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2009 Notice of meeting

## Combined Shareholders' Meeting

**Tuesday June 9, 2009, 2:30 PM**

at the Centre Eurosites George V  
28, avenue George V, 75008 Paris

*Enabling a better automotive world*



# For your information

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- For any information related to your participation in the Shareholders Meeting, contact your bank or call from France the toll-free number: **0800 814 045** or from abroad: **+33 (0)1 45 30 85 89**
- The reference document filed with the *Autorité des marchés financiers* (French financial markets authority) is available on our website at: **[www.valeo.com](http://www.valeo.com)**
- For more information, please contact:  
**Vincent Marcel, Vice-President Financial Affaires, acting Investor Relations,**  
**Tel. : +33 (0)1 40 55 37 71**

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# How to participate in the Shareholders' Meeting

## How can I take part?

**The right to participate in the Meeting is subject to the recording of your shares on the 3rd business day, 00 hour, Paris time, preceding the Meeting, i.e. June 4, 2009 12:00 a.m.,**

- in your name, in the registered shareholder account held by the Company, if your shares are registered shares,
- in the bearer shareholder account held by a financial intermediary if your shares are bearer shares. The recording of your shares will then be certified by a shareholding certificate (**attestation de participation**) delivered by the intermediary. This certificate must be attached to the form of vote by mail/vote by proxy/request for an admission card included in this brochure. Upon your request, you will also receive an admission

card if you wish to attend the Meeting in person and you have not received your admission card on June 4, 2009, at 00 hour (12:00 a.m.) Paris time (see next page).

**Shareholders are entitled to sell all or part of their shares at any time.**

However, only the shares recorded on the 3rd business day, 00 hour Paris time, preceding the meeting (Thursday June 4, 2009 at 00 hour-12:00 a.m.) are entitled to participate in the vote. If a transfer of your shares occurs before this date, your admission card or shareholding certificate will be invalidated or modified accordingly as well as the vote by mail or proxy. If a transfer of your shares occurs after this date, it will not be taken into account by the Company.

## How to vote

**There are four ways to exercise your voting rights:**

- personally attend the General Shareholders' Meeting;
- authorize the Chairman;
- authorize a proxy (spouse or another Valeo shareholder);
- vote by mail.

In any case, you must fill in the enclosed form and send it:

**For bearer shares**

- to the financial intermediary which administers the shares.

**For registered shares**

- to Société Générale  
Département des Titres et Bourse  
Service des Assemblées  
32, rue du Champ de Tir  
BP 81236  
44312 NANTES cedex 3.

# How to fill in the voting form

## If you intend to attend the Shareholders' Meeting in person

You must request an **admission card**. All you have to do is **check box A** at the top of the form, **date and sign** at the bottom, enter your name, first name and address or check them if they have already been entered.

The request must be sent as early as possible in order to be received by Société Générale, Service des Assemblées, 32 rue du Champ de Tir, BP 81236, F-44312 Nantes cedex 3, on **June 4, 2009** at the latest.

Your admission card will have to be shown to enable you to enter the Meeting. If you have not received the card that you have requested 3 days before the Shareholders' Meeting, please call the information centre of Société Générale, at 0 825 315 315 (0,125 euros/mn in France) from 8:30 a.m. to 6:00 p.m.

## If you intend not to attend the Shareholders' Meeting

- **Check box B** at the top of the form.
- Choose one of the three following options:

### **Option 1** Vote by mail:

Check the box "**I VOTE BY MAIL**"

- For the resolutions proposed or approved by the Board of Directors (resolutions 1 to 14 - box **a**),
  - Leave blank the boxes corresponding to the resolutions for which you wish to vote YES;
  - Blacken the boxes corresponding to the resolutions for which you wish to vote NO or abstain (abstentions count as a NO vote).
- For the resolutions not approved by the Board of Directors (Resolution A - box **b**): blacken the box YES or the box NO/Abstention for each resolution.
- In the event of any amendments or new resolutions presented during the meeting (box **c**), do not forget to tick one of the options offered **so that your view is taken into account in the quorum and in the vote**: for these

resolutions you can delegate to the Chairman, abstain or appoint a proxy. In this latter case, do not forget to state the name of your representative.

### **Option 2** Delegate to the Chairman:

Date and sign at the bottom of the voting form in the intended red box.

In this case, your vote will be in favour of all resolutions proposed or approved by the Board of Directors (resolutions 1 to 14) and against all other resolutions (Resolution A).

### **Option 3** Delegate to your spouse or another Valeo shareholder:

Tick the box "**I HEREBY APPOINT**" and identify by his/her name and address the authorized person who will attend the shareholders' meeting and vote as your representative.

You may not vote by mail and give a proxy; you must therefore choose **only one** of the three options above.

**Remember** to enter your name, first name and address or check that they are correct if they have already been entered.

Regardless of the option chosen (option 1, 2 or 3 above), **date and sign** in the intended red box at the bottom of the form and **send** it as early as possible to the bank holding your shares if they are registered shares or to Société Générale, Service des Assemblées (see details and address on page 5) if they are bearer shares.

We call to your attention the fact that, according to article R.225-77 of the French Commercial Code, the Company is no longer obliged to take into account voting forms that are received less than 3 days prior to the date of the Shareholders' Meeting, that is, later than **June 6, 2009**.

Your voting form

**You wish to attend the Meeting:**  
tick here

**You do not wish to attend the Meeting:**  
tick here

**You will not attend the Meeting and you wish to vote by mail:**  
tick the box B, then tick here and fill in boxes a, b and c

**You will not attend the Meeting and you wish to appoint the Chairman of the Meeting as your proxy:**  
tick the box B, then date and sign the bottom of the form

**You will not attend the Meeting and you wish to appoint a named person as proxy who will be present at the Meeting:**  
tick the box B, then tick here and enter the details of the person concerned

**Option 1**

**Option 2**

**Option 3**

IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.

**QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM**

A.  Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.

B.  J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

43, rue Bayen - 75017 Paris  
Société Anonyme au Capital de 234 628 851 euros  
552 030 967 R.C.S. Paris

**ASSEMBLÉE GÉNÉRALE MIXTE  
DU 09 JUIN 2009**

**COMBINED GENERAL MEETING  
OF JUNE 09, 2009**

**CADRE RESERVE / For Company's use only**

Identifiant / Account

Nombre d'actions / Number of shares

Nombre de voix / Number of voting rights :

Nominatif / Registered

Porteur / Bearer

VS / single vote

VD / double vote

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso renvoi (3) - See reverse (3)

**a** Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en noirissant comme ceci ■ la case correspondante et pour lesquels je vote NON ou je m'abstiens.

**b** Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directeur ou la Gérance, je vote en noirissant comme ceci ■ la case correspondant à mon choix.

1	2	3	4	5	6	7	8	9	Oui/Yes	Non/No	Abst/Abst	11	12	13	14	15	16	17	18	Oui/Yes	Non/No	Abst/Abst	
10	11	12	13	14	15	16	17	18	A			19	20	21	22	23	24	25	26	27	B		
28	29	30	31	32	33	34	35	36	C			37	38	39	40	41	42	43	44	45	D		
									E											F			
																				G			
																				H			
																				I			
																				J			
																				K			

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
dater et signer au bas du formulaire, sans rien remplir.

**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING**  
date and sign the bottom of the form without completing it.

cf. au verso renvoi (2) - See reverse (2)

**JE DONNE POUVOIR A :** (soit le conjoint, soit un autre actionnaire - cf. renvoi (2) au verso) **pour me représenter à l'assemblée** / I HEREBY APPOINT (you may give your PROXY either to your spouse or to another shareholder - see reverse (2)) **to represent me at the above mentioned meeting.**

M, M<sup>me</sup> ou M<sup>me</sup> / Mr, M<sup>rs</sup> or Miss

Adresse / Address

**ATTENTION :** S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement enregistrées par votre teneur de comptes.  
**Caution :** If you're voting on bearer securities, the present instructions will only be valid if they are directly registered with your custodian bank.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement) - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
Cf. au verso renvoi (1) - See reverse (1)

Whatever your choice, please date and sign here.

**c** Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting:  
- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the meeting to vote on my behalf.  
- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote against).  
- Je donne procuration (cf. au verso renvoi 2) à M, M<sup>me</sup> ou M<sup>me</sup> pour voter en mon nom / I appoint (see reverse (2)) M, M<sup>rs</sup> or Miss to vote on my behalf

Enter your last name, first name and address or check them if they have already been entered

Pour être prise en considération, toute formule doit parvenir au plus tard :  
In order to be considered, this completed form must be returned at the latest:

à la BANQUE / to the Bank: 06/06/2009, JUNE 06, 2009  
à la SOCIÉTÉ / to the Company: 06/06/2009, JUNE 06, 2009

You are invited to choose one option, failing which your shares will not be taken in account for the calculation of the quorum and the vote.

# Agenda

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## Agenda for the Annual Ordinary General Meeting

- Board of Directors' report on operations and financial statements (unconsolidated and consolidated) for 2008 fiscal year;
- Statutory Auditors' general reports;
- Chairman's report on the Board's work and on corporate governance;
- Statutory Auditors' special report on agreements and undertakings governed by the provisions of Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code;
- Statutory Auditors' special report and supplementary special report on certain agreements and undertakings governed by the provisions of Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code in accordance with Article L. 225-42-1 of said Code;
- Review and approval of the 2008 fiscal year unconsolidated financial statements;
- Review and approval of the 2008 fiscal year consolidated financial statements;
- Approval of the co-opting of Mr. Jacques Aschenbroich as Director;
- Approval of agreements including undertakings made for the benefit of Mr. Thierry Morin by the decisions of the Board of Directors of October 20, 2008 and February 12, 2009 in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code;
- Approval of agreements including undertakings for the benefit of Mr. Thierry Morin by a decision of the Board of Directors on March 20, 2009 in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code (**Resolution presented but not approved by the Board of Directors**);
- Approval of the agreements and undertakings governed by the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code;
- Allocation of profits for the fiscal year;
- Authorization to be granted to the Board of Directors to carry out transactions in shares issued by the Company.

## Agenda for the Extraordinary General Meeting

- Delegation to the Board of Directors of authority to decide a capital increase through the issuance – with preferential subscription rights – of shares and/or securities giving access to the capital of the Company and/or the issuance of securities entitling holders to the allotment of debt securities;
- Delegation to the Board of Directors of authority to decide a capital increase through the issuance – without preferential subscription rights – of debt securities giving access to the capital of the Company and/or entitling holders to the allotment of debt securities;
- Delegation to the Board of Directors of authority to decide a capital increase by incorporation of premiums, reserves, profits or other items;
- Delegation to the Board of Directors of authority to increase the number of securities to be issued in case of a capital increase with or without preferential subscription rights;
- Delegation to the Board of Directors of authority to decide a capital increase, through the issuance of shares or securities giving access to the capital reserved for members of company savings plans, with waiver of preferential subscription rights in favor of such members;
- Authorization to be granted to the Board of Directors to reduce the share capital through cancellation of treasury shares;
- Delegation of powers to carry out corporate formalities.

# Summary of the situation of the Group in 2008

This text is a free translation from the French language and is supplied solely for information purposes. Only the original version in the French language has legal force.

2008 was marked by the financial crisis which rapidly led to a widespread economic crisis and the collapse of global automobile production. The Group reacted quickly and vigorously to this situation from the end of the third quarter. In order to preserve its competitiveness and its liquidity, the Group immediately launched a drastic cost reduction and cash control plan which enabled an improvement in operating revenues of 140 million euros. Valeo announced on December 17 a plan to reduce its permanent headcount by 5,000 people by the end of 2009.

**The complete management report is presented in chapter 3 of the reference document available on [www.valeo.com](http://www.valeo.com) and on the AMF website.**

## Simplified 2008 results

(in € million)	2008	2007	Change
Total operating revenues	8,815	9,689	-9.0%
Gross margin	1,314	1,497	-12.2%
% of sales	15.2%	15.7%	-0.5 pt
Operating margin <sup>(1)</sup>	230	346	-33.5%
% of sales	2.6%	3.6%	-1.0 pt
Operating income	(52)	319	na
% of sales	-0.6%	3.3%	-3.9 pts
Income from non-strategic activities	(1)	(59)	na
Net income attributable to the company's shareholders	(207)	81	na
Basic earnings per share (continued activities) (€)	(2.73)	1.82	na
Free cash flow <sup>(2)</sup>	83	65	+28%
Net financial debt	821	799	+2.8%

<sup>(1)</sup> Operating income less other income and expenses.

<sup>(2)</sup> Net cash provided by operating activities less net tangible and intangible investment flows less net interest paid.

## Highlights

Demonstrating the interest of automakers in technologies developed by Valeo, order intake reached a record 10.1 billion euros, or 1.4 times sales. Innovative products accounted for 3.2 billion euros of new orders, or 32% of the total, thereby confirming the Group's technological innovation strategy based on the three Domains of Driving Assistance, Powertrain Efficiency and Comfort Enhancement.

