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 2022 Universal Registration Document (including the annual financial report) which you are invited to read.

Madam, Sir, dear Shareholders,

We have convened this combined (ordinary and extraordinary) General Shareholders' Meeting of Valeo SE (the "**Company**" or "**Valeo**") to submit for your approval 30 resolutions described in this report.

I. Resolutions within the Ordinary General Shareholders' Meeting authority

A. Approval of financial statements and allocation of earnings (*first, second and third resolutions*)

The General Shareholders' Meeting is first convened to approve the parent company financial statements (*first resolution*) and the consolidated financial statements of the Company (*second resolution*) for the financial year ended December 31, 2022, to allocate the earnings and to set the dividend (*third resolution*).

The parent company financial statements for the financial year ended December 31, 2022 show a net profit of 203,461,006.05 euros. The distributable profit of the Company (results of the financial year ended December 31, 2022 and previous retained earnings of 1,812,696,225.37 euros) for the financial year ended December 31, 2022 amounts to 2,016,157,231.42 euros.

The Board of Directors of the Company proposes to pay a dividend of 0.38 euros per share for each share entitled to dividends (+9% compared to the previous year's dividend).

Following the decision to pay a dividend of 0.38 euros per share for each share entitled to dividends, *i.e.* 91,624,219.46 euros[1], the balance of the distributable profit recorded in the "retained earnings" account amounts to 1,924,533,011.96 euros. The ex-dividend date will be May 29, 2023, the record date will be May 30, 2023 and the payment date will be May 31, 2023.

It is recalled that the amount of dividends distributed for the three previous financial years is as follows:

- financial year 2021: 84 million euros;
- financial year 2020: 72.2 million euros;
- financial year 2019: 47.9 million euros.

The aforementioned amounts were eligible for the 40% tax deduction for individuals having their tax residence in France, pursuant to Article 158, 3-2° of the French General Tax Code.

When paid to individuals shareholders who are tax residents in France, the gross dividend is either subject to a unique flat tax at an overall rate of 30% including (i) the income tax at a flat rate of 12.8% (Article 200 A, 1-1° of the French General Tax Code) and (ii) social 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 who are tax residents in France may, however, opt for this dividend to be taxed at a progressive rate upon filing the income tax return before the deadline for filing such income tax return (Article 200 A, 2 of the French General Tax Code).

B. Approval of related-party agreements (*fourth resolution*)

Certain agreements entered into by the Company in connection with its activities are subject to a specific procedure. This includes, in particular, agreements that may be directly or indirectly entered into between the Company and any other company with which it has corporate officers in common,

[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, 2022, *i.e.* 241,116,367 shares, and may vary if the number of shares entitled to dividends changes between January 1, 2023 and the ex-dividend date, depending in particular on the number of treasury shares, as well as the final allotment of free shares (if the beneficiary is entitled to a dividend in accordance with the provisions of the relevant plans).

or between the Company and its corporate officers or a shareholder holding more than 10% of the voting rights of the Company.

Pursuant to the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code, any “related party” agreement is 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 it must be approved by the Ordinary General Shareholders' Meeting.

Finally, in accordance with Article L. 22-10-13 of the French Commercial Code, information on the agreements referred to in Article L. 225-38 of the French Commercial Code must be provided on the Company's website at the latest when they are entered into.

You are asked in the fourth resolution to acknowledge the absence (i) of any agreement previously authorised by the Board of Directors and approved by the General Shareholders' Meeting which continued over the course of the past financial year and (ii) of any new agreement authorised and entered into over the course of the financial year ended December 31, 2022 that have yet to be approved by the General Shareholders' Meeting.

C. Ratifications / renewals of members of the Board of Directors (*fifth, sixth, seventh and eighth resolutions*)

As of the date of this report, the Board of Directors is composed of 14 members, including two directors representing employees in accordance with the provisions of applicable law.

The term of office of the directors, set out in the Company's articles of association, is four years.

The Board of Directors' proposals for the ratification of the appointments and the renewals of the directors' are described below.

- ***Ratification of the co-optations of Alexandre Dayon and Stéphanie Frachet as directors (fifth and sixth resolutions)***

It is recalled that, in accordance with applicable laws and statutory provisions, the Board of Directors may make provisional appointments to replace directors who have ceased their term of office within the Company and for the remaining term of office of the latter. These co-optations must then be ratified by your General Shareholders’ Meeting.

The Board of Directors, on the recommendation of the Governance, Appointments and Corporate Social Responsibility Committee (the “**GACSRC**”), unanimously decided:

- at its meeting held on July 26, 2022, to appoint Alexandre Dayon to replace C. Maury Devine;
- at its meeting held on December 8, 2022, to appoint Stéphanie Frachet to replace Jacques Aschenbroich, with effect from January 1, 2023.

These appointments allow your Board of Directors to benefit from the expertise of Alexandre Dayon and Stéphanie Frachet, as described in their biographies below.

Alexandre Dayon and Stéphanie Frachet 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 (recommendation 9)[2] to which the Company refers. A more detailed analysis of their independence is set out in Section 3.2.1 "Composition of the Board of Directors and changes that occurred during (or decided upon during) the 2022 financial year" of the Company's 2022 Universal Registration Document.

It is proposed that you ratify the appointment by the Board of Directors of (i) Alexandre Dayon, to replace C. Maury Devine, for the remainder of the latter's term of office, *i.e.* until the end of the General Shareholders’ Meeting called to approve the financial statements for the year ending December 31, 2024 and (ii) Stéphanie Frachet, to replace Jacques Aschenbroich, for the remainder of the latter's term of office, *i.e.* until the end of the General Shareholders’ Meeting called to approve the financial statements for the year ending December 31, 2022.

[2] In its version dated January 2020 applicable to the 2022 financial year. The AFEP-MEDEF Code as updated in December 2022 is applicable for general meetings called to approve the financial years beginning on or after January 1st, 2023.

<u>Biography of Alexandre Dayon</u>

Alexandre Dayon, entrepreneur in the information technology sector, brings to the Board of Directors a recognized experience in the fields of digital, software and more generally new technologies. His professional background, mainly in the United States, but also in France, allows the Board of Directors to benefit from his vision as an entrepreneur and company director.

Alexandre Dayon began his career in 1989 when he participated in the creation of BusinessObjects, a company specialising in business intelligence, where he headed the product team for 10 years. He then created, managed and developed InStranet, a software publisher for call centres, in the United States. When InStranet was acquired in 2008, he joined the Salesforce Group where he held key operational positions on the Executive Committee for 9 years as President of Product and Product Marketing, which contributed to Salesforce's growth.

Since 2017, he has been leading strategic initiatives, working closely with the world's largest customers, particularly in the automotive industry. He also chairs the Advisory Board of Salesforce.

Alexandre Dayon is an engineer and graduated from the Ecole Supérieure d'Electricité (Supélec).

Alexandre Dayon, a French American national, speaks English and French.

<u>Biography of Stéphanie Frachet</u>

Stéphanie Frachet is a Partner of the Flex Equity Mid-Market fund within the European private equity platform CAPZA. She has over 20 years' experience in finance and investment capital.

From 2001 to 2007, she was in charge of audit and transaction services at Ernst & Young and then at PricewaterhouseCoopers, handling M&A and LBO transactions. In 2007, Stéphanie Frachet joined the Leverage Finance team of Société Générale, in charge of LBO financing for SMEs and large groups. Stéphanie Frachet then joined Bpifrance (formerly the *Fonds Stratégique d'Investissement*) in 2009 where notably she served, between 2017 and 2022, as Director of Bpifrance Investissement and member of the Management Committee of Bpifrance Capital Development.

Previously, she was a permanent representative of Bpifrance Participations as a director of Eutelsat Communications and Sulo (formerly Plastic Omnium Environment). She was also a director of Constellium (a company listed on the New York Stock Exchange) and a member of the Supervisory Board of Sabena Technics Participations, as well as censor of Horizon Parent Holdings (Verallia), Paprec and Diot-Siaci.

Stéphanie Frachet is a graduate of ESSEC Business School.

Stéphanie Frachet, a French national, speaks English and French.

- ***<u>Renewals of the terms of office of Stéphanie Frachet and Patrick Sayer as directors (seventh and eighth resolutions)</u>***

The Board of Directors has decided, on the recommendation of the GACSRC, to propose to your General Shareholders' Meeting to renew the terms of office of Stéphanie Frachet (*seventh resolution*) and Patrick Sayer (*eighth resolution*) as directors, for a period of four years, which will end at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026.

Stéphanie Frachet and Patrick Sayer 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 (recommendation 9) to which the Company refers. A more detailed analysis of their independence is set out in Section 3.2.1 "Composition of the Board of Directors" of the Company's 2022 Universal Registration Document.

It is recalled that Patrick Sayer and Stéphanie Frachet are members of the GACSRC, the Compensation Committee and the Strategy Committee, of which Patrick Sayer is also the chairman.

The renewal of the terms of office of Stéphanie Frachet and Patrick Sayer would allow the Board of Directors to benefit from their respective expertise, as described in their biographies.

<u>Biography of Stéphanie Frachet</u>

(see above)

Biography of Patrick Sayer

Patrick Sayer is Chairman of Augusta, a family-owned investment company that focuses on three main sectors: New Technologies, Luxury Goods and Real Estate.

Patrick Sayer was Chairman of the Executive Board of Eurazeo, one of Europe's leading listed investment companies, from 2002 to 2018. He became a member of the Supervisory Board of this company in 2018. The assets directly or indirectly managed by Eurazeo amount to nearly 32 billion euros.

Patrick Sayer was previously Managing Partner of Lazard Frères et Cie in Paris, which he joined in 1982, and then Managing Director of Lazard Frères & Co in New York, where he was the global head of media and technology. His experience in private equity goes back to the creation of *Fonds Partenaires* which he supported from 1989 to 1993. He is also a director of Ipulse. He was Chairman and then a member of the Supervisory Board of Europcar Mobility Group until 26 February 2021 and a director of ANF Immobilier, AccorHotels, Gruppo Banco Leonardo (Italy) and Rexel. Former Chairman (2006-2007) of the French Association of investors for growth (AFIC), he is a founding member of the Club des juristes and is Chairman of the Money and Financial Markets Law Chamber of the Paris Commercial Court. He teaches finance (master 225) at the University of Paris-Dauphine.

Patrick Sayer is a graduate of the Ecole Polytechnique (1980) and the Ecole des Mines de Paris (1982). He is also a graduate of the Centre de formation des analystes financiers, where he was one of the lecturers.

Patrick Sayer, a French national, speaks English and French.

D. Approval of the information pertaining to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2022 to all corporate officers - *ex post* vote (*ninth resolution*)

In accordance with the provisions of Articles L. 22-10-9 and L. 22-10-34, I of the French Commercial Code, the General Shareholders' Meeting votes on the draft resolution relating to information concerning the compensation paid during, or allocated in respect of, the previous financial year to the corporate officers (*ex post* vote).

The information required by Article L. 22-10-9 of the French Commercial Code relating to:

- the compensation paid to the directors for the financial year ended December 31, 2022 pursuant to the 2022 compensation policy approved under the eleventh resolution at a rate of 99.34% at the General Shareholders' Meeting held on May 24, 2022 (the "**2022 Directors Compensation Policy**");
- the compensation paid during, or allocated in respect of, the financial year ended December 31, 2022 to Jacques Aschenbroich pursuant to the 2022 compensation policy approved under the twelfth resolution at a rate of 93.87% at the General Shareholders' Meeting held on May 24, 2022 (the "**2022 Jacques Aschenbroich Compensation Policy**"). The 2022 Jacques Aschenbroich Compensation Policy is composed of the compensation policy of Jacques Aschenbroich as Chairman and Chief Executive Officer for the period from January 1 to 26, 2022 (the "**2022 Chairman and Chief Executive Officer Compensation Policy**") and of the compensation policy applicable to him as Chairman of the Board of Directors for the period from January 26 to December 31, 2022 (the "**2022 Chairman of the Board of Directors Compensation Policy**");
- the compensation paid during, or allocated in respect of, the financial year ended December 31, 2022 to Christophe Périllat pursuant to the 2022 compensation policy approved under the thirteenth resolution at a rate of 92.25% at the General Shareholders' Meeting held on May 24, 2022 (the "**2022 Christophe Périllat Compensation Policy**"). The 2022 Compensation Policy of Christophe Périllat is composed (i) of the compensation policy of Christophe Périllat as Deputy Chief Executive Officer for the period from January 1 to 26, 2022 (the "**2022 Deputy Chief Executive Officer Compensation Policy**") and (ii) of the compensation policy applicable to him as Chief Executive Officer for the period from January 26 to December 31, 2022 (the "**2022 Chief Executive Officer Compensation Policy**");

are set forth in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the 2022 Universal Registration Document. In addition, tables summarizing the compensation components paid or allocated to corporate officers mentioned hereabove for the financial year ended December 31, 2022 in accordance with the compensation policy, are attached for information in Appendix 1, Appendix 2 and Appendix 3, respectively, of this report.

E. Approval of the compensation components paid during, or allocated in respect of, the financial year ended December 31, 2022 to Jacques Aschenbroich as Chairman and Chief Executive Officer for the period from January 1 to 26, 2022 (*tenth resolution*) and then as Chairman of the Board of Directors for the period from January 26 to December 31, 2022 (*eleventh resolution*) – *ex post* vote

In accordance with the provisions of Article L. 22-10-34, II of the French Commercial Code, the General Shareholders' Meeting votes on the fixed, variable or exceptional components making up the total compensation and benefits of any kind paid during, or allocated in respect of, the previous financial year to Jacques Aschenbroich as Chairman and Chief Executive Officer (for the period from January 1 to 26, 2022) and then as Chairman of the Board of Directors (for the period from January 26 to December 31, 2022) (*ex post* votes).

The compensation components paid during, or allocated in respect of, the financial year ended December 31, 2022 to Jacques Aschenbroich as Chairman and Chief Executive Officer (for the period from January 1 to 26, 2022) and then as Chairman of the Board of Directors (for the period from January 26 to December 31, 2022) pursuant to the 2022 Jacques Aschenbroich Compensation Policy (composed (i) of the 2022 Chairman and Chief Executive Officer Compensation Policy and (ii) of the 2022 Chairman of the Board of Directors Compensation Policy) approved under the twelfth resolution at a rate of 93.87% at the General Shareholders' Meeting held on May 24, 2022, are set forth in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the 2022 Universal Registration Document and are summarized in the summary table, drawn up on the basis of the model table provided by the AFEP, attached for information in Appendix 2 of this report.

It is therefore proposed:

- under the tenth resolution, that you approve the following compensation components paid during, or allocated by Valeo to Jacques Aschenbroich, for his role as Chairman and Chief Executive Officer (for the period from January 1 to 26, 2022), pursuant to the 2022 Chairman and Chief Executive Officer Compensation Policy, relating to:

  - the amount of his annual (gross) fixed compensation: 91,667 euros, calculated on a *pro rata* basis of the duration of his term of office as Chairman and Chief Executive Officer, based on his annual fixed compensation of 1,100,000 euros (unchanged since May 23, 2019). This amount did not change until the end of Jacques Aschenbroich's term of office as Chairman and Chief Executive Officer on January 26, 2022, corresponding to the date of the separation of the roles;

  - the valuation of benefits in kind (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*), company car and a driver) granted to him: 913 euros;

  it being specified that:

  - Jacques Aschenbroich did not receive any annual variable compensation as Chairman and Chief Executive Officer (for the period 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 was granted to the Chairman and Chief Executive Officer in respect of the 2022 financial year;

  - Jacques Aschenbroich, as Chairman and Chief Executive Officer, did not benefit from any supplementary pension plan, nor any additional rights in the Company's supplementary pension scheme for the 2022 financial year.

- under the eleventh resolution, that you approve the following compensation components paid during, or allocated by Valeo to Jacques Aschenbroich, for his role as Chairman of the Board of Directors for the period from January 26 to December 31, 2022, pursuant to the 2022 Chairman of the Board of Directors Compensation Policy, relating to:
  - the amount of his annual (gross) fixed compensation: 733,333 euros, calculated on a *pro rata* basis of the duration of his term of office as Chairman of the Board of Directors, based on his annual fixed compensation of 800,000 euros. It is recalled that the compensation granted to Jacques Aschenbroich as Chairman of the Board of Directors was (i) temporary (until the end of his term of office as director, which ended on December 31, 2022) (ii) expressly indexed to Jacques Aschenbroich's role during the transition period and the extended missions that were given to him and (iii) linked to exceptional circumstances necessary for the implementation of the succession plan within Valeo, in this particularly complex period, notably due to the Covid-19 crisis and the semiconductor crisis, to the essential role of Jacques Aschenbroich in this implementation and his contribution to a successful managerial transition;
  - the valuation of benefits in kind (compulsory group plan for medical expenses, death and disability, company car and a driver) granted to him: 9,123 euros;

  it being specified that:

  - Jacques Aschenbroich did not receive any annual variable compensation as Chairman of the Board of Directors;
  - Jacques Aschenbroich did not receive any performance share as Chairman of the Board of Directors;
  - Jacques Aschenbroich, as Chairman of the Board of Directors, did not benefit from any supplementary pension plan, nor any additional rights in the Company's supplementary pension scheme.

