LOCAL SUPPLEMENT FOR INDIA

EMPLOYEE SHARE OFFER SHARES4U 2026

The English version of this Local Supplement is a free translation of the original, which was prepared in the local language of your country of subscription. In all matters of interpretation, the original language version of the document takes precedence over the translation.

This Local Supplement for India is provided to you in addition to other Shares4U 2026 offer documents (in particular, the Brochure, the Subscription form and the Key Information Documents of the FCPE Shares4U Relais 2026 and FCPE Valeorizon). It contains a brief summary of the local offer information and principal tax consequences relating to the offer.

Please note that neither Valeo nor your employer is providing you with, and will not provide you with, any personal, financial or tax advice in relation to this offer.

LOCAL OFFER INFORMATION

Your subscription

SECURITIES LAW INFORMATION

No prospectus, disclosure or financial requirements are triggered where the Indian entity is not listed on a stock exchange in India as the offer will benefit from a private placement exemption.

FOREIGN EXCHANGE CONTROL INFORMATION

€/Rupee exchange

In India, you will make your investment in Rupees. Because Valeo shares are listed in Euros, your investment amount will be converted into Euros at the exchange rate fixed prior to the start of the subscription period and provided to you with the subscription price. The amount in Euros will be invested in Valeo shares on the date of the capital increase.

Thereafter, exchange rate fluctuations between the Euro and the Rupee can have a positive or a negative impact on your investment. During the life of your investment, the value of the Valeo shares that you hold will be affected by fluctuations in the currency exchange rate between the Euro and the Rupee. As a result, if the value of the Euro strengthens relative to the Rupee, the value of the shares expressed in Rupee will increase. On the other hand, if the value of the Euro weakens relative to the Rupee, the value of the shares expressed in Rupee will decrease.

Also, please note that you must have a Permanent Account Number (PAN) to participate in the Shares4U offer.

Subject to the terms and conditions of Shares4U 2026, **you may transfer by way of sale the foreign securities acquired under Shares4U 2026 provided the proceeds thereof are repatriated <u>immediately</u> on receipt thereof**[1]. All remittances you make under Shares4U 2026 shall be under and subject to all the applicable Indian foreign exchange control laws and regulations in force.

Please note that your participation in Shares4U 2026 must comply with the applicable Indian laws, including the Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder, as amended from time to time. Please note that the subscription amount being remitted under the Shares4U 2026 offering by your employer on your behalf (including the amount of matching contribution paid by your employer in respect of your participation in the offering) will be reckoned towards your limit of USD 250,000 per financial year under the Liberalised Remittance Scheme ("**LRS**") of the Reserve Bank of India[2]. The remittance of the subscription amount by your employer on your behalf (including the amount of matching contribution paid by your employer in respect of your participation in the offering) must therefore be within the limit of USD 250,000. Your employer may not be aware of other remittances that you may have undertaken under the LRS; hence, you are solely responsible for ensuring that your subscription is within the limit of USD 250,000. You agree to be solely responsible for any breach of the Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder.

Please refer to the tax section for TCS applicability.

METHOD OF PAYMENT

Payment of the amount of your subscription can be made by bank transfer AND/OR in instalments to be deducted from your salary

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[1] Relevant regulations provide that income earned from investments, unless reinvested, must be repatriated within 180 days from date of receipt / realisation. As there remains some ambiguity concerning availability of this time window for reinvestment of sale proceeds, it is advisable that the proceeds are repatriated immediately to avoid risk of penalties.

[2] The Liberalised Remittance Scheme ("**LRS**") of (Indian) foreign exchange control regulations allows an Indian resident employee to buy securities of a foreign company provided that the aggregate remittances in a financial year (i.e., 1st April of one calendar year to 31st March of the following calendar year) do not exceed USD 250,000. This limit is the aggregate amount an employee can remit in a financial year (April-March), including his/her remittances towards all permissible current and capital account transactions.

over 3 months. You can opt for the one or the other option or combine payment methods.