The StARS micro-hybrid system, which was launched in the original equipment market in 2004, took a major step forward in its commercialization with the announcement of a contract with PSA Peugeot Citroën to equip more than one million of the automaker's vehicles by 2011. More contracts are expected to be signed shortly. StARS will benefit, along with the e-Valve camless engine system, from 54.8 million euros in public financing granted by OSEO.

At the beginning of the year, Valeo continued to rationalize its business portfolio. Following its wiring harness activity, which was

sold to German specialist Leoni on December 31, 2007, Valeo sold its truck engine cooling business, which had generated sales of 172 million euros in 2007, to the EQT fund on May 30, 2008.

As part of its development strategy in countries with high growth potential, Valeo initiated the first steps of the deployment of its activities in Russia and reinforced its presence in India.

The Group continued to rationalize its industrial base, notably with the closing of the Rochester plant in the USA in the first half. Throughout the year, the Group's headcount was reduced by 10,000 people (including reporting entity impact).

## Business

Consolidated **total operating revenues** were down by 9.0% to 8,815 million euros in 2008. Perimeter changes had a negative impact of 0.7% on total operating revenues. Exchange rates had a negative impact of 1.5%. At constant perimeter and exchange rates, total operating revenues were down by 6.8%. At the same time, the Group's reference automobile production <sup>(1)</sup> was down by an estimated 6.3% (2.2% rise in the first half and 15.3% drop in the second half).

Annual **sales** were 8,664 million euros. This was broken down into 7,045 million euros for the original equipment market (81% of the total) and 1,619 million euros (19% of the total) for the aftermarket, versus 7,865 million euros (82%) and 1,690 million euros (18%) in 2007. On a like-for-like basis, the aftermarket activity, excluding tooling sales, was down by 3.9%.

Sales in **Europe** were 5,685 million euros, down by 11.1% versus 2007. Excluding perimeter and exchange rate impact, they were down by 10.4% while light vehicle production in the region decreased by 4% (-8.5% in Western Europe and +8.4% in Eastern Europe: source JD Power). Europe accounts for 66% of total consolidated sales by marketing region in 2008 (67% in 2007).

The Group generated sales of 1,041 million euros in **North America**, down by 19.5% versus 2007. On a like-for-like basis, sales decreased by 11.3%, while local light vehicle production dropped by 16.2% (source JD Power). This region accounted for 12% of consolidated sales (14% in 2007).

In **Asia**, the **Middle East** and **Pacific**, Group sales were 1,276 million euros (+2.5% versus 2007). At identical perimeter and exchange rates, sales in Asia were up by 8.4% (+16.2% in China and around +5.8% in Japan and in Korea). Local automobile production rose by only 1.1%, with growth rates higher than 5% in China and in India being offset by drops of 2.2% and 5.1% respectively in Japan and in Korea. The Asia/Middle East/Pacific region accounts for 15% of Group sales (13% in 2007).

Valeo generated sales of 598 million euros in **South America**, up by 7.0% versus 2007. On a like-for-like basis, sales were up by 8%, slightly higher than local automobile production which was up by 5% (source JD Power). This region accounted for 7% of consolidated sales (6% in 2007).

(1) Evolution of light vehicle production in Europe, North America, South America and Asia estimated by JD Power and weighted by the importance of each geographical region on Valeo's consolidated sales.

## Full-year results

Consolidated **gross margin** totaled 1,314 million euros, down by 12.2% versus 2007. It represented 15.2% of sales versus 15.7% in 2007. Raw material prices continued to rise slightly during the year (0.1% of sales). This rise was more than offset by contract renewals which contributed 0.3% of sales.

In the first half, gross margin increased by 0.7 points versus 2007, as a result of the Group's productivity and repositioning actions, and despite the rise in raw material prices. In the second half, the margin fell significantly (-2 points), affected by plummeting volumes.

**Operating margin** decreased by 33.5% to 230 million euros, representing 2.6% of total operating revenues, down by 1 point versus 2007. In the first half, the margin stood at 203 million

euros, an increase of 15% versus 2007. Affected by the lower level of activity in the second half, it reached only 27 million euros in this period, a decrease of 84%.

**Operating income** showed a loss of 52 million euros versus a gain of 319 million euros in 2007. It integrates other net charges totaling 282 million euros (27 million euros in 2007), including a charge of 241 million euros relating to the plan to reduce permanent headcount by 5,000 and an impairment charge of 58 million euros.

While amounting to 100 million euros at the end of the first half, **the net income attributable to the Company's shareholders for the year** showed a loss of 207 million euros versus a gain of 81 million euros in 2007.

## Cash flow and debt

The Group generated a free cash flow of 83 million euros versus 65 million euros in 2007. This performance is essentially due to good working capital management which contributed 178 million euros.

Given the amount of the dividend paid in 2008 (99 million euros) and the execution of the share buyback program (39 million euros), and despite the impact of divestitures (52 million euros), net financial

debt was up by 22 million euros versus 2007 and stood at 821 million euros.

The Group's liquidity was intact at the end of the year, with the cash balance covering its operational financing needs. The Group has no debt reimbursement payments due before January 2011 and benefits to date from confirmed lines of credit totaling 1.2 billion euros from major banks.

## Dividend

In order to preserve the Group's liquidity, and given the uncertainty as to when the crisis will end, the Board of Directors will propose

to the Annual General Shareholders' Meeting not to pay a dividend in respect of 2008.

## Outlook

Given that the main global economies have entered into a recession and that the financial crisis is enduring, the Group anticipates a drop in automobile production of around 30% in the first half of 2009, and about 20% for the full year. The Group thus forecasts a negative operating margin for the first half 2009.

Unless there is a significant additional deterioration of its environment, Valeo does not expect to reach the financing-related covenant

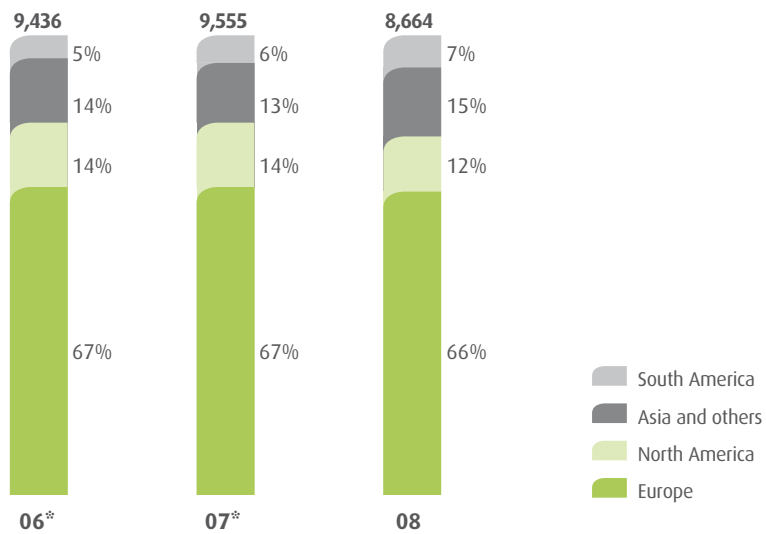
of 120% net financial debt to shareholders' equity (excluding minority interests).

The plan to reduce headcount by 5,000 people worldwide is underway. Valeo is continuing to lower its break-even point by drastically reducing its operating expenses. The Group aims to preserve its liquidity through these measures as well as through reducing by around one-third its investment expenses and optimizing inventory management.

# Key Figures

## Net sales by geographic area

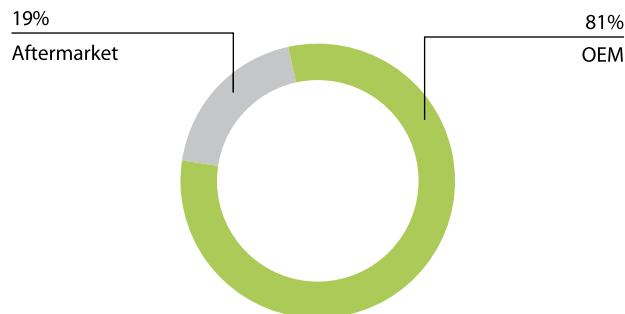
In millions of euros and in % of net sales



\* Data restated to take account of the disposal of non strategic activities.

## Net sales by market (2008)

In % of net sales

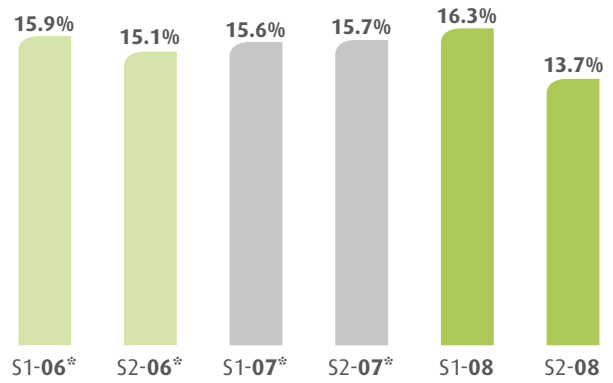


## Gross margin

In % of net sales



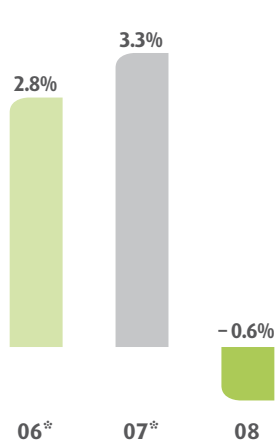
\* Data restated to take account of the disposal of non strategic activities.



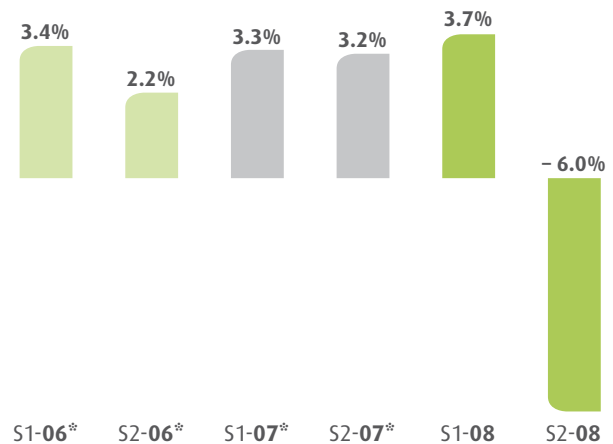
\* Data restated to take account of the disposal of non strategic activities.

## Operating income

In % of total operating revenues



\* Data restated to take account of the disposal of non strategic activities.



\* Data restated to take account of the disposal of non strategic activities.

### Research and development expenditure

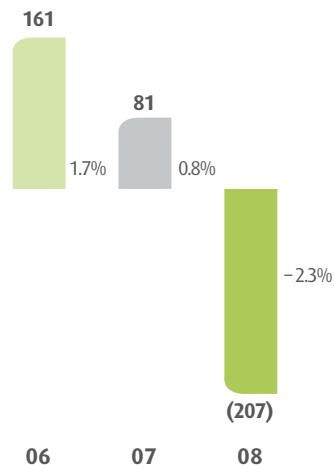
In % of total operating revenues  
(net of R&D expenditure rebilled to customers)



\* Data restated to take account of the disposal of non strategic activities.

### Net attributable income

In millions of euros and in % of total operating revenues



### Basic earnings per share from core activities\*

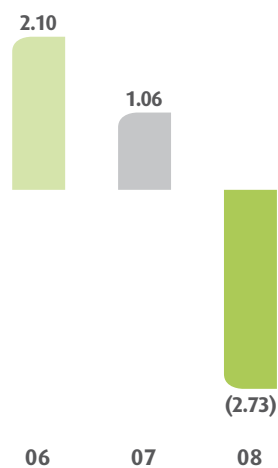
(in euro/share)



\* Excluding non strategic activities.

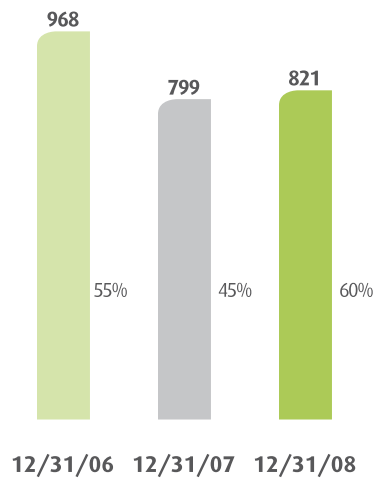
### Basic earnings per share for the year

(in euro/share)



**Net debt**

In millions of euros and in % of equity





# Presentation of the resolutions

This text is a free translation from the French language and is supplied solely for information purposes. Only the original version in the French language has legal force.

## Board of Directors Report

This report describes the proposed resolutions that are being submitted to the Meeting by the Board of Directors. It consists of an introduction, a summary table of financial resolutions, and a glossary. Its purpose is to draw your attention to the important points in the resolutions, in accordance with relevant laws and regulations and with best corporate governance practices for companies listed in Paris. It is not intended as an exhaustive guide, and it is essential that you read the proposed resolutions carefully before exercising your vote.

