* Internet, which allow the identification of the shareholders in accordance with the Law in force the day the said means of communication are used, will be deemed present for purposes of quorum and majority.

Article 24 Officers – Attendance sheet – Agenda

The meetings will be chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman or a director especially appointed for this purpose by the Board of Directors; otherwise, the Meeting shall elect its Chairman; the duties as tellers will be performed by two members attending the Meeting who receive the largest number of votes and who are willing to perform this position; the officers will appoint the Secretary who needs not be a shareholder.

An attendance sheet shall be kept in compliance with the applicable Law.

The agenda of the meetings shall be determined by the author of the notice of meetings; however, one or several shareholders may, in compliance with the applicable Law, require that proposed resolutions be included in the agenda.

Article 25 Minutes

Decisions made at the Shareholders' Meeting will be recorded in minutes drafted in compliance with the applicable Law; copies or excerpts of these minutes will be certified in compliance with the applicable Law.

Article 26 Quorum and majorities – Powers

Shareholders' meetings shall decide in accordance with the provisions set forth by the Law.

If the Board of Directors decides to use telecommunications technology to conduct the Meeting and publishes its decision to do so in the notice of meeting or the convening notice, shareholders who participate in the Meeting through videoconference or other telecommunications means, which permit the identification of the shareholders in accordance with the applicable Law, will be deemed present for purposes of quorum and majority.

Title VII**Fiscal year****Financial statements / Appropriation of results****Distribution of profits****Article 27 Fiscal year**

The fiscal year shall begin on January 1 and end on December 31 of each year.

Article 28 Financial statements

The financial statements for the fiscal year shall be approved each year by the Shareholders' Meeting, which decides on the appropriation of the profits in compliance with the applicable Law.

Article 29 Distributable profits – Dividends

The distributable profit shall include the net income for the fiscal year, less any previous losses and sums allocated to the legal reserve and increased by any profits carried forward. In addition, the Shareholders' Meeting may decide in compliance

with the applicable Law to distribute sums allocated to available reserves and/or retained earnings; in such case, the decision will expressly set forth the categories of reserves from which the deductions will be made.

The dividend payment terms will be set by the Shareholders' Meeting or, in the event such terms are not set by the Shareholders' Meeting, by the Board of Directors.

The Board of Directors may decide, if permitted by Law, to distribute an interim dividend from the previous or current fiscal year, before the approval of such fiscal year's annual financial statements, and to set the dividend amount and payment date.

The Shareholders' Meeting approving the annual financial statements may grant to each shareholder, for all or part of the declared dividend or interim dividend, the option to choose between the payment of the dividend or interim dividend in cash or in shares, under the conditions set by, and in compliance with, the applicable Law.

Title VIII**Modifications of the share capital****Article 30 Increase – Amortization and reduction of capital**

The share capital may be increased by decision of the Shareholders' Meeting, which may empower the Board of Directors to carry out the capital increase in one or more time(s), to set the terms and conditions, to record its completion and to make corresponding amendments to the articles of association.

Title IX**Winding-up – Liquidation / Jurisdiction****Article 31 Winding-up – Liquidation**

At the end of the period set forth in these articles of association or in the event of an earlier winding-up, the Shareholders' Meeting shall determine the method of liquidation, shall appoint one or several receivers, and shall determine his or their powers; such receivers shall exercise their duties in compliance with the applicable Law.

Article 32 Jurisdiction

Any disputes which may arise during the Company's existence or during its liquidation, either between shareholders and the Company or among the shareholders themselves, relating to the interpretation or implementation of these articles of association or the Company's business generally shall be subject to the jurisdiction of the competent courts of the location of the registered office.

For such purpose, in the event of any disputes, each shareholder must elect a domicile in the jurisdiction of the competent court of the location of the registered office, and any summons will be served at such domicile; failing such election of domicile, such summons will be validly served at the Prosecutor's office at the *tribunal de grande instance* of the location of the registered office.

REQUEST FOR DOCUMENTS AND INFORMATION

stipulated in Articles R. 225-81, R. 225-83 and R. 225-88 of the French Commercial Code



Combined Shareholders' Meeting

25 June 2020

Company headquarters – 43, rue Bayen – 75017 Paris

Return this application to the Company **by email to the following address: actionnaires.groups@valeo.com** (or by post to Valeo headquarters, 43, rue Bayen, 75017 Paris). Please provide the email address where you wish to receive these documents.

The undersigned⁽¹⁾

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 June 25, 2020 by:

- Post; or
- Email (**preferred**).

Place, date 2020

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.



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