Important note: in case TCS is due (please see Tax information below for more information as to whether TCS is due and the calculation thereof), you will need to pay the amount due to your employer by way of bank transfer before October 30, 2026 whether you have chosen payroll deduction or wire transfer option, since the same is required to be remitted to the AD Bank by November, 5 2026. Should such payment not be made on a timely basis, your employer will deduct it from your November 2026 payroll, or as the case may be, over several payrolls should the maximum amount which may be deducted therefrom have been reached, until full payment of the TCS due.

- Payment by bank transfer to the account of your employer:

You are responsible for arranging the bank transfer to pay your subscription amount. Please use the following transfer information:

	VIPL (IN04)	VFMI (IN02)
Beneficiary	Valeo India Private Limited	Valeo Friction Materials India Private Limited
Bank	JPMorgan Chase Bank	JPMorgan Chase Bank
Branch	Hoysala Corpus, 2nd Floor, Guttahalli Village, Kasaba Hobli, Devanahalli Taluk,Bangalore Rural District – 562 110	Hoysala Corpus, 2nd Floor, Guttahalli Village, Kasaba Hobli, Devanahalli Taluk,Bangalore Rural District – 562 110
Swift Code	CHASINBX	CHASINBX
Account #	5622416864	5622416898
IFSC Code	CHAS0INBX03	CHAS0INBX03

Please indicate as reference for the bank transfer your Workday ID and Shares4U.

Your payment must reach the account indicated above before October 30, 2026.

- Payment in instalments deducted from salary:

    This payment facility is offered only up to the maximum amount of INR 20,000. If you wish to invest more, you can combine with payment by another method of payment available to you.

The amount of your subscription by this payment method will be divided in 3 instalments of equal amount to be deducted from your salary over 3 months, starting with the month of November 2026.

Please note that deductions from salary are also subject to limitations in accordance with law applicable in India. Deduction of the amount of your subscription from your salary cannot exceed 50% of your monthly salary. You should consider these limitations when you decide to opt for this payment method. The amount of your subscription by this payment method will be reduced to the amount deductible from your salary in 3 monthly instalments.

Further, as indicated above under Foreign Exchange Control Information, please note that your subscription amount being remitted under the Shares4U offering will be reckoned towards your limit of USD 250,000 per financial year under the LRS. Please refer to the tax section for TCS applicability.

If your employment terminates before you have paid the Subscription Price in full, the unpaid balance of the subscription will become due and payable upon termination of your employment. Your employer will have the right to collect any unpaid portion of the Subscription Price from other amounts that are owed to you in compliance with applicable law. Furthermore, your employer reserves the right to file a claim against you for payment of the unpaid amounts.

LOCK-UP PERIOD OF NEARLY 5 YEARS AND EARLY EXIT EVENTS

In consideration of the benefits granted under the offer, your investment (subscribed shares/FCPE units) is subject to a lock-up period of approximately 5 years (up to and including June 30, 2031), during which you will not be able to redeem your investment.

However, in the case of occurrence of any of the following events, you can request that your investment be released in advance before the end of the lock-up period:

1. marriage (*);
2. birth or adoption of a third (or more) child provided that your household is already financially responsible for at least two

children (*);
3. divorce or separation when it is accompanied by a court decision specifying that your home is to be the sole or shared ordinary place of residence of at least one child (*);
4. domestic violence committed against you by your spouse or your former spouse, when a police report or a court order is issued confirming the existence of such domestic violence
5. termination of your employment (this case does not apply in case of mobility intra-group);
6. disability (you, your spouse or child);
7. death (you or your spouse).

Please note that for events marked (*), the request for early release must be submitted within 6 months following the event. If you do not request early release within 6 months of the event, your shares will remain subject to the 5-year lock-up period (subject to the occurrence of a further early release event).

Redemption shall take place in the form of a single payment that, at your choice, shall relate to all or some of your assets that may be redeemed. In case of occurrence of an early exit event between the end of the subscription period and the date of the capital increase, the exit request should be sent and will be processed after the date of capital increase.

These early release events are defined by French law and must be interpreted and applied in a manner consistent with French law. You should not conclude that an early release event is available unless you have described your specific case to your employer and your employer has confirmed that it applies to your situation, upon providing the required supporting documentation.

