



**Aptiv PLC**

**Corporate Governance Guidelines**

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## APTIV PLC

### CORPORATE GOVERNANCE GUIDELINES

#### APTIV BOARD OF DIRECTORS MISSION

The Board of Directors of Aptiv PLC is responsible for directing and providing oversight of the management of Aptiv's business in the best interests of its shareholders and consistent with good corporate citizenship. In carrying out its responsibilities, the Board selects and monitors the performance of the Chief Executive Officer ("CEO"), provides oversight for financial reporting and legal compliance, determines Aptiv's governance guidelines and implements its governance policies. The Board, together with management, is responsible for establishing the Company's operating values and code of conduct and for setting Aptiv's strategic direction and priorities. These Corporate Governance Guidelines describes the principles and practices that the Board of Directors follows in carrying out its responsibilities.

#### APTIV BOARD OF DIRECTORS RESPONSIBILITIES

##### How the Board Oversees the Company

1. **Active Board:** The Board is well informed about the Company and vigorous in its oversight of management.
2. **Company Leadership:** The Board, together with management, sets Aptiv's strategic direction, reviews financial objectives and establishes a high ethical tone for the management and leadership of the Company.
3. **Compliance with Laws and Ethics:** The Board ensures that procedures and practices are in place and are designed to prevent and identify illegal or unethical conduct and to permit appropriate and timely redress should such conduct occur.
4. **Inform and Listen to Shareholders and Regulators:** The Board takes steps to see that management discloses appropriate information fairly, fully, timely and accurately to shareholders and regulators, and that the Company maintains an appropriate two-way communication channel with its shareholders and regulators.
5. **Continuous Improvement:** The Board remains abreast of new developments in corporate governance, and it implements new procedures and practices as it deem appropriate.

##### Board Responsibilities

The Board or its Committees are responsible for:

- Reviewing and approving management's strategic and business plans.
- Reviewing and approving financial plans, objectives and actions, including significant capital allocations and expenditures.

- Monitoring management execution of corporate plans and objectives.
- Advising management on significant decisions and reviewing and approving major transactions.
- Assessing the Company's significant risks and overseeing that appropriate risk management and control procedures are in place.
- Attracting, developing, evaluating, retaining and compensating the CEO and other officers, and seeing that management development and succession plans are actively managed for these executive positions, including emergency CEO succession plans.
- Determining the CEO's compensation, and approving officers' compensation, based on performance in meeting pre-determined standards and objectives.
- Determining that procedures are in place designed to promote compliance with laws and regulations and setting an ethical "tone at the top".
- Determining that procedures are in place designed to promote integrity, candor and transparency in the audit of the Company's financial statements and operations, and in all financial reporting and disclosure.
- Designing and assessing the effectiveness of its own governance practices and procedures.

### **Board Risk Management**

While the Company's management is responsible for day-to-day management of the various risks facing the Company, the Board is responsible for monitoring management's actions and decisions. The Board implements its risk oversight function both as a whole and through committees. The Board, as apprised by the Audit Committee, determines that appropriate risk management and mitigation procedures are in place and that senior management takes the appropriate steps to manage all major risks.

### **Director Qualifications and Board Capacities**

The Nominating and Governance Committee recommends individuals for membership on the Board. In making its recommendations, the Nominating and Governance Committee considers an individual's independence based on New York Stock Exchange independence requirements and the criteria approved by the Board. The Board must have a majority of independent directors.

The Nominating and Governance Committee considers a candidate's qualities and expertise, performance, personal characteristics, diversity (inclusive of age, gender, race and ethnicity) and professional responsibilities, and also reviews the composition of the Board relative to the long-term business strategy, and the challenges and needs of the Board at that time. The Aptiv Board as a whole is constituted to be strong in its collective knowledge and diversity of accounting and finance, management and leadership, vision and strategy, business operations, business judgment, crisis management, risk assessment, industry knowledge, corporate governance and global markets.

The culture of the Board is such that the Board shall operate swiftly and effectively in making key decisions and facing major challenges. Board meetings are conducted in an environment of trust, and confidentiality, open dialogue, mutual respect and constructive commentary.

### **Retirement Age**

The mandatory retirement age for Directors is 75. No Director who is or would be over such age at the expiration of his or her current term may be nominated to a new term, unless the Board waives the retirement age for a specific Director in exceptional circumstances. Once granted, such waiver must be renewed annually.

### **Chair of the Board and CEO**

The Board believes it is important to retain its flexibility to allocate the responsibilities of the offices of the Chair and CEO in any way that is in the best interests of the Company at a given point in time.

If the CEO also serves as Chair of the Board, then an independent director shall be designated by the Board as the Lead Director, based on the recommendation of the Nominating and Governance Committee. The Lead Director will be responsible for:

- Presiding at meetings of the Board when the Chair is not present, including executive sessions of the independent directors;
- Serving as a liaison between the Chair and the independent directors;
- Working with the CEO to develop meeting agendas for the Board;
- Working with the CEO to ensure that appropriate information is being sent to the Board in a timely manner;
- Approving meeting schedules to ensure that there is sufficient time for discussion of all agenda items;
- Having the authority to call meetings of the independent directors; and
- If requested by major shareholders, ensuring that he or she is available for consultation and Director communication.

### **Board Committees**

- To conduct its business, the Board maintains five standing committees: Audit, Compensation and Human Resources, Finance, Innovation and Technology, and Nominating and Governance. The membership of each of the Committees will be consistent with the provisions of the current Committee Charters. The Nominating and Governance Committee will recommend to the Board, and the Board will designate the Chair of each Committee. All Committees regularly report on their activities to the Board.

