

VALEO

A European Company (SE) with a share capital of €243,501,944
Registered office: 100, rue de Courcelles - 75017 Paris
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**SPECIAL REPORT ON THE ALLOTMENT OF FREE SHARES FOR THE FINANCIAL
YEAR ENDED DECEMBER 31, 2022**

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

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, the purpose of this report is to inform you of the allotment, in the course of the financial year ended December 31, 2022, of free existing or newly issued shares, to employees of the Company or of companies or groups related to it under the conditions set forth in Article L. 225-197-2 of the French Commercial Code and to corporate officers referred to in Article L. 225-197-1, II of the French Commercial Code.

Pursuant to the authorisation granted under the twenty fifth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2021, the Board of Directors, during its meeting held on March 23, 2022, allotted a maximum number of 2,308,057 shares of the Company, the breakdown of which, by category, is as follows: 100,154 performance shares to the Chief Executive Officer (as of January 26, 2022), Christophe Périllat (discretionary plan), 471,597 performance shares to the members of the Operations Committee (discretionary plan), 177,840 performance shares to the members of the Liaison Committee excluding the Operations Committee (discretionary plan), 786,902 free/performance shares to the main direct reports of the Liaison Committee members (Population A) (discretionary plan), 632,000 free shares to all employees of the Group's companies (collective plan) and an exceptional allotment of 139,564 free shares to certain high potential managers (Population B) on the basis of 164 or 328 free shares per beneficiary, as the case may be ("high potential managers" plan).

The IFRS value of the performance shares allotted by the Board of Directors on March 23, 2022 to Christophe Périllat amounts to €14.46 per share (based on the average market price for the last 20 trading days (closing market price) as at March 21, 2022 inclusive). The IFRS value of the performance shares and free shares, excluding the Shares4U plan, allotted by the Board of Directors of March 23, 2022 to the other beneficiaries of the discretionary plan amounts to €15.66¹ per share (based on the average market price for the last 20 trading days (closing market price) as at March 21, 2022 inclusive).

The IFRS value of the free shares allotted in connection with the implementation of the Shares4U plan amounts to €11.66 per share for foreign beneficiaries outside Italy and Spain (based on the closing market price) as at October 7, 2022, the end date for the subscription period cited as the IFRS2 value date and €14.39 per share for the Italian and Spanish beneficiaries.

¹ The difference in value between the shares allotted to Christophe Périllat and to the other beneficiaries of the discretionary plan stems from the two-year holding period that the Chief Executive Officer is bound by after the expiration of the three-year vesting period.

Discretionary plan

The vesting date of the performance shares was set by the Board of Directors at March 23, 2025 for all beneficiaries of the Group, provided that:

- With respect to the Chief Executive Officer, Christophe Périllat, that his terms of office has not ended as at the vesting date. Entitlement to the performance shares will be lost in the event of (i) dismissal for gross negligence or wilful misconduct or (ii) dismissal for reasons attributable to the Chief Executive Officer's performance, before the end of the vesting period. The decision of the Board of Directors to maintain the allotment of performance shares to the benefit of the Chief Executive Officer, in cases other than those referred to above, before the end of the vesting period, will be taken based on an in-depth analysis of the reasons for and circumstances surrounding his departure. By way of exception to the foregoing, in the event of termination of his corporate office in connection with the liquidation of mandatory statutory and supplementary pension plans and death or disability, entitlement to the performance shares will be maintained and the performance criteria will apply to retirement but not to death or disability.
- With respect to the other beneficiaries, that their employment contract is in force and the beneficiary is not in a notice period on the vesting date, due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors).
- In any case, the performance criteria applicable to all of the performance shares allotted to the Chief Executive Officer, Christophe Périllat, to the members of the Operations Committee, to the members of the Liaison Committee (other than members of the Operations Committee), and to 50% of the performance shares allotted to the main direct reports of the Liaison Committee members and other Group executives, are met.

As of the vesting date and provided the above conditions are met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. A two-year holding period as of March 23, 2025, applicable to the Chief Executive Officer, will follow, during which he may not transfer his vested shares (except in the event of death or total and permanent disability), it being specified that at the end of this two-year period, the Chief Executive Officer must hold at least 50% of vested performance shares in registered form until the end of his term of office and, in accordance with the AFEP-MEDEF Code and Valeo's Code of good conduct, he shall not use hedging transactions to reduce his risk². There is no holding period for the other beneficiaries; they may transfer their shares as of the vesting date, *i.e.* March 23, 2025.