F. Approval of the compensation components paid during, or allocated in respect of, the financial year ended December 31, 2022, to Christophe Périllat as Deputy Chief Executive Officer for the period from January 1 to 26, 2022 (*twelfth resolution*) and then as Chief Executive Officer for the period from January 26, to December 31, 2022 (*thirteenth resolution*) – *ex post* votes

In accordance with the provisions of Article L. 22-10-34, II of the French Commercial Code, the General Shareholders' Meeting votes on the fixed, variable or exceptional components making up the total compensation and benefits of any kind paid during, or allocated in respect of, the previous financial year to Christophe Périllat as Deputy Chief Executive Officer (for the period from January 1 to 26, 2022) and then as Chief Executive Officer (for the period from January 26, to December 31, 2022) (*ex post* votes). 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 during, or allocated in respect of, the financial year ended December 31, 2022 to Christophe Périllat as Deputy Chief Executive Officer (for the period from January 1 to 26, 2022) and then as Chief Executive Officer (for the period from January 26, to December 31, 2022) pursuant to the 2022 Christophe Périllat Compensation Policy (composed (i) of the 2022 Deputy Chief Executive Officer Compensation Policy and (ii) of the 2022 Chief Executive Officer Compensation Policy) approved under the thirteenth resolution at a rate of 92.25% at the General Shareholders' Meeting held on May 24, 2022, are set forth in Section 3.3.2 “Compensation of corporate officers in respect of the 2022 financial year” of the 2022 Universal Registration Document and are summarized in the summary table, attached for information in Appendix 3 of this report.

It is therefore proposed:

- Under the twelfth resolution, that you approve the following compensation components paid during, or allocated by Valeo to Chrisophe Périllat for his role as Deputy Chief Executive

Officer (for the period from January 1 to 26, 2022), pursuant to the 2022 Deputy Chief Executive Officer Compensation Policy, relating to:

- the amount of his annual (gross) fixed compensation: 48,723 euros, calculated *pro rata* to the duration of his term of office as Deputy Chief Executive Officer on the basis of his annual fixed compensation of 725,000 euros. This amount remains unchanged from that which was included in the compensation policy for the Deputy Chief Executive Officer for the financial year ending December 31, 2021 and from the amount he received as Associate Chief Executive Officer (between October 27, 2020, and May 26, 2021) and, previously, as Chief Operating Officer;
- the valuation of benefits in kind (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*), company car and a driver) granted to him: 1,767 euros;

it being specified that:

- Christophe Périllat did not receive any annual variable compensation as Deputy Chief Executive Officer (for the period 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 was granted to Christophe Périllat for his role as Deputy Chief Executive Officer in respect of the 2022 financial year.

- Under the thirteenth resolution, that you approve the following compensation components paid during, or allocated by Valeo to Chrisophe Périllat for his role as Chief Executive Officer for the period from January 26 to December 31, 2022, pursuant to the 2022 Chief Executive Officer Compensation Policy, relating to:

  - the amount of his annual (gross) fixed compensation: 909,476 euros, calculated *pro rata* to the duration of his term of office as Chief Executive Officer on the basis of his annual fixed compensation of 975,000 euros. This compensation was approved in advance by at a rate of 95.14% at the General Shareholders' Meeting held on May 26, 2021 and remained unchanged in the 2022 Chief Executive Officer Compensation Policy;
  - the amount of his annual variable compensation: 1,016,925 euros. At its meeting held on February 23, 2023, the Board of Directors acting on the recommendation of the Compensation Committee, noted that the rate of achievement for the quantifiable criteria was 57.3% (out of a maximum percentage of 70%) and that the achievement rate for the qualitative criteria was 47% (out of a maximum percentage of 50%) of the annual fixed compensation due to the Chief Executive Officer for the 2022 financial year. The Board of Directors therefore set the amount of the variable compensation due to Christophe Périllat for 2022 for 104.3% (out of a maximum percentage of 120%) of the annual (gross) fixed compensation of the Chief Executive Officer for a full financial year, *i.e*. 87% in relation to the maximum allowed by the 2022 Chief Executive Officer Compensation Policy[3]. The detailed components for assessing achievement of the quantifiable and qualitative criteria for Christophe Périllat's variable compensation for the financial year ended December 31, 2022, are set forth in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the 2022 Universal Registration Document and are summarized in the summary table, attached for information in Appendix 3 of this report;
  - the number and accounting valuation of the performance shares granted to him in 2022: 100,154 performance shares[4] valued under IFRS at 1,448,227 euros, representing

[3] It should be noted that in light of the separation of the roles of Chairman and Chief Executive Officer on January 26, 2022, the Board of Directors, on the recommendation of the Compensation Committee, decided on February 24, 2022 to apply the annual fixed compensation provided for the Chief Executive Officer as the reference compensation to Christophe Périllat's variable compensation for the 2022 financial year.

[4] Due to the extreme volatility of the financial markets and the sharp decline in the share price of automotive stocks in Europe, including Valeo, since the beginning of the Russo-Ukrainian conflict, the amount of the compensation (IFRS valuation) granted to the Chief Executive Officer was calculated with a 26% discount compared to the maximum allowed by the 2022 Compensation Policy for the Chief Executive Officer (200% of annual (gross) fixed compensation). This discount corresponds to the ratio between the average price of the last 20 trading days usually used by Valeo and that of the 60 trading days preceding the grant of the performance shares.

149% of his annual gross fixed compensation for that year (which is below the maximum limit of 200%), *i.e.* 74% of the maximum authorised by the 2022 Chief Executive Officer Compensation Policy, it being specified that the final allocation of these shares is subject to demanding performance conditions;

- the valuation of benefits in kind (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*), company car and a driver) granted to him: 24,251 euros.

G. Approval of the compensation policy applicable to directors in respect of the 2023 financial year (*fourteenth resolution*)

Under the fourteenth resolution, it is proposed that you approve the compensation policy applicable to directors for the 2023 financial year, established in accordance with Article L. 22-10-8, I of the French Commercial Code. It is specified that the compensation of directors has not been modified since 2016, either in the total amount budgeted for director compensation of 1,100,000 euros or in the rules for allocating compensation among directors[5].

The compensation policy applicable to directors is presented in the 2022 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 22-10-8 of the French Commercial Code, in Section 3.3.1 "Compensation policies for corporate officers" and is provided in Appendix 4 of this report.

H. Approval of the compensation policy applicable to the Chairman of the Board of Directors in respect of the 2023 financial year (*fifteenth resolution*)

Under the fifteenth resolution, it is proposed that you approve the compensation policy applicable to the Chairman of the Board of Directors for the 2023 financial year, established in accordance with Article L. 22-10-8, I of the French Commercial Code. The compensation policy applicable to the Chairman of the Board of Directors is presented in the 2022 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 22-10-8 of the French Commercial Code, in Section 3.3.1 "Compensation policies for corporate officers".

It is also provided in Appendix 5 of this report.

I. Approval of the compensation policy applicable to the Chief Executive Officer in respect of the 2023 financial year (*sixteenth resolution*)

Under the sixteenth resolution, it is proposed that you approve the compensation policy applicable to the Chief Executive Officer for the 2023 financial year, established in accordance with Article L. 22-10-8, I of the French Commercial Code. The compensation policy applicable to the Chief Executive Officer is presented in the 2022 Universal Registration Document, which includes the report provided for in Articles L. 225-37 and L. 22-10-8 of the French Commercial Code, in Section 3.3.1 "Compensation policies for corporate officers".

It is also provided in Appendix 6 of this report.

[5] Subject to the addition, in 2022, of a fixed compensation of 6,000 euros per year to compensate the director in charge of CSR issues. Given the importance of CSR issues for Valeo, and the corresponding importance of the role of the director in charge of CSR issues within the Board, the Board of Directors, on the recommendation of the Compensation Committee, decided on October 28, 2021 to add to the rules for the allocation of directors' compensation for 2022 a fixed compensation of 6,000 euros per year for the director in charge of CSR issues.

J. Share buyback program (*seventeenth 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, 2022, the Company used the authorisations to buy back its own shares granted by the General Shareholders' Meetings on May 26, 2021 under the sixteenth resolution and on May 24, 2022 under the seventeenth resolution. These authorisations were implemented in order to ensure in particular (i) market-making in the market of the Company's shares pursuant to a liquidity contract executed with an investment services provider and (ii) the coverage of free share and performance share plans. Detailed information on these transactions is provided in Chapter 6 "Capital and Shareholding" of the Company's 2022 Universal Registration Document.

Conditions for implementation

As the authorisation granted by the General Shareholders' Meeting held on May 24, 2022 will expire during the 2023 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 company or group savings plans (or similar plan) under the conditions set out by the law;
- general compliance with obligations in respect of stock option plans or other allotments or sales 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 marches 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 such case, the Company will inform its shareholders by way of a press release.

The transactions would be carried out by any means.

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.

Transactions under this authorisation may be carried out by the Board of Directors 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 take-over offer for the securities of the Company before the end of the offer period.

Share repurchase price

The maximum repurchase price is set at 70 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 at any given time, as adjusted to reflect transactions affecting the share capital subsequent to this General Shareholders' Meeting, or 5% of the share capital in the event of shares acquired in view of their retention and future delivery, in payment or in exchange, in connection with external growth transactions, merger, spin-off or contribution.

The maximum amount of funds that the Company may allocate to this share buyback program would be 1,704,513,580 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.

Validity period

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 held on May 24, 2022 under its seventeeth resolution.

A summary of this draft resolution is provided in the table attached as Appendix 7 of this report.

K. Powers to complete formalities (*thirtieth 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 within the Extraordinary General Shareholders' Meeting authority

It is noted that the General Shareholders' Meeting of May 26, 2021 decided to grant authorisations and financial delegations to the Board of Directors. As these authorisations and financial delegations expire during the 2023 financial year, it is proposed that you renew them at your General Shareholders' Meeting. These authorisations and financial delegations, as described below (and summarised in the table attached in Appendix 7), are similar to those you approved at the General Shareholders' Meeting of May 26, 2021 (notably in terms of ceilings).

The main purpose of the authorisations and financial delegations is to provide the Company with enhanced flexibility, ability and increased responsiveness in order, if required, to resort to such markets by issuing securities and to quickly and flexibly raise funds that are necessary to finance the development of your Company.

These resolutions may be divided into two main categories: those that may result in an issue with maintenance of the shareholders' preferential subscription right and those that may result in an issue with cancellation of the shareholders' preferential subscription right. Any issue with the shareholders' preferential subscription right allows each shareholder to subscribe for a number of securities in proportion to his or her shareholding, during a minimum time period set out by law as from the opening of the subscription period (for information purposes, as at the date of this report, this minimum period is set at five trading days). It is specified that the shareholders' preferential subscription right is detachable and tradable under the terms set out in the applicable laws and regulations (for information purposes, as at the date of this report, from the second business day before the opening of the subscription period or, if that day is not a trading day, the preceding trading day, and until the second business day before the end of the subscription period or, if that day is not a trading day, the preceding trading day).

For certain resolutions, you are asked to grant the Board of Directors the option of cancelling this shareholders' preferential subscription right. Indeed, depending on market conditions, the type of investors targeted by the issue and the type of securities issued, it may be preferable or even necessary to cancel the shareholders' preferential subscription right in order to make a placement of securities on the best possible terms, in particular, when speed is an essential condition for its success or when such issues are carried out on foreign financial markets.

These authorisations and delegations would of course be subject to limits. First, each of these authorisations and delegations would be granted only for a limited period. In addition, the Board of Directors would only be able to issue securities (capital and debt) up to strictly defined ceilings above which the Board of Directors would not be able to issue securities without convening a new General Shareholders' Meeting. These ceilings are set out below and summarised in the table attached in Appendix 7.

If the Board of Directors carries out a transaction pursuant to an authorisation or a delegation granted by the General Shareholders' Meeting, it will, if applicable and in compliance with the applicable laws and regulations, issue an additional report on the implementation of the authorisations or delegations. This report, as well as the Statutory Auditors' report, if applicable, would be made available to the holders of equity securities or securities giving access to the share capital and then be brought to their attention at the next General Shareholders' Meeting.

Please also note that, without prior consent from the General Shareholders' Meeting, the Board of Directors may not use any of the authorisations and delegations granted for the issue of securities following the submission by a third party of a proposed public take-over offer for the securities of the Company before the end of the offer period (with the exception of the twenty-sixth resolution relating to employee share ownership and the allocation of free shares).

A. Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary, with maintenance of the shareholders' preferential subscription right (*eighteenth resolution*)

Possible reasons for use of the resolution

As stated in the introduction, this resolution enables the Company to raise, if necessary with speed and flexibility, funds on the markets by investment from all of its shareholders so as to finance its development as well as the development of the Group.

Conditions for implementation

This resolution would enable the Board of Directors to issue shares and securities giving access, immediately or in the future, to the share capital of the Company or a company in which your Company holds, directly or indirectly, at the time of the issuance more than half of the share capital (a "**Subsidiary**") (including equity securities granting entitlement to the allocation of debt securities).

Subscriptions would be implemented with a shareholders' preferential subscription right on a non-reducible basis. The Board of Directors may also decide to create a subscription right for the shareholders on a reducible basis. In this case, if the non-reducible subscriptions collected would not be sufficient to cover all of the new securities, the remaining securities would be allocated between the shareholders who subscribed on a reducible basis in proportion to their subscription rights and in any event not more than they requested.

Should these subscriptions (on a non-reducible basis and if any, on a reducible basis) not cover all of the securities issued, the Board of Directors could use one or both of the following options: (i) distribute all or part of the unsubscribed securities; (ii) offer to the public all or part of the unsubscribed securities; (iii) limit the issue to the amount of subscriptions received subject, in the case of an issue of shares or other equity securities issued as primary securities, that said amount being equivalent to at least three quarters of the amount of the planned issue.

The Board of Directors would be granted full powers required to implement this delegation of authority (with powers to sub-delegate under the conditions set out by applicable laws and regulations).

Price

The price which would be set by the Board of Directors must be at least equal to the nominal value.

Ceiling

The maximum nominal amount of the share capital increases would be set at 70 million euros, *i.e.* 28.75% of the share capital as of December 31, 2022, it being specified that this would count toward the Global Ceiling (Equity) (131 million euros).

The maximum nominal amount of potentially issued debt securities would be set at 1.5 billion euros, it being specified that this would count toward the Global Ceiling (Debt) (1.5 billion euros).

Period of validity

This delegation would be valid for a period of 26 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 delegation granted by the General Shareholders' Meeting of May 26, 2021 under its seventeenth resolution.

B. <u>Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary by way of a public offerings (excluding public offerings referred to at Article L. 411-2 1° of the French Monetary and Financial Code) and/or by way of a public offerings referred to at Article L. 411-2, 1° of the French Monetary and Financial Code with cancellation of the shareholders' preferential subscription right *(nineteenth and twentieth resolutions*)</u>

<u>Possible reasons for use of the resolutions</u>

As stated in the introduction, issues carried out with cancellation of the shareholders' preferential subscription right, either by way of public offerings excluding those referred to at Article L. 411-2 of the French Monetary and Financial Code (*nineteenth resolution*), and/or by way of public offerings referred to at Article L. 411-2 1° of the French Monetary and Financial Code (*twentieth resolution*) may be used to place securities in the most efficient manner, in particular when speed is an essential condition for their success or when the issues are carried out on foreign financial markets.

In addition, the nineteenth resolution would enable the Company, if it were to decide to propose a public exchange offer, in France or abroad, to a target company whose shares are admitted to trading on one of the regulated markets referred to in Article L. 22-10-54 of the French Commercial Code, to deliver securities of the Company in exchange for the securities of the target company.

<u>Conditions for implementation</u>

These resolutions would enable the Board of Directors to issue shares and securities giving access, immediately or in the future, to the Company's or a Subsidiary's share capital (including equity securities granting entitlement to the allocation of debt securities).

In addition, the issues referred to above may be used following the issue, by a Subsidiary, of securities giving access to the Company's share capital to be issued.

Such issues would be carried out with cancellation of the shareholders' preferential subscription right (i) by the means of public offerings excluding those referred to at Article L. 411-2 1° of the French Monetary and Financial Code (*nineteenth resolution*) which may, pursuant to the Board of Directors' decision, include a priority subscription period for the shareholders (non-negotiable), or (ii) by way of public offerings referred to at Article L. 411-2, 1° of the French Monetary and Financial Code (*twentieth resolution*). In addition, the nineteenth resolution would also make it possible to remunerate shares contributed to a public exchange offer initiated by the Company.

If, within the context of public offerings excluding those referred to at Article L. 411-2, 1° of the French Monetary and Financial Code (*nineteenth resolution*), a priority subscription period has been provided for, the subscriptions made may be supplemented by a subscription on a reducible basis, it being specified that the securities not subscribed for will be the subject of a public offering in France and/or abroad.

Under the nineteenth and twentieth resolutions, if subscriptions do not cover the entire issue, the Board of Directors may decide (i) limit the issue to the amount of subscriptions received subject, in the case of an issue of shares or other equity securities issued as primary securities, that said amount being equivalent to at least three quarters of the amount of the planned issue, and/or (ii) to freely distribute the unsubscribed securities.

The Board of Directors would be granted full powers required to implement these delegations of authority (with powers to sub-delegate under the conditions set out by applicable laws and regulations).

<u>Price</u>

The issue price of those shares issued directly will be at least equal to the minimum amount set by the applicable laws and regulations on the issue date after any adjustment to take into account the difference of date upon which the shares will bear dividend rights (for information purposes, as at the date of this General Shareholders' Meeting, a price at least equal to the weighted average price of Company shares over the last three trading sessions on the regulated market of Euronext Paris preceding the beginning of the public offer, with a potential discount of up to 10%).

