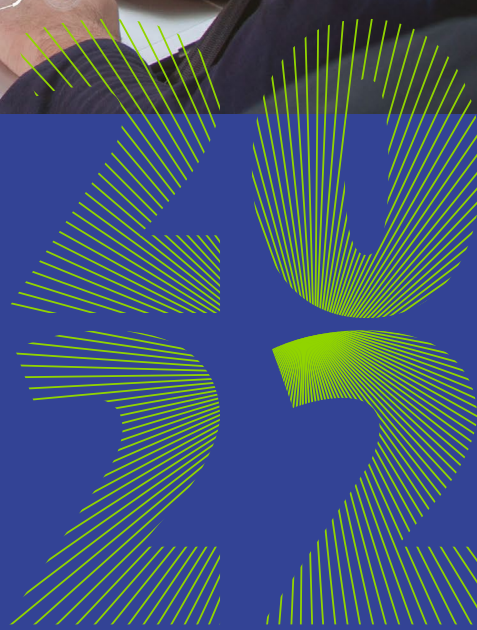




COMBINED SHAREHOLDERS' MEETING
TUESDAY MAY 24, 2022, 2:30 P.M.

AT PAVILLON GABRIEL
5, AVENUE GABRIEL, 75008 PARIS



**SHAREHOLDER
ADDITIONAL
INFORMATION
BROCHURE**



SMART TECHNOLOGY FOR SMARTER MOBILITY

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SPECIAL REPORT ON THE ALLOTMENT OF FREE SHARES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

This text is a free translation from the French language for information purposes. Only the original version in the French language has legal force.

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, the purpose of this report is to inform you of the allotment, in the course of the financial year ended December 31, 2021, of free existing or newly issued shares, to employees of the Company or of companies or groups related to it under the conditions set forth in Article L. 225-197-2 of the French Commercial Code and to corporate officers referred to in Article L. 225-197-1-II of the French Commercial Code.

Pursuant to the authorisation granted under the twenty-fifth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2021, the Board of Directors, during its meeting held on the same day, allotted a maximum number of 2,070,829 shares of the Company, the breakdown of which, by category, is as follows: 118,536⁽¹⁾ performance shares to the Chairman and Chief Executive Officer, Jacques Aschenbroich (discretionary plan), 57,871 performance shares to the Deputy Chief Executive Officer (as of May 26, 2021), Christophe Périllat (discretionary plan), 261,221 performance shares to the members of the Operations Committee (discretionary plan), 143,941 performance shares to the members of the Liaison Committee excluding the Operations Committee (discretionary plan), 645,540 performance shares to the main direct reports of

the Liaison Committee members (discretionary plan), 732,000 free shares to all employees of the Group's companies (collective plan) and an exceptional allotment of 111,720 free shares to certain high potential managers (Population B) on the basis of 471 free shares per beneficiary ("high potential managers" plan).

The IFRS value of the performance shares and free shares allotted by the Board of Directors on May 26, 2021 to Jacques Aschenbroich and Christophe Périllat amounts to 22.55 euros per share (based on the average market price for the last 20 trading days (closing market price) as at May 24, 2021 inclusive). The IFRS value of the performance shares and free shares, excluding the Shares4U plan, allotted by the Board of Directors of May 26, 2021 to the other beneficiaries of the discretionary plan amounts to 24.12 euros⁽²⁾ per share (based on the average market price for the last 20 trading days (closing market price) as at May 24, 2021 inclusive).

The IFRS value of the free shares allotted in connection with the implementation of the Shares4U plan amounts to 22.02 euros per share (based on the closing market price) as at October 9, 2021, the end date for the subscription period cited as the IFRS 2 value date and 21.65 euros per share for the Italian and Spanish beneficiaries.

Discretionary plan

The vesting date of the performance shares was set by the Board of Directors at May 26, 2024 for all beneficiaries of the Group, provided that:

- With respect to the Chairman and Chief Executive Officer, Jacques Aschenbroich and the Deputy Chief Executive Officer, Christophe Périllat, that their terms of office have not ended as at the vesting date. Entitlement to the performance shares will be lost in the event of (i) dismissal for gross negligence or wilful misconduct or (ii) dismissal for reasons attributable to the executive corporate officer's performance, before the end of the vesting period. The decision of the Board of Directors to maintain the allotment of performance shares to the benefit of the executive corporate officer, in cases other than those referred to above, before the end of the vesting period, will be taken based on an in-depth analysis of the reasons for and circumstances surrounding his departure. By way of exception to the foregoing, in the event of termination of his corporate office in connection with the liquidation of mandatory statutory and supplementary pension plans and death or disability, entitlement to the performance

shares will be maintained and the performance criteria will apply to retirement but not to death or disability.

