

CHIEF EXECUTIVES FOR CORPORATE PURPOSE - CECF

**15th Annual Board of Boards and CEO Investor
Forum**

Kevin Clark, Aptiv, Long-Term Plan Presentation

New York City, NY

February 24, 2020

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15th Annual Board of Boards and CEO Investor Forum

MR. BREWSTER:

It's now my pleasure, we've gone through that. We're now going to have a number of companies come up and share their long-term plans. And to be our emcee for the rest of the afternoon, we're going to I think really enhance our emcee credentials here, I'm delighted to introduce Sonali Basak from Bloomberg, one of their top reporters. Graduate of Bucknell University, for any the Bisons in the in the audience. But she's really of the really up-and-coming stars at Bloomberg, and she is going to emcee us through the rest of the afternoon. Welcome.

MS. SONALI BASAK: So something that I found very refreshing already about this conversation, I know a few of you have already brought up Davos, for example. I had gone this year, and I had asked the CEO, it seems that when people focus on stakeholder theory, there's a lot of discussion here about climate change. But I don't see equality mentioned much in a year where a lot of people have been talking about inequality. And so the CEO goes well there are a lot more women here than usual. And I said I meant wealth inequality. So you do see executives here and everybody I cover really struggling with how they define stakeholder theory and how they address it?

Here already we've heard today about people talking about both the environment, wages, and cultures at their company. So we have five presentations ahead of us at the CECF that will bring us to 36 presentations to date. The idea here is to get all of the S&P involved. And CEOs are asked to share information other than what's on their quarterly calls and to think about risk strategy and growth on both ESG and financial metrics.

So the first person we have up is the CEO of Aptiv, which works in a very dynamic industry, and that's mobility. They deliver software capabilities, advanced computing, and network architecture that makes mobility work. Kevin Clark is the CEO of active, and he will be our first speaker, Kevin, thank you.

[Video played]

FEMALE VOICE 1: Moving forward from one point to the next, the simplest of actions. But - - the simplest of actions, Aptiv sees something else, a transformational force, a force that brings us together. We are driven by a shared mission: A world that is safer, greener, and more connected, a conviction and a brighter future for mobility, and a passion for solving the toughest challenges standing in the way, with the right people, organized in the right way, rigorous in our execution, and resilient in the face of adversity.

With a unique portfolio of solutions - - our position and continuously enhanced through investment and partnership, delivered efficiently and responsibly, and always with an effort to reduce our impact on the environment, and improve the many communities we all - -, this is our vision for a more sustainable business. We'll get there with the knowledge, adaptiveness, and drive. We'll get there by design.

MR. KEVIN P. CLARK: So thanks very much for having me here today. I hope you enjoyed the introductory video. It's a good way for us to start. So we were at CECF last year, so this is our second year in a row. And I want to start my presentation really by saying that the Aptiv management team really feels like we're doing, what we're doing with our business is really at the core of what the CECPS stands for, the whole strategic investor alliance. And as I go through the presentation, hopefully you agree with me. But we really think it's perfectly aligned.

So at Aptiv, we really provide sustainable solutions to environmental, other social problems while at the same time creating long-term value for our customers, for our employees, and for our shareholders. So we'll walk you through a number of those proof points. Before we get started, you're all familiar with the safe harbor statement. As you can read on this slide, those statements are based on our view of the world today, and we know tomorrow will be somewhat different.

So Aptiv, we've been actively transforming Aptiv over the last I would say close to ten years position it to have an industry-leading portfolio of advanced solutions that make vehicles more safe, more green, and more connected. This past year, we had very strong financial performance despite the very weak macro environment, really reflecting the

strength of that overall product portfolio as well as the underlying strength of our business model. Our revenues totaled over \$14 billion on revenue growth on an adjusted FX basis, was up 4% year on year.

And importantly, relative to the markets we serve, the global automotive market, actually nine points above vehicle production, which is really important. It means our product portfolios in the areas where you see content growing in the car, and I'll spend some time talking about those areas, but again, it gets back to that safe, green, and connected mission that we have.

We translated that revenue growth into very strong earnings and operating cash flow, which we used to invest in the business both organically as well as to make some acquisitions. And today I'm going to really expand on how our compelling mission coupled with our strategy, which again is aligned to the safe, green, and connected megatrends, along with our track record of really solid, solid execution makes Aptiv a truly sustainable business, which really is our management team's principal objective.