Regarding securities giving access to the share capital, the total amount that would be received by the Company as consideration for such securities would be at least equal to the minimum price per share provided for by the applicable laws and regulations as described above.

It is specified that the rules relating to the determination of the price described above would not be applicable to securities issued as consideration for securities contributed to a public exchange offer proposed by the Company.

Ceiling

The maximum nominal amount of the share capital increases would be set at 23 million euros, *i.e.* for information purposes, 9.45% of the share capital as of December 31, 2022, it being specified that this limit of 23 million euros would be jointly applicable to these two resolutions, and to the twenty-first, the twenty-second and the twenty-fourth resolution, and that this would also count toward the Global Ceiling (Equity).

Please note that pursuant to applicable laws, the share capital increases carried out by public offerings referred to at Article L. 411-2 1° of the French Monetary and Financial Code are capped at 20% of the share capital per year. The limit set by the twentieth resolution is therefore much lower than this legal limit.

The maximum nominal amount of securities that represent debt securities would be set at 1.5 billion euros per resolution, it being specified that this would count toward the Global Ceiling (Debt).

Period of validity

These delegations would be valid for a period of 26 months as from this General Shareholders' Meeting and would cancel the delegations granted by the General Shareholders' Meeting of May 26, 2021 under its eighteen and nineteenth resolutions.

C. Setting of the issue price by the Board of Directors, based on terms set by the General Shareholders' Meeting, for issues of shares and/or securities giving immediate or future access to the share capital of the Company, with cancellation of the shareholders' preferential subscription right (*twenty-first resolution*)

Possible reasons for use of the resolution

This authorisation would enable the Board of Directors to set the issue price of shares or securities, with cancellation of the shareholders' preferential subscription right, in any public offering (excluding offerings referred to at Article L. 411-2 1° of the French Monetary and Financial Code) and/or in a public offering as referred to at Article L. 411-2 1° of the French Monetary and Financial Code (nineteenth and twentieth resolutions or any resolution of the same nature which may be substituted during their respective periods of validity), in keeping with the terms established by the General Shareholders' Meeting and described below.

Conditions for implementation

The Board of Directors would have all necessary authority to implement this authorisation (with the ability to delegate such authority in accordance with the law).

Price

The issue price of shares issued directly would be at least equal to the volume-weighted average price of Company shares on the Euronext Paris regulated market over the course of the last trading day preceding the date on which the issue price is set or, if lower, the volume-weighted average price of Company shares on the Euronext Paris regulated market at the time the issue price is set, in both cases with a potential discount of up to 10%.

Regarding securities giving access to share capital, the issue price will be such that the total amount received by the Company as consideration for such securities, for each equity share issued as a result of the issue of these securities, is at least equal to the minimum issue price per share set out above.

Ceiling

The Board of Directors' ability to set the price in accordance with the rules established by the General Shareholders' Meeting may be exercised up to the limit of 10% of the Company's share capital (assessed as at the date of the issue) every 12 months.

The nominal maximum share capital increase that may be carried out pursuant to this resolution would be 23 million euros, it being understood that the limit of 23 million euros would be jointly applicable to the nineteenth to the twenty second and twenty-fourth resolutions, and would also count toward the Global Ceiling (Equity).

The maximum nominal amount of debt securities that may be issued under this resolution would be established at 1.5 billion euros, it being understood that this limit would count toward the Global Ceiling (Debt).

Period of validity

This authorisation would be valid for a period of 26 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 Shareholder's Meeting, of the authorisation granted by the General Shareholder's Meeting of May 26, 2021 under its twentieth resolution.

D. Increase in the number of securities to be issued with maintenance or cancellation of the shareholders' preferential subscription right under an over-allotment option in the event that demand exceeds the number of securities offered (*twenty-second resolution*)

Possible reasons for use of the resolution

This resolution would prevent the reduction of subscriptions in the event of high demand, by allowing the Board of Directors, within certain limits, to increase the number of securities initially issued, by reopening the relevant issue (*greenshoe clause*).

Conditions for implementation

This delegation of authority would allow the Board of Directors to decide to increase the number of securities to be issued, under the conditions set by applicable laws and regulations and in the event of excess demand for an issue of securities with maintenance or cancellation of the shareholders' preferential subscription right (issues of securities with maintenance of the shareholders' preferential subscription right (*eighteen resolution*), issues of securities with cancellation of the shareholders' preferential subscription right by way of public offerings excluding those referred to at Article L. 411-2 1° of the French Monetary and Financial Code and/or by way of the public offering referred to at Article L. 411-2, 1° of the French Monetary and Financial Code (*nineteenth and twentieth resolutions*)) as well as the issues carried out under the twenty-first resolution, to increase the number of securities to be issued.

The resolution would need to be implemented within the time periods and limits set out by laws and regulations applicable on the date of issue, *i.e.* for information purposes, the day of this General Shareholders' Meeting, within 30 days from the closing of the subscription period.

Price

The issue would be carried out at the same price as that decided for the initial issue, in compliance with applicable laws.

Ceiling

This resolution allows the Company to serve an excess demand up to the limit set out by law, *i.e.* 15% of the initial issue as at the date hereof.

The maximum nominal amount of the share capital increases would count towards (i) the ceiling set in the resolution under which the issue is decided (issues of securities with maintenance of the shareholders' preferential subscription right under the eighteen resolution, issues of securities with cancellation of the shareholders' preferential subscription right by way of public offerings excluding those referred to at Article L. 411-2 1° of the French Monetary and Financial Code and/or by way of the public offering referred to at Article L. 411-2 1° of the French Monetary and Financial Code under the nineteenth and twentieth resolutions and issues made under the twenty-first resolution), (ii) the ceiling jointly applicable to the nineteenth to twenty-second and twenty-fourth resolutions, and (iii) the Global Ceiling (Equity). The same rules would apply to ceilings in relation to debt securities (resolution allowing the issue of securities and Global Ceiling (Debt)).

Period of validity

This delegation would be valid for a period of 26 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 delegation granted by the General Shareholders' Meeting of May 26, 2021 under its twenty-first resolution.

E. Issue by capitalisation of premiums, reserves, profits or other amounts that may be capitalised (*twenty-third resolution*)

Possible reasons for use of the resolution

This resolution would allow the Board of Directors to increase the share capital by successive or simultaneous capitalisations of reserves, profits, premiums and other amounts that may be capitalised, without the contribution of "fresh" money being necessary. The shareholders' rights would not be affected by such a transaction, since it would involve the issue of new securities allocated free of charge or the increase of the nominal value of existing securities.

Conditions for implementation

As stated above, these share capital increases would be followed by the issue of new securities allocated free of charge or the increase of the nominal value of the existing shares or by a combination of the two methods.

The Board of Directors would be granted full powers to implement this delegation of authority (with powers to sub-delegate under the conditions set out by the applicable laws).

Ceiling

The maximum nominal amount of the share capital increases that may be carried out under this resolution would be set at 30 million euros.

Period of validity

This delegation would be valid for a period of 26 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 delegation granted by the General Shareholders' Meeting of May 26, 2021 under its twenty-second resolution.

F. Issue of securities to be used as remuneration for contributions in kind granted to the Company (*twenty-fourth resolution*)

Possible reasons for use of the resolution

This delegation would allow the Board of Directors to carry out external growth transactions in France or abroad or to repurchase minority stakes within the Group without any impact on the Company's cash. However, this delegation cannot be used if the Company decides to issue securities to be used as remuneration for securities contributed to the Company within the context of a public exchange offer (such transaction being included in the nineteenth resolution described above).

Conditions for implementation

This resolution would enable the Board of Directors to issue shares and securities giving access to the share capital of the Company (including equity securities granting entitlement to the allocation of debt securities).

These issues will be carried out for the benefit of contributors, without shareholders' preferential subscription right.

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 delegation of powers.

Ceiling

The maximum nominal amount of the share capital increases would be set at 23 million euros, *i.e.* 9.45% of the share capital as at December 31, 2022, it being specified that this limit would be jointly applicable with the nineteenth to the twenty-second and the twenty-fourth resolutions and would count towards the Global Ceiling (Equity).

Please note that pursuant to the applicable law, the share capital increases carried out under this resolution are capped, for information purposes, as of today at 10% of the share capital. The limit set by this resolution is therefore lower than this legal limit.

The maximum nominal amount of the securities that represent debt securities would be set at 1.5 billion euros, it being specified that this would count toward the Global Ceiling (Debt).

Period of validity

This delegation would be valid for a period of 26 months as from this General Shareholders' Meeting and would cancel, as of the same date, any unused portions as at the date of this General Shareholders' Meeting of the delegation granted by the General Shareholders' Meeting of May 26, 2021 under its twenty-third resolution.

G. Incentive schemes for the Company's employees or corporate officers: issue of securities to be subscribed for by members of savings plans, with cancellation of the shareholders' preferential subscription right (*twenty-fifth resolution*)

Possible reasons for use of the resolution

This resolution enables the Board of Directors to provide the Group's employees, in France and abroad, the opportunity to subscribe for the Company's securities so as to involve them more closely in the Company's expansion and success in its historical markets and in emerging markets that are essential for the Group's future growth.

It would also aim to meet the requirements of applicable laws which provide that the General Shareholders' Meetings shall decide upon a draft resolution on a share capital increase reserved for employee members of a savings plan whenever the agenda of such General Shareholders' Meeting includes the adoption of resolutions pursuant to which a share capital increase through a cash contribution is decided immediately or through delegation, unless the share capital increase results from a prior issue of securities giving access to the Company's share capital.

Conditions for implementation

This resolution would enable the Board of Directors to issue, on one or more times, shares and securities giving access to the share capital of the Company (including equity securities granting entitlement to the allocation of debt securities).

These issues would be carried out with cancellation of the shareholders' preferential subscription right.

The Board of Directors will be granted full powers (with powers to sub-delegate under the conditions set out by the applicable laws) to implement this delegation of authority.

Price

The issue price of the securities would be determined pursuant to the conditions set out by the applicable law and would be at least equal to the Reference Price, to which a discount up to the maximum provided for by law could be applied. The term "Reference Price" means the average share price of the Company on the regulated market of Euronext Paris from the last twenty trading sessions preceding the date of the decision defining the opening date of the subscription period for the members of Company's or Group's savings plans (or similar plans).

The Board of Directors would also be granted authority to reduce or eliminate this discount, within the limits set out by the applicable laws and regulations, in order to take into account any local legal, accounting, financial or social security-related rules as may be applicable. The Board of Directors could also decide to allocate additional securities in lieu of all or part of the discount on the Reference Price and/or employer's contribution, it being specified that the benefit resulting from any such allocation may not exceed the legal or regulatory limits.

Ceiling

The maximum nominal amount of the share capital increases would be set at 5 million euros, it being specified that this ceiling would count towards the Global Ceiling (Equity).

The maximum nominal amount of the securities that represent debt securities would be set at 1.5 billion euros, it being specified that this ceiling would count towards the Global Ceiling (Debt).

Period of validity

This delegation would be valid for a period of 26 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 delegation granted by the General Shareholders' Meeting of May 26, 2021 under its twenty-fourth resolution.

H. Inclusion of the Company's employees and corporate officers as Company shareholders: award of existing or future shares free of charge (*twenty-sixth resolution*)

This resolution would enable free shares to be allocated subject either to performance criteria (the "**Performance Shares**") or not (the "**Free Shares**") in accordance with the terms described below.

This new resolution is intended to replace the previous resolution which had the same purpose, and which was approved by the General Shareholders' Meeting of May 26, 2021 under its twenty-fifth resolution.

In its twenty-fifth resolution, the General Shareholders' Meeting of May 26, 2021 authorised the Board of Directors to grant a maximum of 4,500,000 shares; the maximum number of Performance Shares that can be allotted to corporate officers cannot exceed 350,000.

The Board of Directors used this authorisation twice during the 2021 and 2022 financial years:

- in a decision dated May 26, 2021, it allotted 2,070,829 shares, including 118,536 shares to the Chairman and Chief Executive Officer and 57,871 shares to the Deputy Chief Executive Officer;
- in a decision dated March 23, 2022, it allotted 2,308,057 shares, including 100,154 shares to the Chief Executive Officer.

In light of the above allotments, the balance of shares still eligible for allocation under the resolution is 121,114 shares.

We therefore propose that the General Shareholders' Meeting renew this resolution aimed at giving the Company's employees and officers shares in the Company by authorising the Board of Directors to allocate or issue free shares to them.

Changes to certain Performance Shares criteria

The performance share plans contain performance criteria to be satisfied over a period of three consecutive years. These are strict and demanding performance criteria considered as particularly representative of the Company's performance.

The structure of the performance share plans was the subject of a review undertaken by the Compensation Committee at its meeting on July 22, 2022. An analysis of the benchmark carried out by an independent external service provider specialising in these matters shows that the structure of the performance share plans is in line with market practices and trends.

Therefore, at its meeting on February 23, 2023, the Board of Directors, on the recommendation of the Compensation Committee, decided, within the framework of the 2023 Chief Executive Officer Compensation Policy, to maintain the structure of the performance share plan unchanged, subject to adjustments to better reflect the objectives of the "Move Up" strategic plan and to reinforce the incentive and retention objective of the long-term compensation. Thus, the Board of Directors, on the recommendation of the Compensation Committee, has decided (i) to replace the EBITDA level with the EBIT rate, which is more relevant to the "Move Up" strategic plan and is more closely monitored by the financial community, (ii) to modify the weighting of the level of achievement of the internal performance criteria in order to strengthen the attractiveness of the scheme for beneficiaries, while maintaining its demanding nature and (iii) to modify the composition of the Automobile Europe Panel, which is composed of both European car manufacturers and automotive equipment manufacturers, in order to retain a panel composed exclusively of European automotive equipment suppliers (including those already included in the Automobile Europe Panel) considered more relevant to the positioning and financial situation of the equipment suppliers as compared to car manufacturers.

Possible reasons for use of the resolution

The resolution allows the Company to involve employees and corporate officers in the Group's success through a stake in Company share capital. The resolution would enable the establishment of plans for awarding free shares and performance shares, in order to increase Group employee and corporate officer loyalty and motivation.

Implementation and ceilings

The Board of Directors, acting on the recommendation of the Compensation Committee, has established guidelines for granting Free Shares or Performance Shares under the twenty-sixth resolution (provided that the resolution is approved by the General Shareholders' Meeting). The Board of Directors has decided that:

- a maximum of 4,600,000 Free Shares and Performance Shares may be granted (approximately 1.89% of the share capital as at December 31, 2022);
- the beneficiaries would be the Chief Executive Officer and all employees;
- allocation of Free Shares or Performance Shares to beneficiaries would only become final after a minimum vesting period of three years after the date of allocation;
- the maximum number of Performance Shares that can be granted to the Chief Executive Officer would be 250,000 *i.e.* approximately 0.10% of share capital as of December 31, 2022. Please note that the maximum number of conditional Performance Shares that can be allocated, valued under IFRS, must not exceed the maximum stated in the applicable compensation policy;
- the Performance Shares allocated to the Chief Executive Officer, to members of the Operations Committee and to the Liaison Committee members would depend on demanding performance criteria:

  (i) 60% of the grant (*i.e.* 30% for each criterion) would vest depending on performance as measured for each of the three financial years (Y, Y+1, and Y+2) of the vesting period. Performance is measured by two criteria: an EBIT rate (replacing the EBITDA level previously used) and the ROCE rate. These criteria 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. Accordingly, under this method:

    (a) 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% of the shares allocated under the criterion will vest;

(b) 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, 60% of the shares allocated under the criterion will vest;

(c) 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, 30% of the shares allocated under the criterion will vest;

(d) if the target rate for the corresponding criterion is not satisfied for any of the financial years covered by the scheme, none of the allocated Performance Shares will vest.

(ii) 20% of the grant would vest once the fulfilment of two corporate social responsibility (CSR) criteria has been satisfied: (x) an environmental criterion relating to the level of CO_2 emissions (10%), and (y) a gender diversity criterion based on the number of women in the Group's management committees (relating to the 300 most important Group management positions) (10%), as determined by the Board of Directors over a three-year period (allotment year Y, Y+1, and Y+2) and published at the time of the free shares allotment. These objectives, measured over three years, will be consistent with the carbon neutrality objectives described Chapter 4, section 4.1.3 "Valeo's Carbon Neutrality Plan by 2050" of the 2022 Universal Registration Document and with the gender diversity targets described in sub-section 3.2.1 "Composition of the Board of Directors", paragraph "Diversity policy within the governing bodies" of the 2022 Universal Registration Document. Thereafter:

(a) if the level of CO_2 emissions recorded over the reference period is lower than or equal to the target rate established for the reference period: 100% of Performance Shares granted will vest (while if the level is greater, 0% will vest);

(b) if the number of women within the Group's management committees (relating to the 300 most important Group management positions) recorded over the reference period is greater than or equal to the target rate established for the reference period: 100% of Performance Shares granted will vest (while if the number is lower, 0% will vest).

(iii) 20% of the grant would vest if Valeo achieves a certain level of TSR as measured against the TSR of the CAC 40 index (10%) and the TSR of a panel of European companies (equipment suppliers) in the automotive sector selected by the Board of Directors as this TSR has been disclosed by the Company (10%) over a three-year period (allotment year Y, Y+1, and Y+2). Thereafter:

(a) if Valeo's TSR recorded over the reference period is greater than the CAC 40 index's TSR recorded over the reference period: 100% of allocated Performance Shares will vest (while if TSR is equal or lower, 0% will vest);

(b) if Valeo's TSR recorded over the reference period is greater than the median TSR of companies included in the Europe Automotive Equipment Suppliers Panel over the reference period: 100% of allocated Performance Shares will vest (while if TSR is equal or lower, 0% will vest).