- With respect to the other beneficiaries, their employment contract or corporate mandate is in force and the beneficiary is not in a notice period on the vesting date, due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors).
- In any case, the performance criteria applicable to all of the performance shares allotted to the Chairman and Chief Executive Officer, Jacques Aschenbroich, to the Deputy Chief Executive Officer, Christophe Périllat, to the members of the Operations Committee, to the members of the Liaison Committee (other than members of the Operations Committee), and to 50% of the performance shares allotted to the main direct reports of the Liaison Committee members and other Group executives, are met.

(1) It being specified that this number of shares will be reduced *pro rata temporis* in respect of the period during which the Chairman and Chief Executive Officer will have exercised the role of Chairman and Chief Executive Officer.

(2) The difference in value between the shares allotted to Jacques Aschenbroich and Christophe Périllat and to the other beneficiaries of the discretionary plan stems from the two-year holding period that the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are bound by after the expiration of the three-year vesting period.

As of the vesting date and provided the above conditions are met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. A two-year holding period as of May 26, 2024, applicable to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer, will follow, during which they may not transfer their vested shares (except in the event of death or total and permanent disability), it being specified that at the end of this two-year period, the Chairman

and Chief Executive Officer and the Deputy Chief Executive Officer must hold at least 50% of vested performance shares in registered form until the end of their term of office and, in accordance with the AFEP-MEDEF Code and Valeo's Code of good conduct⁽¹⁾, they shall not use hedging transactions to reduce their risk. There is no holding period for the other beneficiaries; they may transfer their shares as of the vesting date, *i.e.* May 26, 2024.

Collective plan and “high potential managers” plan

The beneficiaries are (i) regarding the collective plan, (a) all employees of the Group's companies in France and in the countries which do not participate in the Shares4U employee shareholding plan (without performance conditions excepting members of the Liaison Committee, which includes the Operations Committee) and (b) all employees of the Group's companies who subscribed shares pursuant to the Shares4U employee shareholding plan outside France (without performance conditions) and (ii) regarding the “high potential managers” plan, 471 high potential managers.

(i) Collective plan

a) Allotment to all employees of the Group's companies in France and in the countries which do not participate in the Shares4U employee shareholding plan

The vesting date was set by the Board of Directors at June 30, 2024 for all beneficiaries, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the above condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. There is no holding period applicable to the beneficiaries; they may transfer their shares as of the vesting date, *i.e.* June 30, 2024.

b) Allotment to all the employees of the Group's companies who subscribed shares pursuant to the Shares4U employee shareholding plan outside France

The vesting date was set (i) at November 16, 2024 for beneficiaries employed by the Group who are Italian and Spanish tax residents, (ii) at November 16, 2026 for beneficiaries employed by the

Group who are Belgium tax residents, (iii) at June 30, 2026 for beneficiaries employed by the Group who are tax residents of other countries which participate in the Shares4U plan, and outside France, provided that their employment contract was not terminated before the vesting date (*i.e.* during the vesting period) due to resignation or dismissal for misconduct. In the event of termination of the employment contract before the end of the vesting period for any other purpose, the rights to free shares are maintained. Similarly, if the employer is no longer part of the Group, the rights to free shares are not affected. In the event of death or disability, the free shares will be delivered in advance. No performance condition is required.

As of the vesting date and provided the condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. However, a three-year holding period as from November 16, 2024, expiring on November 16, 2027, is required for employee beneficiaries who are Italian and Spanish tax residents, during which they may not transfer their vested shares (except in the event of death or total and permanent disability). Regarding other countries, there is no holding period and the beneficiaries may transfer their shares as of the vesting date, *i.e.* June 30, 2026 or, for beneficiaries who subscribed pursuant to the Shares4U 2021 plan in Belgium, on November 16, 2026.

(ii) “High potential managers” plan

The vesting date was set by the Board of Directors at May 26, 2024 for all beneficiaries employed by the Group, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the above condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. There is no holding period applicable to the beneficiaries; they may transfer their shares as of the vesting date, *i.e.* May 26, 2024.

⁽¹⁾ Since joining the Group as Chief Executive Officer on March 20, 2009, Jacques Aschenbroich has not sold any shares obtained by exercising stock purchase or subscription options allotted to him, nor sold any vested performance shares.

Performance shares allotted in 2021 to the Chairman and Chief Executive Officer, Jacques Aschenbroich

	Number of performance shares allotted	Value of shares (in euros)	Date of allotment
Performance shares allotted in the course of the financial year to Valeo's Chairman and Chief Executive Officer by Valeo and by its affiliates under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	118,536	22.55*	05/26/2021
Performance shares allotted in the course of the financial year to Valeo's Chairman and Chief Executive Officer by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code for the mandates he holds therein	N/A	N/A	N/A

* Based on the average market price for the last 20 trading days (closing market price) until May 24, 2021 inclusive.

