

PRESENTATION OF THE PROPOSED RESOLUTIONS

Report of the Board of Directors

This report describes the proposed resolutions that are being submitted to your General Shareholders' Meeting by your 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 recommended 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, appear in the 2023 Universal Registration Document (including the annual financial report) which you are invited to read.

Madam, Sir, dear Shareholders,

You have been convened to this combined (ordinary and extraordinary) Combined Shareholders' Meeting of Valeo SE (the "**Company**" or "**Valeo**") to submit for your approval 19 resolutions described in this report.

I. Resolutions within the Ordinary Shareholders' Meeting authority

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

The 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, 2023, to allocate the earnings and to set the dividend (third resolution).

The parent company financial statements for the financial year ended December 31, 2023 show a net profit of 193,622,296.01 euros. The distributable profit of the Company (results of the financial year ended December 31, 2023 and previous retained earnings of 1,923,986,207.92 euros) for the financial year ended December 31, 2023 amounts to 2,117,608,503.93 euros.

The Board of Directors of the Company proposes to pay a dividend of 0.40 euro per share for each share entitled to dividends.

Following the decision to pay a dividend of 0.40 euro per share for each share entitled to dividends, *i.e.*, 97,568,448 euros,¹ the balance of the distributable profit recorded in the "retained earnings" account amounts to 2,020,040,055.93 euros. The ex-dividend date will be May 28, 2024, the record date will be May 29, 2024 and the payment date will be May 30, 2024.

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

- financial year 2022: 92.2 million euros;
- financial year 2021: 84 million euros;
- financial year 2020: 72.2 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).

¹ The total amount of the distribution referred to above is calculated based on the number of shares entitled to dividends as of December 31, 2023, *i.e.* 243,921,120 shares, and may vary if the number of shares entitled to dividends changes between January 1st, 2024 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).

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, 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 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.

It is specified that no agreement previously authorised by the Board of Directors and approved by the Shareholders' Meeting has continued over the course of the past financial year.

You are thus asked, under the fourth resolution, to acknowledge the absence of any new agreement authorised and entered into over the course of the financial year ended December 31, 2023 that have yet to be approved by the Shareholders' Meeting.

C. Renewals and appointments 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.

With some exceptions to allow for a staggered renewal of the terms of office, the duration of the directors' terms of office set out in the Company's articles of association is four years.

The terms of office of three directors, the Fonds Stratégique de Participations (represented by Julie Avrane), Thierry Moulouquet and Ulrike Steinhorst, expire at the end of this Shareholders' Meeting.

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

Subject to the approval of these proposals by the Shareholders' Meeting of May 23, 2024, the Board of Directors would be composed of 15 members, including 11 independent directors out of a total of 12 directors (excluding the two directors representing employees and the director representing employee shareholders of the Company), *i.e.*, 91.66%² and 5 women, *i.e.* 41.66%.³

- ***Renewals of the term of office of the Fonds Stratégique de Participations as director (fifth resolution)***

The Fonds Stratégique de Participations holds, as of the date of this report, 10,213,000 shares of the Company, *i.e.* 4.17% of the share capital, and is one of the Company's main shareholders. The Fonds Stratégique de Participations, of which Julie Avrane is the permanent representative, has also been a director of the Company since March 24, 2020 and a member of the Audit and Risks Committee. Its term of office will end at the end of this Shareholders' Meeting.

The Board of Directors has decided, on the recommendation of the Governance, Appointments and Corporate Social Responsibility Committee (the "**GACSRC**"), to propose to your Shareholders' Meeting to renew the term of office of the Fonds Stratégique de Participations (*fifth resolution*) as director, for a new period of four (4) years which will end at the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2027.

² Excluding the directors representing employees and the director representing employee shareholders in accordance with the AFEP-MEDEF Code.

³ In accordance with Articles L. 225-23, L. 225-27-1 and L. 22-10-7 of the French Commercial Code, the directors representing employees and the director representing employee shareholders of the Company are not included for appreciating the balanced representation referred to in Article L. 225-17 of the same Code.

The Fonds Stratégique de Participations, represented by Julie Avrane, is considered as independent with respect to the criteria provided by the Board of Directors' Internal Procedures and by the AFEP-MEDEF Code to which the Company refers. A more detailed analysis of the independence of the Fonds Stratégique de Participations represented by Julie Avrane is set out in Section 3.2 of the Company's 2023 Universal Registration Document.

The renewal of the term of office of the Fonds Stratégique de Participations, represented by Julie Avrane, would allow the Board of Directors to benefit from its expertise, as described in its biography.

Information on the Fonds Stratégique de Participations

The Fonds Stratégique de Participations is a long-term investment vehicle whose purpose is to support over the long-term French companies in their growth and transition projects. To this end, the FSP acquires significant equity interests in companies and plays a role in their governance by obtaining a seat on their Board of Directors or their Supervisory Board. The shareholders of the funds are seven French insurance companies: BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Groupama, BPCE Assurances, Société Générale Assurances and Suravenir.

The Fonds Stratégique de Participations's portfolio currently consists of, as of this date, ten equity interests in French companies that are leaders in their field: Arkema, Believe, Elixir Group, Eutelsat Communications, Neoen, SEB, Soitec, Tikehau Capital Advisors, Valeo and Verkor.

The Fonds Stratégique de Participations is managed by the investment management company, ISALT.

Biography of Julie Avrane, permanent representative of the Fonds Stratégique de Participations

Senior Partner Director at McKinsey & Company's Paris office from 1999 to July 2020, Julie Avrane headed the firm's high-tech industries practice in France (advanced electronics, aerospace and defense, automotive and assembly industry). She also co-led the firm's high-tech skills practice worldwide.

Julie Avrane specializes in high-tech industries, IT services and software. At McKinsey, she mainly dealt with strategy, growth, M&A and post-merger integration issues in cross-border contexts as well as large-scale transformation plans.

Prior to joining McKinsey's Paris office, Julie Avrane worked as a researcher at Bull Honeywell in the United States in 1993, then at Cogema (Areva) in 1994, and as a business analyst at McKinsey's London office for two years from 1995 to 1997.

Julie Avrane is Chair of Clear Direction. She is also, in particular, a member of the Supervisory Board of Unibail-Rodamco-Westfield and a director of Bureau Veritas and Exail Technologies.

Julie Avrane is a graduate of the *École nationale supérieure des télécommunications* de Paris and of the *Collège des ingénieurs*. She also holds an MBA from the INSEAD.

She is a French citizen and speaks French and English.

• *Appointments of Sascha Zahnd and Beatriz Puente as directors (sixth and seventh resolutions)*

As part of the renewal plan for members of the Board of Directors, the Board of Directors and the GACSRC have identified Sascha Zahnd and Beatriz Puente profiles and have decided to propose to your Shareholders' Meeting their appointments as directors of the Company for a term of four (4) years which will end at the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2027. These appointments would replace Thierry Moulouguet and Ulrike Steinhorst, directors of the Company for more than 12 years, whose terms of office expire at the end of this Shareholders' Meeting and who have not sought renewal of their terms of office.

Sascha Zahnd and Beatrice Puente would be considered as independent directors with respect to the criteria provided by the Board of Directors' Internal Procedures and the AFEP-MEDEF Code to which the Company refers.

These appointments would allow the Board of Directors to benefit from the expertises of Sascha Zahnd and Beatriz Puente as described in their biographies below.

Biography of Sascha Zahnd

Sascha Zahnd, a Swiss citizen, would bring to the Board of Directors his solid experience in the automobile, new technologies and distribution/production/supply sectors, acquired during an international career within leading groups in Europe and in the United States, in particular in the automobile sector.

Over the course of his career, Sascha Zahnd held various international executive positions. Between 2001 and 2010, he held various positions within the Ikea Group in Europe (Switzerland), North America (USA, Mexico) and Asia (China). He was involved in both the retail and supply chain field, he then joined ETA SA / Swatch Group between 2010 and 2016. As an executive officer, he was in charge of the global supply chain and components production facilities. In his most recent positions, held between 2016 and 2020, Sascha Zahnd was a member of Tesla's senior management and reported to its Chief Executive Officer. Within the manufacturer, he successively held the positions of Vice President in charge of the Global Supply Chain (2016 to 2019), then Vice President in charge of the EMEA region (2019-2020), for which he developed, in particular, retail activities.