The Europe Automotive Equipment Suppliers Panel (as modified) used by the Board of Directors[6] is not intended to evolve unless a change in the structure or business of one of the companies makes it less relevant, in which case it will be replaced by another company to maintain the greatest possible comparability between Valeo and its peers.

- allocations of Performance Shares to those reporting directly to Liaison Committee members and to other Group executives would be subject, up to 50% of Performance Shares allocated to those reporting directly to Liaison Committee members and to other Group executives, to performance as measured for each of the three financial years (Y, Y+1, and Y+2) in the vesting period. Performance will be measured based on two internal performance criteria (50% for each criterion): an EBIT rate and a ROCE rate. The rules for determining whether

[6] The Europe Automotive Equipment Suppliers Panel, as modified, includes the following companies: Autoliv, Continental, Faurecia (Forvia), Gestamp Automotive, Leoni, Michelin, Plastic Omnium, Schaeffler Automotive et Vitesco. This new panel will apply to shares granted from 2023 onwards.

these two criteria have been satisfied and the scheme for allocating shares is the same as applicable to the Chief Executive Officer, Operations Committee members and to the Liaison Committee members;

- the shares allocated to other staff members (at lower levels of responsibility) would be Free Shares (and would not be subject to performance criteria);
- free Shares allocated to participants outside France under a worldwide employee shareholding plan shall be allocated as a type of conditional matching (*abondement conditionnel*). For the avoidance of doubt, these Free Shares would not be subject to performance criteria;
- for the Chief Executive Officer, he must satisfy a condition of holding a position in the Company. The conditions for receiving any final award of Performance Shares, including if he leaves the Company, are described in section 3.3.1 "Compensation policies for corporate officers" of the Company's 2022 Universal Registration Document. For other beneficiaries, the final award is also subject to a condition of holding a position in the Company. Specifically, beneficiaries must have an employment contract or hold corporate office on the vesting date. They must not be in a pre-departure notice period on the vesting date due to resignation, dismissal, or contractual termination, although there are a few limited exceptions to this rule (death, total and permanent disability, retirement or early retirement, beneficiaries working for an entity that was sold, or by decision of the Board of Directors);
- the Chief Executive Officer would also be subject to non-disposal obligation. After the three-year vesting period, a two-year non-disposal period applies. When the non-disposal period expires he must continue to hold at least 50% of the vested Performance Shares in registered form until the end of its term of office;
- the Chief Executive Officer, Operations Committee members and Liaison Committee members cannot enter into hedging transactions.

For the sake of clarity, it is noted that (i) outstanding Free Shares and Performance Shares as at December 31, 2022 represented 2.7% of the Company's share capital on that date and (ii) the Company's standard practice is to grant existing shares and not to issue new shares, thereby avoiding dilution on the Company's share capital. If this resolution was to be carried out entirely by issuing new shares, it would have a limited diluting effect, as it would increase the percentage of outstanding Free Shares and Performance Shares to 4.54% of share capital based on the share capital as at December 31, 2022 In accordance with applicable laws, when the allocation is made out of unissued shares, the authorisation given by the Shareholders at a General Shareholders' Meeting automatically includes a waiver of their preferential subscription rights.

The average three-year unadjusted burn rate totals 0.92% (which is lower than the maximum rate applicable to companies in the Company's sector).

In accordance with Article L. 22-10-60 of the French Commercial Code, Performance Shares can only be allocated to the Company's Chief Executive Officer if the Company implements one of the measures referred to in that article.

The modalities of allocation (including performance criteria) to the Chief Executive Officer described herein also appear in the 2023 Chief Executive Officer Compensation Policy submitted to the General Shareholders' Meeting. If the Shareholders do not approve this policy, the allocation system described in the previously approved 2022 Christophe Périllat Compensation Policy will be implemented.

Period of validity

This authorisation would be valid for a period of 26 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 26, 2021 by way of its twenty-fifth resolution.

I. Share capital decrease by cancellation of treasury shares *(twenty-seventh resolution)*

Possible reasons for use of the resolution

The cancellation of the Company's treasury shares that were in general acquired within the framework of a share buy-back program, authorised by the General Shareholders' Meeting, may have various financial purposes such as active capital management, balance sheet optimisation or the offsetting of the dilution resulting from share capital increases.

Conditions for implementation

The Board of Directors would have the authority to cancel all or part of the shares that it may purchase under a share buy-back program.

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 authorisation.

Ceiling

Pursuant to applicable laws, cancellation of treasury shares would be limited to 10% of the share capital per 24-month period, as adjusted for transactions affecting it subsequent to this General Shareholders' Meeting.

Period of validity

This authorisation would be valid for a period of 26 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 delegation granted by the General Shareholders' Meeting of May 26, 2021 under its twenty-sixth resolution.

J. Amendment to the articles of association to allow a more flexible implementation of the staggering of the Board of Directors' terms of office (*twenty-eighth resolution*)

Under the twenty-eighth resolution, the Board of Directors, on the recommendation of the GACSRC, proposes to make a technical adjustment to the Article 14.1 of the Company's articles of association to allow for a more flexible implementation of the staggering by one quarter of the terms of office of the members of the Board of Directors as follows:

Previous wording	New wording
"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.*	***"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.* ***When possible, t****he terms of* ***(i)*** *one-fourth of the members of the Board of Directors are renewed each year or* ***(ii)*** *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* ***in cases (i) and (ii) above and*** *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***~~ ***a*** *year and the* ***average*** *number of seats to be renewed* ~~***in each of the three other years of such***~~ ***over the four-year*** *period* ***preceding such year (including the year concerned by the renewals)*** *may not be higher* ***or lower*** *than one.* ***In order to allow for a balanced renewal of the members of the Board of Directors, the Ordinary Shareholders' Meeting may, upon proposal of the Board of Directors, appoint one or more members of the Board for a period of one, two, three or four year(s).***

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

K. Amendment to the articles of association to define the terms of appointment of the director representing employee shareholders (*twenty-ninth resolution*)

Representation of employee shareholders on the Board of Directors is mandatory when the Company's employees and the employees of related companies (within the meaning of Article L. 225-180 of the French Commercial Code) hold at least 3% of the share capital in accordance with Articles L. 225-23 and L. 225-102 of the French Commercial Code. As the Company fulfills this condition as of December 31, 2022, under the twenty-ninth resolution, the Board of Directors, on the recommendation of the GACSRC, proposes that you amend the Articles 13 and 14 of the Company's articles of association to determine the terms and conditions for the appointment of directors representing employee shareholders. If the proposed amendment to the Articles of Association is approved, a director representing employee shareholders will be appointed at the General Meeting to be held in 2024, on the proposal of employee shareholders in accordance with the procedures set out in the Articles of Association.

Previous wording	New wording
"ARTICLE 13 – BOARD OF DIRECTORS – COMPOSITION	***" 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.	*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, **as well as the director representing employee shareholders**, are 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."	*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."*

Previous wording	New wording
"ARTICLE 14 – DIRECTORS' TERM OF OFFICE – AGE LIMIT – CONDITIONS – COMPENSATION	***"ARTICLE 14 – DIRECTORS' TERM OF OFFICE – AGE LIMIT – CONDITIONS – COMPENSATION***
(…)	*(…)*
	3. When the report presented annually by the Board of Directors to the Shareholders' Meeting pursuant to Article L. 225-102 of the French Commercial Code establishes that the shares held by the employees of the Company as well as companies and groupings related to it within the meaning of Article L. 225-180 of said Code represent more than 3% of the Company's share capital, a director representing employee shareholders shall be appointed by the Ordinary Shareholders' Meeting in accordance with the terms and conditions set out in the applicable laws and regulations and in these articles of association. ***The provisions of Article 14.1 of the articles of association regarding the duration and the renewal of the term of office are applicable to the director representing employee shareholders (with the***

Previous wording	New wording
	exception of the rules relating to the renewal by quarter of the Board of Directors). The term of office shall be effective upon appointment by the Ordinary Shareholders' Meeting, if applicable, in place of the member representing employee shareholders whose term of office is deemed to expire. ***The term of office of the director representing employee shareholders will expire at the end of the annual Ordinary Shareholders' Meeting having approved the annual financial statements for the previous fiscal year and held in the year during which the term of office expires. Furthermore, his/her term of office will automatically expire in advance and the director representing employee shareholders will be deemed to have resigned automatically in case of loss of the status as employee of the Company (or of a company or a grouping related to it within the meaning of Article L. 225-180 of the French Commercial Code) or as shareholder of the Company or as unit holder of a company mutual fund (fonds commun de placement d'entreprise (FCPE)) governed by Article L. 214-165 of the French Monetary and Financial Code invested in shares of the Company.*** ***A member representing employee shareholders and, if applicable, his/her substitute, shall be appointed by the Ordinary Shareholders' Meeting. Any candidacy may, if necessary, include the name of a possible substitute who will exercise the director's duties for the remainder of the term of office in case of early expiration of the mandate's holder.*** ***The appointment terms of the candidate (and if applicable his/her substitute) not defined by the applicable laws and regulations or by these articles of association, shall be decided by the Board of Directors upon proposal from the general management, in particular as to the schedule for appointment of the candidate and the rules for presentation of candidacies (including potential sponsorships).*** ***One candidate for appointment to the position of director representing employee shareholders, as well as his/her substitute, if applicable, shall be appointed under the following conditions:*** - ***employees referred to in Article L. 225-102 of the French Commercial Code and whose shares are held in accordance with this Article are eligible, if they meet the conditions, in particular of potential sponsorships set by the Board of Directors;*** - ***employees and former employees referred to in Article L. 225-102 of the French Commercial Code are eligible to vote;*** - ***the appointed candidate and, if applicable, his/her substitute, will be the one having obtained the highest number of votes representing the shares held by the above-mentioned employees and former employees voters (on the basis of one vote per share held directly or indirectly through the FCPE or several FCPEs invested in shares of the Company);***

Previous wording	New wording
	- ***the candidate and, if applicable, his/her substitute, validly designated is presented in the Ordinary Shareholders' Meeting's notice convened to appoint the director representing employee shareholders;*** - ***if only one candidate, together with his/her substitute, if applicable, presents himself/herself for the appointment of the director representing employee shareholders, he/she shall be presented in the aforementioned notice without needing to be elected by the employees and former employees referred to in Article L. 225-102 of the French Commercial Code;*** - ***if no candidate is nominated for the appointment of the director representing employee shareholders, the Supervisory Board of the FCPE invested in shares of the Company, specially convened for this purpose, shall designate a candidate among its members, and his/her substitute if applicable. This substitute may not be a member of the Supervisory Board of the FCPE but must be a unit holder. If there are several FCPEs invested in shares of the Company, the Supervisory Boards of these FCPEs shall meet to jointly designate the candidate, and his/her substitute as the case may be. This candidate, and his/her substitute if applicable, shall be presented in the aforementioned notice without needing to be elected by the employees and former employees referred to in Article L. 225-102 of the French Commercial Code.*** ***The Ordinary Shareholders' Meeting shall appoint the candidate (and, if applicable, his/her substitute) who has obtained during such Ordinary Shareholders' Meeting, the majority of votes held by the shareholders present or represented.*** ***In case of vacancies, for any reason whatsoever, in the position of director representing employee shareholders, the appointment of a substitute shall be made under the conditions provided for above, at the latest before the meeting of the next Ordinary Shareholders' Meeting or, if the latter is held less than 4 months after the vacancy occurs, before the next Ordinary Shareholders' Meeting.*** ***Until the date of appointment or replacement of the director representing employee shareholders, the Board of Directors may meet and deliberate validly.*** ***The provisions relating to the director representing employee shareholders will cease to apply when, at the end of a fiscal year, the percentage of the Company's share capital held by the employees of the Company and companies and groupings related to it within the meaning of the aforementioned Article L. 225-180, within the framework provided by the provisions of the aforementioned Article L. 225- 102, will represent less than 3% of the share capital, in which case the term of office of the director representing employee shareholders may expire in advance, upon decision of the Board of Directors, at the close of the Board of Directors meeting following the Ordinary Shareholders' Meeting at which the report of the Board of Directors ascertaining that the***

Previous wording	New wording
	Company no longer falls within the scope of the Law would be presented.
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. 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. 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. 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~~ 14.6*** *do not apply to the directors representing employees* ***or to the director representing employee shareholders. Nevertheless, the director representing employee shareholders shall hold, either individually or through a FCPE invested in shares of the Company, at least one share or a number of units of said FCPE equivalent to at least one share of the Company in accordance with Article L. 225-102 of the French Commercial Code.***
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 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."	*8. 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."*

III. Information relating to ongoing business since the beginning of the 2023 financial year

Information relating to the financial year ended December 31, 2022 are included in the Company's 2022 Universal Registration Document and on the Company's website (www.valeo.com) and on the *Autorité des marchés financiers*' website (www.amf-france.org).

The following significant events have been announced or happened since the beginning of the 2023 financial year:

- On January 1, 2023, the changes in Valeo's governance announced on December 8, 2022 became effective: Gilles Michel became Chairman of the Board of Directors, Stéphanie Frachet became a director and Alexandre Ossola became the permanent representative of Bpifrance Participations.
- On January 3, 2023, Valeo announced that it will participate, between January 3 and 8, in the 2023 CES (Consumer Electronics Show) in Las Vegas.
- On January 4, 2023, NTT Data, Valeo and Embotech announced the formation of a consortium to provide automated parking solutions.
- On January 12, 2023, Valeo announced that it will participate, between January 12 and 15; in the 16th edition of the Auto Expo 2023 Components at Pragati Maidan in New Delhi, India.
- On February 14, 2023, BMW and Valeo announced that they had entered into a strategic cooperation to develop a new generation of Level 4 automated parking technologies.
- On March 7, 2023, Valeo celebrated its 100th anniversary.
- On March 20, 2023, Valeo announced that it will participate, between March 22 and 25, to the Taipei Cycle Show 2023.
- On March 23, 2023, Valeo received an Innovation award in the "Infrastructure and Vehicle Improvement" category from Sécurité routière – the French national road safety authority – for its Everguard^{TM} Silicone wiper blades.
- On March 27, 2023, Valeo announced that it has been awarded by General Motors as Supplier of the Year in the category of Advanced Driver Assistance Systems (ADAS) during a ceremony held on March 23, 2023.

Appendix 1

Compensation components allocated and paid to directors for the financial year 2022

	Compensation components allocated and paid for the 2022 financial year	Amount or accounting valuation submitted for a vote	Presentation
Julie Avrane[7]	Fixed	25,000	The rules applied to allocate and award compensation to directors are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year", of the 2022 Universal Registration Document.
	Variable	48,000	
Bruno Bézard	Fixed	25,000	
	Variable	48,000	
Bpifrance Participations[8]	Fixed	25,000	
	Variable	57,000	
Alexandre Dayon[9]	Fixed	10,733.70	
	Variable	9,000	
C. Maury Devine[10]	Fixed	14,266.30	
	Variable	27,000	
Mari-Noëlle Jégo-Laveissière	Fixed	25,000	
	Variable	48,000	
Gilles Michel[11]	Fixed	41,381.22	
	Variable	57,000	
Thierry Monlonguet	Fixed	40,000	
	Variable	57,000	
Eric Poton	Fixed	25,000	
	Variable	48,000	
Patrick Sayer	Fixed	37,000	
	Variable	51,000	
Ulrike Steinhorst[12]	Fixed	31,000	
	Variable	57,000	
Grzegorz Szelag	Fixed	25,000	
	Variable	48,000	
Véronique Weill	Fixed	25,000	
	Variable	60,000	

[7] *Julie Avrane is the permanent representative of Fonds Stratégique de Participations.*
[8] *Represented by Stéphanie Frachet until December 31, 2022.*
[9] *Appointment of Alexandre Dayon by the Board of Directors on July 26, 2022. The compensation awarded to Alexandre Dayon for his role as director for the 2022 financial year was paid to him at the beginning of the 2023 financial year.*
[10] *Resignation with effect from July 26, 2022.*
[11] *Gilles Michel's role as Lead Director ended on January 26, 2022.*
[12] *Appointment of Ulrike Steinhorst as CSR Officer by the GACSRC on October 27, 2020.*

Appendix 2

Table summarising compensation components paid during, or allocated in respect of, the 2022 financial year to Jacques Aschenbroich as Chairman and Chief Executive Officer for the period from January 1 to 26, 2022 and as Chairman of the Board of Directors for the period from January 26 to December 31, 2022

Compensation components paid or allocated for the 2022 financial year	Amount or accounting valuation submitted for a vote	Presentation
Annual (gross) fixed compensation	- set at 1,100,000 euros for the role of Chairman and Chief Executive Officer and paid to Jacques Aschenbroich *pro rata temporis* over the period from January 1 to 26, 2022 (*i.e.* an amount equal to 91,667 euros); - set at 800,000 euros for the role of Chairman of the Board of Directors and paid to Jacques Aschenbroich *pro rata temporis* over the period from January 26 to December 31, December 2022 (*i.e.* an amount equal to 733,333 euros), i.e. a total paid amount of 825,000 euros.	The terms for annual fixed compensation of the 2022 Jacques Aschenbroich Compensation Policy, as approved by anticipation at a rate of 98.87% at the General Shareholder's Meeting held on May 26, 2021 and then again approved at a rate of 93.87% at the General Shareholder's Meeting held on May 24, 2022, are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the Company's 2022 Universal Registration Document.
Annual (gross) variable compensation	N/A	Jacques Aschenbroich did not receive any annual variable compensation for the 2022 financial year. It is recalled that during the 2022 financial year, an annual variable compensation of 1,396,230 euros was paid to Jacques Aschenbroich as Chairman and Chief Executive Officer in respect of the 2021 financial year following approval at a rate of 92.01% at the General Shareholder's Meeting held on May 24, 2022 (*ex post* vote).
Variable multiannual compensation	N/A	Jacques Aschenbroich did not receive any variable multiannual compensation.
Compensation as director	N/A	Jacques Aschenbroich did not receive any compensation in his capacity as director.
Exceptional compensation	N/A	Jacques Aschenbroich did not receive any exceptional compensation.
Allotment of stock options	N/A	Jacques Aschenbroich did not receive any awards of stock options.
Allotment of performance shares	N/A	Jacques Aschenbroich did not receive any performance shares for the 2022 financial year.
Appointment benefit	N/A	Jacques Aschenbroich did not receive any appointment benefit.
Termination / non-compete clause	N/A	Jacques Aschenbroich did not receive any termination or non-compete benefit.
Supplementary pension	N/A	Jacques Aschenbroich did not receive any supplementary pension, nor any additional rights in the Company's supplementary pension scheme for the 2022 financial year.
Benefits in kind	- *Garantie Sociale des Chefs et Dirigeants d'entreprise* (unemployed insurance) - Collective and mandatory health, death, and disability plan, and life insurance covering death, disability or any consequence of any accident during business travels; - Company car with driver, amounting to 10,036 euros (including 913 euros as Chairman and Chief Executive Officer and 9,123 euros as Chairman of the Board of	The terms for the benefits in kind of the 2022 Jacques Aschenbroich Compensation Policy as approved by anticipation at a rate of 98.87% at the General Shareholders' Meeting held on May 26, 2021 and then again approved at a rate of 93.87% at the General Shareholder's Meeting held on May 24, 2022, are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the Company's 2022 Universal Registration Document.