So at Aptiv, we really envision a world with zero traffic fatalities, cleaner air, and connected mobility. And our advanced technologies are really helping to make this vision a reality. Our employees execute our strategy and give us our competitive edge. We have over 160,000 employees globally. Together the management team and our employee base really embrace Aptiv's mission to deliver the safe, green, and connected technologies that I talked about that really will enable the future of mobility.

Our industry-leading software, hardware, and systems integration capabilities are made possible by over 20,000 engineers and scientists. And the democratization of these technologies has the potential to save literally thousands and thousands of lives, reduce carbon emissions, and save the industry billions of dollars in vehicle repair costs. We believe that a simple and compelling mission attracts talent and increases employee retention engagement and consequently performance. A recent survey by Deloitte confirms a massive difference in employee engagement for companies with a strong mission versus those without a strong mission.

And in fact, that translates to over three times. So it's significant. And if you ask any of our employees why they joined Aptiv, the predominant response will be to make the world safer, greener, and more connected. So we have a very, very noble purpose. And we believe our mission appeals equally to those with technical background in our organization as well as those that don't have technical backgrounds.

On slide six, we have examples of the technologies we deliver which helped to address our customers' toughest challenges referenced on the prior slide. Beginning with safety, our goal is really to enable our customers to build vehicles that again, result in zero traffic fatalities, zero accident, zero injuries. And we can help to move the industry closer to that goal by delivering the technologies that we manufacture, the building blocks for active safety systems, such as advanced perception systems, that includes things like radar technology, vision technology, LIDAR technology, ADAS controllers, and the high-speed networks that actually integrate these perception systems. Central fusion, which combines multiple sensing modalities, so the radar visual and LIDAR I talked about to deliver the absolute most robust and redundant situation situational awareness possible, as well as the AIDA [phonetic] software algorithms that interpret the input from these production systems and cause a vehicle to respond appropriately.

Moving to green, we're focused on minimizing the impact the vehicle on the environment, providing the high voltage distribution and connection systems that accelerate powertrain electrification while also significantly reducing the weight and mass of the vehicle through smarter and more optimized vehicle architectures. And then lastly, we're also helping to deliver the increased connectivity that provides the seamless integration between the passenger, the vehicle, and the world around it, including secure gateways which help send and receive vehicle information through a variety of protocols, including cellular, radio, ESRC [phonetic], and GPS. These solutions allow you to connect your phone to the vehicle both wired and wirelessly, and we enable over-the-air updates which allow the vehicle software and firmware to be updated and improved and enhance the overall vehicle life cycle.

But perhaps what is most interesting for us is when you bring these solutions together and they overlap to address multiple challenges, for example our connectivity offering allows us to communicate with other vehicles to improve safety, as well as with infrastructure to improve traffic management and reduce congestion, both of which allow us to reduce CO2 emissions. Now - - connected technologies position Aptiv to benefit from significant content opportunities that are in the vehicle as well as opens up tremendous new business opportunities, as well as monetization opportunities.

We believe that our long-term success as a business and our ability to increase value are directly tied to the successful execution of our strategy. As shown on slide six, our strategy really has three pillars. While we invest in future platforms that shape our business over the long term, such as things like automated driving and data services, we pursue profitable revenue growth in our current platforms, principally in really high growth areas such as high-voltage electrification or powertrain electrification as well as advanced active safety systems, all while constantly identifying ways to strengthen our business foundation, including optimizing our cost structure and significantly diversifying our revenue base. We're focused on delivering flawlessly for our customers each and every single day, having the right portfolio, the right people, and the right processes in place to ensure their success. That's what our execution really boils down to.

Now looking back at the last five years on slide seven, as you can see we've been pretty busy. The actions we've taken to put further leverage in our business model combined with select strategic portfolio actions have significantly improved Aptiv's position to adapt and thrive in a much more challenging environment. We've completed a number of acquisitions that have increased our global scale and our leverage in the vehicle architecture while also expanding our presence in adjacent markets.

We've also exited historically low growth, lower value added product lines, and spun off our powertrain segment, creating two very focused companies, each much better positioned to address their customers' toughest challenges. And then more recently, we announced a 50/50 joint venture with Hyundai to commercialize automated driving solutions initially for the mobility on-demand market, but ultimately for consumer

applications. And we'd expect that joint venture to close at the end of this quarter.