Sascha Zahnd sits on the Board of Directors and Audit Committee of Logitech and MYT Netherlands Parent B.V, two listed foreign companies. He is also a member of the Board of Directors of Bernexpo's and chairs the Digitalswitzerland initiative, an association and foundation of leading companies, organizations, universities and politicians aiming at strengthening Switzerland's position as a world leader in the digital innovation sector. He previously held the positions of Vice-President, then non-executive Chairman of the Board of Directors of Valora, a Swiss company (listed until April 17, 2023), where he was also a member of the Audit Committee.

Sascha Zahnd holds an Executive MBA from IMD Business School in Lausanne (Switzerland) and a BA in Business Administration from Basel University of Applied Sciences (Switzerland).

Sascha Zahnd speaks French, German, English and Spanish.

Biography of Beatriz Puente

Beatriz Puente, a Spanish citizen, would bring to the Board of Directors her expertise in the finance, capital markets and mergers & acquisitions sectors, acquired during an international career within leading listed groups. Her knowledge of the energy sector is also important in the context of the development of new forms of mobility, in particular electric ones, and the reduction of CO₂ emissions with the implementation of the CAP 50 plan.

Beatriz Puente has been, until May 2023, the Chief Financial Officer of Siemens Gamesa Renewable Energy. Previously, she was a Board Member and the Chief Financial Officer of NH Hoteles, S.A. Before joining NH Hoteles, S.A., she was the Chief Financial Officer of AENA, S.A. (2013-2015), where she was responsible for preparing and coordinating the privatization process of the company and its IPO, as well as for leading the negotiation of its debt restructuring. Previously, she was the Chief Financial Officer (2007-2013) and the Director of Investor Relations and Corporate Development (2005-2007) at Vocento, S.A., where she prepared the company's IPO.

Prior to Vocento, Beatriz Puente worked at Citigroup Global Markets (NY, London and Madrid) as Vice President of the investment banking M&A division (2003-2004) and as an Investment Banking Associate for Financial Institution & Latin America (2001-2003). She served as the Chief Financial Officer at Quintiles, S.L. from 1997 to 1998 and before that, during 1995-1997, as and auditor at Ernst & Young in Spain.

Beatriz Puente is also a member of the Board of Directors of the Spanish listed company Metrovacesa and has been a member of the advisory board of the *Colegio Universitario de Estudios Financieros* (CUNEF) (Spain) and a lecturer of the Mergers & Acquisitions module in the Master of Finance program.

Beatriz Puente holds an MBA from the J.L. Kellogg Graduate School of Management (Northwestern University) (2000) with a Fulbright scholarship and a Bachelor of Business Administration from the CUNEF (1995).

Beatriz Puente speaks Spanish and English.

- **Appointment of Eric Chauvirey as director representing employee shareholders and of Yann Le Pêcheur as his substitute (eighth resolution)**

Pursuant to Article L. 225-23 of the French Commercial Code, 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 states that the shares held by employees of the Company and of the companies and the groupings affiliated to it within the meaning of Article L. 225-180 of the French Commercial Code represent more than 3% of the share capital, a director representing employee shareholders is appointed by the Shareholders' Meeting.

As the aforementioned threshold of 3% of the Company's share capital was exceeded during the 2022 financial year, Valeo's articles of association were amended by the Shareholders' Meeting on May 24, 2023 in order to set out the procedures for appointing the director representing employee shareholders. In accordance with the articles of association, the procedure for appointing the candidate (and, where applicable, his or her substitute), which are not defined by the applicable laws and regulations or by the articles of association, are set by the Board of Directors on the recommendation of the General Management, in particular with regards to the candidate appointment timetable and the rules governing the presentation of candidates (including any sponsorship).

The candidate and his or her substitute appointed as part of the internal electoral process implemented in accordance with the provisions of the articles of association and the procedures set by the Board of Directors are submitted to the vote of the shareholders. The substitute will assume the duties of the elected statutory director in the event of a vacancy.

This electoral process was carried out for the first time between late 2023 and the beginning of 2024, and resulted in the appointment of a statutory candidate, Eric Chauvirey, and his substitute, Yann Le Pêcheur, as director representing employee shareholders. Under the eighth resolution, it is proposed to your Shareholders' Meeting to appoint Eric Chauvirey as director representing employee shareholders of the Company and Yann Le Pêcheur as substitute, for a period of four (4) years which will end at the end of the Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2027.

Biography of Eric Chauvirey

Through his long experience within the Group and his involvement in the employee representative bodies and trade unions, Eric Chauvirey has in-depth knowledge of the Group's business and employee relations, which are essential attributes for a director representing employee shareholders.

Eric Chauvirey has been employed by Valeo since 1999 at the French production (Étapes-sur-Mer) and R&D (Montigny-le-Brettonneux & Cergy) sites. He began his career at Valeo as Head of Project Design at Étapes-sur-Mer, before being appointed as Head of Pre-Project Research & Development in 2005 for Valeo Systèmes de Liaison.

In 2007, he was promoted as Head of Project Quality for Valeo Systèmes de Contrôle Moteur, the Group's engine management systems unit in Cergy, then became Project Manager in 2012 before being appointed Head of Prototype Scheduling in September 2014. Since December 1, 2017, he has been R&D Knowledge Manager, responsible for managing the Valeo Experts network. He also sits on the Supervisory Board of the employees' mutual fund (FCPE) Valeorizon.

He was a member of the Works Council, and trade union representative at the Cergy site, and central trade union representative for Valeo Systèmes de Contrôle Moteur. He was also a member of the Central Works Council, Chairman of the Economic Commission, and Group negotiator for the *Force Ouvrière* trade union.

On June 30, 2017, he was appointed director representing employees by the Group Works Council for a period of four years. At the beginning of 2024, Eric Chauvirey was appointed by the employee shareholders, as part of the electoral process put in place to ensure their representation on the Board of Directors, as a candidate for the position of principal director representing employee shareholders, whose appointment is submitted to the Shareholders' Meeting of 23 May 2024, for a four-year term of office.

Eric Chauvirey holds an engineering degree in Industrial Design and Production from the ESCPI-CNAM. He has also completed a training course on the role of company directors run by the *Institut d'études politiques de Paris* (IEP) in partnership with the French Institute of Directors (*Institut français des administrateurs – IFA*).

Eric Chauvirey is a French citizen and speaks French and English.

Biography of Yann Le Pêcheur

Yann Le Pêcheur has been employed by Valeo since 2006. He began his career at Valeo as Product Technical Leader at Cergy, in R&D, where he worked on the development of engine control electronics, before becoming in 2012 Electronic Development Manager at Valeo Systèmes de Contrôle Moteur.

Before joining Valeo, Yann Le Pêcheur worked for 12 years at SAGEM as an electronics technician and then as a hardware design leader, where he was involved in the development of electronic engine control products. He then continued his career at Johnson Control Automotive Electronics for 3 years as Product Technical Leader.

Yann Le Pêcheur holds a higher education diploma in electric and electronic engineering.

Yann Le Pêcheur is a French citizen and speaks French and English.

D. Appointment of Mazars as auditor in charge of the certification of sustainability information (ninth resolution)

In accordance with the provisions of Ordinance No. 2023-1142 of December 6, 2023 transposing the Directive (EU) no. 2022/2464 of December 14, 2022 known as the "CSRD" (Corporate Sustainability Reporting Directive), the Company's sustainability information will have to be certified by an auditor (a statutory auditor or an independent third-party entity). The first certification of the sustainability information required by the CSRD will have to take place in 2025 for information relating to the 2024 financial year. This sustainability auditor should therefore be appointed at this Shareholders' Meeting.

In accordance with market practice, the Audit and Risk Committee organised and conducted a tender procedure to select the sustainability auditor. At the end of this procedure, and after taking into account the skills, location, organisation and independence of the candidates, the Audit and Risk Committee made a recommendation to the Board of Directors. On the recommendation of the Audit and Risk Committee, the Board of Directors proposes that Mazars be appointed as the auditor in charge of the certification of sustainability information.

As an exception of the provisions of Article L. 821-44 of the French Commercial Code and in accordance with Article 38 of Ordinance no. 2023-1142 of December 6, 2023, it is proposed that the term of this term of office will be equivalent to that of the remaining term of office under the mission for certifying financial statements, *i.e.* until the end of the Shareholders' Meeting called to approve the financial statements for the financial year ended December 31, 2027.