Collective plan and "high potential managers" plan

The beneficiaries are (i) regarding the collective plan, (a) all employees of the Group's companies in France and in the countries which do not participate in the Shares4U employee shareholding plan (without performance conditions excepting members of the Liaison Committee, which includes the Operations Committee, the main direct reports of the Liaison Committee members as well as other Group executives) and (b) all employees of the Group's

² As provided for the Chief Executive Officer, the Operations Committee members as well as the Liaison Committee members shall not use hedging transactions to reduce their risks on Valeo securities (including on free and or performance shares).

companies who subscribed shares pursuant to the Shares4U employee shareholding plan outside France (without performance conditions) and (ii) regarding the "high potential managers" plan, 556 high potential managers.

(i) Collective plan

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

The vesting date was set by the Board of Directors at June 30, 2025 for all beneficiaries, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the above condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. There is no holding period applicable to the beneficiaries; they may transfer their shares as of the vesting date, *i.e.* June 30, 2025.

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

The vesting date was set (i) at November 17, 2025 for beneficiaries employed by the Group who are Italian and Spanish tax residents, (ii) at November 17, 2027 for beneficiaries employed by the Group who are Belgium tax residents and (iii) at June 30, 2027 for beneficiaries employed by the Group who are tax residents of other countries which participate in the Shares4U plan, and outside France, provided that their employment contract was not terminated before the vesting date (*i.e.* during the vesting period) due to resignation or dismissal for misconduct. In the event of termination of the employment contract before the end of the vesting period for any other purpose, the rights to free shares are maintained. Similarly, if the employer is no longer part of the Valeo Group, the rights to free shares are not affected. In the event of death or disability, the free shares will be delivered in advance. No performance condition is required.

As of the vesting date and provided the condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. However, a three-year holding period as from November 17, 2025, expiring on November 17, 2028, is required for employee beneficiaries who are Italian and Spanish tax residents, during which they may not transfer their vested shares (except in the event of death or total and permanent disability). Regarding other countries, there is no holding period and the beneficiaries may transfer their shares as of the vesting date, *i.e.* June 30, 2027 or, for beneficiaries who subscribed pursuant to the Shares4U 2022 plan in Belgium, on November 17, 2027.

(ii) "High potential managers" plan

The vesting date was set by the Board of Directors at March 23, 2025 for all beneficiaries employed by the Group, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the above condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. There is no holding period applicable to the beneficiaries; they may transfer their shares as of the vesting date, *i.e.* March 23, 2025.

Performance shares allotted in 2022 to the Chief Executive Officer, Christophe Périllat

	Number of performance shares allotted	Value of shares (€)	Date of allotment
Performance shares allotted in the course of the financial year to Valeo's Chief Executive Officer by Valeo and by its affiliates under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	100,154	14.46*	03/23/2022
Performance shares allotted in the course of the financial year to Valeo's Chief Executive Officer by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code for the mandates he holds therein	N/A	N/A	N/A

* Based on the average market price for the last 20 trading days (closing market price) until March 21, 2022 inclusive.

Free shares and/or performance shares allotted in 2022 to the 10 employees (who are not corporate officers) with the highest number of shares allotted

	Number of free shares allotted	Value of shares (€)	Date of allotment
Free shares and/or performance shares allotted in the course of the financial year by Valeo and by its affiliates to the 10 Valeo employees (who are not corporate officers) with the highest number of shares allotted, under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	421,742	15.66*	03/23/2022

* Based on the average market price for the last 20 trading days (closing market price) until March 21, 2022 inclusive.

Free shares allotted in 2022 to all employees of the Group

	Number of free shares allotted	Number of employee beneficiaries who received free shares	Value of shares (€)	Date of allotment
Free shares allotted in the course of the financial year to all employees of the Group's companies in France and in the countries which do not participate in the employee shareholding plan	102,000	20,400	15.66*	03/23/2022
Free shares allotted in the course of the financial year abroad as part of the employee shareholding plan	524,386	19,220	11.66**	11/17/2022

* Based on the average market price for the last 20 trading days (closing market price) until March 21, 2022 inclusive.

** Based on the closing market price as at October 7, 2022, the end date of the subscription period cited as the IFRS2 value date and €14.39 for the Italian and Spanish beneficiaries.