As a result of these portfolio moves, Aptiv is now we believe perfectly positioned as a technology company at the absolute intersection of the disruptive trends in the automotive industry, with a portfolio of technologies that again make vehicles safer, greener, and more connected, and enable the future of mobility. And thanks to our unique position, is really the only provider of what we refer to as both the brain and the nervous system of the vehicle with truly industry-leading capabilities and power in data, in compute, and software, all of which are foundational elements for every vehicle architecture solution. We're a partner of choice for our customers, allowing us to deliver for them integrated solutions to problems that most of our competitors are really quite frankly not positioned to solve.

As you can see on slide nine, improvements in our business foundation, that base aspect of our underlying strategy, are allowing us to reinvest in new technologies and business models. We believe it extremely important to stay in front of the technology curve, given the amount of change going on in our industry.

Those changes and that reinvestment is accelerating our revenue growth and improving our ability to perform through cycles. So as I mentioned, last year we grew nine points over vehicle production. This year we expect to grow seven points over vehicle production. So tremendous growth in revenues. We have a very strong track record again of self-funding incremental engineering investments by both delivering significant operating efficiencies, material cost reduction, manufacturing productivity, and reducing our overhead costs, running a much flatter organization.

Our organic and inorganic growth initiatives include investing in additional capacity to support our high-growth product lines. I mentioned high-voltage electrification as well as advanced active safety solutions. We have new business awards over the last couple of years that have totaled 13.2 billion for advanced active safety and 5.6 billion for high voltage electrification, so tremendous amount of future revenue opportunities. We continue to develop next generation automated driving algorithms and perception systems, smart vehicle architecture, and connected

services, all of which are gaining commercial momentum. We're doing that organically.

And we've truly established Aptiv is a market leader in engineer components, both in the automotive market as well as in well-aligned adjacent markets. Through continued disciplinary investment in our business, we've materially improved our competitive position and current and future platforms. And really by leveraging our cross-active capabilities, I talked about that brain and nervous system, software and hardware capabilities, we've established a much wider competitive mode in several advanced technologies across both of our business segments that you see here, our advanced safety and user experience segment as well as our signaled power solutions segment.

So the pace of digitization in our industry is accelerating. As you can see on this next slide, the demand for vehicles to be safer, greener, and more connected is absolutely increasing. So this chart here reflects our underlying growth. Consumers are demanding safer vehicles, and OEMs are responding, driving the increased penetration of active safety systems across their full vehicle lineups from the premium to the value segments. Our scalable ADIA solution is unique to the industry. It's been very successful in the marketplace, and it's positioned us to be even more competitive in the future. And as a result, we expect our safety revenues to increase 30% in 2020 and almost double from \$1.3 billion in 2019 to more than 2.5 billion in 2022.

Moving to high-voltage electrification product line in the center of the chart, European and Chinese OEMs literally cannot achieve the new more stringent CO2 targets without the combination of high voltage and battery electric vehicles. And the cost of not achieving them is significant, which makes us very confident that by 2022, over 20% of the vehicles produced annually will include an electrified powertrain.

Fortunately for Aptiv, the total addressable content per vehicle for the full range of high voltage alternatives is one-and-a-half to two times that of a traditional low-voltage vehicle. Our 2019 high-voltage electrification revenues totaled approximately 350 million. That's up almost 40% year over year, making it one of our fastest growing product lines. And we expect high voltage electrification revenues

actually to grow 50% in 2020 and to increase more than three-fold to over \$1 billion in 2022.

Moving we the far right side of the slide, we're expecting continued solid growth in high-margin engineered components product lines. Now it's not the growth rate of advanced active safety or high voltage electrification, but it's one of the product areas that effectively enable it, and it's one of the technologies that we can bring from our automotive space into adjacent markets. Again, what's driving this is content gains both from advanced safety and electrification systems, as well as inorganic contributions. We've made a number of acquisitions in this space to enhance our overall product portfolio, which is translated to not only a stronger position within the automotive space, but it's really allowed us to diversify our non-auto revenues from just under 5% five years ago to 15% this year, so significant diversification of revenues, which again for us means translating our business into a more sustainable business model, fewer fluctuations in revenue.