E. Setting of the total annual compensation allocated to the directors for the 2024 financial year and subsequent financial years (tenth resolution)

Under the tenth resolution, it is proposed that you revise the maximum total annual amount of the compensation of directors' activities.

In order to ensure that the applicable rules are appropriate and to maintain the attractiveness of the compensation offered to directors, the Compensation Committee carries out annual comparative studies of directors' compensation amongst CAC 40 and SBF 120 companies, the latest of which has been examined at the meeting held on October 25, 2023. While this study confirmed the appropriate positioning of the amounts granted to Valeo's directors, whose allocation rules have remained unchanged since January 25, 2016,⁴ in the current Board configuration, the Compensation Committee emphasised that this composition should change in 2024 with the presence of a director

⁴ Subject to the decision of the Board of Directors on October 28, 2021 taken on the recommendation of the Compensation Committee, to add to the allocation rules governing directors' compensation as from the 2022 financial year a fixed compensation equal to 6,000 euros per year to the director in charge of CSR issues.

representing employee shareholders, whose appointment will be submitted to the Shareholders' Meeting of May 23, 2024. This appointment will therefore automatically increase the number of directors receiving a compensation. The Compensation Committee has also noted the high number of meetings held during the previous financial years.

In this context, it is proposed that you increase the total amount of the sums allocated to directors' compensation, which has been set at 1,100,000 euros for the last eight years (Shareholders' Meeting of May 26, 2016, eleventh resolution), to 1,250,000 euros for the 2024 financial year and for any subsequent financial year until a new decision is taken by the Shareholders' Meeting.

It is specified that this is a maximum amount, allocated in accordance with the allocation rules set out in the directors' compensation policy, and not an amount to be allocated in full during each financial year.

F. Approval of the information pertaining to the compensation paid during, or allocated in respect of, the financial year ended December 31, 2023 to all corporate officers – ex-post vote (eleventh resolution)

In accordance with the provisions of Articles L. 22-10-9 and L. 22-10-34, I of the French Commercial Code, the 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, 2023 pursuant to the 2023 compensation policy approved under its fourteenth resolution at a rate of 99.87% by the Shareholders' Meeting held on May 24, 2023 (the "**2023 Directors Compensation Policy**");
- the compensation paid during, or allocated in respect of, the financial year ended December 31, 2023 to the Chairman of the Board of Directors, Gilles Michel, pursuant to the 2023 compensation policy approved under the fifteenth resolution at a rate of 99.85% by the Shareholders' Meeting held on May 24, 2023 (the "**2023 Chairman of the Board of Directors Compensation Policy**");
- the compensation paid during, or allocated in respect of, the financial year ended December 31, 2023 to the Chief Executive Officer, Christophe Périllat, pursuant to the 2023 compensation policy approved under the sixteenth resolution at a rate of 96.02% by the Shareholders' Meeting held on May 24, 2023 (the "**2023 Chief Executive Officer Compensation Policy**");

are set forth in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the 2023 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, 2023 pursuant to the compensation policy, are attached for information purposes in [Appendix 1](#), [Appendix 2](#) and [Appendix 3](#), respectively, of this report.

G. Approval of the compensation components paid during or allocated in respect of the financial year ended December 31, 2023 to Gilles Michel, as Chairman of the Board of Directors (twelfth resolution)

In accordance with the provisions of Article L. 22-10-34, II of the French Commercial Code, the Shareholders' Meeting votes on the fixed, variable or exceptional components composing the total compensation and benefits of any kind paid during or allocated in respect of the previous financial year to Gilles Michel as Chairman of the Board of Directors (*ex-post* vote).

The compensation components paid during, or allocated in respect of, the financial year ended December 31, 2023 to Gilles Michel as Chairman of the Board of Directors pursuant to the 2023 Chairman of the Board of Directors Compensation Policy approved under the fifteenth resolution at a rate of 99.85% by the Shareholders' Meeting held on May 24, 2023, are set forth in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the 2023 Universal Registration Document and are summarized in the summary table, attached for information purposes in Appendix 2 of this report.

It is proposed under the twelfth resolution, that you approve the following compensation components paid during or allocated in respect of the financial year ended December 31, 2023 by Valeo to Gilles Michel as Chairman of the Board of Directors pursuant to the 2023 Chairman of the Board of Directors Compensation Policy, and relating to:

- the amount of his (gross) annual fixed compensation: 360,000 euros;
- the valuation of benefits in kind (coverage of medical expenses, applicable death and disability plan), it being specified that Gilles Michel did not make use of the option of a company car with a driver: 3,841 euros.

H. Approval of the compensation components paid during or allocated in respect of the financial year ended December 31, 2023, to Christophe Périllat, as Chief Executive Officer (thirteenth resolution)

In accordance with the provisions of Article L. 22-10-34, II of the French Commercial Code, the Shareholders' Meeting votes on the fixed, variable or exceptional components composing the total compensation and benefits of any kind paid during or allocated in respect of the previous financial year to Christophe Périllat as Chief Executive Officer (*ex-post* vote). In this respect, it is recalled that the payment of variable compensation components is subject to the approval of the compensation components by the 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, 2023 to Christophe Périllat as Chief Executive Officer pursuant to the 2023 Chief Executive Officer Compensation Policy approved under the sixteenth resolution at a rate of 96.02% by the Shareholders' Meeting held on May 24, 2023, are set forth in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the 2023 Universal Registration Document and are summarized in the summary table, attached for information purposes, in Appendix 3 of this report.

It is therefore proposed under the thirteenth resolution, that you approve the following compensation components paid during or allocated in respect of the financial year ended December 31, 2023 by Valeo to Christophe Périllat as Chief Executive Officer pursuant to the 2023 Chief Executive Officer Compensation Policy and relating to:

- the amount of his (gross) annual fixed compensation: 975,000 euros;
- the amount of his annual variable compensation: 927,518 euros. At its meeting held on February 29, 2024, the Board of Directors acting on the recommendation of the Compensation Committee, noted that the achievement rate for the quantifiable criteria was 48.06% (out of a maximum percentage of 70%) and that the achievement rate for the qualitative criteria was 47.07% (out of a maximum percentage of 50%) of the (gross) annual fixed compensation due to the Chief Executive Officer for the 2023 financial year. The Board of Directors therefore set the amount of the variable compensation due to Christophe Périllat for 2023 at a rate of 95.13% (out of a maximum percentage of 120%) of the (gross) annual fixed compensation of the Chief Executive Officer, *i.e.*, 79.28% in relation to the maximum allowed by the 2023 Chief Executive Officer Compensation Policy. The detailed components for assessing the achievement of the quantifiable and qualitative criteria for Christophe Périllat's variable compensation for the financial year ended December 31, 2023, are set forth in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the 2023 Universal Registration Document and are summarized in the summary table, attached for information purposes in Appendix 3 of this report;

- the number and accounting valuation of the performance shares granted to him in 2023: 124,124 performance shares valued under IFRS at 1,949,988 euros, representing 200% of his (gross) annual fixed compensation for that year (which corresponds to the maximum limit of 200% authorised by the 2023 Chief Executive Officer Compensation Policy), it being specified that the final allocation of these shares is subject to demanding performance conditions;
- the valuation of the benefits in kind (annual contribution to the *Garantie Sociale des Chefs et Dirigeants d'entreprise* insurance plan (unemployment insurance), life insurance in the event of death, disability or any consequence of an accident during business travel, and a company car but without using the option of a driver) granted to him: 27,237 euros.

I. Approval of the compensation policy applicable to directors in respect of the 2024 financial year (fourteenth resolution)

Under the fourteenth resolution, it is proposed that you approve the compensation policy applicable to directors for the 2024 financial year, established in accordance with Article L. 22-10-8 of the French Commercial Code.

The compensation policy applicable to directors is presented in the 2023 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.

J. Approval of the compensation policy applicable to the Chairman of the Board of Directors in respect of the 2024 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 2024 financial year (the "**2024 Chairman of the Board of Directors Compensation Policy**"), established in accordance with Article L. 22-10-8 of the French Commercial Code. The 2024 Chairman of the Board of Directors Compensation Policy is presented in the 2023 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.

K. Approval of the compensation policy applicable to the Chief Executive Officer in respect of the 2024 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 2024 financial year (the "**2024 Chief Executive Officer Compensation Policy**"), established in accordance with Article L. 22-10-8 of the French Commercial Code. The 2024 Chief Executive Officer Compensation Policy is presented in the 2023 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.