Performance shares allotted in 2021 to the Deputy Chief Executive Officer, Christophe Périllat

	Number of performance shares allotted	Value of shares (in euros)	Date of allotment
Performance shares allotted in the course of the financial year to Valeo's Deputy Chief Executive Officer by Valeo and by its affiliates under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	57,871	22.55*	05/26/2021
Performance shares allotted in the course of the financial year to Valeo's Deputy Chief Executive Officer by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code for the mandates he holds therein	N/A	N/A	N/A

* Based on the average market price for the last 20 trading days (closing market price) until May 24, 2021 inclusive.

Free shares and/or performance shares allotted in 2021 to the 10 employees (who are not corporate officers) with the highest number of shares allotted

	Number of free shares allotted	Value of shares (in euros)	Date of allotment
Free shares and/or performance shares allotted in the course of the financial year by Valeo and by its affiliates to the 10 Valeo employees (who are not corporate officers) with the highest number of shares allotted, under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	242,067	24.12*	05/26/2021

* Based on the average market price for the last 20 trading days (closing market price) until May 24, 2021 inclusive.

Free shares allotted in 2021 to all employees of the Group

	Number of free shares allotted	Number of employee beneficiaries who received free shares	Value of shares (in euros)	Date of allotment
Free shares allotted in the course of the financial year to all employees of the Group's companies in France and in the countries which do not participate in the employee shareholding plan	100,000	20,000	24.12*	05/26/2021
Free shares allotted in the course of the financial year abroad as part of the employee shareholding plan	432,919	16,976	22.02**	11/16/2021

* Based on the average market price for the last 20 trading days (closing market price) until May 24, 2021 inclusive.

** Based on the closing market price as at October 9, 2021, the end date of the subscription period cited as the IFRS 2 value date and €21.65 for the Italian and Spanish beneficiaries.

SUMMARY TABLE OF POWERS CURRENTLY DELEGATED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS WITH RESPECT TO RAISING NEW EQUITY AND THE USE MADE OF SUCH DELEGATIONS DURING THE YEAR 2021

Authorizations granted Date of Shareholders' Meeting (duration of authorization/delegation and expiration date)	Maximum amount of issue	Maximum amount of debt securities	Comments on/Utilization of authorizations during the year
1. AUTHORIZATION TO INCREASE CAPITAL WITH PRE-EMPTIVE RIGHTS			
Delegation of authority to issue shares and/or securities giving immediate or future access to the share capital of the Company or one of its subsidiaries (A) Shareholders' Meeting held on May 26, 2021 – 17 th resolution Expiring on July 26, 2023 (26 months)	€70 million (A) + (C) + (D) + (E) + (F) + (G) + (H) combined share capital ceiling (the "Combined Share Capital Ceiling") = €131 million	€1.5 billion (A) + (C) + (D) + (E) + (F) + (G) + (H) combined debt ceiling (the "Combined Debt Ceiling") = €1.5 billion	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (12 th resolution) for the same purpose Resolution may not be used in the event of a public tender offer Not used during the year
Delegation of authority to increase the share capital by capitalization of reserves, profits, additional paid-in capital or other amounts that may be capitalized (B) Shareholders' Meeting held on May 26, 2021 – 22 nd resolution Expiring on July 26, 2023 (26 months)	€30 million	N/A	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (16 th resolution) for the same purpose Resolution may not be used in the event of a public tender offer Not used during the year
2. AUTHORIZATION TO INCREASE CAPITAL WITHOUT PRE-EMPTIVE RIGHTS			
Delegation of authority to issue shares and/or securities giving immediate or future access to the share capital of the Company or any of its subsidiaries by way of a public offer, other than an offer as defined in Article L.411-2 of the French Monetary and Financial Code (Code monétaire et financier) (delegation that can also be used as consideration for securities tendered to a public exchange offer initiated by the Company) (C) Shareholders' Meeting held on May 26, 2021 – 18 th resolution Expiring on July 26, 2023 (26 months)	€23 million Ceiling for (C) + (D) + (E) + (F) + (H) Included in the Combined Share Capital Ceiling	€1.5 billion Included in the Combined Debt Ceiling	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (13 th resolution) for the same purpose Resolution may not be used in the event of a public tender offer Not used during the year
Delegation of authority to issue shares and/or securities giving immediate or future access to the share capital of the Company or one of its subsidiaries by way of a private placement as defined in Article 411-2,1° of the French Monetary and Financial Code (D) Shareholders' Meeting held on May 26, 2021 – 19 th resolution Expiring on July 26, 2023 (26 months)	€23 million Ceiling for (C) + (D) + (E) + (F) + (H) Included in the Combined Share Capital Ceiling	€1.5 billion Included in the Combined Debt Ceiling	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (14 th resolution) for the same purpose Resolution may not be used in the event of a public tender offer Not used during the year