- The Chair of the Board may, from time to time, convene a “special committee” to review certain material matters being considered by the Board. The special committee will report its activities to the Board.
- The Nominating and Governance Committee reviews the Board’s organization annually and recommends appropriate changes to the Board.

## **Reporting Concerns**

Anyone who has a concern about the Company’s conduct, or about the Company’s accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Chair of the Board, the Audit Committee or to any Director. Such communications may be confidential or anonymous, and may be submitted in writing, care of the Corporate Secretary, or reported on the Aptiv DRIVE Line. Any Director may request that certain matters reported to him or her be presented to a Committee or the full Board and may request a thorough review of the matter, including, if appropriate, the retention of outside advisors or counsel to assist in resolving the matter. The Company’s Code of Ethical Business Conduct prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

## **Board Meetings**

- The Board meets at least five times annually. Regular Board meetings are critical, not only for timely decisions, but also for Directors to be well informed about Company operations and issues.
- The Chair of the Board, in consultation with the CEO, is responsible for setting meeting agendas with input from the Directors.
- Committee meetings are normally held in conjunction with Board meetings. Committee decisions are reviewed and approved by the Board, consistent with Committee Charters and the Company’s Delegation of Authority.
- The Chair of the Board and Committee chairs are responsible for conducting meetings and informal consultations in a fashion that encourages informed, meaningful and probing deliberations. Presentations at Board meetings should be concise and focused, and include adequate time for discussion and decision-making.
- Directors receive the agenda and materials for regularly scheduled meetings in advance. Directors are expected to thoroughly review such materials prior to meetings, and best efforts will be made to make materials available sufficiently in advance to allow the Board time for such review. When practical, the same applies to special meetings of the Board.
- An executive session, without management, consisting of all independent Directors and chaired by the Chair of the Board (or the Lead Director if the Chair is not independent), is held at each formal meeting of the Board.
- Strategic planning and succession planning sessions are held annually at a regular Board meeting. The succession-planning meeting focuses on the development and succession of the CEO (including policies regarding succession in the event of an emergency or retirement), as well as other Company officers.

- The Board's intent is for Directors to attend all regularly scheduled Board and Committee meetings, including the Annual General Meeting of Shareholders. Regularly scheduled Board and Committee meetings are to be attended in person. Telephonic participation is the exception. The decisions by the Board and its Committees are recorded in the minutes of their meetings, and copies of the minutes are forwarded promptly to all Directors after each Board and Committee meeting.

### **Board and Committee Calendars**

A calendar of regular agenda items for the regularly scheduled Board meetings and all regularly scheduled Committee meetings is prepared annually by the Chair and each of the Committee chairs.

### **Board Communication**

Management speaks on behalf of the Company, and the Board normally communicates through management with outside parties, including shareholders, business journalists, financial analysts and government regulators.

The Company's annual proxy statement sets forth the method for interested parties to communicate directly with the Company's Chair or Lead Director, as appropriate.

### **Board Contact with Operations and Management**

Efforts will be made to ensure that visits to Company operations are made at least annually. Directors are encouraged to visit Company operations at any time, noting that coordination through the Corporate Secretary's office is desirable. The Chair, in consultation with the CEO, will arrange for officers to attend Board meetings on a periodic basis and meet informally with Directors before and after such meetings. Directors may contact members of senior management from time to time, as they deem necessary.

### **Board Advisors**

The Board and its Committees (consistent with the provisions of their respective charters) may retain their own independent advisors, at the expense of the Company, as they may determine are necessary to carry out their responsibilities.

### **Director Compensation**

The Nominating and Governance Committee, with the assistance of the Compensation and Human Resources Committee, reviews and recommends to the Board a compensation plan for the Directors. In addition, the Board believes that Directors should hold meaningful equity ownership positions in the Company and sets appropriate equity holding requirements.

## **Board Self-Evaluation**

The Nominating and Governance Committee coordinates an annual evaluation process by which the Directors evaluate the Board's and its Committees' performance and procedures. This self-evaluation leads to a full Board discussion of the results. The Chair of the Board informally consults with each of the Directors as part of the evaluation.

The standing Committees of the Board each conduct an annual evaluation of their Committee's performance and procedures.

## **Director Orientation and Education**

An orientation program is provided to Directors by the Company Secretary on Aptiv's mission, values, governance, compliance and business operations. Continuing education is provided to the Board. Directors are encouraged to take advantage of outside continuing education relating to their duties as a Director.

## **Changes in Primary Employment and Other Directorships**

If a Director significantly changes his or her primary employment during his or her tenure, that Director must offer to tender his or her resignation to the Nominating and Governance Committee. The Nominating and Governance Committee will evaluate the continued appropriateness of Board membership under the new circumstances and make a recommendation to the Board as to any action to be taken with respect to such offer.

In the event a Director wishes to become a director of another company, or wishes to accept a consulting role with a customer, competitor or supplier of the Company, he or she shall first inform the Chair of the Board sufficiently in advance to permit the Nominating and Governance Committee to evaluate the Director's changed circumstances and, if appropriate, approve the request. Directors who are not actively employed should limit the number of public companies on whose boards they serve to five or fewer, and Directors who are actively employed should limit the number of public companies on whose boards they serve to three or fewer. Members of the Audit Committee should limit the number of public company audit committees on which they serve to three or fewer. Deviation from these limits requires prior approval by the Nominating and Governance Committee.