L. 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, 2023, the Company used the authorisations to buy back its own shares granted by the Shareholders' Meetings on May 24, 2022 and on May 24, 2023 under their seventeenth resolutions to proceed with the buyback of its own shares. These authorisations were implemented in order to ensure in particular market-making in the market of the Company's shares pursuant to a liquidity contract executed with an investment services provider. Detailed information on these transactions completed in 2023 is provided in Chapter 6 "Capital and Shareholding" of the Company's 2023 Universal Registration Document.

Conditions for implementation

As the authorisation granted by the Shareholders' Meeting held on May 24, 2023 will expire during the 2024 financial year, it is proposed that the Shareholders' Meeting 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 the benefit of 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 applicable law;
- general compliance with obligations in respect of stock option plans or other allotments or sales of shares to employees and/or corporate officers;
- the delivery of shares upon exercise of the rights attached to securities giving access to the share capital;
- retaining and subsequently delivering these shares in the context of an external growth transaction, a merger, a spin-off or a contribution;
- the cancellation of all or part of the repurchased shares; or
- ensuring market-making in the market of the Company shares pursuant to a liquidity contract compliant with the market practice recognised by the French Financial Markets Authority (*Autorité des marchés financiers*).

It is specified that 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 applicable 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 statutory provisions) 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 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 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, merger, spin-off or contribution transactions.

The maximum amount of funds that the Company may allocate to this share buyback program would be 1,712,434,500 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 Shareholders' Meeting and would cancel, as of the same date, the unused portion as of the date of this Shareholders' Meeting, of the authorisation granted by the Shareholders' Meeting held on May 24, 2023 under its seventeenth resolution.

M. Powers to complete formalities (nineteenth resolution)

We propose that you grant full powers to complete all filings and formalities required by law as a result of this Shareholders' Meeting.

II. Resolution within the Extraordinary Shareholders' Meeting authority

N. Inclusion of the Company's employees and corporate officers as Company shareholders: allotment of existing or future shares free of charge (eighteenth 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 Shareholders' Meeting of May 24, 2023 under its twenty-sixth resolution.

Under its twenty-sixth resolution, the Shareholders' Meeting of May 24, 2023 authorised the Board of Directors to grant a maximum of 4,600,000 shares; the maximum number of Performance Shares that can be allotted to corporate officers not to exceed 250,000.

The Board of Directors used this authorisation during the 2023 financial year with the allocation of 2,794,057 shares, including 124,124 shares to the Chief Executive Officer.

Given this use, the balance of shares still eligible for allocation under the resolution is 1,805,943 shares.

Given the market conditions, the remaining eligible shares would not allow, in light of the forecasts made, to proceed to an allocation in 2024 under the contemplated conditions. In this context, it is proposed that the 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. This new authorisation would cancel the unused portion and replace the twenty-sixth resolution of the 2023 Shareholders' Meeting currently in force.

Maintenance of 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.

During its meeting held on February 29, 2024, the Board of Directors, on the recommendation of the Compensation Committee, decided, within the framework of the 2024 Chief Executive Officer Compensation Policy, to maintain the structure of the Performance Share plan unchanged, subject to adjusting the Europe Automotive Equipment Suppliers Panel to take into account of the acquisition of Vitesco by Schaeffler Automotive, announced on 9 October 2023, which according to the press release relating to this transaction should lead to the merger by absorption of Vitesco by Schaeffler Automotive during the fourth quarter of 2024. Given the nature of the panel, composed solely of European automotive equipment suppliers, the absence of relevant European peers identified and the presence of the absorbing company on the panel, Vitesco has been removed without being replaced. The other companies on the panel remain unchanged.⁵

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 allotting Free Shares and Performance Shares, in order to increase Group employee and corporate officer loyalty and motivation.

⁵ The Europe Automotive Equipment Suppliers Panel, as amended, includes the following companies: Autoliv, Continental, Faurecia (Forvia), Gestamp Automotive, Leoni, Michelin, Plastic Omnium and Schaeffler Automotive. 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 potentially replaced by another company in order to maintain the best possible level of comparability between Valeo and its peers. For information purposes, it should be noted that this adjustment is also intended to apply to the 2023 allocation using the Europe Automotive Equipment Suppliers Panel as the reference panel.

Conditions for implementation and ceilings

The Board of Directors, acting on the recommendation of the Compensation Committee, has established guidelines for granting Free Shares and Performance Shares under the eighteenth resolution subject to approval by your Shareholders' Meeting. The Board of Directors has decided that:

- a maximum of 8,035,000 Free Shares and Performance Shares may be granted (approximately 3.28% of the share capital as of December 31, 2023);
- the beneficiaries would be the Chief Executive Officer and all eligible employees;
- the allocation of Free Shares or Performance Shares to beneficiaries would only become effective after a minimum vesting period of three years following the allocation date;
- the maximum number of Performance Shares that may be granted to the Chief Executive Officer would be 490,000 *i.e.*, approximately 0.20% of the share capital as of December 31, 2023. Please note that the maximum number of conditional Performance Shares that may 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 the Executive Committee members 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 subject to the 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 and the ROCE rate. These criteria would 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, pursuant to this method:
 - (a) if, for each financial year covered by the scheme, the achievement rate 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 achievement rate 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 achievement rate 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 subject to the fulfilment of two corporate social responsibility (CSR) criteria: (x) an environmental criterion relating to the level of CO₂ emissions (10%), and (y) a gender diversity criterion based on the number of women within the Group's various management committees (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 will be consistent with the carbon neutrality objectives described in Chapter 4, section 4.1.3 "Valeo's Carbon Neutrality Contribution Plan for 2050 (CAP 50 plan)" of the 2023 Universal Registration Document and with the gender diversity targets described in Chapter 3, sub-section 3.2.1 "Composition of the Board of Directors", paragraph "Diversity policy within the governing bodies" of the 2023 Universal Registration Document. Thereafter:

- (a) if the level of CO₂ emissions recorded over the last year of the reference period is lower than or equal to the target rate established: 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 various management committees recorded as of December 31 of the last year of 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 subject to the achievement of 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 and 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 (as amended)⁶ 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 amended) 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 probably be replaced by another company to maintain the greatest possible comparability between Valeo and its peers.

- allocations of Performance Shares for the benefit of those reporting directly to Liaison Committee members and to other Group executives would be subject, up to 50%: (i) 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 (*i.e.* 40% in total, with 20% per criterion): an EBIT rate and a ROCE rate and (ii) to performance of two corporate social responsibility (CSR)-related (*i.e.* 10% in total, with 5% for each criterion): an environmental criterion relating to the amount of CO₂ emissions and (y) a gender diversity criterion based on the number of women within the Group's various management committees. The rules for determining whether these criteria have been satisfied and the scheme for allocating shares is the same as applicable to the Chief Executive Officer, Executive 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 thus not be subject to performance criteria);
- Free Shares allocated to participants outside of France under a worldwide employee shareholding plan could be allocated as a type of conditional matching (*abondement conditionnel*). For the avoidance of doubt, it is noted that these Free Shares would not be subject to performance criteria;
- for the Chief Executive Officer, he must satisfy a presence condition. The conditions for receiving the final allotment of Performance Shares, including in the event of a departure from the Company, are described in section 3.3.1 "Compensation policies for corporate officers" of the Company's 2023 Universal Registration Document. For other beneficiaries, the final allotment is also subject to a presence condition, in particular, the beneficiaries must have an employment contract or hold corporate office on the vesting date and 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

⁶ The Europe Automotive Equipment Suppliers Panel, as amended, includes the following companies: Autoliv, Continental, Faurecia (Forvia), Gestamp Automotive, Leoni, Michelin, Plastic Omnium and Schaeffler Automotive. For information purposes, it should be noted that this adjustment is also intended to apply to the 2023 allocation using the Europe Automotive Equipment Suppliers Panel as the reference panel.

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 his term of office;
- the Chief Executive Officer, Executive Committee members and Liaison Committee members cannot enter into hedging transactions.

It is specified that (i) outstanding Free Shares and Performance Shares as of December 31, 2023 represented 2.90% 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. In accordance with applicable laws, when the allocation is made out of unissued shares, the authorisation given by the Shareholders at a Shareholders' Meeting automatically includes a waiver of their preferential subscription rights to the benefit of the beneficiaries of Free Shares.