Moving to capital deployment on slide 11, our sustainable business model enables us to divert more income to cash. And as a result, we're targeting operating cash flow of roughly 2.3 billion and up to 90% free cash flow conversion by 2022. So given the nature of our business where you've come from a very cash-generative business, roughly double-digit compounded growth in cash flow, that presents really no shortage of attractive deployment opportunities allowing us to continue to invest in our business both organically as well as through acquisitions.

And to the extent we have excess cash available, returning that cash to shareholders. To put that in perspective, that last point, since 2011 we've returned approximately 7 billion in cash to shareholders through dividends and share repurchases. And we take advantage of our small market dislocations to repurchase some amount of stock. In summary, we believe disciplined capital deployment is really a major differentiator for Aptiv, and it's a truly important lever for stakeholder value creation, whether that be with our customers, with our employees, or with our shareholders.

We take significant pride in the progress we've made building a stronger and more sustainable business that delivers long-term value to all of our stakeholders. As you can see on

slide 12, we believe that our long-term success as a business and our ability to increase shareholder value are the direct result, really is a direct result of the execution of our business strategy, which has been consistent over the last five years, generating significantly faster revenue growth in the market than our peers. And as you can see, our growth in revenue and operating income has been well in excess of our automotive peers as well as the overall industry, which has translated into significant total shareholder return outperformance over the last several years.

As you can see on slide 13, our financial framework really aligned with our strategy and mission to build a more sustainable business that's positioned to outperform, and truly our objective in any environment. As we've already discussed, our efforts to improve through-cycle resiliency have included several meaningful portfolio actions since 2015 as well as a continued focus on improving our revenue diversification, strengthening our portfolio of industry-leading advanced technologies, and increasingly the underlying competitiveness and flexibility of our cost structure, all while continue to invest significant amounts in future growth initiatives, and executing our capital deployment strategy.

As you can see on slide 14, our culture of continuous improvement is really driven through our people, through our processes, and our portfolio, which again makes Aptiv a much more sustainable business. Beginning with our people, our goal is to attract, develop, and retain the absolute best talent, and further enhance our strong corporate culture. And I'm proud to say that Aptiv has been recognized as one of the world's most ethical companies by Ethisphere Magazine for the eighth straight year, reflecting the fact that we've built our business on a foundation of always doing the right thing, the right way, which is in our DNA and is truly core to our culture.

Moving to process, we're constantly improving the resiliency and efficiency of our integrated supply chain from supplier to customer and everything in between, while at the same time delivering new commercial solutions to the market and our customers. And lastly, our product portfolio, our technology portfolio, our ability to anticipate the changes in regulatory standards, which is extremely important, and introduce advanced technologies on a timely and this is

really important for our customers, cost-competitive basis, will be a significant factor in our ability to remain competitive. And it's an area that we're significantly focused on. We've spent roughly 8% of revenues on engineering of that amount. Roughly 25% is on development activities continuing to enhance our overall product portfolio so that we can solve our customers' toughest challenges.

Our global engineering and advanced technology development capabilities have really positioned us to meet the increasingly stringent demands of our OEM customers, which have been driven by consumer preferences for high technology content again, as well as regulatory demands for things like reduced CO2 omissions or advanced active safety systems.

At Aptiv, our employee engagement surveys continue to rank clarity of mission highest among cultural attributes, reinforcing the management team's commitment to enable the future of mobility. So that concept of making the world more safe, green, and connected and enabling the future of mobility truly resonates with our employees.

This chart shows our list of values, which is shown on the left side. These are the underlying principles that unite our diverse organization that operates in 44 countries across the globe. And again, over 160,000 total employees, over 20,000 salaried employees. This common set of values and behaviors really guides all of our employees on how to operate as one single team and to think and act like owners of the business, providing the organizational alignment necessary to execute on our mission and to execute on our strategy. We focus on providing our employees with holistic incentives, including competitive compensation, personal development opportunities, and exciting career opportunities literally across the globe.

As shown on the right side of the slide, ESG has definitely taken hold in our organization. We feel that our mission is perfectly aligned to that. In addition to -- recognition that I mentioned by Ethisphere Magazine, Aptiv has been included in the Dow Jones Sustainability indices, the FTSE4Good Index, and the Just US Large Equity ETF. And we're ranked number four in that ETF in the auto parts industry category. When an organization truly lives winning values, it's our view the outcome is a high-performance culture,

which as we know is strongly aligned with driving stakeholder value.