The presentation of the financial situation, business and performance of Valeo and its group over the past fiscal year, as well as various information required by applicable legal and regulatory provisions, also appear in the report on the 2008 fiscal year, which you should read.

A glossary is provided page 28; the terms that are defined therein are indicated by an asterisk.

## I. Ordinary Business

### Approval of financial statements

#### **(1<sup>st</sup> and 2<sup>nd</sup> resolutions)**

First, this Meeting is convened to approve the unconsolidated financial statements (first resolution) and consolidated financial statements (second resolution) of the Company.

### Co-opting of Mr. Jacques Aschenbroich as Director

#### **(3<sup>rd</sup> resolution)**

We propose that you approve the co-opting by the Board of Directors on March 20, 2009 of Mr. Jacques Aschenbroich to replace the resigning Mr. Pierre-Alain De Smedt as Director, for the remainder of Mr. De Smedt's term of office, i.e. until the closing of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2010 (see below, "Information relating to ongoing business since the beginning of fiscal year 2009" for more information concerning

the events leading to this co-opting). Mr. Jacques Aschenbroich, born in 1954, "Ingénieur du Corps des Mines", has held several posts in the French administration and was in the cabinet of the Prime Minister in 1987 and 1988. He then had an industrial career in the Saint Gobain Group, where he managed subsidiaries in Brazil, in Germany and in the United States. He was president of the glass and high performance materials activities, and was Deputy Chief Executive Officer of the Compagnie de Saint Gobain until December 2008.

### Approval of agreements in favor of Mr. Thierry Morin

#### **(4<sup>th</sup> resolution and Resolution A)**

During its meetings on October 20, 2008 and February 12, 2009, the Board of Directors revised the terms of the compensation and indemnities that may be paid to Mr. Thierry Morin in certain cases of the termination of his duties, in order for them to comply with the AFEP/MEDEF corporate governance code, and approved,

on these occasions, the agreements between Mr. Thierry Morin and the Company including the terms of the compensation, the indemnities or the benefits owed or possibly owed to Mr. Thierry Morin in the event of the termination of his duties after the end of these duties. These agreements, concluded prior to the termination of Mr. Thierry Morin's duties and described below, are the subject of the 4<sup>th</sup> resolution, which the Board of Directors recommends that you approve.

On March 20, 2009, when Mr. Thierry Morin resigned from his duties as Chairman of the Board and Chief Executive Officer of the Company ("Président-Directeur Général", hereinafter referred to as "Chairman & CEO"), the Board of Directors authorized the conclusion of the agreements described below between Mr. Thierry Morin and the Company, including certain undertakings in his favor.

Following the discovery after Mr. Thierry Morin's departure of secret recordings of certain meetings of Board members, the Company conducted an internal investigation. In light of the collected information, the Board of Directors has decided to file a lawsuit. Noting that the decisions of March 20, 2009 would not have been made if the Board of Directors had been aware of these facts, the Board decided, during its meeting on May 15, 2009, to recommend to the shareholders not to approve the agreements concluded between Mr. Thierry Morin and the Company at the time of the termination of his duties and authorized by the Board of Directors of March 20, 2009. These agreements are the subject of Resolution A.

A detailed description of the 4<sup>th</sup> resolution and Resolution A is set forth below.

### **Approval of the agreements in favor of Mr. Thierry Morin concluded prior to the termination of his duties and authorized by the decisions of the Board of Directors of October 20, 2008 and February 12, 2009**

#### **(4<sup>th</sup> resolution)**

We propose that you approve, pursuant to Articles L. 225-42-1 and L. 225-38 of the French Commercial Code, the agreements described below between the Company and Mr. Thierry Morin, authorized by the Board of Directors' decisions of October 20, 2008 and February 12, 2009, and including the terms of the compensation, the indemnities or the benefits owed or possibly owed to Mr. Thierry Morin in the event of the termination of his duties or after the end of such duties.

These agreements are discussed in the Statutory Auditors' special report, which you should read.

#### **a. Reminder of undertakings approved by the General Meeting of June 20, 2008**

As a reminder, on June 20, 2008, you approved the agreements that include the granting of certain rights to Mr. Thierry Morin relating to compensation, indemnities or benefits owed or possibly owed to him in the event of the termination of his duties or after the end of these duties, subject to his achievement of performance targets assessed in light of the Company's performance targets as determined by the Company's Board of Directors on March 20, 2008, acting upon the recommendation of the Appointment and Compensation Committee of March 19, 2008.

The following benefits were approved:

- 1) a lump-sum termination benefit equal to three times Mr. Morin's most recent annual compensation (excluding bonuses) payable if the Board of Directors terminates, on its own initiative, Mr. Morin's term of office (except on the grounds of gross misconduct in the performance of his duties) or if Mr. Morin leaves the Company of his own volition due to (i) a change of control or (ii) a change in Valeo's Board of Directors that is not recommended by the Board or that results in the Company implementing a new business strategy with which Mr. Morin does not agree;
- 2) amounts payable to Mr. Morin, as additional retirement benefits, through the pension fund for which Valeo (UK) Limited accrued an annual reserve (as adjusted each year according to a defined scale).

Mr. Thierry Morin's eligibility for the payment of the above-mentioned amounts at the time of his departure was subject to the Board of Directors' acknowledgement that he has satisfied the following performance-related conditions:

- the payment of all or part of his exceptional target-based bonus at least once in the last three years;
- the Group's attributable net income for the last fiscal year would have to be positive;
- the Group's operating margin for the last fiscal year would have to be above 3%;
- the Group's gross margin for the last fiscal year would have to be above 15%;
- the Group's orders to Original Equipment net sales ratio would have to be above 1 on average over the two last fiscal years.

The total amount received by Mr. Morin at the time of his departure from the Company or subsequent thereto was possibly reduced based on the scale below, and any such reductions will be deducted

first from his lump-sum termination benefits and thereafter from the pension benefits payable under the scheme set up by Valeo (UK) Limited.

- If 4 or 5 of the applicable criteria were met, Mr. Morin would receive 100% of the amounts concerned;
- If 3 of the applicable criteria were met, Mr. Morin would receive 70% of the amounts concerned;
- If 2 of the applicable criteria were met, Mr. Morin would receive 40% of the amounts concerned;
- If fewer than 2 of the applicable criteria were met, Mr. Morin would receive 0% of the amounts concerned.

**b. Modifications of these agreements since the General Meeting of June 20, 2008 and February 12, 2009, and submitted for the approval of this Meeting**

In order for Mr. Thierry Morin's compensation terms to comply with the AFEP/MEDEF corporate governance code, the Board of Directors received a confirmation of Mr. Thierry Morin's intention not to benefit from both the indemnity relating to the termination of his corporate office and the severance pay relating to the end of his employment contract, if applicable, and to waive his contractual non-compete indemnity, and confirmed that in the event of termination of his corporate office and of his employment contract, Mr. Thierry Morin's status would be handled as follows: (i) if he receives all or part of his indemnity relating to his corporate office, he will receive no payment in connection with the termination of his employment contract; (ii) if he receives no indemnity relating to his corporate office, the indemnification clause in his employment contract will apply and he will receive, if applicable, an indemnity corresponding to two years of his last compensation as employee, i.e. €960,000.

The Board of Directors Meeting of February 12, 2009, acting upon the recommendation of the Appointments, Compensation and Corporate Governance Committee, has decided to revise the compensation and indemnity terms approved by the Shareholders' Meeting of June 20, 2008 payable to Mr. Thierry Morin in certain cases of termination of his duties in order to align them with the AFEP/MEDEF corporate governance code. The Board decided to:

- (i) terminate the Valeo (UK) Limited pension fund of which Mr. Thierry Morin was a beneficiary;
- (ii) reduce the lump-sum severance payment to be made to the Chairman & CEO in the event of a termination of his corporate office to an amount representing two years of fixed and variable annual compensation. The compensation to be used for purposes of the calculation is the average fixed and variable compensation received during the three fiscal years prior to his departure;
- (iii) limit the cases triggering Mr. Morin's right to receive the termination benefit in accordance with the AFEP/MEDEF

corporate governance code; the termination benefit to be paid to Mr. Thierry Morin in the event that his departure occurs as a result of (i) a change of control of the Company or (ii) a strategic change decided by the Board of Directors, in both cases regardless of the legal grounds for the Chairman & CEO's forced departure, i.e. whether the Board decides to terminate the office of the Chairman & CEO, or whether the Chairman & CEO has no alternative but to resign after having observed a significant modification of the conditions under which he exercises his corporate office.

The Board of Directors of February 12, 2009 left the performance criteria which were established by the Company's Board of Directors on March 20, 2008 and approved by the General Meeting of June 20, 2008 and to which the payment of his termination benefit and the determination of its final amount are subject, unchanged.

**Approval of the agreements in favor of Mr. Thierry Morin concluded at the time of the termination of his duties as Chairman & CEO of the Company and authorized by the Board of Directors of March 20, 2009**

***(Resolution A – presented but not approved by the Board).***

The Board of Directors recommends that you not approve the agreements concluded between Mr. Thierry Morin and the Company that were approved by the Board of Directors' decision of March 20, 2009 that include the terms of the compensation, the indemnities or benefits that were granted to him at the time of the termination of his duties as Chairman & CEO of the Company, presented in this resolution pursuant to articles L.225-42-1 and L. 225-38 of the French Commercial Code.

These agreements are the subject of the Statutory Auditor's supplementary special report of that you should review.

**a. Description of the agreements concluded with Mr. Thierry Morin and approved in the Board of Directors' decision of March 20, 2009 at the time of the termination of his duties as Chairman & CEO of the Company**

The Board of Directors of March 20, 2009 acknowledged the resignation of Mr. Thierry Morin from his office as Chairman & CEO of the Company due to a difference of opinion from that of the Board of Directors' regarding business strategy and decided, unanimously and acting upon the recommendation of the Appointment, Compensation and Governance Committee, to terminate Mr. Thierry Morin's term of office as Chairman & CEO of the Company pursuant to the following terms:

- (i) Payment as a termination benefit at the time of this forced departure of a lump sum equal to two years of compensation,

i.e. €3,261,405.33 before taxes, corresponding to the average fixed and variable compensation received by Mr. Thierry Morin for the performance of his duties during the last three fiscal years preceding his departure. The Board of Directors observed that only three of the five performance criteria established by the Company's Board of Directors on March 20, 2008 and approved by the General Meeting of June 20, 2008 had been satisfied (i.e., the payment of all or part of his exceptional target-based bonus at least once in the last three years; reaching an operating margin for the last fiscal year above 3%; achieving an orders to Original Equipment net sales ratio greater than 1 on average over the two last fiscal years), leading to a reduction of the termination benefit by 30%. The Board of Directors decided that the criteria based on the net income (Group share) for a fiscal year should be evaluated without taking exceptional items into consideration. The Board acknowledged the satisfaction of this criteria for the 2008 fiscal year if the exceptional provisions included in the 2008 fiscal year's financial statements and corresponding to a decision approved by the Board of Directors prior to the end of the 2008 fiscal year are excluded. Accordingly, the Board observed that four of the five performance criteria that must be satisfied before Mr. Thierry Morin's termination benefit is paid were satisfied and that therefore no reduction would be applied. The Board of Directors decided that the termination benefit would be paid on March 23, 2009.

- (ii) The Board decided that Mr. Morin's retention of the benefit of share purchase and subscription options that were granted to him, without having to comply with the employment requirement included in the share purchase and subscription option plans from which he benefits, would be subject to the same performance criteria as the termination benefit described above. The Board observed that since four of the five performance criteria were satisfied, Mr. Thierry Morin could retain the benefit of the share purchase and subscription options that were granted to him without having to comply with the employment requirement included in the share purchase and subscription option plans from which he benefits.

Moreover, the Board of Directors of March 20, 2009 decided that Mr. Thierry Morin's employment contract, which had been suspended during his term of office would be terminated as of June 30, 2009. The Board decided that upon the termination of this contract, Mr. Thierry Morin would benefit only from a notice period of six months and paid vacation days, since he had waived all other benefits to which he would have been entitled under his employment contract. The Board authorized the Company to

conclude a settlement agreement with Mr. Thierry Morin setting forth the terms of his departure approved by the Board, and decided that the agreements implementing the decisions above, approved in accordance with the provisions of Articles L. 225-38 and L. 225-42-1 of the French Commercial Code, would be submitted for the approval of the next General Shareholders' Meeting.

### **b. New information justifying the recommendation of the Board of Directors to vote against Resolution A**

Following the discovery after Mr. Thierry Morin's departure of secret recordings of certain meetings of Board members, the Company conducted an internal investigation.

In light of the collected information, the Board of Directors has decided to file a lawsuit. Noting that the decisions of March 20, 2009 would not have been made if the Board of Directors had been aware of these facts, the Board decided, during its meeting on May 15, 2009, to recommend to the shareholders not to approve the agreements concluded between Mr. Thierry Morin and the Company at the time of the termination of his duties and authorized by the Board of Directors of March 20, 2009, and consequently, not to approve this Resolution A.