The average three-year unadjusted burn rate totals 0.98% (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 may only be allocated to the Company's Chief Executive Officer if the Company implements one of the measures referred to in that article.

The allocation conditions (including performance criteria) to the Chief Executive Officer described herein also appear in the 2024 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 2023 Chief Executive Officer Compensation Policy will be implemented.

Period of validity

This authorisation would be valid for a period of 26 months as from this Shareholders' Meeting and would cancel, as of the same date, the unused portion, as of the date of this Shareholders' Meeting, of the authorisation granted by the Shareholders' Meeting of May 24, 2023 under its twenty-sixth resolution.

III. Information relating to ongoing business since the beginning of the 2024 financial year

Information relating to the financial year ended December 31, 2023, events since the beginning of the 2024 financial year and the Group's forecasts are included in the Company's 2023 Universal Registration Document and on the Company's website (www.valeo.com) and on the *Autorité des marchés financiers*' website (www.amf-france.org).

Appendix 1**Compensation components allocated and paid to directors for the financial year ended December 31, 2023**

	Compensation components paid for the 2023 financial year	Amount or accounting valuation submitted to the vote	Presentation
Julie Avrane⁷	Fixed: 36%	25,000	The rules applied to allocate and award compensation to directors are described in Section 3.3.1 "Compensation policies for corporate officers", of the 2022 Universal Registration Document.
	Variable: 64%	45,000	
Bruno Bézard	Fixed: 37%	25,000	
	Variable: 63%	42,000	
Bpifrance Participations⁸	Fixed: 36%	25,000	
	Variable: 64%	45,000	
Alexandre Dayon	Fixed: 34%	25,000	
	Variable: 66%	48,000	
Stéphanie Frachet	Fixed: 28%	25,000	
	Variable: 72%	63,000	
Mari-Noëlle Jégo-Laveissière	Fixed: 36%	25,000	
	Variable: 64%	45,000	
Thierry Moulonguet	Fixed: 39%	40,000	
	Variable: 61%	63,000	
Eric Poton	Fixed: 36%	25,000	
	Variable: 64%	45,000	
Patrick Sayer	Fixed: 39%	37,000	
	Variable: 61%	57,000	
Ulrike Steinhorst	Fixed: 34%	31,000	
	Variable: 66%	60,000	
Grzegorz Szelag	Fixed: 36%	25,000	
	Variable: 64%	45,000	
Véronique Weill	Fixed: 41%	37,000	
	Variable: 59%	54,000	

⁷ Julie Avrane is the permanent representative of the Fonds Stratégique de Participations.

⁸ Represented by Alexandre Ossola.

Appendix 2**Table summarising compensation components paid during, or allocated in respect of, the 2023 financial year to Gilles Michel as Chairman of the Board of Directors**

Compensation components paid or allocated for the 2023 financial year	Amount or accounting valuation submitted to the vote	Presentation
(Gross) annual fixed compensation	360,000 euros	The terms for the (gross) annual fixed compensation of the 2023 Chairman of the Board of Directors Compensation Policy, as approved at a rate of 99.85% by the General Shareholder's Meeting held on May 24, 2023, are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the Company's 2023 Universal Registration Document.
(Gross) annual variable compensation	N/A	Gilles Michel did not receive any annual variable compensation.
Variable multiannual compensation	N/A	Gilles Michel did not receive any variable multiannual compensation.
Compensation as director	N/A	Gilles Michel did not receive any compensation in his capacity as director.
Exceptional compensation	N/A	Gilles Michel did not receive any exceptional compensation.
Allotment of stock options	N/A	Gilles Michel did not receive any awards of stock options.
Allotment of performance shares	N/A	Gilles Michel did not receive any performance shares.
Appointment benefit	N/A	Gilles Michel did not receive any appointment benefit.
Termination / non-compete clause	N/A	Gilles Michel did not receive any termination or non-compete benefit.
Supplementary pension	N/A	Gilles Michel did not receive any supplementary pension, nor any additional rights in the Company's supplementary pension scheme.
Benefits in kind	<ul style="list-style-type: none"> - Coverage of medical expenses and death and disability plan; and - Non-use of the option to use a company car with a driver, amounting to 3,841 euros. 	The terms for the benefits in kind of the 2023 Chairman of the Board of Directors Compensation Policy as approved at a rate of 99.85% by the Shareholders' Meeting held on May 24, 2023 are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the Company's 2023 Universal Registration Document.

Appendix 3**Table summarising compensation components paid during, or allocated in respect of, the 2023 financial year to Christophe Périllat as Chief Executive Officer**

Compensation components paid or allocated for the 2023 financial year	Amount or accounting valuation submitted to the vote	Presentation
(Gross) annual fixed compensation	975,000 euros	The terms for the annual fixed compensation of the 2023 Chief Executive Officer Compensation Policy as approved at a rate of 96.02% by the General Shareholder's Meeting held on May 24, 2023, are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the Company's 2023 Universal Registration Document.
(Gross) annual variable compensation	927,518 euros (amount allocated for the 2023 financial year).	<p>The terms for the annual variable compensation of the 2023 Chief Executive Officer Compensation Policy, as approved at a rate of 96.02% by the General Shareholder's Meeting held on May 24, 2023, are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the Company's 2023 Universal Registration Document.</p> <p>At its meeting held on February 29, 2024, the Board of Directors, on the recommendation of the Compensation Committee, assessed that the achievement rate for the quantifiable criteria was 48.06% (out of a maximum percentage of 70%) and that the achievement level for the qualitative criteria was 47.07% (out of a maximum percentage of 50%) of the (gross) annual fixed compensation due to the Chief Executive Officer in respect of the 2023 financial year. The Board of Directors therefore set the amount of variable compensation due to Christophe Périllat for 2023 at 95.13% (out of a maximum percentage of 120%) of the (gross) annual fixed compensation due to the Chief Executive Officer for the 2023 financial year, i.e. 79.28% of the maximum percentage authorised by the 2023 Chief Executive Officer Compensation Policy, which represents 927,518 euros. The variable compensation therefore amounts to 48.75% of the total amount of the (fixed and annual) compensation due to Christophe Périllat in 2023.</p> <p><u>Quantifiable criteria:</u></p> <p>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 Valeo's budget for 2023 and the guidance published in February 2023. 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:</p> <ul style="list-style-type: none"> - EBIT: 15.75% of the (gross) annual fixed compensation out of a maximum amount of 18%, i.e., an achievement rate of 87.5%. For 2023, the EBIT margin is 3.8% of the turnover; - Free cash flow: 14.31% of the (gross) annual fixed compensation out of a maximum amount of 18%, i.e., an achievement rate of 79.5%. For 2023, the free cash flow generation amounts to 379 million euros; - Net income: 0% of the (gross) annual fixed compensation out of a maximum amount of 16%, i.e., an achievement rate of 100%. For 2023, the net income is 221 million euros; and - Order intakes: 18% of the (gross) annual fixed compensation out of a maximum amount of 18%, i.e., an achievement rate of 100%. For 2023, the order intakes amounts to 34.9 billion euros. <p><u>Qualitative criteria:</u></p> <p>In assessing the achievement of the qualitative criteria set for 2023, 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 criteria:</p> <ul style="list-style-type: none"> - <u>Strategic vision criterion:</u> 11.67% of the (gross) annual fixed compensation out of a maximum amount of 14%, i.e., an achievement rate of 83.33%. The elements considered include (subject to undisclosed information for confidentiality reasons): (i) second year of implementation of the "Move Up" plan with 2023 results in line with the announced targets, (ii) launch of the software business transformation plan and the artificial intelligence technologies deployment program, (iii) quality of financial communication with a specific focus on products, technologies, technological partnerships and orders designed to support the Group's future growth (ADAS, software defined vehicle (SDV) and electrification) and (iv) quality of the technology roadmap (assessed by order intakes and share of innovation in order intakes) with, in 2023, a very strong alignment of the Group's product offering with market needs (record order intakes of 34.9 billion euros; share of innovation in order intakes above 73%, improving compared to 2022). - <u>Risk management criterion:</u> 12% of the (gross) annual fixed compensation out of a maximum amount of 12%, i.e., an achievement rate of 100%. The elements considered include (subject to undisclosed information for confidentiality reasons): (i) further strengthening of the Group compliance policy in 2023, including (a) new organisation of the compliance department, and the redefinition of the roles and responsibilities of the compliance champions, as well as (b) the adjustment of the whistle-blowing system, (ii) quality of the management of inflation-related impacts and (iii) quality of the management of the electronic component shortages, with no customer stoppages for the 12th consecutive quarter.