Compensation components paid or allocated for the 2022 financial year	Amount or accounting valuation submitted for a vote	Presentation
	Directors).	

Appendix 3

Table summarising compensation components paid during, or allocated in respect of, the 2022 financial year to Christophe Périllat as Deputy Chief Executive Officer for the period from January 1 to 26, 2022 and then as Chief Executive Officer for the period from January 26 to December 31, 2022

Compensation components paid or allocated for the 2022 financial year	Amount or accounting valuation submitted for a vote	Presentation
Annual (gross) fixed compensation	- set at 725,000 euros for the role of Deputy Chief Executive Officer and paid to Christophe Périllat *pro rata temporis* over the period from January 1 to 26, 2022 (*i.e.* an amount equal to 48,723 euros); - set at 975,000 euros for the role of Chief Executive Officer and paid to Christophe Périllat *pro rata temporis* over the period from January 26 to December 31, December 2022 (*i.e.* an amount equal to 909,476 euros), *i.e.* a total paid amount of 958,199 euros.	The terms for annual fixed compensation of the 2022 Christophe Périllat Compensation Policy, as approved by anticipation at a rate of 98.87% at the General Shareholder's Meeting held on May 26, 2021 and then again approved at a rate of 92.25% at the General Shareholder's Meeting held on May 24, 2022, are described in Section 3.3.2 “Compensation of corporate officers in respect of the 2022 financial year” of the Company's 2022 Universal Registration Document.
Annual (gross) variable compensation	1,016,925 euros (amount allocated for the 2022 financial year)	The terms for annual variable compensation of the 2022 Christophe Périllat Compensation Policy, as approved by anticipation at a rate of 98.87% at the General Shareholder's Meeting held on May 26, 2021 and then again approved at a rate of 92.25% at the General Shareholder's Meeting held on May 24, 2022, are described in Section 3.3.2 “Compensation of corporate officers in respect of the 2022 financial year” of the Company's 2022 Universal Registration Document. At its meeting held on February 23, 2023, the Board of Directors, on the recommendation of the Compensation Committee, assessed that the achievement rate for the quantifiable criteria was 57.3% (out of a maximum percentage of 70%) and that the achievement level for the qualitative criteria was 47% (out of a maximum percentage of 50%) of the annual (gross) fixed compensation of the Chief Executive Officer in respect of the 2022 financial year. The Board of Directors therefore set the amount of variable compensation due to Christophe Périllat for 2022 at 104.3% (out of a maximum percentage of 120%) of the annual (gross) fixed compensation due to the Chief Executive Officer for the 2022 financial year, *i.e.* 87% of the maximum percentage authorised by the 2022 Chief Executive Officer Compensation Policy, which represents 1,016,925 euros. The variable compensation therefore amounts to 51.49% of the total amount of (fixed and annual) compensation due to Christophe Périllat in 2022. *Qualitative criteria:* in assessing the achievement of the qualitative criteria for 2022, the Board of Directors, acting on the recommendation of the Compensation Committee, carried out a detailed analysis on the degree of achievement for each of the following criterion: - Strategic vision criterion: 14% of the annual fixed compensation out of a maximum amount of 14%, *i.e.* an achievement rate of 100%. The elements considered include (subject to undisclosed information for confidentiality reasons): (i) announcement of the "Move Up" plan on February 25, 2022, implementation of the plan in 2022 in accordance with the methods and objectives presented and quality of the "Move Up" plan praised by the market; (ii) quality of financial communication recognised; (iii) no profit warning in 2022, contrary to most peers, and achievement of targets; (iv) from a stock market performance perspective, since the low point of March 8, 2022, achievement of the fourth best performance among peers (+19%); (v) successful strategic takeover of Valeo Siemens eAutomotive (VSeA), presented on 10 February 2022, with integration from July 2022, strengthening Valeo's leading position in the fast-growing electrification market;(vi) quality of technology roadmaps (assessed by order intake and share of innovation in order intake) with, in 2022, a strong alignment of the Group's product offering with market needs (record order intake of 32.6 billion euros; share of innovation in order intake above 62%, improving compared to 2021). - Risk management criterion: 12% of the annual fixed compensation out of a maximum amount of 12%, *i.e.* an achievement rate of 100%. The elements considered include: (i) further strengthening of the compliance policy in 2022, including (a) deployment and full implementation in 2022 of the action plan on corruption risks in all regions and entities of the Group, (b) deployment of annual training on antitrust risks (general risks and new forms of competition), implementation of a self-assessment tool for risks associated with participation in events and an update of the antitrust program and (c) deployment of training and tools on personal data protection mainly for human resources and research & development;(ii) reduction in the number of "red launches"in 2022 compared to 2021 (-11%);(iii) satisfactory plant performance, enabling Valeo to maintain its guidance;(iv) limitation of the net impact of inflation in line with announced targets (200 million euros announced,

Compensation components paid or allocated for the 2022 financial year	Amount or accounting valuation submitted for a vote	Presentation
		203 million euros achieved) without impact on order intake; (v) end of 2022, closing of the 8th consecutive quarter without creating any customer line stoppages. - Corporate social responsibility criterion: 9% of the annual fixed compensation out of a maximum of 12%, *i.e.* an achievement rate of 75%. The elements considered include (subject to undisclosed information for confidentiality reasons): (i) the improvement in employee safety with, for the 4th consecutive year, a reduction in the lost-time accident frequency rate (Global and France), with the application of a discount in view of the category 1 accidents within the Group;(ii) result of the Gender Equity Index of 87.9, above the objective of 87, and significant increase in the results of some countries that were below 75 in 2021. - CAP 50 criterion (reduction in the level of CO_2 emissions): 12% of the annual fixed compensation out of a maximum amount of 12%, *i.e.* a 100% achievement rate. The target set at 47.35 Mt CO_2 (excluding VSeA) by December 31, 2022, in line with the CAP 50 plan, is achieved. *Quantifiable criteria:* The quantifiable criteria of Christophe Périllat's annual variable compensation have been set by the Board of Directors, acting on the recommendation of the Compensation Committee, based on the Valeo budget for 2022 and the guidance published in February 2022. In assessing the degree of achievement of the quantifiable criteria, the Board of Directors, on the recommendation of the Compensation Committee, has based its decision on the following results: - EBITDA: 8.1% of the annual fixed compensation out of a maximum amount of 18%, *i.e.* an achievement rate of 44.7%. For 2022, the EBITDA margin is 12% of turnover; - free cash flow: 15.2% of the annual fixed compensation out of a maximum amount of 18%, *i.e.* an achievement rate of of 84.3%. For 2022, free cash flow generation amounts to 388 million euros; - net income: 16% of the annual fixed compensation out of a maximum amount of 16%, *i.e.* an achievement rate of 100%. For 2022, the net result is 230 million euros[13]; - order intake: 18% of the annual fixed compensation out of a maximum amount of 18%, *i.e.* an achievement rate of 100%. For 2022, the order intake amounts to 32.6 billion euros. It should be noted that during the 2022 financial year, an annual variable compensation of 390,331 euros was paid to Christophe Périllat in his capacity as Deputy Chief Executive Officer for the 2021 financial year[14], following 92.58% approval by the General Shareholder's Meeting on May 24, 2022 (*ex-post* vote).
Variable multiannual compensation	N/A	Christophe Périllat did not receive any variable multiannual compensation.
Compensation as director	N/A	Christophe Périllat did not receive any compensation in his capacity as director.
Exceptional compensation	N/A	Christophe Périllat did not receive any exceptional compensation.
Allotment of stock options	N/A	Christophe Périllat did not receive any awards of stock options.
Allotment of performance shares	Number: 100,154 shares Accounting valuation (IFRS valuation): 1,448,227 euros	The terms for the allotment of performance shares of the 2022 Christophe Périllat Compensation Policy, as approved by ancitipation at a rate of 98.87% by the General Shareholder's Meeting held on May 26, 2021 and then again approved at a rate of 92.25% by the General Shareholder's Meeting held on May 24, 2022, are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the Company's 2022 Universal Registration Document. In accordance with the 2022 Chief Executive Officer Compensation Policy, the Board of Directors, on the recommendation of the Compensation Committee, decided at its meeting of March 23, 2022 to allot 100,154 performance shares to Christophe Périllat for 2022, pursuant to the twenty-fifth resolution of the abovementioned General Shareholders' Meeting held on May 26, 2021. Due to the extreme volatility of the financial markets and the sharp drop in the stock price of automotive sector companies in Europe, including Valeo, since the beginning of the Russo-Ukrainian conflict, the amount of the allotment granted to the Chief Executive Officer (IFRS valuation) was calculated with a discount of 26% as compared to the maximum permitted under the 2022 Chief Executive Officer Compensation Policy (200% of the annual (gross) fixed compensation). This discount corresponds to the ratio between the average share price for the last 20 trading days generally used by Valeo and the average share

[13] As part of the assessment of the achievement of the objective of this criterion, net income has been restated, in application of the 2022 Chief Executive Officer Compensation Policy, the value of the impairments of Valeo's assets in Russia recorded in 2022, with this restatement having an impact of 25% on the degree of achievement of this criterion.

[14] *Pro rata* to the duration of his term of office as Deputy Chief Executive Officer, *i.e.* from May 26, 2021, to December 31, 2021.

Compensation components paid or allocated for the 2022 financial year	Amount or accounting valuation submitted for a vote	Presentation
		price over the last 60 trading days prior to the allotment of performance shares. Based on the share price on the date of the Board of Directors' meeting (average of the last 20 trading days at IFRS valuation), this corresponds to 100,154 shares, valued under IFRS at 14.46 euros per share, *i.e.* 74% as compared to the maximum permitted under the 2022 Chief Executive Officer Compensation Policy. The allotment of performance shares to Christophe Périllat represents 0.04% of the Company's share capital as at December 31, 2022. The methods for allotting performance shares (including conditions and performance criteria) are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the Company's 2022 Universal Registration Document. It is reminded that final awards are subject to the achievement of objectives for each of the internal performance criteria decided at the beginning of the year on the basis of the Group's guidance, it being specified that the performance criteria are assessed in a binary manner (achieved/not achieved)[15].
Appointment benefit	N/A	Christophe Périllat did not receive any appointment benefit.
Non-compete clause	N/A	The 2022 Chief Executive Officer Compensation Policy provided for: 12 months, remunerated in the event of implementation by 12 months' compensation calculated by taking the average of the compensation (fixed and variable) received for the last 36 months preceding the month in which the forced departure occurs. In accordance with the AFEP-MEDEF recommendations, the Company has the possibility to waive the clause. Christophe Périllat did not receive any non-compete benefits during the 2022 financial year.
Termination benefit	N/A	The 2022 Chief Executive Officer Compensation Policy provided for: Compensation in the event of early termination of his duties following a change in strategy or control of the Company (except for willful misconduct) corresponding to the multiple of the total compensation (fixed and variable) received during the 2 financial years preceding the end of his term of office: the multiple corresponding to the average (in%) of the achievement rates of the annual variable compensation criteria recorded during the 3 financial years preceding the departure. The amount paid in respect of this benefit would be reduced, as the case maybe, so that any other compensation may not have an effect of awarding the Chief Executive Officer with a total compensation higher than the aforementioned maximum amount of two years' compensation, in compensation, in accordance with the AFEP-MEDEF Code. Christophe Périllat did not receive any termination benefit.
Supplementary pension	312,178 euros[16]	The termination of Christophe Périllat's employment contract entailed the loss of the benefit of any defined benefit supplementary pension plans attached to his former status as an employee under the defined benefit pension plans to which he would have been entitled if he had remained a Valeo employee until his retirement, except for his rights acquired under the new plan from January 1, 2020 up until the end of his employment contract was terminated (*i.e.* as from January 26, 2022, the date of his appointment as Chief Executive Officer). As of December 31, 2022, the total amount of these pension plans for Christophe Périllat as an employee of the Group is 759,054 euros, *i.e.* an annual amount of 31,256 euros. As from January 2022, the Chief Executive Officer benefits from a defined contribution pension plan with optional membership, replacing the vesting of rights under the defined benefit pension plans. The terms of the supplementary pension scheme applicable to the Chief Executive Officer are described in section 3.3.2 " Compensation of corporate officers in respect of the 2022 financial year" of the Company's 2022 Universal Registration Document. The gross annual amount of the payments by the Company to the insurer amounts to 10% of the fixed and variable annual compensation received in each year of acquisition, subject to the fulfilment of the performance condition considered as met if the variable part of the beneficiary's compensation paid in N+1 in respect of the financial year N, were to reach 70% of the fixed compensation due in respect of the financial year N. In the event that the variable part does not reach 70% of the fixed compensation, the gross annual amount paid will be calculated *pro rata* down to zero.

15 Details of the achievement rate of the performance criteria for the 2019 and 2020 plans, for which the vesting period has been completed, are described in AMF table n°10 in section 3.3.2 "Compensation of corporate officers in respect of the 2022 financial year" of the Company's 2022 Universal Registration Document.

16 An identical amount will be paid in 2023 to Christophe Périllat to take into account the social costs and taxes due on the payments made to the insurer company and on this payment.

Compensation components paid or allocated for the 2022 financial year	Amount or accounting valuation submitted for a vote	Presentation
		At its meeting held on February 23, 2023, the Board of Directors, on the recommendation of the Compensation Committee, examined and set the rate of achievement of the performance condition for the 2022 financial year. Taking into account the amount of the annual variable compensation granted for the 2022 financial year and which will be paid in 2023, the Board of Directors noted that this condition had been fully met. For 2022, the amount to be paid in 2023 to the insurance company into an individual account in the name of Christophe Périllat in his capacity as Chief Executive Officer, representing 20% (10% for 2022, plus 10% to take into account the loss of defined-benefit pension plans and the accrued rights at the end of 2019) of the fixed and variable annual compensation received from January 26 to December 31, 2022, amounts to a total amount of 312,178 euros. An identical amount will be paid in 2023 to Christophe Périllat to take into account the social security contributions and income tax payable due on the payments made to the insurance company and on this payment. It should be noted that the compensation components of the 2022 Chief Executive Officer Compensation Policy were set by the Board of Directors in advance at its meeting held on March 24 2021, on the recommendation of the Compensation Committee, approved at a rate of 95.14% at the General Shareholder's Meeting held on May 26, 2021 under its fourteenth resolution and then approved at a rate of 92.25% at the General Shareholder's Meeting held on May 24, 2022 under its thirteenth resolution.
Benefits in kind	- *Garantie Sociale des Chefs et Dirigeants d'entreprise* (unemployment insurance); - Collective and mandatory health, death, and disability plan, and life insurance covering death, disability or any consequence of of any accident during business travels; - Company car with driver, amounting to 26,288 euros (including 1,767 euros as Deputy Chief Executive Officer and 24,521 euros as Chief Executive Officer)	The terms for the benefits of the 2022 Christophe Périllat Compensation Policy as approved by anticipation at a rate of 98.87% at the General Shareholders' Meeting held on May 26, 2021 and then approved at a rate of 92.25% at the General Shareholders' Meeting held on May 24, 2022 are described in section 3.3.2 " Compensation of corporate officers in respect of the 2022 financial year" of the Company's 2022 Universal Registration Document.