SUMMARY TABLE OF POWERS CURRENTLY DELEGATED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS WITH RESPECT TO RAISING NEW EQUITY AND THE USE MADE OF SUCH DELEGATIONS DURING THE YEAR 2021

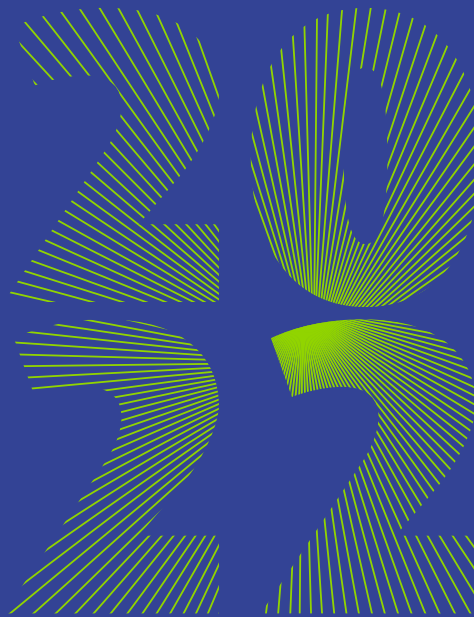
Authorizations granted Date of Shareholders' Meeting (duration of authorization/delegation and expiration date)	Maximum amount of issue	Maximum amount of debt securities	Comments on/Utilization of authorizations during the year
Authorization to set the issue price of securities, subject to a ceiling of 10% of the Company's capital per 12-month period (E) Shareholders' Meeting held on May 26, 2021 – 20 th resolution Expiring on July 26, 2023 (26 months)	€23 million Ceiling for (C) + (D) + (E) + (F) + (H) Included in the Combined Share Capital Ceiling	€1.5 billion Included in the Combined Debt Ceiling	Resolution may not be used in the event of a public tender offer Not used during the year
Delegation of power to issue shares and/or securities giving immediate or future access to the Company's share capital to be used as consideration for contributions in kind granted to the Company (F) Shareholders' Meeting held on May 26, 2021 – 23 rd resolution Expiring on July 26, 2023 (26 months)	€23 million Ceiling for (C) + (D) + (E) + (F) + (H) Included in the Combined Share Capital Ceiling	€1.5 billion Included in the Combined Debt Ceiling	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (17 th resolution) for the same purpose Resolution may not be used in the event of a public tender offer Not used during the year
Delegation of authority to issue shares and/or securities giving immediate or future access to the share capital restricted to members of a savings plan (G) Shareholders' Meeting held on May 26, 2021 – 24 th resolution Expiring on July 26, 2023 (26 months)	€5 million Included in the Combined Share Capital Ceiling	€1.5 billion Included in the Combined Debt Ceiling	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (18 th resolution) for the same purpose Resolution may not be used in the event of a public tender offer Used during the year for the employee share issue on November 16, 2021
3. AUTHORIZATION TO INCREASE CAPITAL WITH OR WITHOUT PRE-EMPTIVE RIGHTS			
Delegation of authority to increase the number of securities to be issued with or without pre-emptive rights under an overallotment option (H) Shareholders' Meeting held on May 26, 2021 – 21 st resolution Expiring on July 26, 2023 (26 months)	The ceiling is set out in the applicable regulation (currently 15% of the initial issuance), not exceeding the ceiling applicable to the initial issuance, determined pursuant to resolution (A), resolution (C) or resolution (D) Ceiling for (C) + (D) + (E) + (F) + (H) Included in the Combined Share Capital Ceiling	The ceiling is determined pursuant to resolution (A), resolution (C) or resolution (D) Included in the Combined Debt Ceiling	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (15 th resolution) for the same purpose Resolution may not be used in the event of a public tender offer Not used during the year
4. ALLOTMENT OF FREE SHARES			
Authorization to allot existing or new free shares to Group employees and corporate officers Shareholders' Meeting held on May 26, 2021 – 25 th resolution Expiring on July 26, 2023 (26 months)	Maximum number of shares (existing or to be issued) to be allotted: 4,500,000 (with a sub-ceiling of 350,000 shares for executive corporate officers), these allotments may not exceed more than 10% of the share capital at the date of the Board of Directors' decision	N/A	Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting held on May 23, 2019 (19 th resolution) for the same purpose Used by the Board of Directors at its meeting on May 26, 2021 (2,070,829 shares allotted)

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