Compensation components paid or allocated for the 2023 financial year	Amount or accounting valuation submitted to the vote	Presentation
		<p>- <u>Corporate social responsibility criterion</u>: 11.40% of the (gross) annual fixed compensation out of a maximum of 12%, <i>i.e.</i>, an achievement rate of 95%. The elements considered include (subject to undisclosed information for confidentiality reasons): (i) the improvement in employee safety with, for the 5th consecutive year, a reduction in the number of accidents with lost days, the frequency rate obtained being lower than the target of 1.1, (ii) result for the Gender Equity index of 88.9, above the target of 88 out of a theoretical maximum score of 100 but in practice close to 90, since out of the five indicators taken into account to calculate the index (pay gap between men and women; gap in the distribution of individual pay rises between men and women; gap in the distribution of promotions; percentage of female employees who received a pay rise after returning from maternity leave and percentage of women in the ten highest paid positions), improving the result to be achieved for the 5th indicator, which accounts for 10 points, is complex to achieve in the short term, it being specified that structural measures are being implemented to this end and (iii) increase in the rate of women externally recruited by 8.5%, which is slightly below the ambitious target of at least 10% compared to 2022 (M&Ps population).</p> <p>- <u>CAP 50 criterion</u> (reduction in the level of CO₂ emissions): 12% of the (gross) annual fixed compensation out of a maximum amount of 12%, <i>i.e.</i>, an achievement rate of 100%. Emission of 45.16 Mt CO₂ in 2023, better than the target set at 46.6 Mt CO₂ in 2023. It should be noted that the annual targets are set on a linear basis according to the targets of Valeo's CAP 50 plan announced to the market and described in Chapter 4, section 4.1.3 "Valeo's Carbon Neutrality Contribution Plan for 2050 (CAP 50 plan)" of the 2023 Universal Registration Document. After a peculiar 2022 year when Valeo was able to reach, and very significantly exceed, the target set (45.2 Mt CO₂ achieved against a target of 47.35 Mt CO₂) due, in particular, to exogenous factors that led to a slowdown in vehicle sales in most regions of the world (tensions in the electronic components supply chain, Russo-Ukrainian crisis, lockdown measures in China and a slowdown in automotive production in Europe), in 2023 the Group succeeded in controlling its level of emissions in a context of turnover growth of 10 %. It should be emphasised that (i) achieving the targets set will require the implementation of dedicated action plans as well as renewing major efforts each year, (ii) the targets set are all the more ambitious as growth has a direct impact on emissions (the more the activity increases, the more the level of emissions increases) and, consequently, on the efforts to be made each year to reduce emissions and to achieve such targets and (iii) the carbon footprint of Valeo's customers and suppliers has an impact on the result.</p> <p>It should be noted that during the 2023 financial year, a (gross) annual variable compensation of 1,016,925 euros was paid to Christophe Périllat in his capacity as Chief Executive Officer for the 2022 financial year, following the approval at a rate of 97.68% by the Shareholders' Meeting on May 24, 2023 (<i>ex-post</i> vote).</p>
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	<p>Number: 124,124 shares. <u>Accounting valuation (IFRS valuation)</u>: 1,949,988 euros.</p>	<p>The terms for the allotment of performance shares of the 2023 Chief Executive Officer Compensation Policy, as approved at a rate of 96.02% by the General Shareholder's Meeting held on May 24, 2023, are described in Section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the Company's 2023 Universal Registration Document.</p> <p>In accordance with the 2023 Chief Executive Officer Compensation Policy, the Board of Directors, on the recommendation of the Compensation Committee, decided at its meeting of May 24, 2023 to allot 124,124 performance shares to Christophe Périllat for 2023, pursuant to the twenty-sixth resolution of the abovementioned Shareholders' Meeting held on May 24, 2023. 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 124,124 shares (<i>i.e.</i>, 0.05% of the Company's share capital as of December 31, 2023), valued under IFRS at 15.71 euros per share, corresponding to the maximum percentage of 200% of the (gross) annual fixed compensation permitted under the 2023 Chief Executive Officer Compensation Policy.</p> <p>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 2023 financial year" of the Company's 2023 Universal Registration Document.</p> <p>It is reminded that final allotments 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).⁹ Accordingly, the performance share plans concerned by the targets set for 2023 to which Christophe Périllat is entitled as a corporate officer are the 2021, 2022 and 2023 plans, which provide for performance criteria to be met over a period of three consecutive years.</p>
Appointment benefit	N/A	Christophe Périllat did not receive any appointment benefit.

⁹ Details of the achievement rate of the performance criteria for the 2020 and 2021 plans, for which the vesting period has been completed, are described in the AMF table no. 10 in section 3.3.2 "Compensation of corporate officers in respect of the 2023 financial year" of the Company's 2023 Universal Registration Document.

Compensation components paid or allocated for the 2023 financial year	Amount or accounting valuation submitted to the vote	Presentation
Non-compete clause	N/A	The 2023 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 Code's recommendations, the Company has the possibility to waive the clause. Christophe Périllat did not receive any non-compete benefits during the 2023 financial year.
Termination benefit	N/A	The 2023 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 accordance with the AFEP-MEDEF Code. Christophe Périllat did not receive any termination benefit.
Supplementary pension	398,385 euros. ¹⁰	The termination of Christophe Périllat's 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 the end of his employment contract was terminated (i.e. as from January 26, 2022, the date of his appointment as Chief Executive Officer). Since 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 2023 financial year" of the Company's 2023 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 Y+1 in respect of the financial year Y, were to reach 70% of the fixed compensation due in respect of the financial year Y. In the event that the variable part does not reach 70% of the fixed compensation, the gross annual amount paid will be calculated <i>pro rata</i> down to zero. Given the amount of the annual variable compensation granted for the 2023 financial year and which will be paid in 2024, this condition has been fully met. For 2023, the amount to be paid in 2024 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 2023, 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 during the 2023 financial year, amounts to a total amount of 398,385 euros. An identical amount will be paid in 2024 to Christophe Périllat to take into account the social security contributions and income tax due on the payments made to the insurance company and on this payment. It is recalled that the compensation components of the 2023 Chief Executive Officer Compensation Policy were set by the Board of Directors at its meeting held on February 23, 2023, on the recommendation of the Compensation Committee, approved at a rate of 96.02% by the General Shareholder's Meeting held on May 24, 2023 under its sixteenth resolution.
Benefits in kind	<ul style="list-style-type: none"> - 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 any accident during business travels; - Availability of a company car (it being specified that the option of a driver was not used), amounting to 27,237 euros.	The terms for the benefits of the 2023 Chief Executive Officer Compensation Policy as approved at a rate of 96.02% by the Shareholders' Meeting held on May 24, 2023 are described in section 3.3.2 " Compensation of corporate officers in respect of the 2023 financial year" of the Company's 2023 Universal Registration Document.

¹⁰ An identical amount will be paid in 2024 to Christophe Périllat to take into account the social security contributions and income tax due on the payments made to the insurance company and on this payment.

Appendix 4

Compensation policy for directors in respect of the 2024 financial year

Non-executive corporate officers receive compensation (previously known as attendance fees) for their presence at Board of Directors' and Committee meetings.

In accordance with the French Commercial Code, the articles of association, the Board's Internal Procedures and the internal procedures of the Compensation Committee, the Board of Directors has authority to decide how this compensation should be allocated. As part of this decision-making, the Board considers the corporate interest and the Company's long-term future by taking into account market practices and encouraging director attendance at meetings. The Compensation Committee makes recommendations to the Board of Directors on the rules for allocating directors' compensation and the individual amounts to be paid to each director, taking into account the actual number of Board and Committee meetings attended. The variable portion linked to attendance must, other than in exceptional circumstances, have a heavier weighting than the fixed portion.

In order to ensure that the applicable rules are appropriate and to maintain the attractiveness of the compensation offered, the Compensation Committee carries out annual comparative studies of directors' compensation amongst CAC 40 and SBF 120 companies, the latest of which has been examined at the meeting held on October 25, 2023. While this study confirmed the appropriate positioning of the amounts granted to Valeo's directors, for which the allocation rules are unchanged since January 25, 2016¹¹, in the current Board structure, the Compensation Committee emphasized that this composition should change in 2024 with the presence of a director representing employee shareholders, whose appointment will be submitted to the Shareholders' Meeting of May 23, 2024. This appointment will therefore automatically increase the number of directors receiving a compensation. The Committee also noted the high number of meetings held during the previous financial years, and recommended that a potential increase in meetings over the next few years should be taken into account.