Turning to slide 16, we're continuously investing in Aptiv's culture to ensure employee engagement. We have regular monthly global leadership calls. We have global employee calls each quarter. Over the last several years, we've worked to ensure that we have the right structures in place to drive a much more diverse, winning, and knowledgeable culture. We strongly believe diversity drives innovation, diversity of skills, talent, and experiences. And in addition to diversity in race, culture, ethnicity, and age, Aptiv also actively seeks gender diversity as reflected in our industry-leading workforce and management representation that you can see on this chart. And we're committed to creating a more diverse and winning culture during 2020. It's one of the priorities for each member of the senior leadership team.

We're excited to reinforce these values through our International Women's Day celebration this year as well as other initiatives throughout the year. I mentioned our monthly calls; I mentioned our quarterly global employee calls. So we're constantly working on communicating these value-sharing stories about how we live these values and driving home the appropriate behaviors. And then we recognize that thriving in today's challenging environment requires a very diverse team with the absolute best talent.

At Aptiv, we're focused on maintaining a high-performance culture in which management compensation is very closely aligned with creating long-term shareholder value. There's a significant amount of portion of at-risk pay for our most senior leaders, including folks like myself. And we review our pay-for-performance alignment regularly to ensure that we're consistently making good on our commitments. Our metrics strongly reflect our focus on cash generation, return on capital, and increasing returns on net assets.

In addition to these two standard financial metrics, we actually overlay what we refer to as strategic results modifiers that really reflect our successes in meeting non-financial goals that truly are related to talent development, diversity, culture, and customer service. It's this focus on non-financial goals that's truly driven by our board of directors and extends throughout the senior leadership team

and down below. And finally, it goes without saying that our long-term compensation is designed to attract, retain, and motivate the talent necessary to deliver on our mission and our strategy, again to make the world more safe, green, and connected.

So up to this point, I've highlighted the role of our safe, green, and connected portfolio and the importance of our diverse and talented workforce in executing our strategy and making our vision of the future of mobility truly a reality. In addition, elements of our corporate governance system help ensure we maintain our disciplined approach to creating long-term sustainable value, not just for our shareholders, but really for all of our stakeholders. At Aptiv, the relationship between the board of directors and leadership is a very, very strong partnership, which encourages a very open dialogue and transparent critical business reviews. We're fortunate to have Raj Gupta over here, who is the chairman of Aptiv and the individual that I report to on a regular basis. And we get a high level of board engagement, and it's reflected quite frankly I think in Raj's willingness to take time out of his busy schedule to join me here today. Raj and I and the balance of the board work closely together to perfectly position our product portfolio, foster our strong culture, and encourage innovation and promote execution of our strategy.

Our board of directors is actively engaged on the strategy and assessment of our business. It's something that the management team definitely encourages. Throughout the year, our board meetings include deep, deep dives into the business, addressing topics such as our business strategy, our product portfolio assessments, our advanced technology investments, our commercial strategies, our financial performance, and capital deployment, a lot of time spent on talent development, succession planning, investor and market sentiment, governance and sustainability, and then of course ethics and compliance and other governance matters. And it's together, this collaborative environment allows our management team to remain laser-focused on really delivering on all of our commitments.

Turning to slide 19, we're continuing to execute our strategy and deliver our vision of the company out to 2025. So we maintain a very long-term focus that our strategy and our strategic initiatives and our business plans need to dovetail

with that. This vision is really the logical extension of our mission and our strategy, which is enabled by our industry-leading competitive position and execution capabilities. Our vision includes a more sustainable business, again, a sustainable business with a more flexible business model defined by an improved, more predictable growth profile, increased profitability, growing sales faster than cost, and converting more income to cash, and additional upside from the disciplined deployment of cash that I mentioned, all underpinned by a winning culture, a company that has a low cost of capital and the ability to reinvest in its people and its processes and its portfolio to create really significant value for our customers, for employees, and for our shareholders, all of which translates into a company with significant margin to cash flow and over \$22 billion of revenue in 2025.

So I'll wrap up on slide 20 before we open up for questions. We have a long track record of delivering on our long-term vision and creating superior stakeholder value, that chart I saw earlier, since Aptiv, previously Delphi went public back in 2011. And we believe that our long-term success as a business and our ability to create value are strongly linked to the positive impact we have on our people, on our portfolio, and on our planet. With our ownership mindset and passion for results, you can expect more sustainable outperformance in the years to come. And again, with that we'll open it up for questions.

