

**Jacques Aschenbroich's compensation policy for the financial year ending December 31, 2022 as Chairman and Chief Executive Officer, then as Chairman of the Board of Directors (as of the separation of roles on January 26, 2022)**

It is noted that, in accordance with the succession plan unanimously approved by the Board of Directors on October 27, 2020 and disclosed on the same day, Jacques Aschenbroich continues to act as Chairman of the Board of Directors, as of the separation of the roles of Chairman and Chief Executive Officer on January 26, 2022 and until the end of his current term of office as director, i.e. until May 2023. He is vested, in this role, with specific missions which aim to ensure a smooth transition with Christophe Périllat who succeeded Jacques Aschenbroich in the role as Chief Executive Officer as of January 26, 2022.

The Board of Directors held on March 24, 2021 set, on the recommendation of the Compensation Committee, the compensation policy of the Chairman of the Board of Directors in anticipation of the separation of the roles of Chairman and Chief Executive Officer planned for January 2022. This policy, as summarised below, was presented to and approved by anticipation by 98.87% at the Shareholders' Meeting held on May 26, 2021. The Board of Directors held on February 24, 2022 set, on the recommendation of the Compensation Committee, the same compensation policy for the Chairman of the Board of Directors in 2022, which shall remain unchanged from the compensation policy that was pre-approved by anticipation in 2021<sup>1</sup> (the "**2022 Compensation Policy for the Chairman of the Board of Directors**").

In accordance with Article L. 22-10-8 of the French Commercial Code, the Shareholders' Meeting to be held on May 24, 2022 will be called upon to approve the elements of Jacques Aschenbroich's compensation policy for the financial year ending December 31, 2022 (the "**2022 Compensation Policy for Jacques Aschenbroich**"), composed of (i) the applicable compensation policy in his role as Chairman and Chief Executive Officer for the period from January 1 to 26, 2022 (the "**2022 Compensation Policy for the Chairman and Chief Executive Officer**"), and subsequently of (ii) the 2022 Compensation Policy for the Chairman of the Board of Directors.

## **1. Annual fixed compensation**

### *As Chairman and Chief Executive Officer from January 1 to 26, 2022*

The Chairman and Chief Executive Officer's (gross) annual fixed compensation amounted to EUR 1,100,000 since May 23, 2019.

This compensation remained unchanged until the end of Jacques Aschenbroich's term of office as Chairman and Chief Executive Officer at the separation of the roles on January 26, 2022.

### *As Chairman of the Board of Directors as of the separation of the roles on January 26, 2022*

The Chairman of the Board of Directors is entitled to an annual fixed compensation, excluding any other compensation element, in accordance with the recommendations of the AFEP-MEDEF Code.

The Board of Directors held on March 24, 2021 set, on the recommendation of the Compensation Committee, Jacques Aschenbroich's annual fixed compensation for his role as Chairman of the Board of Directors after the separation of the roles, taking into consideration the following elements:

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<sup>1</sup> With a clarification added to the benefits in kind granted to the Chairman of the Board of Directors (coverage under the collective and mandatory health, death, and disability plan) – see point 5 below.

- Jacques Aschenbroich's experience, skills and career within Valeo;
- the range and scope of the specific missions that would be assigned to him as Chairman of the Board of Directors during the managerial transition period<sup>2</sup>;
- the benchmark study of an external advisor (Willis Towers Watson) on the compensation of Chairmen of a Board of Directors who have specific missions and who previously held executive positions in the same company<sup>3</sup>;
- the compensation given to Jacques Aschenbroich as Chairman of the Board of Directors being (i) temporary (until the end of his term of office as director in May 2023), (ii) expressly indexed on Jacques Aschenbroich's role during the transition period and not constituting a reference point for a future role as Chairman of the Board of Directors and (iii) related to exceptional circumstances necessary for the implementation of the succession plan within Valeo, in this particularly complex period due in particular to the Covid-19 crisis and semi-conductor crisis, and to the essential role of Jacques Aschenbroich in such implementation;
- his contribution to a successful managerial transition.

On this basis, the Board of Directors held on March 24, 2021 set, on the recommendation of the Compensation Committee, Jacques Aschenbroich's (gross) annual fixed compensation following the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer until the end of his term of office which will terminate in May 2023 at EUR 800,000. This compensation was pre-approved by 98.87% at the Shareholders' Meeting held on May 26, 2021

## **2. Annual variable compensation**

Jacques Aschenbroich will not receive any variable compensation, either as Chairman and Chief Executive Officer or as Chairman of the Board of Directors.

## **3. Long-term compensation policy – Allotment of performance shares**

### *As Chairman and Chief Executive Officer from January 1 to 26, 2022*

Given the separation of the roles of Chairman and Chief Executive Officer on January 26, 2022, no long-term compensation will be granted to the Chairman and Chief Executive Officer for the financial year 2022.