## **Approval of the related party agreements concluded during the fiscal year**

### **(5<sup>th</sup> resolution)**

Moreover, we propose that you approve the special report of the Company's Statutory Auditors on the fiscal year's "related party" agreements, i.e. those that require your approval.

## **Allocation of profits**

### **(6<sup>th</sup> resolution)**

We propose that you allocate the distributable profits for the 2008 fiscal year to the retained earnings account.

## **Share repurchase plans**

### **(7<sup>th</sup> resolution)**

We propose that you authorize your Board to repurchase Valeo shares for the reasons and pursuant to the terms set forth in the summary table that follows this introduction, to which you are invited to read and which is incorporated by reference in this report.

## II. Extraordinary business

### Financial management of the Company

#### (8<sup>th</sup> to 13<sup>th</sup> resolutions)

A series of resolutions are proposed to you that are intended to provide the Company with the financial means to develop and properly carry out its strategy. Drafts of these resolutions are summarized below, and set forth in greater detail in the chart that follows this introduction, which you should read.

1. The Board of Directors wishes to be given the means to enable it, if needed, to access quickly and with flexibility the financial resources necessary for the development of the Company and its group by offering to the market shares and/or securities giving access to the capital\* and/or securities entitling holders to the allotment of debt securities\*. The eighth to thirteenth resolutions are all intended to empower the Board to financially manage the Company. In particular, they grant the Board power to decide capital increases in accordance with the various terms and conditions set forth in the chart that follows this introduction. Each resolution corresponds to a specific objective in furtherance of which the Board would be authorized to increase the capital, except the eighth resolution, which grants a general authorization, with preferential subscription rights.
2. These resolutions can be divided into two main categories: those that may result immediately or in the future in capital increases **with** preferential subscription rights, and those that may result immediately or in the future in capital increases **without** preferential subscription rights.

Any capital increase made by issuing shares for cash entitles existing shareholders to a “preferential subscription right”, which is detachable and may be traded during the subscription period: for a period of at least five trading days after the opening of the subscription period, each shareholder has the right to subscribe for a number of new shares in proportion to his/her existing interest in the capital.

In some of these resolutions, the Board is asking you to give it the option of canceling this preferential subscription right. Depending on market conditions, the type of investor targeted by the issuance and the type of securities issued, it may be preferable or even necessary to cancel shareholders’ preferential subscription rights in order for the newly-issued securities to be

offered on the best possible terms – for example, when speed is essential to the success of an issuance or when an issuance is made on foreign financial markets. Cancelling preferential subscription rights can make it easier to access capital markets by offering better issue terms. Finally, in some cases, the law provides for the cancellation of the preferential subscription rights: the approval of the resolutions delegating authority to the Board to issue shares reserved for members of employee savings plans (twelfth resolution) entails by law the express waiver by the shareholders of their preferential subscription rights in favor of the beneficiaries of these issuances or grants.

3. These authorizations are subject to a number of limitations. First, each authorization would be granted for a limited period. Second, the Board of Directors would only be able to increase the share capital up to strictly defined ceilings, above which the Board of Directors could not carry out another capital increase without calling a new general meeting of shareholders. These ceilings are set forth in the chart that follows this introduction.
4. If the Board of Directors uses a sub-delegation granted by the Shareholders’ Meeting, it will prepare, if applicable and in accordance with the law and regulations applicable at the time of its decision, an additional report describing the final terms of the transaction and indicating its impact on holders of equity instruments or securities or securities giving access to the capital\*, in particular with respect to their share of shareholders’ equity. This report, as well as, if applicable, that of the Statutory Auditors, will be made available to the holders of equity instruments or securities giving access to the capital\*, then presented at the following general meeting.
5. The thirteenth resolution is intended to allow the cancellation of the Company’s treasury shares, in particular as a result of the repurchases authorized by the seventh resolution, should it be adopted.

### Powers for formalities

#### (14<sup>th</sup> resolution)

Finally, we ask you to grant all powers to perform any necessary formalities following the General Meeting.

### **III. Information relating to ongoing business since the beginning of fiscal year 2009**

#### **Changes in the governance structure**

On 20 March 2009, Mr. Thierry Morin left his position as Chairman & CEO. This decision came as a result of strategic differences and the will of the Board to change the Group's governance structure by separating the functions of Chairman of the Board and Chief Executive Officer. Mr. Pascal Colombani was appointed Chairman of the Board for the period remaining in his term of office as a Board Member. Mr. Jacques Aschenbroich was co-opted as a Board Member and was appointed Chief Executive Officer.

#### **Important events other than the change of governance structure**

The Company's results of the first quarter of 2009 were published in a press release dated April 24, 2009. This press release is available on the Company's website ([www.valeo.com](http://www.valeo.com)) in the "Financial Relations" section.

During the first quarter 2009, Valeo's innovation strategy met with considerable success, with in particular a contract to equip the new BMW 7 Series with the Group's wide angle multi-camera system. The Park4U™ automatic park assist system will see its first application in North America on Ford vehicles (Lincoln MKS and MKT). Despite the crisis, this dynamic technological effort will be maintained thanks in particular to the proactive patent filing policy practiced by Valeo, which ranked fourth among the leading patent filers in France in 2008.

In line with the market trend towards more energy-efficient vehicles, Valeo has confirmed its intention to play a leading role in the area of electric vehicles, through the launch of several development programs in its domains of expertise (in particular in the field of powertrain and thermal systems) and through a partnership with Michelin that was the subject of a letter of intent executed on February 13, 2009.

## Summary table of financial resolutions presented at the meeting by the Board of Directors

A glossary is provided at the end of this table; the terms that are defined therein are indicated by an asterisk.

No. Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price (or method for determining price)	Other information and comments
7 Authorization to carry out transactions in shares issued by the Company	18 months	<p><u>Possible reasons why the Company might wish to repurchase its own shares:</u></p> <ul style="list-style-type: none"> <li>• Implementation of Company stock option plans.</li> <li>• Allotment or sale of shares to employees to allow them to share in the profits of the company's expansion or for the implementation of any employee savings plan as provided for by law.</li> <li>• Grant of free shares to employees or corporate officers.</li> <li>• Delivery of shares on exercise of rights attached to securities giving access to the capital*.</li> <li>• Cancellation of some or all of the securities repurchased (subject to adoption of the thirteenth resolution).</li> <li>• Delivery of shares in connection with external growth, mergers, spin-offs or contribution transactions.</li> <li>• Market-making in the secondary market or maintenance of liquidity of Company shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the French stock market regulator (<i>Autorité des marchés financiers</i>).</li> </ul>	<p>The Company may not at any time hold a number of shares representing more than 10% of its share capital, as adjusted to reflect transactions affecting the share capital subsequent to this Meeting. The number of shares acquired with a view to their retention or future delivery in connection with a merger, spin-off or contribution transactions may not exceed 5% of the share capital. Maximum total amount allocated to the share repurchase program: €350,000,000.</p>	<p>Maximum purchase price of €45 per share.</p>	<p>This delegation of authority may not be used during a public offer for the Company's shares.</p>
8 Issuance, with preferential subscription rights* of shares and/or securities giving access to the capital* of the Company and/or securities entitling holders to the allotment of debt securities*	26 months	<ul style="list-style-type: none"> <li>• May be used by the Board of Directors to provide the financial resources needed for the development of the Company and of its group with speed and flexibility.</li> </ul>	<ul style="list-style-type: none"> <li>• €40,000,000, plus any additional amount issued to preserve the rights of holders of securities giving access to the capital*.</li> <li>• Ceiling counted towards the Overall Ceiling*.</li> </ul>	<p>Price set by the Board.</p>	<ul style="list-style-type: none"> <li>• See the glossary for information about securities giving access to the capital* and securities entitling holders to the allotment of debt securities*.</li> <li>• Possibility of introducing a reducible subscription right*.</li> <li>• Possibility of authorizing issuance of securities giving access to the capital of Subsidiaries* of the Company.</li> </ul>

## Presentation of the resolutions

No.	Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price (or method for determining price)	Other information and comments
9	Issuance, without preferential subscription rights*, of debt securities giving access to the capital* of the Company and/or entitling holders to the allotment of debt securities*	26 months	<ul style="list-style-type: none"> <li>• May be used by the Board of Directors to decide upon these issuances and carry out issuances both on the international market and on the French market, without preferential subscription rights for shareholders.</li> <li>• May be used to issue debt securities giving access to the capital* as compensation for the securities of a company satisfying the criteria set forth in Article L. 225-148 of the French Commercial Code within the framework of a public exchange offer initiated by the Company in France or abroad according to local rules.</li> </ul>	<ul style="list-style-type: none"> <li>• €47,000,000, plus any additional amount issued to preserve the rights of holders of securities giving access to the capital*.</li> <li>• Ceiling counted towards the Overall Ceiling*.</li> </ul>	Price set by the Board such that, for any share issued by virtue of debt securities giving access to the capital*, the total received by Company in connection with these debt securities giving access to the capital* will be at least equal to the minimum regulatory price per share (as of the date of the issuance of the debt securities giving access to the capital*).	<ul style="list-style-type: none"> <li>• Currently, the regulatory minimum price is the weighted average of the quoted market prices during the last three trading sessions on Euronext Paris preceding the setting of the subscription price minus 5%, after making any adjustment to this average in the event of a difference in the dates of ranking for dividend, if any.</li> <li>• Possibility of authorizing the issuance of debt securities giving access to the capital* further to the issuance by Subsidiaries* of securities giving access to the capital of the Company (in this case cancellation of preferential subscription rights* is required by law).</li> <li>• Possibility of introducing, on the French market and if circumstances so allow, a non-negotiable priority subscription right* which may be reduced*, the terms of exercise of which will be set by the Board.</li> </ul>
10	Incorporation of share premium, reserves, profits or other items	26 months	<ul style="list-style-type: none"> <li>• May be used to incorporate premium, reserves, profits or other items into the share capital, enabling the capital to be increased by applying these amounts.</li> </ul>	<ul style="list-style-type: none"> <li>• €40,000,000.</li> <li>• Counted towards the Overall Ceiling*.</li> </ul>	The Board determines the amounts incorporated, and the quantity of new shares issued and/or the new par value of existing shares.	-

No. Purpose	Period of validity	Possible reasons for use of the delegation of authority	Specific ceiling	Price (or method for determining price)	Other information and comments
11 Increasing the number of shares to be issued in the event of a capital increase with or without preferential subscription rights*	26 months	<ul style="list-style-type: none"> <li>May be used to reopen a capital increase at the same price as the original issuance in the event of oversubscription (also known as a “greenshoe” clause).</li> </ul>	<ul style="list-style-type: none"> <li>For each issuance, the ceiling is the regulatory limit applicable on the issuance date (currently 15% of the initial issuance).</li> <li>Included in the initial issuance, i.e. €40,000,000 in those transactions where the preferential subscription right* is maintained, and €47,000,000 in those where the preferential subscription right is cancelled, and in the Overall Ceiling* (for any issuance).</li> </ul>	Same price as the initial issuance.	-
12 Issuance of shares or securities giving access to the capital* reserved for members of employee savings plans	26 months	<ul style="list-style-type: none"> <li>Enables the Board to offer to employees of the Valeo group in France and abroad the possibility to subscribe new shares or securities giving access to the capital of the Company, in order to more closely align them to the Company’s development.</li> <li>Resolution meeting the requirement of Article L. 225-129-6 of the French Commercial Code, which requires the general meeting to decide upon a draft resolution allowing for a capital increase reserved for employees that are members of an employee savings plan when the agenda of such general meeting includes the adoption of resolutions approving an increase of capital through a cash contribution, unless the capital increase results from a prior issuance of securities giving access to the capital.</li> </ul>	<ul style="list-style-type: none"> <li>€5,000,000.</li> <li>Included in the Overall Ceiling*.</li> </ul>	<ul style="list-style-type: none"> <li>Price set by the Board subject to a minimum issuance price for the shares or securities giving access to the capital of: <ul style="list-style-type: none"> <li>- 80% of the Reference Price*,</li> <li>- 70% of the Reference Price* where the lock-up period stipulated by the plan is 10 years or more (for retirement savings plans).</li> </ul> </li> <li>Possibility to reduce or cancel the discounts, within legal and regulatory limits, in order to take into account, in particular, local legal, accounting, tax and social security regimes.</li> </ul>	For information on securities giving access to the capital*, see glossary at the end of the definition of this term. A resolution with a similar purpose was not used in fiscal year 2008.
13 Cancellation of treasury shares	26 months	May be used to reduce the Company’s share capital	No more than 10% of the capital may be cancelled during any 24-month period.	-	-

# Glossary

## Priority subscription rights

In return for the cancellation of preferential subscription rights\*, the Board may introduce a priority right, which may be reducible\*. When provided for, this right, just as preferential subscription rights\*, enable shareholders to subscribe to the proposed issuance in proportion to the number of existing shares they own. However, unlike preferential subscription rights\*, priority subscription rights are exercisable within a priority subscription period (currently a minimum of 3 trading days) that is shorter than the period allowed for preferential subscription rights\*, and not transferable. Priority subscription rights are not necessarily offered for every issuance: as with preferential subscription rights\*, it may be preferable or even necessary not to offer them in order for the newly-issued securities to be placed on the best possible terms (in particular when speed is essential to the success of an issuance or when an issuance is made on foreign financial markets). The securities not subscribed by shareholders during the priority subscription period will be offered in a public offering.