In this context, shareholders will be asked, at the Shareholders' Meeting to be held on May 23, 2024 to increase the total amount of the sums allocated to directors' compensation, which has been set at 1,100,000 euros for the last eight years (Shareholders' Meeting of May 26, 2016, eleventh resolution), to 1,250,000 euros for the 2024 financial year and for any subsequent financial year until a new decision is taken by the Shareholders' Meeting. It is specified that this is a maximum amount, allocated in accordance with the rules set out below, and not an amount to be allocated in full during each financial year.

The basis for allocating directors' compensation, which remains unchanged, is as follows¹²:

- 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.

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

¹¹ Apart from the compensation provided for the director in charge of CSR issues, which was set by decision of October 28, 2021 – see hereinafter.

¹² As an exception to these rules, since the Appointments, Compensation & Governance Committee was split into two separate committees at the Board of Directors' meeting 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 Board of Directors' work", pages 133 to 146) of Valeo's 2023 Universal Registration Document.

Compensation allotted to an individual director	x 1,250,000 euros ¹³
Total compensation allotted to all directors	

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

- payment of the fixed portion (where applicable, *prorata* to the period of the year during which the director held office, as described below);
- payment of the variable portion based on the number of meetings that the director attended during the relevant 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 the Company). 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 of Directors, no Board member was paid any other compensation or benefits, during the financial 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 and the director representing employee shareholders have an employment contract and as such receive a salary and benefit from free share allocations (including performance shares), in the same way as the other employees of the Group.

In accordance with the applicable regulations, if a new director is appointed during the year, the compensation components and principles provided for in this compensation policy will apply to the new appointee on a *prorata temporis* basis. The fixed compensation will therefore be calculated *prorata* to the length of time the director holds office during the year and the variable portion is based on the number of Board and Committee meetings attended during the period. These same *prorata temporis* calculation principles also apply in the event of a director's departure during the year.

¹³ Subject to approval by the Shareholders' Meeting of May 23, 2024. If the new amount is not approved, the previous maximum aggregate amount of 1,100,000 euros will continue to apply.

Appendix 5

Compensation policy for the Chairman of the Board of Directors in respect of the 2024 financial year

During its meeting held on February 29, 2024, the Board of Directors set, on the recommendation of the Compensation Committee, the compensation policy of the Chairman of the Board of Directors for the 2024 financial year, which remains unchanged compared to the 2023 Chairman of the Board of Directors Compensation Policy, approved at a rate of 99.85% by the Shareholders' Meeting of May 24, 2023.

Annual Fixed compensation

The (gross) annual fixed compensation of the Chairman of the Board of Directors amounts to 360,000 euros (it being specified that this amount was set by the Board of Directors on December 8, 2022 in the context of the succession of Jacques Aschenbroich in his capacity of Chairman of the Board of Directors, and has remained unchanged since that date).

This 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 the luxury industry and banks).

Benefits of any kind

The Chairman of the Board of Directors is entitled to coverage of medical expenses, the applicable death and disability plan and will have the option of being 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 *prorata 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 concerned person, 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 2024 financial year

During its meeting on March 27, 2024, the Board of Directors set, on the recommendation of the Compensation Committee, the compensation policy of the Chief Executive Officer in respect of the 2024 financial year, which remains unchanged compared to the 2023 Chief Executive Officer Compensation Policy, which was approved by 96.02% by the Shareholders' Meeting of May 24, 2023, subject to the adjustments described below.

Annual Fixed compensation

The (gross) annual fixed compensation of the Chief Executive Officer amounts to 975,000 euros (it being reminded that the latter had been set by the Board of Directors on March 24, 2021 in anticipation of its appointment on January 26, 2022, and has remained unchanged since that date).

Annual 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 according to quantifiable and qualitative criteria based on the Group's financial, non-financial and operational performance. It is specified that the quantifiable and qualitative objectives to be reached are set according to specific, strict and ambitious predetermined objectives. These criteria are determined each year by the Board of Directors, on the recommendation of the Compensation Committee.

In assessing the 2024 Chief Executive Officer Compensation Policy, the Board of Directors held on February 29, 2024, on the recommendation of the Compensation Committee, decided to keep the Chief Executive Officer's annual variable compensation unchanged compared to the 2023 Chief Executive Officer Compensation Policy, apart from replacing one of the quantifiable criteria, the Group order intake, by a net debt/EBITDA criterion, which is considered to be more relevant given the high interest rate environment and the Group' debt reduction commitments (the other quantifiable criteria remaining unchanged to those mentioned in the 2023 Chief Executive Officer Compensation Policy).

Regarding the qualitative criteria for the Chief Executive Officer's annual variable compensation in respect of the 2024 financial year, they remain identical to those mentioned in the 2023 Chief Executive Officer Compensation Policy, with an adjustment to some of the qualitative sub-criteria (see table below) in order to better reflect the Group's current operational and extra-financial performance objectives in connection with the Group's CSR strategy (including climate change).

The quantifiable and qualitative criteria of the annual variable compensation provided for in the 2024 Chief Executive Officer Compensation Policy are therefore as follows:

- **four quantifiable criteria:** (i) EBIT, (ii) free cash flow, (iii) net income, and (iv) net debt/EBITDA ratio.

The objectives 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 CO₂ emissions ("**CAP 50**").

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 on the elements of assessment transmitted by the management, it being specified, however, that for the reduction of CO₂ emissions, the objective set is in line with those set in the CAP 50 (carbon neutrality) 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 (gross) annual 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 (gross) annual 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 (gross) 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 (gross) annual fixed compensation related to each of the criteria as well as the maximum amount of the variable portion for 2024:

Quantifiable criteria⁽¹⁾

Nature of quantifiable criterion	Maximum variable portion as a % of the Chief Executive Officer's annual fixed compensation
EBIT	18%
Free cash flow ⁽²⁾	18%
Net income	16%
Net debt/EBITDA	18%
TOTAL QUANTIFIABLE CRITERIA	70%

Qualitative criteria

Nature of qualitative criterion	Maximum variable portion as a % of the Chief Executive Officer's annual fixed compensation
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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.

14%

Risk management

This criterion is assessed in particular against the following elements:

- compliance: (i) deployment of the new antitrust program and (ii) implementation of the new risks map in relation to the fight against corruption;
- management of operational risks and management of production volumes;
- management of inflation-related impacts and reduction of the Group's fixed costs (in line with the budget).

12%

Corporate social responsibility

CSR assessed in particular against the following elements:

- safety performance, with the objective of stabilizing the frequency rate at the level of the automotive benchmark ($FR1 \leq 1.0$)⁽³⁾;
- progression of the Gender Equity Index (reaching level 89 of the index)⁽⁴⁾;
- implementation of a CSRD reporting organization for the Group.

12%

CAP 50

Reduction trajectory of CO₂ emissions in line with the CAP 50 plan: the objective is to limit CO₂ emissions below 45.85 MtCO₂ in 2024⁽⁵⁾.

12%

TOTAL QUALITATIVE CRITERIA**50%****TOTAL QUANTIFIABLE AND QUALITATIVE CRITERIA****120%**

(1) Excluding regulatory and tax impacts.

(2) After restructuring costs.

(3) In the event of a deadly accident of 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.

(4) The target set is 89 out of a theoretical maximum score of 100, but in practice close to 90, since out of the five indicators taken into account to calculate the index (gender pay gap, gender pay gap in individual pay rises, gender pay gap in promotions, percentage of female employees receiving a pay rise on return from maternity leave, and percentage of women in the 10 highest-paid jobs), improving the result to be achieved for the fifth indicator, which accounts for 10 points, is complex to achieve in the short term, it being specified that structural measures are being implemented to this end.