MS. BASAK: So we have some questions coming in from - - now. And - - open up to the room for a little bit as well. We'll have ten minutes for questions. So how do you participate and in ensuring job security in the view of the rapid automation of the workplace?

MR. CLARK: Yeah, that's a great question. And I think we're a great example in terms of the technologies that we're introducing and what it means for car and safety in the car. I would say we can't, in our company, given the changes going on, we can't guarantee job security. What we can do is make sure that we train, develop, and provide career opportunities for our employees. So a terrific example, you look at our traditional business in the automotive industry and our traditional engineering activities as an example. Historically our industry was built with mechanical engineering that evolved to electrical engineering that

evolved today to software engineer. So I mentioned those 20,000 engineers we have. Close to 7,000 our software engineers. Now those 7,000 software engineers, I bet the bulk are engineers we've hired over the last five, six years. So it's how do we continue to hire folks with the right skill set and at the same time, how do we make sure we develop those people who have the underlying skill, the underlying desire to stay relevant in particular product categories that we operate in.

MS. BASAK: Are there raw materials that your company uses that will negatively impact the environment?

MR. CLARK: No, not really. Our two biggest raw materials, copper, which goes into wire harnesses that go into vehicles. The second would be resin, which is petroleum-based, which goes into anything plastic that we manufacture. As an industry, the automotive industry, and it's really driven by our customers and especially, our North American customers are great, but especially our European customers who have been very, very focused on green, on reducing CO2 footprint, on how do we make sure that we minimize our carbon footprint. So we've been very active in that quite frankly for more than ten-plus years. And then over the last few years have made significant commitments and significant improvements with respect to our overall carbon footprint.

MS. BASAK: So the next one is about gender diversity. Will you reach gender balance in your senior leadership and revenue-generating activities?

MR. CLARK: Will we reach it?

MS. BASAK: That's the question.

MR. CLARK: Yeah, I think we'll reach it without a doubt. We're not where we need to be now. We've made tremendous, we've actually always done a reasonably good job up to a point. Now there's a tremendous amount of focus at the senior management level and P&L leadership level. How do we get more equity, more balance, more diversity.

MS. BASAK: I'll follow up on that while we have it. As your hiring engineers, I know hiring women out of engineering programs has been a challenge for many people. How are you finding women?

MR. CLARK: For us it's not. Actually our diversity among entry-level engineers is fantastic. I mean we lead our industry, and we lead most industrials that are out there. And I think part of that aligns with our mission of safe, green, and connected. Where we need to do a better job in where our focus is, how do we keep them out beyond the first roughly seven to eight years of their career? How do we provide whatever is necessary to keep advancing them in terms of career opportunities? And that's the area where when you think about our area of focus in terms of change and adjustment, is really there.

MS. BASAK: Do you have any questions from the audience? Maybe let's start all the way back there.

MR. TONY BERKLEY: Thank you. My name is Tony Berkley; I'm with Prudential Financial Incorporated. I'm part of the impact investment team, and so we invest a portion of the corporate account in positively impactful companies and projects. And our CEO Charlie Lowery was at the Board of Boards, and hopefully you had a chance to engage with him. I was also in attendance at the September 2017 CEO Investor Forum. I believe you made I think the first of your long-term plan presentations. I was also here last winter when you made the second one. I'm here today for the third.

So I looked back over my Twitter account at my tweets. And I actually tweeted out on all your presentations. In the first one, I noted that wow, Delphi and Aptiv facing a lot of uncertainties in their markets, and CEO Kevin Clark out here to talk about the future. My tweet from last winter was wow, it looks like the long-term plan has really come together for Aptiv and that you've articulated a pretty clear value proposition going forward. And this time I'm looking at your presentation, and I'm absolutely blown away by it. You've really taken it to that next level of tying together the sustainable and ESG elements with a very coherent plan for the core operations and revenue-generating portions of your business. So just I want to acknowledge that.

