

VALEO

A European Company (SE) with a share capital of €244,633,504
Registered office: 100, rue de Courcelles - 75017 Paris
552 030 967 R.C.S. Paris

SPECIAL REPORT ON THE ALLOTMENT OF FREE SHARES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

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

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, the purpose of this report is to inform you of the allotment, in the course of the financial year ended December 31, 2023, of free existing or newly issued shares, to employees of the Company or of companies or groups related to it under the conditions set forth in Article L. 225-197-2 of the French Commercial Code and to corporate officers referred to in Article L. 225-197-1, II of the French Commercial Code.

Pursuant to the authorisation granted under the twenty sixth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 24, 2023, the Board of Directors approved the allotment of a maximum number of 2,794,057 shares of the Company, the breakdown of which, by category, is as follows: 124,124 performance shares to the Chief Executive Officer (discretionary plan), 443,644 performance shares to the members of the Executive Committee¹ (discretionary plan), 202,159 performance shares to the members of the Liaison Committee excluding the Executive Committee (discretionary plan), 1,050,840 free/performance shares to the main direct reports of the Liaison Committee members as well as other managers of the Group (Population A) (discretionary plan), 773,867 free shares to all employees of the Group's companies (collective plan) and an exceptional allotment of 199,423 free shares to certain high potential managers (Population B) on the basis of 217 or 434 free shares per beneficiary, as the case may be ("high potential managers" plan).

The IFRS value of the performance shares allotted by the Board of Directors on May 24, 2023 to the Chief Executive Officer amounts to €15.71 per share (based on the average market price for the last 20 trading days (closing market price) until May 22, 2023 inclusive).

The IFRS value of the performance shares and free shares, excluding the Shares4U plan, allotted by the Board of Directors on May 24, 2023 to the other beneficiaries of the discretionary plan amounts to €16.17² per share (based on the average market price for the last 20 trading days (closing market price) until May 22, 2023 inclusive).

The IFRS value of the free shares allotted in connection with the implementation of the Shares4U plan amounts to €12.89 per share for foreign beneficiaries outside Italy and Spain (based on the closing market price) as at October 6, 2023, the end date for the subscription

¹ Formerly Operations Committee.

² The difference in value between the shares allotted to the Chief Executive Officer and those allotted to the other beneficiaries of the discretionary plan stems from the two-year holding period that the Chief Executive Officer is bound by after the expiration of the three-year vesting period.

period cited as the IFRS2 value date and €11.83 per share for the Italian and Spanish beneficiaries.

Discretionary plan

The vesting date of the performance shares was set by the Board of Directors at May 24, 2026 for all beneficiaries of the Group, provided that:

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

As of the vesting date and provided the abovementioned conditions are met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. A two-year holding period as of May 24, 2026, applicable to the Chief Executive Officer, will follow, during which he may not transfer his vested shares (except in the event of death or total and permanent disability), it being specified that at the end of this two-year period, the Chief Executive Officer must hold at least 50% of vested performance shares in registered form until the end of his term of office and, in accordance with the AFEP-MEDEF Code and Valeo's Code of good conduct, he shall not use hedging transactions to reduce his risk³. There is no holding period for the other beneficiaries; they may transfer their shares as of the vesting date, *i.e.* May 24, 2026.

³ As provided for the Chief Executive Officer, the Executive Committee members as well as the Liaison Committee members shall not use hedging transactions to reduce their risks on Valeo securities (including on free and on performance shares).

Collective plan and "high potential managers" plan

The beneficiaries are (i) regarding the collective plan, (a) all employees of the Group's companies in France and in the countries which do not participate in the Shares4U employee shareholding plan (without performance conditions excepting members of the Liaison Committee, which includes the Executive Committee, the main direct reports of the Liaison Committee members as well as other Group executives) and (b) all employees of the Group's companies who subscribed shares pursuant to the Shares4U employee shareholding plan outside France (without performance conditions) and (ii) regarding the "high potential managers" plan, 581 high potential managers.

(i) Collective plan

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

The vesting date was set by the Board of Directors at June 30, 2026 for all beneficiaries, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the abovementioned condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. There is no holding period applicable to the beneficiaries; they may transfer their shares as of the vesting date, *i.e.* June 30, 2026.

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

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

As of the vesting date and provided the abovementioned condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. However, a three-year holding period as from November 30, 2026, expiring on November 30, 2029, is required for employee beneficiaries who are Italian and Spanish tax residents, during which they may not transfer their vested shares (except in the event of death or total and permanent disability). Regarding other countries, there is no holding period and the beneficiaries may transfer their shares as of the vesting date, *i.e.* November 30, 2026.

(ii) "High potential managers" plan

The vesting date was set by the Board of Directors at May 24, 2026 for all beneficiaries employed by the Group, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability,

retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the abovementioned condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. There is no holding period applicable to the beneficiaries; they may transfer their shares as of the vesting date, *i.e.* May 24, 2026.

Performance shares allotted in 2023 to the Chief Executive Officer

	Number of performance shares allotted	Value of shares (€)	Allotment date
Performance shares allotted in the course of the financial year to Valeo's Chief Executive Officer by Valeo and by its affiliates under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	124,124	15.71 *	05/24/2023
Performance shares allotted in the course of the financial year to Valeo's Chief Executive Officer by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code for the mandates he holds therein	N/A	N/A	N/A

* Based on the average market price for the last 20 trading days (closing market price) until May 22, 2023 inclusive.

Free shares and/or performance shares allotted in 2023 to the 10 employees (who are not corporate officers) with the highest number of shares allotted

	Number of free shares allotted	Value of shares (€)	Allotment date
Free shares and/or performance shares allotted in the course of the financial year by Valeo and by its affiliates to the 10 Valeo employees (who are not corporate officers) with the highest number of shares allotted, under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	394,894	16.17 *	05/24/2023

* Based on the average market price for the last 20 trading days (closing market price) until May 22, 2023 inclusive.

Free shares allotted in 2023 to all employees of the Group

	Number of free shares allotted	Number of employee beneficiaries of the allotment of free shares	Value of shares (€)	Allotment date
Free shares allotted in the course of the financial year to all employees of the Group's companies in France and in the countries which do not participate in the employee shareholding plan	82,975	16,595	16.17 *	05/24/2023
Free shares allotted in the course of the financial year abroad as part of the employee shareholding plan	690,892	22,762	12.89 **	11/30/2023

* Based on the average market price for the last 20 trading days (closing market price) until May 22, 2023 inclusive.

** Based on the closing market price as at October 6, 2023, the end date of the subscription period cited as the IFRS2 value date and €11.83 for the Italian and Spanish beneficiaries.