## Preferential subscription rights

For a description of preferential subscription rights and a discussion of why it is sometimes necessary to ask the shareholders to waive them, see section II.2 of the introduction.

## Subsidiaries

Companies in which the Company directly or indirectly owns more than 50% of the share capital.

## Overall Ceiling

General ceiling for capital increases made further to eighth, ninth, tenth, eleventh, and twelfth resolutions equal to **€132 million**.

## Reference price

Average of the first quoted market prices of the Company's shares on Euronext by Euronext during the twenty trading sessions preceding the day of the Board decision setting the opening for subscriptions by members of the employee savings plan.

## Reducible (reducible subscription rights)

In some cases, the Board of Directors may institute reducible subscription rights in favor of the shareholders. This means that if irreducible subscriptions (i.e. subscriptions by shareholders exercising preferential subscription rights) fail to absorb the issuance, the unsubscribed shares are allotted to those shareholders who made a reducible application for additional shares (over and above the entitlement given by their preferential subscription rights) in proportion to their subscription rights, though the number of shares allotted to each shareholder may not exceed the number of shares applied for by that shareholder.

## Securities giving access to the capital

### Characteristics of securities giving access to the capital

The eighth, ninth, eleventh and twelfth resolutions submitted to this Meeting would allow the Board to decide the issuance of securities giving access to the capital, either by issuing new shares (examples include bonds convertible into or redeemable for shares, or bonds with share warrants attached) or by delivering existing shares (examples include "OCEANE" bonds, which are convertible into new shares or exchangeable for existing shares).

These securities giving access to the capital may take the form:

- either of debt instruments (as in the examples given above), in which case they are called debt securities giving access to the capital\* (only option available for the ninth resolution); or
- of equity instruments (except for the ninth resolution that does not provide for this option), as for example, shares with share warrants attached.

However, the issuance of equity instruments that are convertible into debt instruments is prohibited by law.

### **Methods of allocating the securities to which securities giving access to the capital give right, and dates when this right may be exercised**

Debt securities giving access to the capital\* (such as bonds convertible into or redeemable for shares, or bonds with share warrants attached) may entitle holders to shares (i) at any time, or (ii) during specified periods, or (iii) on specified dates. This allotment of shares may be effected by conversion (e.g. convertible bonds), redemption (e.g. bonds redeemable for shares), exchange (e.g. bonds exchangeable for shares), or presentation of a warrant (e.g. bonds with share warrants attached) or by any other means during the term of the debt instruments, whether or not shareholders' preferential subscription rights are maintained in respect of the securities thereby issued.

In accordance with applicable law, the delegations of authority made by this Meeting in connection with the issuance of securities giving access to the capital entail the waiver by the shareholders of their preferential subscription rights for the shares issued in connection with these securities. For example, if this Meeting adopts the eighth resolutions, you would by law waive your preferential subscription rights over any shares that the Company might issue in connection with the redemption of bonds redeemable for shares.

### **Debt securities giving access to the capital**

Securities giving access to the capital\* that take the form of debt instruments (e.g. bonds convertible into or redeemable for shares, bonds with share warrants or convertible bonds to be issued or exchangeable for existing shares, also called "OCEANE").

These are distinguishable from securities giving access to the capital\* that take the form of equity instruments, e.g. shares with share warrants attached.

See the definition of securities giving access to the capital\* for a description of the features of debt securities giving access to the capital, the terms of the allotments to which they entitle their holders, and the dates on which this right can be exercised.

### **Securities entitling holders to the allotment of debt securities**

#### **Characteristics of securities entitling holders to the allotment of debt securities, allotment methods of the instruments to which these securities give entitlement, and dates when this right may be exercised:**

The eighth and ninth resolutions submitted to this Meeting would allow the Board to decide upon the issuance of securities entitling holders to the allotment of debt securities (such as bonds with bond warrants attached, bonds convertible into or redeemable for another debt instrument, or shares with bond warrants attached). These securities may be accompanied by warrants entitling holders to the allotment, purchase or subscription of bonds or other debt instruments. They could also take the form of complex bonds within the meaning ascribed to such term by the market authorities, due to their reimbursement terms or interest rate, or due to other rights such as an indexation right or options.

In the event of an issuance of bonds or other debt securities, including in the event of an issuance of securities entitling holders to the allotment of debt securities, the Board may decide upon the subordinated character or not (and, as the case may be, of their rank of subordination, in accordance with the provisions of Article L. 228-97 of the French Commercial Code), set interest (including at a fixed and/or variable rate or with capitalization), their term (definite or indefinite), and the other terms of the issuance (including the possibility to grant them guarantees or sureties). The securities may be subject to early redemption, including by delivery of assets of the Company, with or without premium, or redeemed, and the securities may be repurchased on the market or be subject to a purchase or exchange offer by the Company.

# Draft resolutions

This text is a free translation from the French language and is supplied solely for information purposes. Only the original version in the French language has legal force.

## Annual Ordinary Meeting

### First resolution

#### **Review and approval of the 2008 fiscal year unconsolidated financial statements**

The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary meetings, and having considered the report of the Chairman of the Board of Directors on the Board's work and on corporate governance and the report prepared by the Board of Directors and the Statutory Auditors' reports, approves the unconsolidated financial statements for the fiscal year ended December 31, 2008, as presented, and all the transactions that they reflect.

### Second resolution

#### **Review and approval of the 2008 fiscal year consolidated financial statements**

The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary meetings, and having considered the report of the Chairman of the Board of Directors on the Board's work and on corporate governance, and the report prepared by the Board of Directors and the Statutory Auditors' reports, approves the consolidated accounts for the fiscal year ended December 31, 2008, as presented, and all the transactions that they reflect.

### Third resolution

#### **Approval of the co-opting of Mr. Jacques Aschenbroich as Director**

The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, approves the co-opting by the Board of Directors on March 20, 2009 of Mr. Jacques Aschenbroich to replace the resigning Mr. Pierre - Alain De Smedt as Director, for the remainder of Mr. De Smedt's term of office, i.e. until the closing of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2010.

### Fourth resolution

#### **Approval of agreements including undertakings made for the benefit of Mr. Thierry Morin by the decisions of the Board of Directors of October 20, 2008 and February 12, 2009 in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code**

The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, and having considered the report prepared by the Board of Directors and the Statutory Auditors' special report on agreements and undertakings governed by Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code, approves, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the agreements described in these reports, which were entered into between the Company and Mr. Thierry Morin, authorized by decisions of the Board of Directors on October 20, 2008 and February 12, 2009, that include the terms of the compensation, indemnities, or benefits owed or possibly paid to him in the event of a termination of his duties or after the end of these duties.

### Resolution A

*Presented but not approved by the Board of Directors*

#### **(Approval of agreements including undertakings for the benefit of Mr. Thierry Morin by a decision of the Board of Directors on March 20, 2009 in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code)**

The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, and having considered the report prepared by the Board of Directors and the Statutory Auditors' supplementary special report on agreements and undertakings governed by Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code, approves, in accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, the agreements described in these reports, which were entered into between the Company and Mr. Thierry Morin,

authorized by a decision of the Board of Directors on March 20, 2009, that include the terms of the compensation, indemnities, or benefits that were granted to Mr. Thierry Morin upon the termination of his duties as Chairman and Chief Executive Officer (*Président-Directeur Général*).

#### Fifth resolution

##### Approval of the agreements and undertakings governed by the provisions of Articles L. 225-38 et seq. of the French Commercial Code

The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, and having considered the Statutory Auditors' special report on the agreements and undertakings governed by the provisions of Articles L. 225-38 and L. 225-40 to L. 225-42 of the French Commercial Code, approves this report in all its provisions as well as the agreements described herein.

#### Sixth resolution

##### Allocation of profits for the fiscal year

- The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, notes that the financial statements for the period ended December 31, 2008 and approved by this Shareholders' Meeting show €39,678,015 in profits for the fiscal year and that distributable profits amount to €1,280,969,500, the allocation of which is submitted today for approval by the Shareholders' Meeting.
- The Shareholders' Meeting decides to allocate the distributable profits as follows:
  - allocation to retained earnings: €1,280,969,500.

The Shareholders' Meeting notes that the amount of the dividend distributed and the total income per share over the past three fiscal years were as follows:

Fiscal Year	Number of shares paid	Dividend per share (In euros)	Total (In million euros)
2005	76,719,479	1.10	84
2006	76,937,913	1.10	85
2007	76,618,927	1.20	91.9

All of the sums set forth in the table above are eligible for the 40% abatement provided for in Article L. 158-3-2° of the French General Tax Code.

Moreover, during the 2005 fiscal year, the Company repurchased Valeo shares from its shareholders. The portion of the transaction

falling within the scope of a share repurchase tender offer (*offre publique de rachat d'actions*), relating to 2,322,397 shares, gave rise to the recognition (*constatation*) of distributed income (eligible for the 50% allowance provided for in Article 158-3-2° of the French General Tax Code) of €30.02 per repurchased share, limited to the amount of the gain realized by the shareholder.

#### Seventh resolution

##### Authorization to be granted to the Board of Directors to carry out transactions in shares issued by the Company

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Directors' report, authorizes the Board of Directors, with powers to subdelegate in accordance with Article L. 225-209 et seq of the French Commercial Code, to purchase or arrange for the purchase of shares in the Company, with a view to:

- the implementation of any Company stock option plan under the terms of Article L. 225-177 et seq of the French Commercial Code; or
- the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan on the conditions stipulated by law, in particular Article L. 3332-1 et seq of the French Labor Code; or
- the allotment of free shares under the terms of Article L. 225-197-1 et seq of the French Commercial Code; or
- the delivery of shares on the exercise of rights attached to securities giving access to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
- the cancellation of some or all of the shares purchased, subject to approval by the Extraordinary General Meeting of the thirteenth resolution below and on the terms indicated in said resolution; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, spin-offs or contributions; or
- market-making in the secondary market or maintenance of the liquidity of Valeo shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the French stock market regulator (the "*Autorité des marchés financiers*").

Purchases of the Company's own shares may be made such that:

- the number of shares acquired by the Company during the repurchase program may not exceed 10% of the shares which constitute the share capital, at any time, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to the present General Meeting, i.e., 7,820,961 shares at December 31, 2008, it being

stipulated that the number of shares acquired with a view to their retention or future delivery in connection with a merger, spin-off or contribution may not exceed 5% of the Company's share capital;

- the number of own shares held by the Company at any time may not exceed 10% of the shares which constitute the share capital of the Company at that time.

The aggregate amount to be allocated to the share repurchase program authorized above may not exceed €350 million.

Acquisitions, sales and transfers of shares may be made at any time subject to the limits authorized by the applicable laws and regulations (except during the period of a public tender offer) and by any means, on a regulated market, via a multilateral trading facility, a systematic internalizer or over the counter, including by block purchases or sales (with no limit on the portion of the share repurchase program that can be carried out by this means), by public tender offer or public exchange offer or by the use of options, forwards or futures traded on a regulated market or a multilateral trading facility, via a systematic internalizer or over the counter or by delivery of shares arising from the issuance of securities giving access to the capital of the Company by conversion, exchange, redemption, presentation of a warrant or any other means, either directly or through an investment services provider.

The maximum share purchase price under this resolution will be €45 per share. This ceiling will apply only to acquisitions decided as of

the date of the present meeting and not to transactions concluded in the future pursuant to an authorization granted by a prior General Meeting and providing for the acquisition of shares subsequent to the date of the present meeting.

This authorization cancels with immediate effect any unused portion of any previous delegation to the Board of Directors of authority to carry out transactions in the Company's own shares. It is granted for a period of eighteen months from this day.

The General Meeting delegates to the Board of Directors powers to adjust the aforementioned purchase price in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, allotment of free shares, stock split or reverse stock split, distribution of reserves or of any other assets, redemption of capital, or any other transaction affecting shareholders' equity, so as to take account of the impact of such transactions on the value of the shares.

The General Meeting grants full power to the Board of Directors, with powers to subdelegate as permitted by law, to decide on and implement the present authorization and if necessary to specify the conditions and determine the terms thereof, to implement the share repurchase program, and in particular to place stock market orders, enter into agreements for the keeping of registers of purchases and sales of shares, make declarations to the *Autorité des marchés financiers* or any other successor authority, accomplish all formalities and generally do all that is necessary.