Please note that occurrence of an early release event only concerns your ability to redeem the shares purchased with your personal investment in the offering **as distinct from the Free Shares discussed below**. As your Free Shares will not be delivered until November 30, 2029 (except in case of disability or death, provided you request such delivery), in case you request redemption of all your assets before such date and you leave the Group, you must ensure to update your Valeo former employer with your personal data in case of change thereof so as to enable their delivery.

Please note that in the event of your death before the delivery date, your heirs must request early delivery of the Free Shares within a period of six months following the date of death; failure to do so shall result in the loss of the Free Shares.

Free Shares

Your investment will be matched by grant of additional shares of Valeo without your payment of any additional consideration (“Free Shares”). The number of Free Shares granted to you will be calculated based on the matching scale as indicated in the Brochure.

Free Shares are conditional rights to receive shares of Valeo without any additional payment, subject to the terms and conditions of this Plan. It is expected that the conditional right to Free Shares will be granted on November 18, 2026 and that the Free Shares will be delivered to you on or about November 30, 2029, subject to the terms and conditions provided for in the Free Share Plan Rules, which include in particular, a condition of continued employment. The period between the grant and the delivery of Free Shares is referred to as the vesting period. You will find below a summary of certain conditions applicable to the grant, vesting and delivery of the Free Shares. For the full description, please refer to the Free Share Plan Rules made available to you at shares4u.valeo.com and upon request from your HR department.

In order **to be eligible for the grant of Free Shares**, you must meet the following conditions:
1. You must have submitted a valid subscription form to participate to Shares4U 2026 offer;
2. You must be employed by a Valeo Group company on the date of grant of the conditional right to Free Shares which is expected to occur on November 18, 2026.

The Free Shares conditionally granted to you will then be subject to a vesting period of 3 years, ending on November 30, 2029. During this vesting period, you are not the owner of the Free Shares, you will not have the right to receive dividends or to vote at shareholders’ meetings. You have **the right to receive the Free Shares once the vesting period has expired**, provided that your employment contract will not have been terminated during the vesting period due to:

- Your resignation; or
- Your dismissal as a result of your misconduct.

For the purpose of the vesting condition, dismissal for misconduct is defined as “any dismissal caused by wrongful conduct of the employee such as gross negligence in the performance of duties or wilful and continuous failure or refusal to perform any duties reasonably requested in the course of employment or service with Valeo Group company, lack of loyalty towards the employer, serious violation of company rules or a fraudulent or dishonest act”. In addition, this includes the cases of mutual termination agreement whereby the parties agree that the employee loses the right to the Free Shares.

If your employment is terminated before the end of the vesting period for any reason other than the cases listed above, your rights to the Free Shares will be preserved. In particular, departure on retirement from the Valeo Group at normal date, or departure on retirement at the expiration of the minimal contribution period as provided by local law or bargaining agreement shall not be considered as resignation and your rights to Free Shares will not be affected. Similarly, if your employer company is no longer within the Valeo Group, your rights to Free Shares will not be affected.

In the case of death and disability, as described in the Free Share Plan Rules, your Free Shares will be delivered in advance provided, in the case of death, that the request for early delivery is made within the six-month period following the death. As mentioned above, failure to do so shall result in the loss of your conditional right to receive the Free Shares.

Your Free Shares will be delivered to the FCPE Valeorizon or another equivalent vehicle (however please see the tax summary below for tax or social charges due upon delivery of Free Shares). You can request redemption of your FCPE units corresponding to the Free Shares upon delivery or continue to hold your units in the FCPE for as long as you wish. Please note that redemption will not be possible during certain “black-out” periods as described in the Free Share Plan Rules in accordance with French law, in particular with respect to the insider trading restrictions.

Labor law disclaimer

Please note that this offer is provided to you by the French company Valeo, not by your local employer.

The offer does not form part of the terms of employment, do not amend or supplement your employment agreement, or relate to your employment with the local employer, constitute salary or wages for the purposes of determining severance or similar payments / remuneration.