MR. CLARK: Thank you very much

MR. BERKLEY: I think it's an extraordinary two-and-a-half years, transformative leadership on your part. And mindful of the CEOs in the room, I'm just curious what lessons you could share around building a management team around you and your

board leadership that can really carry this sustainable value proposition forward that's more of that senior leadership level, and what positive/negative lessons you've picked up -
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MR. CLARK: That's a great question, and thank you for your comment. For us in terms of how to execute it, I think board management, team alignment, and engagement is absolutely important. It's definitely critical. I couldn't do it without Raj and Raj's support and quite frankly his constructive calibrations periodically. So I think it starts there. For me all these underlying aspects, it's really about building a better business. And as CEOs, I think it's incumbent upon us to be very, very focused on how do we build, and we use the term a sustainable business. There are other words that could be used, but it is how we build a stronger business to serve our customers, that translates to value, that can only be done through employee engagement. It's the only way it can be done.

And when you think about things like diversity, whether it's gender diversity or it's racial diversity, how do you not do that without tapping the absolute largest pool of resources that you can tap, right? And how do you identify those areas that you need to make adjustments or calibrate to ensure that you as a company are attractive? And I think all of us, I mean all of us that operate in industrials today, there are huge aspects of our businesses that are opportunities about making life better for individuals each and every day.

I'm fortunate; my predecessor started on the path of how do we bring a product portfolio that's more safe, green, and connected to the board, endorsed that and supported it significantly. So how do we save lives? How do we reduce CO2 emissions? How do we create a better consumer experience? That's powerful, and that's something that we work real hard as an organization to really come together -
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MS. BASAK: Do you have any more questions from the audience?

MALE VOICE 3: --, right here.

MR. CLARK: Sorry, I keep --.

MALE VOICE 3: I wanted to echo the comment. I was here for the three presentations, and I want to praise CECP for making

this an ongoing dialogue where we can see people like you making pivots and growth. So I would want to start with two things. About two-and-a-half years ago, I invested in Aptiv, and it's been a good investment. Second, I decided to try and benchmark you across the Fortune 500. So I'm a founder of a management consulting firm - - and the author of the book Running [phonetic]. So are your four top peers competing for technical talent in the Fortune 500, you, UTC, Lockheed Martin, Flex, and Applied Materials? Because they seem to need a lot of PEs and a lot of software engineers as much as you. Or are there others that you're competing against?

MR. CLARK: Yeah, I think I would include those among the pool of resources. Engineers in our space, software engineers or engineers that want to go into social media, something like that, that's not our space. That's not where we play, and quite frankly that's not the individual we're going to get. Having said that, we feel like given the immediate impact that we're having on the world today, we have a fleet of over 100 vehicles that are in Las Vegas that are plugged into the Lyft network. I ask any of you who get out there to look, hopefully take a ride - -, that level four autonomous vehicles. Now there's a driver in there just for safety reasons at this point in time. But we have real applications of technology today. So the young man, the young woman, or the older man or older woman who's really interested on executing on things today and seeing it progress over the next ten or 20 years, we feel like we're perfectly positioned to do that. And again, to date we've really not run into a constraint in terms of getting the talent we need to compete.

MALE VOICE 3: Do you benchmark the governance systems with those four companies as well?

MR. CLARK: Yeah, I haven't, less with those four, more with our traditional...

MALE VOICE 3: Autos...

MR. CLARK: Which probably is a mistake. Probably should have a broader, kind of a broader focus.

MALE VOICE 3: Thank you.

MS. BASAK: I want to take one from one of our viewers watching remotely as well. Under your leadership, Aptiv seems to be a

very purpose-driven company. What cultural value do you attribute to this?

MR. CLARK: Listen, I think under, I think it started with my predecessor Rodney O'Neal. I think it started with the board before I became the CEO, with Raj and his folks. I need to start with that. I think time has given us the benefit of momentum. I think probably the world has changed more rapidly over the last five years, and our need to transform has changed more rapidly. That's translated into incremental importance of culture and communication. I'd say there's probably more weighting on that than what we've had before, in terms of the amount of changes that we've had to make and the direction we had to go in.

Again, when you look at your employee base, when you look at wanting to build a sustainable business, purpose is hugely important. It's one of the big things that employees, it's one of the things that they value. And the reality is really top-notch talent, really any talent has a number of choices and a number of options. And how do you make sure that you differentiate yourself and you do it in a real, a true, a real way? Right, it's got to be more than words. It's got to be how you behave, how you act, how you reward people.

MS. BASAK: Are there any more questions from the audience? Thank you.

MR. CLARK: Thank you. Thank you for having me.