

**Answers to the Written questions of Wakefield and Wakeland
to Forvia's 2025 Shareholders' General Meeting**

Intragroup Situation

- 1) We understand that Hella is not yet fully integrated into the Forvia's group. Could you please specify how the €334 million of synergies have been realized to date: what is the breakdown of such synergies between Forvia and Hella, and by function (e.g. procurement, production, IT, R&D), and are there legal risks to Forvia or Hella associated with the realization of these synergies? What is the total € million synergy potential in a full integration of Hella scenario?
- *Cumulative synergies between Forvia and Hella have reached €334 million as of year-end 2024. The pace and scale of these synergies has outpaced Forvia's initial expectations, which is why the synergy target has been increased to €400 million by leveraging on additional initiatives, notably in the field of purchasing and operations.*
 - *In procurement, synergies totalling €205 million were achieved, with Forvia accounting for around 24%. In operations, synergies amounted to €74 million, with Forvia contributing about 30%. The Group's global business services division realized €23 million in synergies, with Forvia accounting for 62%. In IT, synergies of €12 million were achieved, half of which is attributable to Forvia.*
 - *Forvia's long-term expectation remains a 50/50 distribution of synergies between Forvia and Hella.*
 - *Transactions between Hella and Forvia are carried out at arm's length, under pre-established guidelines and frameworks, and at all times in compliance with applicable laws and regulations as well as the highest corporate governance standards in consideration of Forvia's stakeholders' interests.*
- 2) In the 2024 financial results press release, Forvia announced that "the Group has two fully undrawn facilities for c. €2 billion: €1.5 billion from a Forvia Senior Credit Facility and €450 million from a Forvia Hella Senior Credit Facility". Is there a cash pooling arrangement between Forvia and Hella, or have intercompany loans been entered into? If not, how will Forvia be in a position to also use the €450 million Hella's Senior Credit Facility? Can Forvia also use other cash or liquidity available at Hella?
- *There is currently no cash pooling arrangement between Forvia and Hella, nor are there any intercompany loans between the two companies.*
 - *Forvia and Forvia Hella financial facilities are structured separately in accordance with the applicable laws and regulations applicable to Forvia and Hella as well as highest corporate governance standards Forvia promotes.*
- 3) How does Forvia plan to address risks of further credit rating downgrades by the rating agencies and could full integration of Hella help mitigate such risks? If so, what could the € million financing benefit be from full integration with Hella?
- *Forvia does not comment on hypothetical actions of credit agencies.*
 - *Forvia's top priority is deleveraging. Since the acquisition of Hella, Forvia reduced its debt by €1.8 billion and its leverage ratio from 3.1x to 2.0x. Forvia's objectives in this respect are organic, deleveraging this year to get to 1.8x, and to restore its balance sheet structure by end of 2026 with a leverage below 1.5x supported by organic performance and sizeable disposals.*

- *Cost reduction efforts such as EU-Forward does also support Forvia's deleveraging. The cost savings from these programs, as well as continued increases in the synergies between Forvia and Hella, which have been achieved ahead of expectations, will help Forvia achieve its deleveraging goals and manage its balance sheet and credit rating risk.*

€1 billion second disposal program

- 4) Is the €1 billion second disposal program still expected to be finalised by the end of 2025, as indicated in April 2024? If so, how do you expect to finalise the €1 billion disposal program by the end of 2025? Please specify which amount of disposals is contemplated at the Forvia's level and at the Hella's Group, respectively?
- *Forvia does not comment on any specifics related to unannounced corporate actions such as specific businesses that might be included in these disposals.*
 - *Forvia has updated its deleveraging objectives in the context of its the 2024 annual results presentation in February 2025. Forvia is focused on sizeable disposals at proper conditions. The company therefore communicated that the deleveraging will be organic this year and get Forvia to a leverage ratio of 1.8x.*
Subject to market conditions, the sizeable disposals will be cashed in in 2026, leading to a restored balance sheet structure by end of 2026 with a leverage ratio below 1.5x.
 - *Processes are on-going in this direction.*
 - *Regarding Hella, please note that Hella is a separate legal entity from Forvia, with its own governance structure and procedures which cover M&A activities.*
- 5) German press reported recently that Hella plans a potential disposal of its Lifecycle Solutions business unit to meet Forvia's deleveraging targets.
- Please explain the relevance of Lifecycle Solutions for Forvia and Forvia's preference whether to sell or to keep that business unit.
 - If that sale is in the interest of Forvia, how can Forvia enforce it? Does the Forvia Board or Group Executive Committee have a say here?
 - If a sale of Lifecycle Solutions were to proceed, how would Forvia access those proceeds sitting at Hella level? Would Forvia expect this potential Hella business unit sale to meet the outstanding 3/4 of the €1bn disposal target for Forvia?
- *As a matter of policy, Forvia does not comment on rumours.*
 - *Hella is a separate legal entity from Forvia.*
 - *While Forvia communicates with Hella regarding its views as a shareholder and Forvia representatives sit on the Shareholder Committee of Hella, any decision to sell Hella assets would be made in accordance with Hella's governance structure and procedures pursuant to applicable laws and regulations.*
 - *As a general principle, Forvia, as a shareholder of Hella, supports the actions of the management of Hella that are in the best interest of Hella and its shareholders.*

