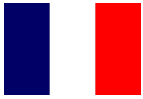


MEETING DATE	Thu, 25 Jun 2020 14:00	TYPE	AGM	ISSUE DATE	Wed, 17 Jun 2020
MEETING LOCATION	43, rue Bayen – 75017 Paris./The meeting will be held behind closed doors.				
CURRENT INDICES	PIRC Global				
SECTOR	Auto Parts				
FYE	31 Dec 2019				

PROPOSALS		ADVICE
O.1	Approve Financial Statements Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.	For
O.2	Approve Consolidated Financial Statements Disclosure is adequate. The financial statements were made available sufficiently before the meeting and have been audited and certified. No serious governance concerns have been identified.	For
O.3	Approve the Dividend The Board proposes a dividend of EUR 0.20 per share. The dividend is covered by earnings. Acceptable proposal.	For
O.4	Approve Auditors' Special Report on Related-Party Transactions It is proposed to approve the Auditors' Special Report on Related-Party Transactions, regarding agreements that have already approved by shareholders at previous meetings, but that are being implemented. The report is included in the reference document. No serious concerns.	For
O.5	Ratify Appointment of Bpifrance Participations as Director It is proposed to ratify the co-optation of this director during the year. The co-opted director will replace the resigning one, for the whole tenure of the latter one's term on the board.	For
O.6	Ratify Appointment of Fonds Strategique de Participation as Director It is proposed to ratify the co-optation of this director during the year. The co-opted director will replace the resigning one, for the whole tenure of the latter one's term on the board.	For
O.7	Re-elect Thierry Moulonguet Non-Executive Director. Not considered independent as the director is a former special advisor to the CEO of Renault-Nissan, a major customer of Valeo. However, there is sufficient independent representation on the Board. He is chair of a committee and is not fully independent. Triodos opposes this resolution.	Oppose
O.8	Re-elect Ulrike Steinhorst Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board. However, this director is a non-independent member of a committee. Triodos opposes this resolution.	Oppose
O.9	Re-elect Fonds Strategique de Participation as Director Non-Executive Director. Not considered independent as the director is representative of Fonds Strategique de Participation. However, there is sufficient independent representation on the Board. Support is recommended.	For

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|--------------|---|---------------|
| O.10 | Approve Compensation Report of Corporate Officers
It is proposed to approve the Compensation Report of Corporate Officers. The payout is in line with best practice, under 200% of the fixed salary. However, the company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended. | Oppose |
| O.11 | Approve Compensation of Jacques Aschenbroich, Chairman and CEO
It is proposed to approve the remuneration paid or due to Jacques Aschenbroich, Chairman and CEO with an advisory vote. The payout is in line with best practice, under 200% of the fixed salary. However, the company has not fully disclosed quantified targets against which the achievements and the corresponding variable remuneration has been calculated. Although a common practice in this market as this is deemed to be sensitive information, it prevents an accurate assessment and may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On this basis, opposition is recommended. | Oppose |
| O.12 | Approve Remuneration Policy of Directors
The Board is seeking approval for Board and Committee membership fees for non-executive directors. It is noted that all directors have agreed to donate 25% of their compensation for the duration of the shutdown to support Covid-19-related solidarity initiatives. No increase has been proposed and support is recommended. | For |
| O.13 | Approve Remuneration Policy of Chairman and CEO
It is proposed to approve the remuneration policy. Variable remuneration appears to be consistently capped, and the payout is in line with best practice. However, the company has not disclosed quantified targets for the performance criteria of its variable remuneration component, which as a consequence may lead to overpayment against underperformance. In addition, there are no claw back clauses in place over the entirety of the variable remuneration component which makes it unlikely that shareholders will be able to reclaim any variable remuneration unfairly paid out. On these grounds, opposition is recommended. | Oppose |
| O.14 | Authorise Share Repurchase
It is proposed to authorise the Board to purchase Company's shares for 10% and 26 months. This resolution will not be supported unless the Board has set forth a clear, cogent and compelling case demonstrating how the authority would benefit long-term shareholders. As no clear justification was provided by the Board, an oppose vote is recommended. | Oppose |
| E.15* | Delegate Powers to the Board to Amend Bylaws to Comply with Legal Changes
This is considered to be a technical authority, to implement the decisions proposed in the previous item. | For |
| E.16* | Amend Articles 14, 16, 18 and 23 of Bylaws to Comply with Legal Changes
It is proposed to amend the company's by-laws to comply with new laws/regulations. Although it would be preferred that the company submitted each amendment for approval separately, full disclosure of the amendments has been provided and no serious concerns have been identified. Support is recommended. | For |
| E.17* | Approve Change of Corporate Form to Societe Europeenne (SE)
It is proposed to change the corporate form to Societe Europeenne (SE). The company currently has employee representative on the Board, and therefore representation would not be lost by changing from a German corporate form. There do not appear to be any significant adverse effects on shareholder rights. Support is recommended. | For |
| E.18* | Adopt New Articles of Association
It is proposed to adopt new articles of association based on the previous resolution for the transformation of the company to Societe Europeenne (SE). This proposal is considered to be a technical item in order to publish a new version of the Articles, including the proposed amendments. Support is recommended. | For |

O.19 Authorize Filing of Required Documents/Other Formalities

For

Standard resolution.

* = *Special resolution*

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal E.17 - Approve Change of Corporate Form to Societe Europeenne (SE)

Change of legal form into Societas Europaea

The SE (Societas Europaea) is a European public limited-liability company, legally based on the Council Regulation (EC) No. 2157/2001. As a new legal form, the SE coexists with the existing corporate forms of each EU member state. It requires a minimum registered share capital of EUR 120,000 divided into shares which are eligible for listing on a stock exchange. The SE is domiciled in the Member State where its head office is located.

The main advantages for the founding entity of the SE include facilitation of cross-border restructuring (mergers and/or joint ventures)

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