Appendix 4

Compensation policy for directors in respect of the 2023 financial year

Non-executive corporate officers receive compensation (previously known as attendance fees) for their presence at Board of Directors' and Committees 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 authority 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 Committees 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 2022, for which an explanation is provided in the table concerning the application of the AFEP-MEDEF Code in section 3.2.4 "Corporate Governance Code" of the 2022 Universal Registration Document).

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 heavier weighting of the variable portion of directors' compensation, which is based on attendance at meetings, therefore contributes to the objectives of the compensation policy.

Following the General 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 General Shareholders' Meeting, compared to 700,000 euros for 2014 and 2015 as approved at the General Shareholders' Meeting of May 21, 2014. During the previous financial years (2018, 2019, 2021 and 2022), the Compensation Committee carried out comparative studies on the basis used for allocating directors' compensation in CAC 40, Next 80 and SBF 120 companies. These studies confirmed that the amounts budgeted for the compensation of Valeo's directors was appropriate (although slightly below the average of the study sample), and the Board of Directors, on the recommendation of the Compensation Committee, decided not to ask the shareholders to increase this amount.

The basis for allocating directors' compensation is as follows[17]:

- each director receives:
  - fixed portion: 25,000 euros/year;
  - variable portion: 3,000 euros/meeting attended;
- each director who is a member (but not Chair) of a Board Committee also receives:
  - fixed portion: 0 euro/year;
  - variable portion: 3,000 euros/meeting attended;
- the director who is also Chair of the Audit & Risks Committee also receives:
  - fixed portion: 15,000 euros/year;
  - variable portion: 3,000 euros/meeting attended;
- each director who is also Chair of a Board Committee (other than the Audit & Risks Committee) also receives:
  - fixed portion: 12,000 euros/year;
  - variable portion: 3,000 euros/meeting attended.

[17] As an exception to these rules, since the Appointments, Compensation & Governance Committee was split into two separate committees at the Board of Directors held on January 26, 2017 (the Governance, Appointments & Corporate Social Responsibility Committee and the Compensation Committee), directors who sit on both Committees do not receive double compensation unless decided otherwise by the Board of Directors, on the recommendation of the Compensation Committee. Given the current composition of these Committees, this rule has been maintained since then (see section 3.2.2 "Preparation and organization of the work of the Board of Directors" of the 2022 Universal Registration Document of the Company).

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

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

Compensation is paid every six months, according to the following rules:

- payment of the fixed portion (where applicable, *pro rata* 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 relevant period.

For any directors joining or leaving the Board during 2023, the fixed compensation will be calculated *prorata* to the length of time the director holds office during the period; the variable portion is based on the number of Board and Committees meetings attended during the period.

The Board of Directors may also, on the recommendation of the Compensation Committee, allocate exceptional compensation to directors for assignments or mandates entrusted to the directors.

Board members (including the Chairman of the Board of Directors) may be reimbursed, for reasonable travel and accommodation expenses, as well as any other expenses incurred in the interest of the Company, and in particular in connection with their participation in Board meetings, upon presentation of receipts.

On February 12, 2009, 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 the Chief Executive Officer do not receive any compensation for any offices held in the Group (including in their capacity as directors of the Company).

When a Lead Director is appointed, the compensation for this role shall be equal to the fixed portion and variable portion that they receive in their capacity as a director for a given year, in accordance with the Board of Directors' decision of October 21, 2015.

In addition, in view of the importance of CSR matters for Valeo, and therefore the key role played by the Board member in charge of CSR issues, on October 28, 2021, on the recommendation of the Compensation Committee, the Board of Directors decided to amend the allocation rules for directors' compensation as from the 2022 financial year by providing for annual fixed compensation of 6,000 euros per year to be allocated to the director in charge of CSR issues.

Apart from the executive corporate officers and the Chairman of the Board, no Board member was paid any other compensation or benefits during the year other than directors' compensation.

Apart from the executive corporate officer, the members of the Board of Directors (i) do not receive any free shares or performance shares during the financial year and (ii) do not hold any free shares or performance shares.

It is however specified that the directors representing employees have an employment contract and as such receive a salary and benefit from free share allocations, in the same way as the other employees of the Group.

Appendix 5

Compensation policy for the Chairman of the Board of Directors in respect of the 2023 financial year

In the context of the succession of Jacques Aschenbroich in his capacity as Chairman of the Board and the appointment of Gilles Michel to this role, with effect from January 1st, 2023 (see section 3.2.1 “Composition of the Board of Directors”, “Succession plan” of the 2022 Universal Registration Document), at its meeting of December 8, 2022, the Board of Directors decided, on the recommendation of the Compensation Committee, to set the compensation policy of the Chairman of the Board of Directors for the 2023 financial year.

Fixed compensation

The Chairman of the Board of Directors' annual (gross) fixed compensation is set at 360,000 euros.

Such amount has been set by taking into account the situation of the concerned person including his experience, as well as benchmark studies of a specialized external advisor on the compensation of non-executive chairmen in CAC Next 20 and SBF 120 companies (excluding luxury industry and banks).

Benefits in kind

The Chairman of the Board of Directors is entitled to coverage for medical expenses, applicable death and disability plan and will be provided with a company car and a driver.

No other components of compensation

The Chairman of the Board of Directors will not receive (i) annual or multi-annual variable compensation or long-term compensation and (ii) compensation or benefits on appointment, exceptional compensation, termination benefits or non-compete compensation.

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

He is not entitled to a supplementary pension plan.

For the avoidance of doubt, it is specified that the Chairman of the Board of Directors does not have an employment contract.

Change in governance

In accordance with the applicable regulations, in the event of the appointment of a new Chairman of the Board of Directors during the financial year, the compensation structure of this new corporate officer would be in accordance with this compensation policy, which would be applied pro rata temporis, and the Board of Directors, on the recommendation of the Compensation Committee, would adapt the various elements of compensation taking into account the situation of the person concerned, in particular his/her experience, competence, and the variety of missions entrusted to him or her, as well as market practices for similar roles.

Appendix 6

Compensation policy of the Chief Executive Officer in respect of the 2023 financial year

It is reminded that in accordance with the succession plan unanimously approved by the Board of Directors on October 27, 2020 and made public the same day, Christophe Périllat succeeded Jacques Aschenbroich as Chief Executive Officer of Valeo on January 26, 2022.

At its meeting held on March 24, 2021, the Board of Directors, on the recommendation of the Compensation Committee, decided to set the compensation policy for the Chief Executive Officer for the year ending December 31, 2022, in anticipation of the separation of the roles of Chairman and Chief Executive Officer. This compensation policy was submitted by anticipation to the vote of the General Shareholders' Meeting of May 26, 2021 and approved at a rate of 95.14%. It was supplemented by the Board of Directors on February 24, 2022, on the recommendation of the Compensation Committee, with the criteria included in the variable compensation for the financial year 2022, and again approved at a rate of 92.25% by the General Shareholders' Meeting of May 24, 2022; it being specified that the elements of compensation which were presented by anticipation to the General Shareholders' Meeting of May 26, 2021 (the amount of the annual fixed compensation, the maximum amount of the annual variable portion set at 120% of the annual fixed compensation, the elements of long-term compensation including its maximum amount of 200% of the annual fixed compensation, pension, non-compete and termination benefits as well as benefits in kind) remained unchanged (the "**2022 Chief Executive Officer Compensation Policy**")

At its meeting held on February 23, 2023, the Board of Directors decided, on the recommendation of the Compensation Committee, to set the compensation policy of the Chief Executive Officer for the 2023 financial year (the "**2023 Chief Executive Officer Compensation Policy**"), which remains unchanged from the 2022 Chief Executive Officer Compensation Policy, subject to the adjustments described below.

Fixed compensation

The Chief Executive Officer's annual (gross) fixed compensation is set at 975,000 euros.

This compensation remains unchanged from the 2022 Chief Executive Officer Compensation Policy.

Variable compensation

The variable portion of the compensation must be in line with the Chief Executive Officer's performance, as well as the Company's strategy and progress. It was therefore determined partly according to strict and ambitious quantifiable criteria based on the Group's financial, non-financial and operational performance, and partly on a qualitative basis. The quantifiable and qualitative objectives to be reached are set according to specific predetermined objectives. These criteria are determined each year by the Board of Directors, on recommendations of the Compensation Committee.

During its review of the 2023 Chief Executive Officer Compensation Policy, the Board of Directors, at its meeting on February 23, 2023, on the recommendation of the Compensation Committee, decided for the annual variable compensation to keep unchanged the 2022 Chief Executive Officer Compensation Policy, subject to the fact that the Board of Directors, on the recommendation of the Compensation Committee, decided for the quantifiable criteria, to replace the EBITDA by the EBIT, consistent with the "Move Up" strategic plan (more closely monitored by the financial community).

Regarding the qualitative criteria for the Chief Executive Officer's annual variable compensation in respect of the 2023 financial year, they remain identical to those mentioned in the 2022 Chief Executive Officer Compensation Policy, with an adjustment to the qualitative sub-criteria (see table below) in order to better reflect the Group's current operational and non-financial performance objectives.

The quantifiable and qualitative criteria of the annual variable compensation provided for in the 2023 Chief Executive Officer Compensation Policy are therefore as follows:

- **four quantifiable criteria**: (i) EBIT, (ii) free cash flow, (iii) net income and (iv) Group order intake.

The targets for these criteria are set on the basis of Valeo's budget and the guidance published for the relevant financial year. The achievement of these criteria is assessed by the Board of Directors, on the recommendation of the Compensation Committee, on the basis of the published consolidated financial statements for the relevant financial year.

- **four qualitative criteria**: (i) strategic vision, (ii) risk management, (iii) corporate social responsibility and (iv) reduction in CO_2 emissions ("CAP 50" Carbon Neutrality Plan).

  The achievement of the qualitative criteria is assessed by the Board of Directors, on the recommendation of the Compensation Committee. In this respect, the Compensation Committee relies onthe elements of assessment transmitted by the management, it being specified, however, that for the reduction of CO_2 emissions, the objective set is in line with those set in the CAP 50 plan roadmap.

In accordance with the recommendations of the AFEP-MEDEF Code, the total amount of the variable portion is expressed as a percentage of the annual fixed compensation, each criterion granting entitlement to a percentage of the annual fixed compensation.

The maximum amount of the Chief Executive Officer's variable compensation portion is 120% of his annual (gross) fixed compensation, which corresponds to the same maximum level as when he was Chief Operating Officer (*Directeur des Opérations*), Associate Chief Executive Officer (*Directeur Général Adjoint*) and Deputy Chief Executive Officer (*Directeur Général Délégué*).

The maximum amount of annual variable compensation (120% of annual (gross) fixed compensation) is contingent on the achievement of ambitious, measurable objectives and set by the Board of Directors, on the recommendation of the Compensation Committee.

For each quantifiable criterion, the variable portion ranges from 0% to 100% of the maximum amount of annual fixed compensation obtainable under the relevant criterion.

The following table summarizes, in a synthetic way, the quantifiable and qualitative criteria, the percentage of the annual (gross) fixed compensation related to each of the criteria as well as the maximum amount of the variable portion for 2023:

Quantifiable criteria [1]

Nature of quantifiable criterion	Maximum variable portion as a% of the Chief Executive Officer's annual fixed
EBIT	18%
Free cash-flow	18%
Net income	16%
Group order intake	18%
TOTAL QUANTIFIABLE CRITERIA	**70%**

Qualitative criteria

Nature of qualitative criterion	Maximum variable portion as a% of the Chief Executive Officer's annual fixed
Strategic vision *This criterion is assessed in particular against the following elements:* • *validation by the Board of Directors of the strategy presented by the CEO and quality of communication of this strategy inside and outside the company,* • *quality of financial communication,* • *quality of the Group's technological roadmap.*	14%
Risk management *This criterion is assessed in particular against the following elements:* • *compliance: (i) deployment of the new code of business ethics drafted in 2022 in all regions where the Group operates, (ii) implementation of a new organization of the compliance department with redefinition of the roles and responsibilities of compliance champions and (iii) adjustment and deployment of a whistleblowing system in line with the new regulation, involving the implementation of a system for each of the Group's legal entities.* • *management of operational risks,* • *management of inflation-related impacts (customer compensation in line with the budget),* • *quality of management of material and component shortages, in particular electronic components (number of vehicles affected maintaining Valeo among the most efficient equipment manufacturers in this field).*	12%
Corporate social responsibility *CSR assessed in particular against the following elements:* • *safety performance, with the objective of maintaining a frequency rate in line with the automotive benchmark (FR1<1.1)* [2]*,* • *progression of the Gender Equity Index (reaching level 88 of the index) and improvement of the rate of women externally recruited by at least 10% compared to 2022 (M&Ps population).*	12%
CAP 50 *Reduction trajectory of CO_2 emissions in line with the CAP 50 plan: the objective is to limit CO_2 emissions below 46.6 Mt in 2023.*	12%
TOTAL QUALITATIVE CRITERIA	**50%**
TOTAL QUANTIFIABLE AND QUALITATIVE CRITERIA	**120%**

(1) *Excluding regulatory and tax impacts.*

(2) *In the event of a deadly accident involving a Valeo employee or temporary worker (excluding commuting accidents or those of a non-work-related cause), the result will be revised downwards for the part of the safety-related objective.*

Long-term compensation policy – Allotment of performance shares

The aim of allotting performance shares is not only to encourage the Chief Executive Officer to take a long-term approach to his duties, but also encourage his retention 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 performance criteria considered as particularly representative of the Company's performance. Indeed, the proposed criteria are aimed at reflecting the Group's strategy, financial, non-financial and operational performance objectives, value creation for Valeo's shareholders measured using the external performance criterion, the Total Shareholder Return (TSR), and performance measurement.

In the context of the review of the 2023 Chief Executive Officer Compensation Policy, the Board of Directors at its meeting held on February 23, 2023, on the recommendation of the Compensation Committee, noted, on the basis of a report drawn up by an independent external service provider specializing in compensation issues that the current structure of the performance conditions applied by the Company is in line with market practices and trends. The Board of Directors, on the recommendation of the Compensation Committee, has therefore decided to maintain the structure of the performance plans, subject to adjustments to better reflect the objectives of the "Move Up" strategic plan and to reinforce the incentive and retention objective of the long-term compensation. Thus, the Board of Directors, on the recommendation of the Compensation Committee, decided (i) in line with the adjustment of the quantifiable criterion of the 2023 Chief Executive Officer's annual variable compensation, to replace the EBITDA level with the EBIT rate, consistent with the "Move Up" strategic plan (more closely monitored by the financial community), (ii) to modify the weighting of the level of achievement of the internal performance criteria in order to reinforce the attractiveness of the scheme for the beneficiaries, while maintaining its demanding nature and (iii) to modify the composition of the Automotive Europe Panel, composed of both European car manufacturers and automotive equipment suppliers, in order to retain a panel exclusively composed of European automotive equipment suppliers (including those already included in the Automotive Europe Panel), considered more relevant with regard to the positioning and financial situation of the equipment suppliers as compared to car manufacturers[18].

The performance shares depend on performance, measured against the following criteria:

i. two internal performance criteria, namely the EBIT rate as well as the return on capital employed rate (ROCE). The internal performance criteria represent no more than 60% of the allocated shares (30% for each criterion);

   The targets for these criteria are set on the basis of the guidance published for the year in question (see table below). The achievement of these objectives is assessed by the Board of Directors, on the recommendation of the Compensation Committee, on the basis of the published consolidated financial statements for the financial year in question.

ii. an external performance criterion, Valeo's TSR, which will be measured against the CAC 40 index (10%) and against the Europe Automotive Equipment Suppliers Panel[1] (10%). Thus, the external performance criterion represents no more than 20% of the allocated shares;

   The achievement of the objectives of this criterion is assessed by the Board of Directors, on the recommendation of the Compensation Committee, on the basis of the assessment elements provided by the management.

iii. two corporate social responsibility (CSR)-related criteria: an environmental criterion relating to the level of CO_2 emissions and a gender diversity criterion based on the number of women in the Group's management committees (relating to the 300 most important Group management positions). The CSR criteria represent no more than 20% of the allocated shares (10% for each criterion).

   The objectives of these criteria are set on the basis of the Group's roadmaps for carbon neutrality (CAP 50 plan) and gender diversity in the various management committees within

[18] The Europe Automotive Equipment Suppliers Panel, as amended, includes the following companies: Autoliv, Continental, Faurecia (Forvia), Gestamp Automotive, Leoni, Michelin, Plastic Omnium, Schaeffler Automotive and Vitesco. This new panel will apply to shares granted from 2023 onwards. The panel used by the Board of Directors is not intended to change, except if changes in the structure or activity of one of the companies included in the panel make it less relevant, in which case it will be replaced by another company in order to maintain the best possible level of comparability between Valeo and its peers.

the Group (see table below). The achievement of these objectives is assessed by the Board of Directors, on the recommendation of the Compensation Committee, on the basis of the elements of assessment provided by the management.

The maximum amount of performance shares allotted to the Chief Executive Officer, valued under IFRS, must not exceed 200% of the Chief Executive Officer's annual (gross) fixed compensation (*i.e.*, 91% of the sum of the Chief Executive Officer's maximum annual fixed and variable compensation), which corresponds to the same amount as the amount applicable when he was Chief Operating Officer (*Directeur des Opérations*), Associate Chief Executive Officer (*Directeur Général Adjoint*) and Deputy Chief Executive Officer (*Directeur Général Délégué*). This cap of 200% of annual (gross) fixed compensation corresponds to a maximum amount, and the Board of Directors reserves the right to award a lower percentage depending on Valeo's performance.