## Extraordinary business

### Eighth resolution

#### **Delegation to the Board of Directors of authority to decide a capital increase, through issuance – with preferential subscription rights maintained – of shares and/or securities giving access to the capital of the Company and/or issuance of securities entitling holders to the allotment of debt securities)**

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Directors' report and the Statutory Auditors' special report, and in accordance with Article L. 225-129 *et seq* of the French Commercial Code, and in particular Article L. 225-129-2 of said Code, and with Article L. 228-91 *et seq* of said Code:

1. delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide to carry out increases in the share capital, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, by issuing, in euros or in any other currency or currency unit established by reference to more than one currency, shares (other than preferred shares) or securities giving access to the capital of the Company (whether in the form of new or existing shares), issued for valuable consideration or free of consideration, governed by Article L. 228-91 *et seq* of the French Commercial Code, it being stipulated that subscription for such shares or other securities may be in cash, or by offset of debt, or by incorporation of reserves, profits or share premium, or on the same terms to decide to issue securities giving right to the allotment of debt

instruments governed by Article L. 228-91 *et seq* of the French Commercial Code;

2. delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide upon issuances of securities giving access to the capital of companies of which the Company directly or indirectly owns more than half of the share capital;
3. resolves to set the following limits to capital increases in the event of use by the Board of Directors of the present delegation of authority:
  - the maximum aggregate par value of the capital increases made immediately or in the future under the present delegation is set at €40 million, it being stipulated that the maximum aggregate par value of capital increases carried out under this resolution and the ninth, tenth, eleventh, and twelfth resolutions of the present meeting is set at €132 million,
  - the aggregate par value of any additional shares that may be issued in the event of new capital transactions in order to preserve the rights of holders of securities giving access to the capital will be added to these ceilings;
4. sets the period of validity of the delegation of authority granted by the present resolution at twenty-six months from the date of the present meeting;
5. in the event the Board of Directors makes use of the present delegation:
  - resolves that the issuance(s) will be reserved in priority for the shareholders, who may make irreducible subscriptions in proportion to the number of shares owned by them at the time,
  - formally notes the fact that the Board of Directors has the option of introducing a reducible subscription right,
  - formally notes that the present delegation entails an unconditional waiver, in favor of the holders of the securities to be issued giving access to the capital of the Company, of the shareholders' preferential subscription rights in respect of the shares to which the said securities will entitle their holders immediately or in the future,
  - formally notes the fact that if irreducible subscriptions and any reducible subscriptions do not absorb the entire capital increase, the Board of Directors may use, on the conditions stipulated by law and in the order it sees fit, any or all of the options listed below:
    - limit the capital increase to the amount of subscriptions actually received, provided that this amount reaches at least three-quarters of the capital increase decided upon,
    - allot at its discretion some or all of the shares or, in the case of securities giving access to the capital, securities the issuance of which has been decided but which have not been subscribed,
    - offer some or all of said unsubscribed shares or, in the case of securities giving access to the capital, securities, to the public, on the French and/or foreign markets,
6. resolves that the Board of Directors will have full powers, with powers to subdelegate as permitted by law, to implement the present delegation of authority, and in particular to:
  - resolves that issuances of warrants entitling their holders to subscribe for the Company's shares may be made by a subscription offer but also by a free allotment to holders of existing shares, it being stipulated that the Board of Directors may thus decide that fractional allotment rights will not be negotiable and that the corresponding securities will be sold;
6. resolves that the Board of Directors will have full powers, with powers to subdelegate as permitted by law, to implement the present delegation of authority, and in particular to:
  - decide upon a capital increase and determine the securities to be issued,
  - decide upon the amount of the capital increase, the issuance price, and the amount of any premium that may be required on issuance,
  - determine the dates and terms of the capital increase and the nature and characteristics of the securities to be issued and, in the case of bonds or other debt instruments (including securities entitling their holders to the allotment of debt securities covered by Article L. 228-91 of the French Commercial Code), determine whether they are subordinated or not (and where relevant their subordination ranking, in accordance with Article L. 228-97 of the French Commercial Code), set their rate of interest (which may be fixed or variable rate of interest, or zero coupon or indexed), specify, if applicable, any circumstances in which payment of interest will or may be suspended or passed, stipulate their term (fixed or perpetual), the possibility of a reduction or increase in their nominal value, and set the other terms of issuance (including the granting of security or collateral) and of redemption (including the possibility of redemption by delivery of Company assets); if applicable, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments or include an option for the Company to issue debt instruments (whether fungible or not) in lieu of interest payments suspended by the Company, or take

the form of complex debt instruments in the sense understood by the stock market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); amend, during the life of the relevant securities, the above terms, in compliance with applicable formalities,

- determine the method of payment for shares or securities giving access to the capital to be issued immediately or in the future,
  - set, if needed, the terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as securities already issued by the Company) attached to the shares or securities giving access to the capital to be issued, and in particular set the date, which may be retrospective, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the capital increase,
  - set the terms on which the Company may have the option of purchasing or exchanging on the stock market, at any time or during specified periods, the securities issued or to be issued immediately or in the future, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law,
  - allow for the option of suspending the exercise of the rights attached to such securities in conformity with the relevant laws and regulations,
  - at its sole discretion, charge the cost of capital increases against the premium arising thereon, and deduct from this premium the sums necessary to fund the legal reserve,
  - determine and make all adjustments to take into account the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, a free allotment of shares, stock split or reverse stock split, distribution of reserves or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital (including by a public tender offer and/or in the event of a change of control), and set the terms on which any rights of holders of securities giving access to the capital are to be preserved,
  - duly record completion of each capital increase and make the necessary amendments to the bylaws,
- generally, enter into all agreements, in particular to ensure completion of the proposed issuances, take all measures and accomplish all formalities required for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
7. formally notes the fact that the present delegation cancels with effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority relating to increases in the share capital, with preferential subscription rights maintained, covering the securities and transactions mentioned in the present resolution;
  8. formally notes the fact that, in the event of the use by the Board of Directors of the powers that are delegated to it in the present resolution, the Board of Directors will report to the following Ordinary General Meeting, in accordance with applicable laws and regulations, on the use made of the powers conferred in the present resolution.

### Ninth resolution

#### **Delegation to the Board of Directors of authority to decide a capital increase through the issuance – without preferential subscription rights – of debt securities giving access to the capital of the Company and/or entitling holders to the allotment of debt securities**

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Directors' report and the Statutory Auditors' special report, and in accordance with Article L. 225-129 *et seq* of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 225-148 of said Code, and with Article L. 228-91 *et seq* of said Code:

1. delegates to the Board of Directors, with powers to subdelegate within the law, its authority to decide to increase the share capital, on one or more occasions, in the proportions and at the times it sees fit, subject to the provisions of Article L. 233-32 of the French Commercial Code, in France or abroad, through public offering, either in euros or in any other currency or currency unit established by reference to more than one currency, by issuing debt securities giving access to the capital of the Company (whether in the form of new

or existing shares) issued for valuable consideration or free of consideration, governed by Article L. 228-91 *et seq* of the French Commercial Code, it being stipulated that subscription for such securities may be in cash or by offset of debt, or on the same terms to decide to issue debt securities entitling holders to the allotment of debt securities governed by Article L. 228-91 *et seq* of the French Commercial Code;

2. delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide upon issuances of debt securities giving access to the capital of the Company to be issued further to the issuance, by companies of which the Company directly or indirectly owns more than half of the capital, of securities giving access to the capital of the Company;

The present delegation entails an unconditional waiver, in favor of the holders of securities that may be issued by companies belonging to the Group's companies, of the preferential rights of the Company's shareholders in respect of shares or of securities giving access to the capital of the Company to which said securities will give entitlement;

3. delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide upon issuances of debt securities giving access to the capital of companies of which the Company directly or indirectly owns more than half of the capital;

4. resolves to set the following limits to capital increases authorized in the event of use by the Board of Directors of the present delegation:

- the aggregate par value of capital increases made immediately or in the future under the present delegation is set at €47 million, it being stipulated that this amount will count towards the overall ceiling stipulated in section 3 of the eighth resolution of the present meeting or, as the case may be, towards any overall ceiling stipulated by any similar resolution that may supersede said resolution during the period of validity of the present delegation, and
- the aggregate par value of any additional shares that may be issued to preserve the rights of holders of securities giving access to the capital in the event of new capital transactions will be added to those ceilings;

5. sets the period of validity of the delegation of authority granted by the present resolution at twenty-six months from the date of the present meeting;

6. resolves to cancel shareholders' preferential subscription rights to the securities covered by the present resolution, while allowing the Board of Directors discretion, under the terms of Article L. 225-135, paragraph 2 of the French Commercial Code, to grant to the shareholders, for a period and on terms to be set by the Board of Directors in compliance with the applicable laws and regulations and for some or all of any issuance, a priority subscription period which does not constitute a negotiable right and which must be exercised in proportion to the quantity of shares owned by each shareholder and may be supplemented by a reducible application to subscribe for shares, it being stipulated that securities not subscribed for in this way will be the subject of a public placing in France or abroad;

7. formally notes that if subscriptions, including any subscriptions by existing shareholders, do not absorb the entire capital increase, the Board of Directors may limit the capital increase to the amount of subscriptions received, provided that this amount reaches at least three-quarters of the capital increase decided upon;

8. formally notes that the present delegation entails an unconditional and express waiver, in favor of the holders of the securities to be issued giving access to the capital of the Company, of the shareholders' preferential subscription rights in respect of the shares to which said securities will give entitlement;

9. formally notes the fact that, in accordance with Article L. 225-136 1°, paragraph 1 of the French Commercial Code, the issuance price to be paid in cash of the debt securities giving access to the capital and the number of shares to which conversion, redemption or more generally transformation of each debt security giving access to the capital could give entitlement will be such that the amount received immediately by the Company plus any amount to be received subsequently by the Company will, for each share issued as a consequence of the issuance of such securities, be at least equal to the minimum stipulated by the regulations in force on the date of the issuance (as of the date hereof, the weighted average of the prices quoted on the regulated market of Euronext Paris during the three trading days preceding the determination of the subscription price for the capital increase minus 5%);

10. resolves that the Board of Directors will have full powers within the law to implement the present delegation of authority, and in particular to:

- decide the capital increase and the securities to be issued,
- decide upon the amount of the capital increase, the issuance price, and the amount of any premium that may be required on issuance,
- determine the dates and terms of the capital increase and the nature and characteristics of the debt securities to be issued and, in the case of bonds or other debt instruments (including securities entitling their holders to the allotment of debt securities covered by Article L. 228-91 of the French Commercial Code), determine whether they are subordinated or not (and where relevant their subordination ranking, in accordance with Article L. 228-97 of the French Commercial Code), set their rate of interest (which may be fixed or variable rate of interest, or zero coupon or indexed), specify, if applicable, any circumstances in which payment of interest will or may be suspended or passed, stipulate their term (fixed or perpetual), the possibility of a reduction or increase in their nominal value, and set the other terms of issuance (including the granting of security or collateral) and of redemption (including the possibility of redemption by delivery of Company assets); if applicable, such securities may be accompanied by warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt instruments or include an option for the Company to issue debt instruments (whether fungible or not) in lieu of interest payments suspended by the Company, or take the form of complex debt instruments in the sense understood by the stock market authorities (for example, due to their redemption or remuneration terms or other rights such as indexation or option rights); amend, during the life of the relevant securities, the above terms, in compliance with applicable formalities,
- determine the method of payment for shares or securities giving access to the capital to be issued immediately or in the future,
- set terms for the exercise of rights (rights to conversion, exchange or redemption as the case may be, including by delivery of Company assets such as treasury shares or securities already issued by the Company) attached to the shares or securities giving access to the capital, and in particular set the date, which may be retrospective, from which the new shares will rank for dividend, and all other terms and conditions for the completion of the capital increase,
- set the terms on which the Company may have the option of purchasing or exchanging on the stock market, at any time or during specified periods, the securities issued or to be issued immediately or in the future, whether or not such purchase or exchange be made with a view to cancellation thereof in accordance with the law,
- allow for the option of suspending the exercise of the rights attached to such securities in conformity with the relevant laws and regulations,
- in the case of an issuance of securities as compensation for securities contributed within the framework of a public offer with an exchange component (*OPE*), establish the list of securities to be contributed to the exchange, set the issuance terms, the exchange ratio as well as, if applicable, the amount of the cash balance to be paid and set the issuance terms within the framework of either an *OPE*, an alternative purchase or exchange offer, or a single offer proposing the purchase or exchange of selected securities in exchange for a payment in cash and securities, or a public tender offer (*OPA*) or an exchange offer followed by a subsidiary *OPE* or *OPA*, or any other form of public offer that complies with applicable laws and regulations,
- at its sole discretion, charge the cost of capital increases against the premium arising thereon, and deduct from this premium the sums necessary to fund the legal reserve,
- determine and make all adjustments to take account of the impact of transactions involving the capital of the Company, in particular a change in the par value of the share, increase in share capital by incorporation of reserves, issuance of free shares, stock split or reverse stock split, distribution of reserves or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital (including by a public tender offer and/or in the event of a change of control), and set the terms on which any rights of holders of securities giving access to the capital are to be preserved,
- duly record completion of each capital increase and make the necessary amendments to the bylaws,
- generally, enter into all agreements, in particular to ensure completion of the proposed issuances, take all measures and accomplish all formalities required for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;

11. formally notes that the present delegation cancels with effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority relating to increases in the share capital without preferential subscription rights covering the securities and transactions mentioned in the present resolution;
12. formally notes the fact that, in the event of the use by the Board of Directors of the powers that are delegated to in the present resolution, the Board of Directors will report to the following Ordinary General Meeting, in accordance with applicable laws and regulations, on the use made of the powers conferred in the present resolution.