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<sup>2</sup> The specific missions entrusted to Jacques Aschenbroich as Chairman of the Board of Directors are carried out at the request of the Chief Executive Officer and are without prejudice to (i) the executive functions of the Chief Executive Officer, who will have sole responsibility for Valeo's management and operations and (ii) the powers of the Board of Directors:

- contribution to General Management: consultation of the Chairman of the Board of Directors by the Chief Executive Officer (at his request), support and advice to the Chief Executive Officer on various subjects relating to Valeo (governance, strategy, significant transactions and projects);
- relations with public authorities, institutions and business partners: representing Valeo (at the Chief Executive Officer's request) on a national and international scale with respect to public authorities, institutions and business partners (in particular, Chinese and other Asian customers), assisting the Chief Executive Officer (at his request) in the context of Valeo's relationship with its historical and strategic partners;
- relationship with shareholders: monitoring, in coordination with the Chief Executive Officer, the quality of relations and dialogue with Valeo's shareholders;
- corporate social responsibility: promoting Valeo's values, image and culture. Joint participation with the Chief Executive Officer, in actions carried out by Valeo, in particular in the field of corporate social responsibility, ethics and compliance.

<sup>3</sup> This panel is available on the Company's website ([www.valeo.com](http://www.valeo.com)), under "Corporate Governance".

*As Chairman of the Board of Directors as of the separation of the roles on January 26, 2022*

No performance shares will be allotted to Jacques Aschenbroich for his role as Chairman of the Board of Directors.

At the end of the holding period set by the Board of Directors, the Chairman of the Board of Directors will also have to hold a significant number of vested performance shares in the form of registered shares until the end of his term of office. This holding obligation corresponds to 50% of the vested performance shares<sup>4</sup>.

#### **4. Pension plan**

*As Chairman and Chief Executive Officer from January 1 to 26, 2022*

The Chairman and Chief Executive Officer benefited from a defined benefit pension plan, effective since January 1, 2010 which no longer welcomes new members since July 1, 2017, capped in its amount (vesting of rights according to the terms of the plan corresponding to 1% of the reference salary per year of seniority, up to a maximum ceiling of 20%) and in its base for determining entitlements (the supplement, all plans combined, are capped at 55% of the reference salary).

In accordance with the French Ordinance No. 2019-697 of July 3, 2019, the "Article 39" defined benefit pension plan no longer allows for the acquisition of new rights as from January 1, 2020 (the "**Closed Plan**"). Thus, in accordance with the new legal provisions, a new commitment has been made in favor of Jacques Aschenbroich. This new plan, 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, as described in the compensation policy for the Chairman and Chief Executive Officer 2021.

Given the very short term of office as Chairman and Chief Executive Officer in 2022, the Board of Directors, held on February 24, 2022, decided not to grant the Chairman and Chief Executive Officer a supplementary pension plan for the financial year 2022.

*As Chairman of the Board of Directors as of the separation of the roles on January 26, 2022*

The Chairman of the Board of Directors will not benefit from any additional right in the Company supplementary pension plan.

#### **5. Benefits in kind**

*As Chairman and Chief Executive Officer from January 1 to 26, 2022*

The principles and criteria relating to this compensation component for the Chairman and Chief Executive Officer for the financial year ending December 31, 2021<sup>5</sup> remain unchanged.

*As Chairman of the Board of Directors as of the separation of the roles on January 26, 2022*

Jacques Aschenbroich, as Chairman of the Board of Directors, is entitled to coverage under the collective and mandatory health, death, and disability plan and is provided with a company car and a driver.

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<sup>4</sup> It is noted that, since joining the Group as Chief Executive Officer on March 20, 2009, Jacques Aschenbroich has not sold any shares obtained by exercising stock purchase or subscription options allotted to him, nor sold any vested performance shares.

<sup>5</sup> Approved by the Shareholders' Meeting held on May 26, 2021 by 96.51% pursuant to the twelfth resolution.

**6. Other compensation components – No multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits, non-compete compensation, director's compensation, benefits of any kind under agreements with the Company or any Group company or options or any other long-term compensation component**

Jacques Aschenbroich, as Chairman and Chief Executive Officer and subsequently Chairman of the Board of Directors, will not receive multi-annual variable compensation, compensation or benefits on appointment, exceptional compensation, termination benefits or non-compete compensation.

He will not receive compensation in his capacity as director. Jacques Aschenbroich will not be entitled to any compensation or other benefits as a result of agreements entered into with the Company or any Group company.

Moreover, no stock purchase or subscription options or other long-term compensation component will be granted to him.