The below table summarizes in a synthetic way the criteria and methods used to assess the performance shares as part of the 2023 Chief Executive Officer Compensation Policy:

Criterion	Weight/Assessment
Internal performance criterion: ROCE rate (1) (30%) **Internal performance criterion: EBIT rate (1) (30%)**	Achievement of a performance assessed for each criterion (ROCE rate and EBIT rate) for each of the three financial years (Y, Y+1 and Y+2) of the vesting period. The relevant criterion will be satisfied if, for each financial year covered under the allotment, the rate effectively achieved for such 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 subsequently by the Board of Directors and (iii) the target rates cannot be changed subsequently by the Board of Directors, except by a duly justified decision in the context of exceptional circumstances beyond the beneficiaries' control. • If, for each financial year covered by the plan, 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 plan, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for each of those two financial years: 60%. • If, for only one of the financial years covered by the plan, the rate of achievement of the corresponding criterion is greater than or equal to the target rate for that financial year: 30%. • If the target rate for the corresponding criterion is not satisfied for any of the financial years covered by the plan: 0%.
External performance criterion: TSR (20%) **Versus CAC 40 (10%)** **Versus panel (10%)**	TSR recorded over a 3-year period from January 1 of the year of allotment to December 31 of the year prior to delivery. • If Valeo's TSR recorded over the reference period is greater than the CAC 40 index's TSR recorded over the reference period: 100% (0% if lower or equal). • If Valeo's TSR recorded over the reference period is greater than the median of the TSRs of the companies in the Europe Automotive Equipment Suppliers Panel over the reference period: 100% (0% if lower or equal).
Corporate social responsibility: (20%) **CO_2 emissions (2) (10%)** **Number of women within the Group's Management committees (relating to the 300 most important Group management positions) (3) (10%)**	CSR criterion recorded over a 3-year period from January 1 of the year of allotment to December 31 of the year prior to delivery and published at the time of the free share grant: • If the level of CO_2 emissions recorded over the reference period is lower than or equal to the target rate set over the reference period: 100% (0% if higher). • If the number of women in the various management committees within the Group (covering the 300 most important management positions in the Group) recorded over the reference period is greater than or equal to the target rate set for the reference period: 100% (0% if lower).

(1) For 2023, the guidance is 12.1% for the ROCE rate and as of 3.2% for the EBIT rate.

(2) For the 2023 plan, the achievement of this target will be assessed on December 31, 2025, taking as a basis for the calculation a carbon neutrality objective by 2050 and a plan to, by December 31, 2030, reduce emissions related to its operating activities by 75% (Scopes 1 and 2) and to reduce emissions related to its supply chain and to the end use of its products by 15% (Scope 3) compared to January 1, 2020, as presented in Chapter 4, section 4.1.3 "Valeo's Carbon Neutrality Plan by 2050" of the Universal Registration Document of Valeo. This 2030 objective implies an annual reduction of -0.75 Mt CO_2 from 49.6 Mt CO_2 at January 1, 2020, to 41.4 Mt CO_2 at December 31, 2030. Accordingly, based on linear annual progression until 2030, the degree of achievement of this target is set at a maximum emission of 45.1 Mt CO_2 by December 31, 2025.

(3) For the 2023 plan, the achievement of this target will be assessed on December 31, 2025, taking as a basis for the calculation of the objective, the doubling of the number of women on the various Group's management committees (relating to the 300 most important Group management positions) from 16% of women on January 1, 2020, to 32% of women as at December 31, 2030. Accordingly, based on linear annual progression, the rate of achievement of this target is set at a minimum of 24% of women in the Group's management committees (relating to the 300 most important Group management positions) by December 31, 2025, on a like for like basis.

In addition, a presence condition must be met at the time of the allotment. Thus, the performance shares allotted to the Chief Executive Officer will vest only if his term of office 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 willful misconduct or (ii) dismissal for reasons attributable to the Chief Executive Officer's performance, before the expiry of the vesting period.

Except for these two cases, the Board of Directors will determine whether or not the Chief Executive Officer will retain his entitlement to the performance shares before the expiry of the vesting period based on an in-depth analysis of the reasons for and circumstances surrounding his departure, it being specified that, in these cases, the benefit of performance shares allotted to the Chief Executive Officer before the expiry of the vesting period will be maintained on a *pro rata temporis* basis of his presence as an executive corporate officer of Valeo. 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 any mandatory and supplementary pension plans, 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 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 will also be entitled to performance shares.

In accordance with the recommendations of the AFEP-MEDEF Code and the provisions of the Code of Conduct, the 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 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 will correspond to 50% of the vested performance shares.

Supplementary pension

Upon the appointment of Christophe Périllat as Chief Executive Officer on January 26, 2022, his employment contract was terminated. The termination of his employment contract entailed the loss of the benefit of any defined benefit supplementary pension plans to which he would have been entitled if he had remained a Valeo employee until his retirement, except for his rights acquired under the New Plan from January 1, 2020 up until his employment contract was terminated (*i.e.*, as of the date of his appointment as Chief Executive Officer on January 26, 2022).

In this context, the Board of Directors decided to provide the Chief Executive Officer with a defined contribution pension plan, to replace the accrual of rights under the defined benefit plans. This compensation component remains unchanged in the 2023 Chief Executive Officer Compensation Policy.

This plan is governed by Article 82 of the French General Tax Code and allows to build up a capital sum to which he is entitled at retirement. Thus, Valeo no longer guarantees a certain level of pension but pays an annual contribution.

Under this mechanism, the amount paid by the Company is split between a payment to the insurance company on an individual account in Christophe Périllat's name and a payment to Christophe Périllat to take into account the social costs and taxes due on the payments made to the insurance company.

The annual gross amount of the payments made by the Company to the insurance company totals 10% of the annual fixed and variable compensation received in each year of vesting, subject to the achievement of the performance condition described hereunder.

Given the loss of the defined benefit pension plan and the accrued rights at the end of 2019, a gross annual amount will also be paid to the insurance company amounting to:

- 10% for the 2022 and 2023 financial years;
- 12.5% for the 2024 and 2025 financial years;
- 15% for the 2026 and 2027 financial years;
- 20% for the 2028 to 2030 financial years (or following financial years).

These rates will apply to the annual fixed and variable compensation received in each year of vesting, subject to the achievement of a performance condition.

Thus, the gross annual amount paid to the insurance company is subject to a performance condition considered to be achieved if the variable portion of the beneficiary's compensation, paid in year Y+1 in respect of year Y, reaches 70% of his fixed compensation due in respect of year Y. In the event that the variable portion does not reach 70% of the fixed compensation, the gross annual amount paid will be calculated on a *pro rata* basis down to zero.

This new scheme was chosen between several alternatives and represents a lower total cost for the Company than the previous plans by approximately 36%, while retaining a retention effect similar to those previous pensions plans insofar as Christophe Périllat will have to remain with Valeo until the age of 65 to benefit from a supplementary pension of equivalent value to that which he had at the time his employment contract was terminated. For example, if he were to retire at 62 (age at which Christophe Périllat will be entitled to claim his legal, and therefore supplementary, pension entitlements) under this new scheme, he would receive a lower pension than under the old plan, with a discount of more than 40%.

Benefits in kind

The principles and criteria relating to benefits in kind remain unchanged in the 2023 Chief Executive Officer Compensation Policy.

The Chief Executive Officer is entitled to coverage under the unemployment insurance fund for company managers (*Garantie Sociale des Chefs et Dirigeants d'entreprise*), the collective and mandatory health, death and disability plan and life insurance covering death, disability or the consequences of any accidents that may occur during business travel. Valeo also provides him with a company car and a driver.

Non-compete clause and termination benefits of the Chief Executive Officer

The principles and criteria relating to non-compete clause and termination benefits remained unchanged in the 2023 Chief Executive Officer Compensation Policy.

Non-compete clause

In order to protect the Company's interests, a non-compete clause binding the Chief Executive Officer was put in place by the Board of Directors.

If the Company triggers the non-compete clause, the executive corporate officer would be prohibited from working in any way for an automotive supplier or, more generally, for any of Valeo's competitors. The clause would apply for 12 months after the end of his term of office as Chief Executive Officer of Valeo, regardless of the reason for termination.

In consideration, the executive corporate officer would receive non-compete compensation equal to 12 months of compensation (calculated by taking the average compensation (fixed and variable) paid as executive corporate officer and, as the case may be, as an employee for the 36 months preceding the month of departure). If the clause were to be implemented by the Company, the consideration would be paid in equal monthly installments over the entire period to which the non-compete clause would apply.

If the Company triggers the non-compete clause, the amount owed would be taken into account to determine his termination benefits, as described below. As a result, the maximum amounts likely to be paid to the Chief Executive Officer in the form of a non-compete compensation and/or termination benefits would be equal to twice the annual compensation (fixed and variable), in accordance with the recommendations of the AFEP-MEDEF Code.

In any event, in accordance with the recommendations of the AFEP-MEDEF Code, no non-compete compensation shall be paid beyond the age of 65 or if the Chief Executive Officer claims his retirement benefits. The Board of Directors will have to decide whether or not the non-compete agreement will be applied at the time the Chief Executive Officer leaves.

The Company reserves the right not to implement this agreement and to waive the non-compete clause, in which case no compensation would be owed.

Termination benefits

In the event of early termination of his duties following a change in control or strategy, the Chief Executive Officer shall be entitled, at the initiative of the Company and with the approval of the Board of Directors, except on the grounds of willful misconduct in the performance of his duties, to termination benefits paid by the Company a maximum amount of his total compensation as executive corporate officer and, as the case may be, as an employee, during the two years preceding the end of his term of office as Chief Executive Officer.

Those termination benefits are subject to performance criteria applicable to the annual variable compensation, in accordance with the following formula:

Total compensation paid as executive corporate officer and, as the case may be, as an employee during the two financial years preceding the end of his term of office as Chief Executive Officer

X

average (in%) of the results achieved for the annual variable compensation as executive corporate officer and, as the case may be, as an employee, applicable to the three financial years preceding the departure.

Furthermore, the amount effectively paid by the Company would be reduced, as the case may be, so that any other compensation would not have an effect of awarding him with a total compensation higher than the aforementioned amount of two years of compensation, in accordance with the AFEP-MEDEF Code.

No other components of compensation

The principles detailed below regarding the absence of other compensation components remain unchanged in the 2023 Chief Executive Officer Compensation Policy.

The Chief Executive Officer will not receive any multi-annual variable compensation, compensation or benefits on appointment, or exceptional compensation.

Christophe Périllat does not receive any compensation in his capacity as a 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.

In addition, no stock purchase or subscription options or other long-term compensation component other than performance shares will be allotted to him in the 2023 financial year.

In accordance with the recommendations of the AFEP-MEDEF Code, since the appointment of Christophe Périllat as Chief Executive Officer on January 26, 2022, his employment contract, which had been suspended since his appointment as Deputy Chief Executive Officer on May 26, 2021, has been terminated.

In accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code, the variable compensation of the Chief Executive Officer for any given financial year will only be paid once the fixed, variable and exceptional components comprising the total compensation and benefits paid or awarded to the Chief Executive Officer for that year have been approved by the shareholders at an Ordinary Shareholders' Meeting (*ex post* vote).

Lastly, after consulting the Compensation Committee and, if applicable, the other specialized Committees, the Board of Directors will have the discretionary power, in the event of exceptional circumstances and on a temporary basis, to adjust the internal quantifiable objectives relating to the annual variable and long-term compensation components of the 2023 Chief Executive Officer Compensation Policy. In particular, the events that could give rise to the use of this possibility are any event beyond Valeo's control that cannot be reasonably foreseen or quantified at the time of the determination of the compensation elements and that has an impact on the automotive industry during the 2023 financial year, such as the Covid-19 epidemic, the components crisis and the price increase of raw materials and energy, as well as geopolitical tensions (e.g. conflict between Russia and Ukraine) and their consequences.

Change in governance

In accordance with applicable regulations, in the event of the appointment of a new Chief Executive Officer during the financial year, the compensation components, principles and criteria set out in this compensation policy will also be applicable to him *pro rata temporis*. The Board of Directors, on the recommendation of the Compensation Committee, will then determine, by adapting to the situation of the new Chief Executive Officer, the objectives, performance levels, parameters, structure and maximum percentages in relation to his annual fixed compensation, which may not be higher than those of the current Chief Executive Officer.

Appendix 7

Summary table of 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 the delegation	Ceilings	Price	Conditions for the implementation of the authorisation
17	Share buyback program.	18 months.	Possible purposes for such share buyback program: ▪ The implementation of any stock option plan enabling the acquisition of Company's shares, in particular by any employee and/or corporate officer. ▪ The allocation of free shares, in particular to employees and/or corporate officers. ▪ The allocation or sale of shares to employees as part of their involvement in the performance and growth of the Company or the implementation of any company or group savings plans (or similar plan) under the conditions set out by law. ▪ Generally, compliance with obligations in respect of stock option plans or other allocations or sales 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. ▪ Retention and subsequent delivery of shares in the context of external growth transactions, mergers, spin-offs or contributions. ▪ The cancellation of all or part of the repurchased shares. ▪ Ensuring the market-making of the Company's share pursuant to a liquidity contract in accordance with market practice accepted by the French Financial Markets Authority (*Autorité des marchés financiers*). ▪ Carrying out any market practice that may become authorised by market authorities and generally the completion of any other transaction in accordance with laws and regulations that are or may become applicable.	▪ 10% of the share capital (at any time). ▪ 5% of the share capital for shares acquired to hold and remit at a later date, in payment or in exchange, in external growth transactions, mergers, spin-offs or contributions. ▪ Global amount allocated to the share buyback program: 1,704,513,580 euros (excluding acquisition costs).	Maximum purchase price: 70 euros per share (excluding acquisition costs).	May not be used during a public offer.
18	Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary, with maintenance of the preferential subscription right.	26 months.	▪ May be used by the Board of Directors in order to raise funds on the market, with speed and flexibility, by approaching all shareholders in order to obtain the resources necessary to finance the growth and development of the Company and its Group. ▪ Use with maintenance of the preferential subscription right.	▪ Maximum nominal amount for share capital increases: 70 million euros (*i.e.* 28.75% of the share capital as at December, 31 2022), included in the Global Ceiling (Equity) (131 euros million) (under the 18th to 22nd, 24th and 25th resolutions). ▪ Maximum nominal amount for debt securities: 1.5 billion euros, limit jointly applicable with the 18th to 22nd, 24th and 25th resolutions, included in the Global Ceiling (Debt).	Minimum price: nominal value.	▪ Issue of shares and securities giving immediate or future access to the share capital of the Company or a Subsidiary (including equity securities giving entitlement to the allocation of debt securities). ▪ Possibility to grant subscription right on a reducible basis. ▪ May not be used during a public offer.

No.	Description	Period of validity	Possible reasons for use of the authorisation or the delegation	Ceilings	Price	Conditions for the implementation of the authorisation
19	Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary by way of a public offering (other than as referred to in Article L. 411-2 1° of the French Monetary and Financial Code), with cancellation of the preferential subscription right.	26 months.	▪ May be used by the Board of Directors in order to carry out a distribution of securities on the best terms, especially when transaction speed is an essential condition of success, or where securities are issued on foreign financial markets. ▪ May be used to issue shares or securities giving immediate or future access to the share capital of the Company or a Subsidiary as compensation for securities contributed to a public exchange offer for the securities of a company meeting the conditions set out in Article L. 22-10-54 of the French Commercial Code. ▪ Use with cancellation of the preferential subscription right.	▪ Maximum nominal amount for share capital increases: 23 million euros (*i.e.* 9.45% of the share capital as at December 31, 2022), limit jointly applicable with the 19th to 22nd and 24th resolutions, included in the Global Ceiling (Equity). ▪ Maximum nominal amount for debt securities: 1.5 billion euros, included in the Global Ceiling (Debt).	Shares: the issue price will be at least equal to the minimum price per share set by the laws and regulations applicable on the issue date after correction, if necessary, of this amount to take into account the difference in the dividend entitlement date (for information purposes, on the day of the General Meeting hereof, a price at least equal to the weighted average price of the last three trading sessions on the regulated market of Euronext Paris preceding the beginning of the the public offer, possibly minus a maximum 10% discount). Securities: regarding any share issued as a result of the issue of securities giving access to the share capital, the total amount received by the Company for such securities will be at least equal to the minimum issue price per share set out by the applicable laws and regulations (as described above). The above rules are not applicable in the event of remuneration for securities within the framework of a public exchange offer launched by the Company.	▪ Issue of shares and securities giving immediate or future access to the share capital of the Company or a Subsidiary (including securities that are equity securities giving access to the debt securities) with the possibility to issue these securities following the issue by a Subsidiary of securities giving access to the Company's share capital under the conditions provided for by law. ▪ Option to establish a non-tradable priority subscription period, on a reducible basis as the case may be, to be exercised in accordance with the terms set out by the Board of Directors. ▪ May not be used during a public offer.
20	Issue of shares and/or securities giving immediate or future access to the share capital of the Company or a Subsidiary by way of a public offering referred to at Article L. 411-2, 1° of the French Monetary and Financial Code, with cancellation of the preferential subscription right.	26 months.	▪ May be used by the Board of Directors in order to carry out a distribution of securities on the best terms, especially when transaction speed is an essential condition of success, or where securities are issued on foreign financial markets. ▪ Use with cancellation of the preferential subscription right.	▪ Maximum nominal amount for share capital increases: 23 million euros (*i.e.* 9.45% of the share capital as at December 31, 2022), limit jointly applicable with the 19th to 22nd and 24th resolutions, included in the Global Ceiling (Equity). ▪ Maximum nominal amount for debt securities: 1.5 billion euros, included in the Global Ceiling (Debt).	Shares: the price will be at least equal to the minimum price per share set out by the laws and regulations applicable on the issue date (as at the date hereof, the weighted average Company share price of the last three trading sessions on the regulated market of Euronext Paris preceding the beginning of the public offer, possibly minus a maximum 10% discount). Securities: regarding any share issued as a result of the issue of securities giving access to the share capital, the total amount received by the Company for such securities will be at least equal to the minimum issue price per share set out by the applicable laws and regulations (as described above).	▪ Issue of shares and securities giving immediate or future access to the share capital of the Company or a Subsidiary (including securities that are equity securities giving access to the debt securities) with the possibility to issue these securities following the issue by a Subsidiary of securities giving access to the Company's share capital under the conditions provided for by law. ▪ May not be used during a public offer.

