

PRESENTATION OF THE PROPOSED RESOLUTIONS

Report of the Board of Directors

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 euros¹, 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.

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).

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).

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 of 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.

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 Moulonguet, 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 Frchet. 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 n°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 Frachet 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, 2019².

Biography of Stéphanie Frachet

Stéphanie Frachet has been a Director of Bpifrance Investissement and a member of the Management Committee of Bpifrance Capital Développement since 2017. She joined Bpifrance (formerly Fonds Stratégique d'Investissement) in 2009 and has 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 Frachet joined Société Générale's Leveraged Finance team, where she was in charge of LBO deals for middle market companies and large groups.

Stéphanie Frachet is also the permanent representative of Bpifrance Participations on the Board of Directors of Eutelsat Communications, permanent representative of Bpifrance Investissement on the Board of Directors of Sulo (formerly Plastic Omnium Environnement), 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 Frachet 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.

² 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).

Julie Avrane-Chopard is a graduate of the *Ecole Nationale Supérieure des Télécommunications de Paris* and of the *Collège des Ingénieurs*. She also holds an MBA from INSEAD.

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

The terms of office of Thierry Moulonguet, 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 Moulonguet (*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 ending December 31, 2023.

Thierry Moulonguet, 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 Moulonguet 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 Moulonguet, 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 Moulonguet

Thierry Moulonguet 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 Moulonguet 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 Moulonguet 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 F2I (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.

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.

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 ended 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 shares³ 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.

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.

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.

³ 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.

Jacques Aschenbroich has agreed to donate 25% of his fixed compensation for the duration of the shutdown to support Covid-19-related solidarity initiatives⁴.

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.

⁴ All members of the Operations Committee have decided to follow this initiative.

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.

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.

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.

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.

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 6 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 Dedout, 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 employee involvement procedure 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.

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.

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 Moulouguet	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 allocated in respect of the financial year ended December 31, 2019 to the Chairman and Chief Executive Officer

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 (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 (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. 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.
Performance Share allocations	<u>Number: 87.122</u> <u>IFRS valuation: €2,093,541.60</u>	<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</p>

Compensation components paid or awarded for the financial year ended December 31, 2019	Amounts or accounting value subject to a vote	Presentation
		<p>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, 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 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>
Supplementary Pension Plan	<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>
Benefits of any kind	<ul style="list-style-type: none"> - <u>Garantie Sociale des Chefs et Dirigeants d'entreprise insurance scheme</u>: annual contribution valued at €7,731; - <u>Compulsory collective scheme for health, death and disability and life insurance</u>: annual contribution valued at €2,300; - <u>Company car</u>: €14,606. 	<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 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 Valeo⁵, 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

⁵ 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.

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 initiatives⁶.

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%

⁶ All members of the Operations Committee have decided to follow this initiative.

Qualitative criteria	
Nature of the qualitative criteria	Maximum amount of the variable portion as a % of annual fixed compensation
Strategic vision <i>Strategic vision assessed against the following indicators:</i> <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%
Risk management <i>This criteria is measured in particular by the following indicators:</i> <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%
Corporate Social Responsibility <i>Overall assessment of safety performance, in particular through the following indicators:</i> <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). <i>Progress made by Valeo in terms of skills and diversity management</i> <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). <i>Build and present a vision of carbon neutrality for Valeo in 2020, including 5-year objectives</i>	20%
TOTAL QUALITATIVE CRITERIA	55%
TOTAL QUANTIFIABLE AND QUALITATIVE CRITERIA	
170 %	
<p>(1) Excluding regulatory and tax impacts.</p> <p>(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.</p> <p>(3) Excluding the Top Column Module (TCM) business.</p> <p>(4) Excluding the Top Column Module (TCM) business and Valeo Siemens eAutomotive (VSeA).</p>	

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^(*) (40%)	<p>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.</p> <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^(*) (40%)	
External performance criterion: TSR (20%)	<p>TSR recorded over a period of three years from January 1 of the allotment year to December 31 of the year prior to delivery.</p> <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 Panel⁷ over the reference period: 10% (0% if equal or lower).

(*) 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 account⁸.

⁷ 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.

⁸ 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.

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 office⁹ 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 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

⁹ 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.

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><u>Possible purposes for such share buyback program:</u></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 (excluding acquisition costs) 	Maximum purchase price : €80 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 presence</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.

#	Subject Article of the Company's Articles of Association	Amendments under consideration
6.	<p data-bbox="376 352 685 379">Voting by teletransmission</p> <p data-bbox="474 427 586 454">Article 23</p>	<p data-bbox="770 352 2016 475">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).</p>

Updated draft articles of association

V A L E O

A French *société anonyme* with a share capital of 241,036,743 euros

Registered office: 43 rue Bayen – 75017 Paris

552 030 967 Registry of Commerce and Companies of Paris

Articles of Association as amended on June 25, 2020

- ARTICLES OF ASSOCIATION -

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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 8, 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 8, 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 8, 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.

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, 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. 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.
3. 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 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 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 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)**

V A L E O

A French *société européenne* with a share capital of 241,036,743 euros

Registered office: 43 rue Bayen – 75017 Paris

552 030 967 Registry of Commerce and Companies of Paris

**Articles of Association as amended by the Mixed General Shareholders' Meeting
on June 25, 2020**

- ARTICLES OF ASSOCIATION -

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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 Europea*) 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 8, 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 8, 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 8, 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.