#### Tenth resolution

##### **Delegation to the Board of Directors of authority to decide a capital increase by incorporation of premiums, reserves, profits or other items**

The General Meeting, voting on the quorum and majority conditions for Ordinary Meetings, having reviewed the Directors' report and in accordance with Article L. 225-130 of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide to carry out increases in the share capital on one or more occasions in the proportions and at the times it sees fit by the incorporation of share premium, reserves, profits or other sums that may be converted into capital under the terms of the law and the Company's bylaws, in the form of a free allotment of shares or an increase in the par value of existing shares or by a combination of these two methods. The aggregate par value of capital increases thus effected may not exceed €40 million, it being stipulated that this amount will count towards the overall ceiling specified in section 3 of the eighth resolution of the present meeting or, as the case may be, towards any overall ceiling stipulated by any similar resolution that may supersede said resolution during the period of validity of the present delegation;
2. in the event the Board of Directors makes use of the present delegation of authority, delegates to the Board full powers, with powers to subdelegate as permitted by law, to implement the present delegation, and in particular to:
  - determine the amount and nature of sums to be incorporated into the capital, set the number of new shares to be issued and/or the amount by which the par value of the existing shares constituting the share capital is to be increased and decide the date, which may be retrospective, from which the new shares will rank for dividend or the increase in the par value of the existing shares which constitute the share capital will take effect,
  - decide, in the event of an issuance of free shares:
    - that fractional rights will not be negotiable and that the corresponding shares will be sold, the proceeds of such sale being allocated to the holders of the rights on terms specified in the law and regulations,
    - that those of the shares allotted by virtue of the present delegation in respect of existing shares enjoying double voting rights will enjoy this same right from the time of issuance,
  - make all adjustments to take account of the impact of transactions involving the capital of the Company, in particular in the event of a change in the par value of the share, increase in share capital by incorporation of reserves, issuance of free shares, stock split or reverse stock split, distribution of reserves or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital (including by a public tender offer and/or in the event of a change of control), and set the terms on which any rights of holders of securities giving access to the capital are to be preserved,
  - duly record completion of each capital increase and make the necessary amendments to the bylaws,
  - generally, enter into all agreements, take all measures and accomplish all formalities required for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto;
3. formally notes that the present delegation cancels with effect from this day any unused portion of any prior delegation having the same purpose, namely any delegation of authority relating to increases in the share capital by incorporation of share premium, reserves, profits or other items. It is granted for a period of twenty-six months from this day.

### Eleventh resolution

#### **Delegation to the Board of Directors of authority to increase the number of securities to be issued in case of a capital increase with or without preferential subscription rights**

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Directors' report and the Statutory Auditors' special report, and in accordance with Article L. 225-135-1 of the French Commercial Code:

1. delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide to increase the number of shares to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, at the same price as that used for the initial issuance, within the limits as to time and quantity specified in the applicable regulations as of the date of the issuance (as of this day, within the thirty days following the closure of subscriptions and up to a maximum of 15% of the initial issuance), in particular with a view to granting an oversubscription option in accordance with market practices;
2. resolves that the aggregate par value of capital increases decided upon by virtue of the present resolution will count towards the ceiling applicable to the initial issuance and towards the overall ceiling stipulated in section 3 of the eighth resolution of the present meeting or, as the case may be, towards any overall ceiling stipulated by any similar resolution that may supersede said resolution during the period of validity of the present delegation.

The present authorization is granted for a period of twenty-six months from the date of the present meeting.

### Twelfth resolution

#### **Delegation to the Board of Directors of authority to decide a capital increase, through the issuance of shares or securities giving access to the capital reserved for members of company savings plans, with waiver of preferential subscription rights in favor of such members**

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Directors' report and the Statutory Auditors' special report, and in accordance

with Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code and with Article L. 3332-18 to L. 3332-24 of the French Labor Code:

1. delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide to carry out increases in the share capital, on one or more occasions, up to a maximum aggregate par value of €5 million, by issuing shares or securities giving access to the capital of the Company reserved for members of one or more company savings plans (or any other plan for whose members a capital increase may be reserved on equivalent terms under Article L. 3332-1 *et seq* of the French Labor Code or any analogous law or regulation) instituted within a French or foreign entity or group of entities falling within the scope of the Company's consolidated or combined financial statements pursuant to Article L. 3344-1 of the French Labor Code, it being stipulated that the maximum aggregate par value of capital increases made immediately or in the future under the present delegation will count towards the overall ceiling specified in section 3 of the eighth resolution of the present meeting or, as the case may be, towards any overall ceiling stipulated by any similar resolution that may supersede said resolution during the period of validity of the present delegation;
2. sets the period of validity of the present delegation at twenty-six months from the date of the present meeting;
3. resolves that the issuance price of the new shares or securities giving access to the capital will be determined on the terms stipulated in Article L. 3332-18 of the French Labor Code and will be equal to at least 80% of the Reference Price (as defined below) or 70% of the Reference Price where the lock-up period stipulated by the plan in application of Articles L. 3332-25 and L. 3332-26 of the French Labor Code is ten years or more; however, the General Meeting expressly authorizes the Board of Directors to reduce or eliminate the aforementioned discounts (within the legal and regulatory limits) as it sees fit, in particular to take account *inter alia* of locally applicable legal, accounting, tax and social security regimes; for the purposes of the present section, the Reference Price refers to the average of the first quoted market prices of the Company's shares on the regulated market of Euronext Paris for the twenty stock exchange trading sessions preceding the date of the decision setting the opening date of the subscription period for members of a company savings plan;

4. authorizes the Board of Directors to allot to the beneficiaries indicated above, in addition to the shares or securities giving access to the capital subscribed for in cash, free shares or securities giving access to the capital, to be issued or already issued, in full or partial substitution for the discount to the Reference Price and/or by way of top-up employer's contribution, it being stipulated that the benefit resulting from such allotment may not exceed the legal or regulatory limits applicable under Article L. 3332-10 *et seq* of the French Labor Code;
5. resolves to waive in favor of the aforesaid beneficiaries the preferential subscription rights of shareholders in respect of the shares and securities giving access to the capital covered by the present delegation, said shareholders also waiving, in the event of an allotment to such beneficiaries of free shares or securities giving access to the capital, any rights to such shares or securities giving access to the capital, including the portion of reserves, profits, or share premium incorporated into the share capital to the extent of the free allotment of said securities on the basis of the present resolution;
6. authorizes the Board of Directors, on the terms specified in the present delegation of authority, to make sales of shares as permitted under Article L. 3332-24 of the French Labor Code to members of an employee savings plan, it being stipulated that the aggregate par value of shares sold at a discount to members of one or more of the company savings plans covered by the present resolution will count towards the ceilings mentioned in section 1 above;
7. resolves that the Board of Directors will have full powers to implement the present delegation, with powers to subdelegate as permitted by law subject to the aforementioned limits and terms, and in particular to:
  - establish in accordance with the law a list of those companies for which the beneficiaries indicated above may subscribe for the shares or securities giving access to the capital thereby issued and who may be allotted free shares or securities giving access to the capital,
  - decide that subscriptions may be made directly by beneficiaries belonging to a company savings plan, or via dedicated mutual funds or other vehicles or entities permitted under the applicable laws and regulations,
  - determine the conditions, in particular as regards length of service, that must be met by the beneficiaries of the capital increases,
  - set the opening and closing dates for subscriptions,
  - set the amounts of issuances to be made under the present authorization and in particular determine the issuance prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of ranking for dividend of the securities (which may be retrospective), rules for scaling down in the event of oversubscription and any other terms and conditions of the issuances, subject to applicable legal and regulatory limits,
  - in the case of an issuance of free shares or of securities giving access to the capital, determine the nature, characteristics and quantity of shares or securities giving access to the capital to be issued, the quantity to be allotted to each beneficiary, and determine the dates, time limits, and terms and conditions of allotment of such shares or securities giving access to the capital subject to applicable legal and regulatory limits, and in particular choose to either wholly or partially substitute the allotment of such shares or securities giving access to the capital for the discount to the Reference Price specified above or offset the equivalent value of such shares or securities against the total amount of the employer's contribution or a combination of these two options,
  - in the case of an issuance of new shares, charge any amounts required to pay up said shares against reserves, profits, or share premium,
  - duly record the completion of a capital increase equal to the amount of shares actually subscribed,
  - where appropriate, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase,
  - enter into all agreements and accomplish directly or indirectly via an agent all transactions and formalities, including the formalities required as a result of capital increases and the necessary amendments to the bylaws,
  - generally, enter into all agreements, in particular to ensure completion of the proposed issuances, take all measures and decisions and accomplish all formalities required for the issuance, listing and financial administration of securities issued by virtue of the present delegation and for the exercise of the rights attached thereto or required as a result of capital increases;

8. resolves that this authorization cancels with effect from this day any unused portion of any prior delegation to the Board of Directors of authority to increase the Company's share capital by issuing shares or securities giving access to the capital of the Company reserved for members of employee savings plans, with preferential subscription rights waived in their favor.

### Thirteenth resolution

#### **Authorization to be granted to the Board of Directors to reduce the share capital through cancellation of treasury shares**

The General Meeting, voting on the quorum and majority conditions for Extraordinary Meetings, having reviewed the Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors to reduce the share capital, on one or more occasions, in the proportions and at the times it sees fit, by cancellation of any quantity of treasury shares it sees fit up to the limits authorized by law, in accordance with Article L. 225-209 *et seq* of the French Commercial Code.

The maximum number of shares that may be canceled by the Company by virtue of the present authorization during a period of twenty-four months is 10% of the shares constituting the share capital of the Company, it being understood that this limit applies

to an amount for the capital of the Company that may if necessary be adjusted to take account the transactions affecting it subsequent to the present General Meeting (the share capital of the Company being constituted, i.e., of 7,820,961 shares at December 31, 2008).

This authorization cancels with effect from this day any unused portion of any previous delegation to the Board of Directors of authority to reduce the share capital by cancellation of treasury shares. It is granted for a period of twenty-six months from this day.

The General Meeting gives full powers to the Board of Directors, with authority to delegate, to carry out such cancellation(s) and reduction(s) of share capital as may be carried out by virtue of the present authorization, amend the bylaws accordingly and accomplish all formalities.

### Fourteenth resolution

#### **Delegation of powers to carry out corporate formalities**

The General Meeting gives full powers to the bearer of an original, copy or extract of the minutes of its deliberations to carry out any formalities including the filing, publication, and others required of it.

# Composition of the Board of Directors during the year ending December 31, 2008

The composition of the Board of Directors has changed since December 31, 2008.

For more information, refer to section "Changes in the governance structure" page 24.

Name	Number of Valeo shares held	First appointed	Start of current term of office	End of current term of office	Main position with the Company	Main position(s) outside the Company	Other directorships and positions held in companies other than Valeo subsidiaries during the past five years
<b>Thierry Morin</b> 57 yrs	31,295	March 21, 2001	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements	Chairman and Chief Executive Officer	<ul style="list-style-type: none"> <li>• Chairman, Valeo Service, Valeo Finance, Valeo Thermique Habitacle, Valeo SPA, Valeo Japan Co. Ltd, and Valeo (UK) Limited</li> <li>• Legal Manager, Valeo Management Services, Valeo Auto-Electric Beteiligungs GmbH, Valeo Germany Holding GmbH, Valeo Grundvermögen Verwaltung GmbH, and Valeo Holding Deutschland GmbH</li> <li>• Director, Valeo Service España SA, Valeo Iluminacion SA, and Valeo Termico SA</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman of the Board of Directors, INPI*</li> <li>• Director, CEDEF*</li> <li>• Director, Arkema*</li> </ul>
<b>Behdad Alizadeh</b> 47 yrs	100	June 20, 2008	June 20, 2008	General Shareholders' Meeting to be called to approve the 2011 financial statements		President, Pardus Europe SAS	<ul style="list-style-type: none"> <li>• Partner, Pardus Capital Management LP</li> <li>• Member of the Supervisory Board of Atos Origin*</li> <li>• Member of the Board of Directors, Governor's Committee on Scholastic Achievement *</li> <li>• Head of Merchant Banking, Bank of New York</li> <li>• Member of the Board of Directors, Caliber Collision Centers</li> <li>• Member of the Board of Directors, Mid West Wholesale Distribution</li> </ul>
<b>Gérard Blanc</b> 66 yrs	150	May 21, 2007	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements			<ul style="list-style-type: none"> <li>• Director, Sogclair*</li> <li>• Executive Vice President, Programmes, Airbus</li> <li>• Executive Vice President, Operations, Airbus</li> </ul>

\* Current directorships and positions.