The launch of the present offer results from a decision taken at the discretion of Valeo. It does not constitute a right granted and participation in this offer in no way confers any right to participate in similar transactions. There is no obligation of Valeo to launch new offers in subsequent years.

Benefits or payments that you may receive or be eligible for under the offer will not be taken into consideration in determining the amount of any future benefits, payments or other entitlements that may be due to you (including in cases of termination of employment).

TAX INFORMATION FOR EMPLOYEES

This summary sets forth general principles that are expected to apply to employees who (i) are and remain until disposal of their investment resident in India for the purposes of the tax laws of India and the Convention between India and the French Republic for the avoidance of double taxation (the “Treaty”) and (ii) are entitled to the benefits of the Treaty.

This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive.

The tax consequences listed below are described in accordance with Indian and certain French tax law and tax practices, as well as the Treaty, all of which are applicable at the time of the offer. These laws, practices and the Treaty may change over time.

The tax treatment that applies to you may be different from the regime described in this summary depending on your personal situation, and in particular if you are in international mobility.

For definitive advice, employees should consult their own tax advisors regarding the tax consequences of participation to the offer.

Tax summary

(Please note that the chart below is only a summary. Please read carefully the more detailed information provided in this document hereafter.)

	Discount	Payment facility	Dividends	Free Shares	Gain at redemption
When does the benefit become taxable?[3]	Upon subscription	Upon Subscription	Upon distribution, despite reinvestment in the FCPE	Upon delivery	Upon redemption
Where is it taxable?	In India	In India	In India	In India	In India
Income tax	Yes, withheld by your employer	Yes, withheld by your employer	Yes, to be paid by you	Yes, withheld by your employer	Yes, to be paid by you
Social Security charges	No	No	No	No	No
Do specific exemptions apply?	No	No	No	No	No

Taxation in France

[3] Please see below for TCS applicability.

Considering that during the nearly 5-year lock-up period, your investment will be held in the FCPE Valeorizon and that such FCPE reinvest any dividends that may be distributed by Valeo, you will not be subject to tax in France with respect to subscription, holding or redemption of your FCPE units, nor with respect to the grant or delivery of the Free Shares.

Taxation in India

UPON SUBSCRIPTION

Will I be required to pay any tax or Social Security charges with respect to subscription of shares at a discounted price?

The difference between the Fair Market Value (FMV) of the FCPE Units (including the matching shares) and the subscription price paid by the employee for the shares comprised in FCPE Units will be treated as a "perquisite" income and taxable in the hands of the employees.

The FMV will be determined by a category I merchant banker registered with the Securities and Exchange Board of India.

Such amount of perquisite is subject to taxation at slab rates. Peak rate of tax for individuals in the highest slab is 30% plus applicable surcharge mentioned below plus health and education cess of 4%. You may also opt for alternate slabs of marginally reduced tax rates in case you choose to forego certain exemptions and deductions available to you while you are subject to tax slab rates explained below.

The progressive slab rates applicable under the "New Tax Regime", which is also a default regime are as follows:

- For income up to INR 4,00,000 - Nil tax is payable.
- For income between INR 4,00,001 and INR 8,00,000 - the rate is 5%.
- For income between INR 8,00,001 and INR 12,00,000 - the rate is 10%.
- For income between INR 12,00,001 and INR 16,00,000 – the rate is 15%.
- For income between INR 16,00,001 and INR 20,00,000 – the rate is 20%.
- For income between INR 20,00,001 and INR 24,00,000 – the rate is 25%; and
- For income above INR 24,00,000 – rate is 30%.

Alternatively, the employees can also opt to pay tax at slightly higher tax slab rates with certain exemptions and deductions available ("Old Tax Regime"). The tax slab rates under the Old Tax Regime are as follows:

- For income up to INR 2,50,000- nil tax is payable.
- For income between INR 2,50,001 and 5,00,000 - the rate is 5%.
- For income between INR 5,00,001 and 10,00,000 - the rate is 20%; and
- For income exceeding INR 10,00,000, a maximum tax rate of 30% is applicable.