No.	Description	Period of validity	Possible reasons for use of the authorisation or the delegation	Ceilings	Price	Conditions for the implementation of the authorisation
21	Setting of issue price by the Board of Directors on terms set by the General Shareholders' Meeting in the event shares and/or securities giving immediate or future access to share capital are issued, with cancellation of the preferential subscription right.	26 months.	Allows the price of shares or securities issued by way of a public offering (other than as referred to in Article L. 411-2 1° of the French Monetary and Financial Code) and/or by way of a public offering referred to at Article L. 411-2 1° of the French Monetary and Financial Code (19th and 20th resolutions), with cancellation of the preferential subscription right.	▪ 10% of share capital (assessed as at the date of the issue) every twelve months. ▪ Maximum nominal amount for share capital increases: 23 million euros (*i.e.* 9.45% of the share capital as at December 31, 2022), limit jointly applicable with the 19th to 22nd and 24th resolutions, included in the Global Ceiling (Equity). ▪ Maximum nominal amount for debt securities: 1.5 billion euros included in the Global Ceiling (Debt).	<u>Shares</u>: the issue price would be at least equal to the volume-weighted average price of Company shares on the Euronext Paris regulated market over the course of the last trading day preceding the date on which the issue price is set or, if lower, the volume-weighted average price of Company shares on the Euronext Paris regulated market at the time the issue price is set, in both cases with a potential reduction of up to 10%. <u>Securities</u>: the total amount received by the Company, for each equity share issued as a result of the issue of these securities, should be at least equal to the issue price per share set out above.	▪ May be used to set the issue price with cancellation of the preferential subscription right for issues under the 19th and 20th resolutions. ▪ May not be used during a public offer.
22	Increase of the number of securities in the event of an issue with maintenance of or cancellation of the preferential subscription right as part of the over-allotment options applicable if the demand exceeds the number of securities offered.	26 months.	May be used to re-open an issue in the event of over-allotment (greenshoe clause*)*.	▪ 15% of the initial issue. ▪ Ceilings of the resolution under which the issue is decided, jointly with those under the 19th to 22nd, and 24th resolutions and included in the Global Ceilings (Equity and Debt).	Price identical to that applicable to the initial issue.	▪ May be used in the event of excess demand for issues carried out under the 18th to 20th resolutions and under the 21st resolution. ▪ May not be used during a public offer.
23	Share capital increase by capitalisation of premiums, reserves, profits or other amounts that may be capitalised.	26 months.	May be used to increase the share capital by capitalisation of reserves, profits, premiums and other amounts that may be capitalised without any contribution of "fresh money" being necessary. The shareholders' rights would not be affected by such transaction, since it would involve the issue of new securities allocated free of charge and/or the increase of the nominal value of existing securities.	Maximum nominal amount for share capital increases: 30 million euros.	Amount of the sums to be capitalised determined by the Board of Directors.	▪ Share capital increase carried out by way of issue and allocation of securities allocated free of charge or by an increase in the nominal value of the existing equity securities or by a combination of the two procedures. ▪ May not be used during a public offer.
24	Issue of shares and/or securities giving immediate or future access to the share capital of the Company to be used as remuneration for contributions in kind granted to the Company, with cancellation of the preferential subscription right.	26 months.	May be used to carry out external growth transactions in France or abroad or to repurchase minority stakes within the Group without any impact on the Company's cash.	▪ Maximum nominal amount for share capital increases: 23 million euros (*i.e.* 9.45% of the share capital as at December 31, 2022; lower than the legal limit of 10% of the share capital), limit jointly applicable with the 19th to 22nd resolutions, included in the Global Ceiling (Equity). ▪ Maximum nominal amount for debt securities: 1.5 billion euros included in the Global Ceiling (Debt).	Appraisal of the contributions, of the type of securities to be issued, the number of securities to be issued and of the amount of the potential cash adjustments to be paid, to be determined by the Board of Directors.	▪ Issue of shares and securities giving access to the share capital (including equity securities giving entitlement to allocation of debt securities). ▪ This resolution cannot be used in the event of issue of securities as consideration for securities contributed to a public exchange offer (transaction included in the 19th resolution). ▪ Issues carried out to the benefit of contributors, without preferential subscription right. ▪ May not be used during a public offer.

No.	Description	Period of validity	Possible reasons for use of the authorisation or the delegation	Ceilings	Price	Conditions for the implementation of the authorisation
25	Issue of shares and/or securities giving immediate or future access to the share capital of the Company reserved for members of a savings plan, with cancellation of the preferential subscription right.	26 months.	▪ May be used by the Board of Directors to offer Group employees in France and abroad the option of subscribing for securities, to involve them more closely in the growth of the Company, in both its traditional markets and emerging markets. ▪ Meets applicable statutory requirements to propose a draft resolution concerning a share capital increase reserved for employee members of a company savings plan when a proposal for a share capital increase via contributions in cash is made to the shareholders, save where the increase results from a prior issue of securities giving access to the share capital. ▪ Use with cancellation of the preferential subscription right.	▪ Maximum nominal amount for capital increase: 5 million euros, included in the Global Ceiling (Capital). ▪ Maximum nominal amount for debt securities: 1.5 billion euros, included in the Global Ceiling (Debt).	▪ Price at least equal to the Reference Price with possible discount up to the maximum discount provided for by law. ▪ Option to reduce or cancel discounts, within statutory and regulatory limits to take locally applicable laws and regulations into account. ▪ Possibility of allocating additional securities in lieu of all or part of the discount on the Reference Price and/or employer's contribution, the resulting benefit may not exceed legal or regulatory limits.	▪ Issue of shares and securities giving access to the share capital (including equity securities giving entitlement to the allocation of debt securities). ▪ May not be used during a public offer.
26	Allocations of existing shares or shares to be issued free of charge to Group employees or corporate officers, or a subset thereof, with automatic waiver from the shareholders of their preferential subscription right.	26 months.	▪ May be used by the Board of Directors to involve employees and corporate officers in the Group's success through a stake in Company share capital. ▪ Set-up of free and performance share plans aimed at increasing Group employee and corporate officer loyalty and motivation. ▪ Automatic waiver from the shareholders of their preferential subscription right.	▪ Maximum number of Free Shares and/or Performance Shares that can be allocated: 4,600,000 shares (*i.e.* approximately 1.89% of share capital as of December 31, 2022). ▪ Maximum number of Performance Shares allocated to the Chief Executive Officer: 250,000 shares, *i.e.* approximately 0.10% of share capital as of December 31, 2022. The maximum number of conditional Performance Shares that can be allotted to him, valued under IFRS, cannot exceed the maximum as set in the compensation policy applicable to him.	N/A	▪ General conditions: allocations of Free Shares and Performance Shares to all employees and to the Chief Executive Officer. ▪ Minimum vesting period: 3 years after the allocation date. ▪ Performance conditions measured for each of the financial years (Y, Y+1, and Y+2) covered by the vesting period applicable to Chief Executive Officer, Operations Committee members, and Liaison Committee members: *Two internal performance criteria (60% of the grant, 30% for each criterion)*: the EBIT (which replaces the previous EBITDA level) level and the ROCE rate; satisfied if for each financial year covered under the grant, the rate effectively achieved for each criterion examined 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. The number of Performance Shares granted that will definitively vest varies according to the rate of achievement of the criterion concerned: (i) if the achievement rate is, for each year covered by the plan, ≥ the target rate set for each of these three financial years: 100%, (ii) if the achievement rate is, for only two years covered by the plan, ≥ the target rate set for those two financial years concerned: 60%, (iii) if the achievement rate is, only for one financial year covered by the plan, ≥ the target rate set for that financial year: 30%, and (iv) if the achievement rate of the criterion in question is not achieved for any of the

No.	Description	Period of validity	Possible reasons for use of the authorisation or the delegation	Ceilings	Price	Conditions for the implementation of the authorisation
						financial years covered by the acquisition period: 0% as part of the internal performance criteria. *Two corporate social responsibility criteria (CSR) (20% of shares allotted, 10% per criterion):* ascertaining CSR criteria to be satisfied: (x) an environmental criterion relating to the level of CO_2 emissions (for 10%), and (y) a gender diversity criterion based on the number of women in the Group's management committees (relating to the 300 most important Group management positions) (for 10%), as determined by the Board of Directors over a three-year period (allotment year Y, Y+1, Y+2) and published at the time of the free shares allotment. These objectives, measured over three years, must be consistent with the carbon neutrality objectives described in Chapter 4, section 4.1.3 "Valeo's Carbon Neutrality Plan by 2050" in the 2022 Universal Registration Document and with the gender targets described in sub-section 3.2.1 "Composition of the Board of Directors", paragraph "Diversity policy within the governing bodies" of the 2022 Universal Registration Document: (i) if the level of CO_2 emissions recorded over the period of reference is ≤ the target rate for that period: 100% (0% if >); (ii) if the number of women on the Group's management committees (relating to the 300 most important Group management positions) recorded over the period of reference is ≥ the target rate for that period: 100% (0% if <). *External performance criterion (20% of allocated shares, i.e. 10% per criterion)*: recording a certain level of Valeo Total Shareholder Return (TSR) measured against the TSR of the CAC 40 index and the TSR of a panel of European companies in the automotive sector set by the Board of Directors and disclosed by the Company over a three-year period (allotment year Y, Y+1, Y+2): (i) if Valeo's TSR recorded over the reference period is > CAC 40 index TSR over the reference period: 100% (0% if ≤); (ii) if Valeo's TSR recorded over the reference period is > median of the TSR of companies from the Europe Automotive Equipment Suppliers Panel over the reference period: 100% (0% if ≤). The Europe Automotive Equipment Suppliers Panel (as adjusted) used by the Board of Directors is not intended to evolve unless a change in the structure or business of one of the companies makes it less relevant, in which case it will be replaced by another company to maintain the greatest possible comparability between Valeo and its peers. Performance conditions measured for each of the three financial years (Y, Y+1, Y+2) covered by the vesting period applicable to those reporting directly to Liaison Committee members and to other Group executives (up to 50% of the allocations): subject to two internal performance criteria (50% for each

No.	Description	Period of validity	Possible reasons for use of the authorisation or the delegation	Ceilings	Price	Conditions for the implementation of the authorisation
						criterion), namely an EBIT rate (which replaces the previous EBITDA level) and an ROCE rate; rules for meeting these two criteria as well as the allocation scale are the same as for allocations to the Chief Executive Officer and Operations Committee members. ▪ Shares allocated to other staff members (at lower levels of responsibility) would be Free Shares (and would not be subject to performance criteria); ▪ Free Shares allocated to participants outside France under a worldwide employee shareholding plan shall be allocated as a type of conditional matching (*abondement conditionnel*). For the avoidance of doubt, these Free Shares are not subject to performance criteria. ▪ Additional conditions applicable to the Chief Executive Officer: ▪ Condition of presence: the conditions for receiving any final award of Performance Shares, including if they leave the Company, are described in section 3.3.1 "Compensation policies for corporate officers" of the Company's 2022 Universal Registration Document. ▪ Holding obligation: after the three-year vesting period, there is a two-year non-disposal period followed by an obligation to continue to hold at least 50% of the vested Performance Shares in registered form until the end of his term of office; ▪ Additional conditions for beneficiaries other than the Chief Executive Officer: condition of presence (in particular, employment contract or corporate office of the beneficiary in force, not being in a notice period on the vesting date due to resignation, dismissal, or contractual termination, as the case may be, except in defined exceptions (death, total, permanent disability, retirement or pre-retirement, disposal of beneficiary's entity or decision of the Board of Directors)). ▪ Additional condition applicable to the Chief Executive Officer, Operations Committee and Liaison Committee members: no risk-hedging operations.
27	Share capital decrease by cancellation of treasury shares	26 months.	May be used to reduce the Company's share capital for various financial purposes such as active capital management, balance sheet optimisation or offsetting of the dilution resulting from share capital increases.	10% of the share capital at any moment, per 24-month period.	-	-

GLOSSARY

Free Shares and Performance Shares

The definitions of Free Shares and Performance Shares are set out in paragraph II, H. Association of employees and corporate officers in the share capital of your Company: allocation of free shares existing or to be issued (*twenty-sixth resolution*).

Preferential subscription right

For a description of the preferential subscription right and a statement of the reasons for requests to waive the preferential subscription right, see paragraph II.

Priority subscription period

In return for the cancellation of the preferential subscription right, the Board of Directors could grant a priority period, if necessary also on a reducible basis. If this period is granted, it allows, like the preferential subscription right, shareholders to subscribe to the proposed issue in proportion to the number of existing shares they hold. However, unlike the preferential subscription right, this priority subscription period can be exercised during a minimum priority period (currently set by law at a minimum of three trading days, shorter than the period provided for the preferential subscription right) and is non-negotiable. This priority subscription period cannot be proposed for all issues: in the same way as for the preferential subscription right, it may be preferable, or even necessary, not to propose this priority subscription period, in order to place securities in the best possible conditions, in particular when the speed of transactions is an essential condition for their success, or when issues are made on foreign financial markets.

Subsidiary

Company in which the Company owns, directly or indirectly, more than 50% of the share capital at the time of the issuance.

Global Ceiling (Equity)

General ceiling for capital increases carried out pursuant to the eighteenth to twenty-second, twenty-fourth and twenty-fifth resolutions submitted to this General Shareholders' Meeting, equal to 131 million euros, or any other global ceiling that may be provided for by a resolution of the same nature as the eighteenth resolution of this General Shareholders' Meeting that may succeed the said resolution.

Global Ceiling (Debt)

General ceiling for the issuance of securities in the form of debt securities pursuant to the eighteenth to twenty-second, twenty-fourth and twenty-fifth resolutions resolutions submitted to this General Shareholders' Meeting, equal to 1.5 billion euros, or any other global ceiling that may be provided for by a resolution of the same nature as the eighteenth resolution of this General Shareholders' Meeting that may succeed the said resolution.

Reference price

The definition of the Reference Price is set out in paragraph II, G. "Incentive schemes for the Company's employees and corporate officers: issue of securities to be subscribed for by members of savings plans, with cancellation of the shareholders' preferential subscription right" (*twenty-fifth resolution*).

Securities giving immediate or future access to the share capital (including equity securities giving the right to the allocation of debt securities)

Characteristics of these securities

The eighteenth to twenty-second, twenty-fourth and twenty-fifth resolutions submitted to this General Shareholders' Meeting would allow the Board of Directors to decide the issue of securities giving access to the share capital of the Company, either by issuing new shares (such as shares with subscription warrants attached or bonds convertible into or redeemable for shares to be issued) or by delivering existing shares when the initial security is an equity security; these securities may take the form either of debt security (as in the example of convertible bonds provided that they give access to equity securities to be issued), or of equity security (as, for example, shares with share warrants attached). However, the issue of equity securities that are convertible or which may be transformed into debt security is prohibited by law. Securities giving access to the share capital which take the form of debt securities (such as bonds convertible into or redeemable for shares, or bonds with share warrants attached) may give access to their holders, at any time, or during specified periods, or on specified dates, to shares to be issued. This allotment of shares may be effected by conversion (such as bonds convertible into shares), redemption (such as bonds redeemable for shares), exchange (such as bonds exchangeable for shares), or presentation of a warrant (such as bonds with share warrants attached) or by any other means during the term of the debt security, whether or not shareholders' preferential subscription rights are maintained in respect of the securities thereby issued. Pursuant to applicable law, the delegations made by this General Shareholders' Meeting in connection with the issue of securities incorporate an express waiver by the shareholders of their preferential subscription right for the shares and securities issued immediately or in the future in connection with these securities. Therefore, if the General Shareholders' Meeting were to approve these resolutions, you would by operation of law waive your preferential subscription rights to any shares that the Company might issue in connection with a potential redemption of bonds redeemable for shares to be issued.

The eighteenth to twenty-second, twenty-fourth and twenty-fifth resolutions submitted to this General Shareholders' Meeting would allow the Board of Directors to decide the issue of securities representing equities granting entitlement to debt securities (e.g. shares with warrants to debt securities). Please note that, as from the order No. 2014-863 dated July 31, 2014, the Board of Directors has the sole authority to issue securities that are debt securities granting entitlement to the allocation of other debt securities or giving access to existing equity securities, which do not imply any dilution and such issue is therefore excluded from the scope of these resolutions.