(5) The objective has been set taking as a basis of calculation a carbon neutrality objective by 2050 and, by December 31, 2030, an ambitious plan to reduce emissions related to its operating activities by 75% (Scopes 1 and 2) and emissions related to its supply chain and 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 Contribution Plan for 2050 (CAP 50 plan)" of Valeo's 2023 Universal Registration Document. This 2030 target implies an annual reduction of 0.75 MtCO₂ from a 49.6 MtCO₂ emission at January 1, 2020, to 41.4 MtCO₂ at December 31, 2030. Accordingly, based on a linear annual progression until 2030, the rate of achievement of this target is set at a maximum emission of 45.85 MtCO₂ in 2024. It is emphasized that, (i) although the results obtained for the 2022 and 2023 financial years make the linear targets appear, at first sight, to be easily achievable over the next few years, in practice the situation is much more nuanced and complex as the level of emissions reduction, as validated by SBTi, is set at a fixed date (i.e. 2019 for the CAP 50 plan) and therefore does not take into account any changes in the Group's business and growth in relation to the assumptions made at that date, (ii) growth has a direct impact on emissions (the more the activity increases, the more the level of emissions increases) and, consequently, on the reduction efforts required over the period to achieve them and (iii) the carbon footprint of Valeo's customers and suppliers has an impact on the result.

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 assessing the 2024 Chief Executive Officer Compensation Policy, the Board of Directors held on February 29, 2024, on the recommendation of the Compensation Committee, reviewed the Europe Automotive Equipment Suppliers Panel¹⁴ and decided to adjust it to take into account the takeover of Vitesco by Schaeffler Automotive, announced on October 9, 2023, which, according to the press release relating to the transaction, should lead to the merger (fusion par absorption) of Vitesco with and into Schaeffler Automotive during the fourth quarter of 2024. Given the nature of the panel, consisting solely of European automotive suppliers, the absence of relevant identified European peers and the presence of the acquiring company on the panel, Vitesco has been removed from the panel without being replaced. The other companies on the panel remain unchanged¹⁵.

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 financial 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 (as adjusted) (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 CO₂ emissions and a gender diversity criterion based on the number of women within the Group's various management committees. 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 within the Group's various management committees (see table below), in line with the Group's CSR strategy (including climate change). 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 his (gross) annual 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 (gross) annual 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.

¹⁴ The Europe Automotive Equipment Suppliers Panel includes the following companies: Autoliv, Continental, Faurecia (Forvia), Gestamp Automotive, Leoni, Michelin, Plastic Omnium, Schaeffler Automotive and Vitesco.

¹⁵ The Europe Automotive Equipment Suppliers Panel, as adjusted, includes the following companies: Autoliv, Continental, Faurecia (Forvia), Gestamp Automotive, Leoni, Michelin, Plastic Omnium and Schaeffler Automotive. 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 may potentially be replaced by another company in order to maintain the best possible level of comparability between Valeo and its peers. For information purposes, it should be noted that this adjustment is also intended to apply to the 2023 allocation using the Europe Automotive Equipment Supplier Panel as reference panel.

The table below summarizes in a synthetic way the criteria and methods used to assess the performance shares as part of the 2024 Chief Executive Officer Compensation Policy:

Criterion	Weight/Assessment
Internal performance criterion: ROCE 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.
Internal performance criterion: EBIT rate⁽¹⁾ (30%)	<ul style="list-style-type: none"> • 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%)	TSR recorded over a 3-year period from January 1 of the year of allotment to December 31 of the year prior to delivery.
Versus CAC 40 (10%)	<ul style="list-style-type: none"> • If Valeo's TSR recorded over the reference period is greater than the CAC 40 index's TSR recorded over the reference period: 100% (0% if lower or equal).
Versus panel (10%)	<ul style="list-style-type: none"> • 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 (as adjusted) over the reference period: 100% (0% if lower or equal).
Corporate social responsibility (20%)	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:
CO₂ emissions⁽²⁾ (10%)	<ul style="list-style-type: none"> • If the level of CO₂ emissions recorded over the last year of the reference period is lower than or equal to the target rate set over the reference period: 100% (0% if higher).
Number of women within the Group's various management committees⁽³⁾ (10%)	<ul style="list-style-type: none"> • If the number of women within the Group's various management committees recorded at December 31 of the last year of the reference period is greater than or equal to the target rate set for the reference period: 100% (0% if lower).

(1) For 2024, the guidance is 14.1% for the ROCE rate and as of 4% for the EBIT rate.

(2) For the 2024 plan, the achievement of this target will be assessed on December 31, 2026, taking as a basis for the calculation a carbon neutrality objective by 2050 and, by December 31, 2030, an ambitious plan to reduce emissions related to its operating activities by 75% (Scopes 1 and 2) and 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 Contribution Plan for 2050 (CAP 50 plan)" of Valeo's 2023 Universal Registration Document. This 2030 objective implies an annual reduction of -0.75 MtCO₂ from a 49.6 MtCO₂ emission at January 1, 2020 to 41.4 MtCO₂ at December 31, 2030. Accordingly, based on linear annual progression until 2030, the rate of achievement of this target is set at a maximum emission of 44.35 MtCO₂ in 2026. It is emphasized that, (i) although the results obtained for the 2022 and 2023 financial years make the linear targets appear, at first sight, to be easily achievable over the next few years, in practice the situation is much more nuanced and complex as the level of emissions reduction, as validated by SBTi, is set at a fixed date (i.e. 2019 for the CAP 50 plan) and therefore does not take into account any changes in the Group's business and growth in relation to the assumptions made at that date, (ii) growth has a direct impact on emissions (the more the activity increases, the more the level of emissions increases) and, consequently, on the reduction efforts required over the period to achieve them and (iii) the carbon footprint of Valeo's suppliers and customers has an impact on the result.

(3) For the 2024 plan, the achievement of this target will be assessed on December 31, 2026, taking as a basis for calculation of the target, the doubling of the number of women within the Group's various management committees from 16% of women on January 1, 2020 to 32% of women as at December 31, 2030 (with intermediate targets of 23% of women on December 31, 2024 and 27% of women on December 31, 2027, see section 3.2.1 "Composition of the Board of Directors", sub-section "Diversity policy within the governing bodies") of Valeo's 2023 Universal Registration Document. Accordingly, based on progression in line with the set trajectory, the rate of achievement of this target is set at a minimum of 25.5% of women within the Group's various management committees by December 31, 2026.

In addition, a presence condition must be met at the time of the allotment. The performance shares allotted to the Chief Executive Officer will therefore only vest and be delivered at the end of the vesting period (set at three years) if he continues to serve as an executive corporate officer until 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 this case, 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 two-year 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

As of Christophe Périllat's appointment as Chief Executive Officer on January 26, 2022, his employment contract was terminated. The termination of Christophe Périllat's employment contract entailed the loss of the benefit of the supplementary pension plan attached to his status as employee for the defined benefit pension plan to which he would have been entitled if he had remained an employee within Valeo until his retirement, except for the rights acquired under the new plan put in place as of January 1, 2020 until the term of this employment contract (i.e. as of the date of his appointment as Chief Executive Officer on January 26, 2022).

In January 2022, the Board of Directors decided that the Chief Executive Officer should benefit from a defined contribution pension plan, with optional membership, to replace the acquisition of rights under the defined benefit pension plans. This compensation component remains unchanged in the 2024 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 gross annual 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:

- 12.5% for the 2024 and 2025 financial years¹⁶;
- 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 *prorata* basis down to zero.

This scheme was chosen between several alternatives and, when it was introduced, represented 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.

Benefits of any kind

The principles and criteria relating to benefits in kind remain unchanged in the 2024 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. He also has the option of being provided with a company car and a driver.

Non-compete clause and termination benefits

The principles and criteria relating to the non-compete clause and termination benefits remain unchanged in the 2024 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 has been 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 will 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 benefit described below. As a result, the maximum amounts likely to be paid to the Chief Executive Officer in the form of non-compete compensation and/or termination benefits would be equal to twice the annual compensation (fixed and variable), in accordance with the recommendation of the AFEP-MEDEF Code.

¹⁶ In accordance with the compensation policies of the Chief Executive Officer for the 2022 and 2023 financial years, this amount was 10% for 2022 and 2023.

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 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 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 2024 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 2024 financial year.

It should also be recalled that in accordance with the recommendations of the AFEP-MEDEF Code, since his appointment 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, was 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 allocated 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 2024 Chief Executive Officer Compensation Policy. The events that could give rise to the use of this possibility are in particular any event beyond Valeo's control that cannot be reasonably foreseen or quantified at the time of the determination of the compensation components and that has an impact on the automotive industry during the 2024 financial year, such as the price increase of raw materials and energy, as well as geopolitical tensions 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 apply 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.