In case of every individual having a total income exceeding (i) INR 5,000,000, the total income tax payable will be increased by a surcharge of 10%; and (ii) INR 10,000,000, the total income tax payable will be increased by a surcharge of 15% of such income tax (iii) INR 20,000,000, the total income tax payable will be increased by a surcharge of 25% of such income tax; (iv) INR 50,000,000, the total income tax payable will be increased by a surcharge of 37% of such income tax.

Under the New Tax Regime, the maximum surcharge is capped at 25%.

Please note that such tax rates may change as tax rates applicable in respect of a previous year are fixed by the Finance Act passed by the Parliament of India for such previous year.

Wherever applicable, your employer will withhold tax (at the applicable tax rate) (including surcharge and health and education cess) and remit such withheld tax to the Indian tax authorities.

No Social Security charges will apply.[4]

Tax Collected at Source ("**TCS**") is applicable on remittances made outside India under the LRS[5]. TCS is also being made applicable for remittances made for participation in employee offerings under the Automatic route by the Authorised Dealer Bank ("**AD Bank**") due to reckoning of such remittance towards the limit of LRS. For remittances made from October 1, 2023 onwards, TCS at the rate of 20% will be applicable. However, remittances (either in a single transaction or in aggregate) in a particular financial year up to a limit of under INR 10,00,000 will not be subject to TCS.

Your employer may collect the applicable TCS from you on behalf of the AD Bank on your personal contribution and deposit the tax with the tax authorities, if applicable. If your total remittances under the LRS since April 2026 (together with the remittance under the Shares4U 2026 plan) do not exceed INR 10,00,000, you will not be subject to TCS. However, if your remittances exceed INR 10,00,000 (including the amount of matching contribution paid by your employer in respect of your participation in the offering) and TCS applies, in that event, TCS would be required to be remitted to your employer before 2 November, 2026 whether you have

[4] The assessment in relation to impact on social security charges is based on the extant laws. Please note that the employment laws in India are in the process of being re-enacted and the rules governing the social security contributions are yet to be notified. While the social security charges are not likely to be impacted under the new regime on account of an employee's participation in the offering, this would have to be reconfirmed once the relevant rules are notified.

[5] Under the LRS scheme, a resident person can remit outside India funds up to US$ 250,000 without prior permission of RBI for the financial year from 1st April to 31st March. This scheme is available only to individuals.

chosen payroll deduction or wire transfer option, since the same is required to be remitted to the AD Bank by November, 7 2026. It is to be noted that your employer will not bear these taxes. In order to provide relevant information so as enable your employer to determine and confirm the applicability of the requirement to collect TCS, you are required to fill in a Google form provided by your HR department (called the "**Google Form**") no later than November 2, 2026.

The TCS collected will be available as a credit (such TCS collected will be visible in your Form 26AS) against any income tax payable by you in the relevant financial year in which the TCS is collected, upon filing your income tax return. Additional regulatory guidance on TCS's scope, application, and recovery is awaited and could impact its application as described above.

If I opted for payment in instalments to be deducted from my salary, will this facility constitute a taxable benefit?

Benefit derived by the employee from any credit facility provided by the employer at a concessional interest rate (where loan amount exceeds INR 20,000) is taxable as a perquisite in the hands of the employee. For example where the amount of loan granted is INR 100,000 perquisite valuation on concessional interest shall be calculated having regard to entire INR 100,000 and not INR 80,000.

The difference between the market rate of interest and the actual rate of interest recovered by the employer is subject to taxation at applicable rates.

Such amount is also subject to taxation at slab rates, plus the applicable surcharge and health and education cess, as discussed above.

Applicable Income-tax (including surcharge and health and education cess) will be withheld by the employer.

No Social Security charges will apply.

Will I be required to pay any tax or Social Security charges with respect to the grant of Free Shares?

No Social Security charges will apply at the time of grant of right to receive Free Shares. The taxable event is the allotment/delivery of shares.

DURING THE LIFE OF THE PLAN

Will I be required to pay any tax or Social Security charges on dividends?

In the absence of a distribution to employees by the FCPE of the dividends received from Valeo, no withholding tax will be levied in France.