Related-party agreements between Forvia and Hella

- 6) On 23 September 2024, Forvia and Hella entered into (i) a trademark licence agreement relating to the joint use of the umbrella brand 'Forvia' and the slogan 'Inspiring mobility' and (ii) a collaboration agreement establishing the framework for conducting the joint advance pricing agreement (APA) procedure with the competent tax authorities. Please provide the

contemplated financial conditions of the Trademark Licence Agreement (subject to the APA procedure).

- *The trademark licence agreement entered into, on September 23, 2024 between Forvia and Hella provides that until the date on which the German and French authorities have agreed on the APA, the licence under the trademark license agreement is granted with no royalty to be paid and invoiced. The approach that the Authorities shall deem appropriate under the APA(s) shall apply retroactively as of July 1, 2024. Thus, the parties will apply the approach deemed appropriate by the German and French authorities, and will be bound by the terms of the APA for the financial conditions of the trademark license agreement. This approach ensures compliance with applicable laws and regulations, in particular tax regulations, and provides a structured framework for financial management related to the use of the "Forvia" brand.*
- 7) Forvia indicates on its website that "No royalty shall be charged until the APA [Advanced Pricing Agreement] process [with the Tax authorities] is completed". What happens after the APA process is completed:
- Will the financial conditions be applied retroactively? If so, back to 2022?
 - What payment obligations or earnings in € does Forvia expect in case that the tax authorities do not accept the royalties suggested in the APA?
 - *The financial conditions post-APA completion, including potential retroactive application and payment obligations, will depend on the outcomes of the negotiations with tax authorities. If adjustments are mandated to Forvia, they will be applied retroactively as of July 1, 2024.*
- 8) How were the financial conditions of the Trademark Licence Agreement and the Cooperation Agreement entered into between Forvia and Hella determined? Has a study been conducted by a consultant?
- If yes: what are the conclusions of such study? In case that Forvia does not receive any royalties under the Trademark Licence Agreement as it seems to have happened in the past, please explain what benefit Forvia receives and how Forvia does value such benefit.
 - If no: how did the company come to the conclusion that the financial conditions of the trademark licence agreement and the cooperation agreement are appropriate?
 - *Both the Trademark Licence Agreement and the Cooperation Agreement were entered into following Forvia's thorough assessment of their interests to Forvia, after careful process (including at Board level and shareholders' meeting in accordance with applicable laws and regulations with respect to related party transactions)*
 - *A study was concluded by consultant Landor and Fitch at the direction of Hella regarding the use of the Hella brand, as well as the regular assessments made by Forvia with regard to branding.*
 - *Forvia came to the conclusion that entering into the Trademark Licence Agreement was in its interest because of the benefit it provides the group in promoting the brands under its scope in new markets and business areas, leading to the creation of a common identity within the group and strengthen the feeling for employees to belong to one and the same group*
 - *Forvia also took into consideration the appropriate and necessary tax considerations, which is in part the reasoning to conclude an APA process in front of both French and German authorities. Forvia found this to be advisable to seek the taxing authorities' view as well as have the advantage of getting a neutral*

viewpoint on the methodology for assessing any methodology or adjustment to the brand pricing.

- *Similarly, the Cooperation Agreement followed the highest standards of corporate governance (including at Board level and shareholders' meeting in accordance with applicable laws and regulations with respect to related party transactions). Forvia benefits from exploring the advance pricing agreement procedure with competent tax authorities, as an optimizing tool for management of royalties under the Trademark Licence Agreement. All this serves the broader purpose of creating a common identity within the group and strengthen the feeling for employees to belong to one and the same group*
- 9) Please explain why Hella was authorised, under a letter agreement to use the umbrella name "Forvia", the motto "Inspiring mobility" and the intellectual property rights relating thereto for free between April 2022 and September 2024. How did the management of Forvia come to the conclusion that the absence of any consideration by Hella for the use of the Forvia name, the motto and the intellectual property rights is appropriate for Forvia? What was the benefit for Forvia under this letter agreement? Please specify the value in € per year. What is the financial risk for Forvia? Are there scenarios in which Forvia might be obligated to make a payment to Hella?
- *The cooperation between Hella and Forvia with respect to the use of brands has been designed to maximize market cross-penetration of each brand. Hella benefits from the use of the Forvia brand in markets and business areas where it did not have a legacy presence. In return, Forvia benefits from the value increase and promotion of its brand name by Hella in new markets and business areas.*
 - *Forvia brand was introduced recently and as such management has favored maximizing brand penetration, in line with the group's expansion strategy.*
 - *This strategy was implemented in partnership with Hella and following negotiation on an arm's length basis, after thorough assessment.*

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