In India, despite reinvestment, dividends will be subject to taxation upon distribution at the slab rates applicable to individual employees, the peak tax rate being 30% (plus applicable surcharge if any and health and education cess). The maximum surcharge applicable for individuals having dividend income is 15%.

No Social Security charges apply.

Will I be required to pay any tax or Social Security charges with respect to the delivery of Free Shares in the FCPE (after the 3-year vesting period, the Free Shares not being subject to any lock-up period)?

Given that there will be no exercise/subscription price, the entire FMV of FCPE Units comprising the Free Shares granted will be subject to tax as perquisite in the hands of the employees at the time of their delivery.

Please see the responses above in relation to Income-tax on perquisites.

No Social Security charges apply[6].

Please note that if as a result of delivery of Free Shares to you, your employer or a Valeo Group company is or would be required to pay or withhold taxes on your behalf, Valeo reserves the right to delay the delivery of the Free Shares until such time as you have paid the amounts due or have made the necessary arrangements for their payment. Alternatively, Valeo or your employer may (i) withhold the necessary amounts from your salary or (ii) initiate the sale of a sufficient number of Free Shares to cover the payment of amounts owed by you with the proceeds derived from such sale.

Will I be required to pay any tax or social security charges at the end of the lock-up period (with respect to subscribed units)?

No income tax payable at the end of the lock-up period (with respect to subscribed units).

[6] Please note that the employment laws in India have been re-enacted, however the rules governing the social security contributions are yet to be notified. While there is not likely to be an impact on social security charges under the new regime on account of an employee's participation in the offering, this would have to be reconfirmed once the relevant rules are notified.

No Social Security charges apply.

Will I be required to pay any wealth tax on the units I own?

No.

UPON REDEMPTION

Will I be required to pay any tax or Social Security charges when I ask the FCPE to redeem my units?

The difference between the redemption proceeds and the “cost of acquisition” (i.e the fair market value of the units bought with your personal contribution taxed at subscripiton, and the fair market value of the FCPE units comprising the Free shares taxed at delivery, along with any amount of dividends that have been reinvested in the FCPE units and taxed during the life of the plan) will be subject to tax as capital gains. Rates of taxation will vary depending on how long the units have been held.

As employees will be allotted units in a FCPE, the holding period for the purpose of long-term capital gains will be more than twenty-four (24) months. Hence, if the FCPE units are redeemed within a period of twenty-four (24) months, it will be treated as short-term capital gains.

The present tax rate for long-term capital gains is 12.5% (plus surcharge if applicable and education cess). The maximum surcharge applicable for individuals earning such long-term capital gains is presently 15%.

The short-term capital gains would be taxable as per the slab rates applicable to the employee concerned. Such slab rates currently range up to 30% (plus surcharge if applicable and health and education cess) as discussed above.

No Social Security charges will apply.

YOUR REPORTING OBLIGATIONS

You will be responsible for full disclosures of income and assets including foreign assets owned by you in the annual Income-tax return to be filed with the Indian tax authorities in Schedule FA. Capital gains at the time of sale of units and the receipt of dividends will also need to be reported/disclosed.

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For a more complete description of the offer, please refer to the offer documents as well as to the Rules of the Valeo International Group Savings Plan, to the Free Shares Plan Rules and to the Regulations of the FCPE Shares4U Relais 2026 and of the FCPE Valeorizon, as approved by the AMF, the French securities authority. All these documents are made available to you at shares4u.valeo.com and upon request from your HR correspondent.

Information contained in this document is being provided to you solely as information.

Nothing contained in this document or in any other materials distributed or made available to you in connection with this offer shall confer upon you any rights or entitlement with respect to your employment. Your decision whether or not to participate in this offer is entirely voluntary and personal. The offer is discretionary and participation in the offer is separate from and does not form part of your employment.

Shares of Valeo are listed on Euronext Paris (the Paris stock exchange). Your investment is linked to and therefore will fluctuate with the market price of the Valeo share. As a result, your investment is at risk. Valeo’s latest Universal Registration Document *(Document d’Enregistrement Universel)* and financial reports are available to you at www.valeo.com and at request to your employer. These documents contain information on the business of Valeo, its financial results and certain risks associated with investment in shares.