## Composition of the Board of Directors during the year ending December 31, 2008

Name	Number of Valeo shares held	First appointed	Start of current term of office	End of current term of office	Main position with the Company	Main position(s) outside the Company	Other directorships and positions held in companies other than Valeo subsidiaries during the past five years
<b>Daniel Camus</b> 57 yrs	200	May 17, 2006	May 17, 2006	General Shareholders' Meeting to be called to approve the 2009 financial statements		Chief Operating Officer in charge of finance and international development, EDF Group	<b>EDF Group</b> <ul style="list-style-type: none"> <li>• Chairman of the Board of Directors, EDF Energy (United Kingdom)* and EDF International*</li> <li>• Director, Edison (Italy)* and Transalpina di Energia (Italy)*</li> <li>• Member of the Supervisory Board of EnBW (Germany)*</li> </ul> <b>Outside the EDF Group</b> <ul style="list-style-type: none"> <li>• Member of the Supervisory Board of Dalkia SA*, Morphosys (Germany)*, and SGL Carbon (Germany)*</li> </ul>
<b>Pascal Colombani</b> 63 yrs	100	May 21, 2007	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements		Senior Advisor, AT Kearney	<ul style="list-style-type: none"> <li>• Chairman of the Supervisory Board, Areva</li> <li>• Chairman of the Board of Directors, ENS Cachan</li> <li>• Chairman, the Association Française pour l'Avancement des Sciences</li> <li>• Director, British Energy Group Plc*, Alstom SA*, Rhodia SA*, Technip SA*, EDF, IFP, Cogéma, Fondation C-Génial*, and Fondation "Pour le Partage du Savoir"*</li> <li>• Senior Advisor at Detroyat et Associés, and Arjil Banque</li> <li>• Member of the Académie des Technologies*</li> </ul>

\* Current directorships and positions.

## Composition of the Board of Directors during the year ending December 31, 2008

Name	Number of Valeo shares held	First appointed	Start of current term of office	End of current term of office	Main position with the Company	Main position(s) outside the Company	Other directorships and positions held in companies other than Valeo subsidiaries during the past five years
<b>Jérôme Contamine</b> 51 yrs	2,000	May 17, 2006	May 17, 2006	General Shareholders' Meeting to be called to approve the 2009 financial statements		Senior Executive Vice-President, Veolia Environnement (until 1/16/2009)	<b>Veolia Group</b> <ul style="list-style-type: none"> <li>• Chairman of the Board of Directors, VE Services-Ré</li> <li>• Chairman, VE Europe Services (Belgium)*</li> <li>• Director, Veolia Transport*, Veolia Propreté*, VE Services-Ré*, Veolia UK (United Kingdom)*, Veolia Environmental Services Plc (United Kingdom)*, Veolia ES Holdings Plc (United Kingdom)*, Veetra*, and Venac (United States)</li> <li>• President, Venao (United States)</li> <li>• Chairman, Venao (United States)*</li> <li>• Managing Director, Veolia UK (United Kingdom)*</li> <li>• Chairman, VE IT*</li> <li>• Member of the Management Board, Vivendi Environnement</li> <li>• Member of the Supervisory Board of Veolia Eau* and Dalkia France*</li> <li>• Member of Dalkia's A and B Supervisory Boards*</li> </ul> <b>Outside the Veolia Group</b> <ul style="list-style-type: none"> <li>• Director, Rhodia*, FCC Espagne, and Cementos Portland Espagne</li> </ul>
<b>Pierre-Alain De Smedt</b> 65 yrs	10,000	March 07, 2005	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements		Chairman, FEBIAC (Belgian Federation of the Car and Two-wheeler Industries) and director of various companies	<ul style="list-style-type: none"> <li>• Director, Belgacom*, CNP (Compagnie Nationale à Portefeuille/Albert Frère Group)*, Deceuninck Plastics*, Alcopa*, and Avis Europe Plc*</li> <li>• Member of the Executive Committee and Director, FEBIAC (Belgian Federation of the Car and Two-wheeler Industries)*</li> <li>• Member of the Management Committee, FEB (the Belgian Business Federation)</li> </ul>

\* Current directorships and positions.

## Composition of the Board of Directors during the year ending December 31, 2008

Name	Number of Valeo shares held	First appointed	Start of current term of office	End of current term of office	Main position with the Company	Main position(s) outside the Company	Other directorships and positions held in companies other than Valeo subsidiaries during the past five years
<b>Philippe Guédon</b> 75 yrs	100	March 31, 2003	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements		Managing Partner, Espace Développement	<ul style="list-style-type: none"> <li>• Chairman and Chief Executive Officer, Matra</li> <li>• Chairman of the Supervisory Board, Matra Automobile</li> </ul>
<b>Lord Jay of Ewelme</b> 62 yrs	100	May 21, 2007	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements		Member of the House of Lords	<ul style="list-style-type: none"> <li>• Director, Crédit Agricole*</li> <li>• Non-executive Director, Associated British Foods (ABF)* and Candover Investments Plc*</li> <li>• Independent member of the House of Lords*</li> <li>• Chairman, House of Lords Appointment Commission*</li> <li>• Vice-Chairman, Business for New Europe*</li> <li>• Chairman, Merlin (international medical charity)*</li> <li>• Permanent Under Secretary to the Foreign &amp; Commonwealth Office</li> <li>• Trustee of the British Council</li> </ul>
<b>Helle Kristoffersen</b> 45 yrs	100	March 22, 2007	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements		Senior Vice President Vertical Markets, Alcatel-Lucent (from 1/1/2009)	<ul style="list-style-type: none"> <li>• Vice President, Economic Analysis, Alcatel group</li> <li>• Vice President Corporate Strategy, Alcatel-Lucent (until 12/31/2008)</li> </ul>

\* Current directorships and positions.

## Composition of the Board of Directors during the year ending December 31, 2008

Name	Number of Valeo shares held	First appointed	Start of current term of office	End of current term of office	Main position with the Company	Main position(s) outside the Company	Other directorships and positions held in companies other than Valeo subsidiaries during the past five years
<b>Georges Pauget</b> 61 yrs	100	April 10, 2007	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements	Chief Executive Officer, Crédit Agricole SA	<b>Crédit Agricole Group</b> <ul style="list-style-type: none"> <li>• Chairman of the Board of Directors and of the Remuneration Committee of Calyon*</li> <li>• Chairman of the Executive Committee, Crédit Agricole SA*</li> <li>• Chairman of the Board of Directors, LCL – Le Crédit Lyonnais*</li> <li>• Chairman, CEDICAM</li> <li>• Chairman and Member of the Executive Committee, TLJ SAS</li> <li>• Chairman, Uni-Editions</li> <li>• Chief Executive Officer and Chairman of the Executive Committee, LCL – Le Crédit Lyonnais</li> <li>• Chief Operating Officer, Member of the Executive Committee and Director of the Regional Bank Division, Crédit Agricole SA</li> <li>• Director, Bankoia, Foncaris, Mercagentes SA, SVB, SACAM, SAPACAM, SCI CAM, Crédit Agricole Indosuez, Crédit Agricole Indosuez Cheuvreux, Crédit Agricole Indosuez Cheuvreux Gestions, Crédit Lyonnais, Banca Intesa, Banque Gestion Privée Indosuez, Europay France, and Holding Eurocard</li> <li>• Director and Vice-Chairman, Pacifica</li> <li>• Director and Vice-Chairman, Predica</li> <li>• Member of the Executive Committee, FNCA</li> </ul> <b>Outside the Crédit Agricole Group</b> <ul style="list-style-type: none"> <li>• Chairman, French Banking Federation (Fédération Bancaire Française)*</li> <li>• Chairman, Servicam</li> <li>• Chairman, Union des Assurances Fédérales</li> <li>• Vice-Chairman and Member of the Executive Committee, French Banking Federation (Fédération Bancaire Française)*</li> <li>• Permanent representative of Crédit Agricole SA as a member of the Supervisory Board, Fonds de Garantie des Dépôts</li> <li>• Permanent representative of LCL – Le Crédit Lyonnais as a Director, Fondation de France*</li> <li>• Member of the Board, Danone Communities Sicav*</li> <li>• Representative of Crédit Agricole SA, Member of the Partners Club, TSE*</li> </ul>	

\* Current directorships and positions.

## Composition of the Board of Directors during the year ending December 31, 2008

Name	Number of Valeo shares held	First appointed	Start of current term of office	End of current term of office	Main position with the Company	Main position(s) outside the Company	Other directorships and positions held in companies other than Valeo subsidiaries during the past five years
Erich Spitz 78 yrs	144	June 24, 1987	May 21, 2007	General Shareholders' Meeting to be called to approve the 2010 financial statements		Advisor	<b>Thales Group</b> <ul style="list-style-type: none"> <li>• Chairman, Thales Avionics Lcd*</li> <li>• Director, Thales Corporate Ventures*</li> </ul> <b>Outside the Thales Group</b> <ul style="list-style-type: none"> <li>• Chairman of the Supervisory Board, Novaléd* and Riber</li> <li>• Member of the Management Board, eERA</li> <li>• Member of the Supervisory Board of Riber*</li> <li>• Correspondent member of the Académie des Sciences*</li> <li>• Member of the Académie des Technologies*</li> <li>• Honorary Chairman of the European Industrial Research Management Association (EIRMA)*</li> </ul>

\* Current directorships and positions.

# Appointment of a director

## Mr. Jacques ASCHENBROICH

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55 years

### Professional Activities

**Mr. Jacques Aschenbroich** is *Ingénieur du Corps des Mines*.

He has held several posts in the French administration and was a member of the cabinet of the Prime Minister in 1987 and 1988.

He then pursued an industrial career in the Saint-Gobain group from 1988 to 2008. After having managed subsidiaries in Brazil and Germany, he became Managing Director of the Flat Glass Division of the Compagnie de Saint-Gobain and went on to become President of Saint-Gobain Vitrage in 1996. Then as Senior Vice-President of the Compagnie de Saint-Gobain from October 2001 to December 2008, he managed the flat glass and high performance materials sectors as from January 2007 and, as the Vice-Chairman of the Saint-Gobain Corporation and General Delegate to the United States and Canada, he directed the operations of the group in the United States as from September 1<sup>st</sup> 2007.

### Other directorships and positions held in other companies during the past five years

#### Groupe Saint-Gobain

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Chairman & CEO and Director of SEPR-Société Européenne des Produits Réfractaires – France

Chairman & CEO of Saint-Gobain Glass France and President of Saint-Gobain Sekurit France – France

Vice-Chairman, CEO and Director of Saint-Gobain Corporation – United States

Chairman & CEO of Saint-Gobain Advanced Ceramics Corp. – United States

Chairman of Saint-Gobain Abrasives Inc. – United States

Chairman of Saint-Gobain Advanced Ceramics Corp. – United States

Chairman of Saint-Gobain Ceramics & Plastics Inc. – United States

President of the Saint-Gobain Corporation Foundation Inc. – United States

President of Saint-Gobain Ceramics & Plastics Inc. – United States

Director of Saint-Gobain Corporation – United States

Director of the Saint-Gobain Corporation Foundation Inc. – United States

Director of Saint-Gobain Performance Plastics Corp. – United States

Director of Saint-Gobain Containers Inc. – United States

**Mr. Jacques Aschenbroich** was appointed Chief Executive Officer and Director of Valeo on March 20<sup>th</sup> 2009.

Since then, he has also been appointed to the following positions within the Valeo group:

Chairman of Valeo Finance\* – France

Chairman of Valeo Service\* – France

Chairman of Valeo Thermique Habitacle\* – France

Legal Manager of Valeo Management Services\* – France

Chairman and Director of Valeo SpA\* – Italy

Chairman and Director of Valeo Japan Co. Ltd\* – Japan

Chairman and Director of Valeo (UK) Limited\* – United Kingdom

Director of Valeo Service Espana, S.A.\* – Spain

**Mr. Jacques Aschenbroich** holds 5,000 Valeo shares.

Director of Solaglas Ltd – United Kingdom

Member of the Supervisory Board of Saint-Gobain Autoglas GmbH and of Saint-Gobain Glass Deutschland GmbH, Member of the Advisory Board of AvanCis GmbH & Co KG – Germany

Director of Saint-Gobain Sekurit Hanglas Polska – Poland

Director of Saint-Gobain Sekurit Benelux SA – Belgium

Director of Saint-Gobain Sekurit Italia – Italy

Director of Grindwell Norton Ltd., Saint-Gobain Glass India Ltd. and Saint-Gobain Sekurit India – India

Director of Saint-Gobain K.K. – Japan

Director of Hankuk Glass Industries Inc. – Korea

Director of Saint-Gobain Glass Mexico and Saint-Gobain Sekurit Mexico – Mexico

#### Others

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Director of ESSO S.A.F.\* – France

\* Current directorships and positions



# Request for documents and information

Stipulated in Articles R. 225-81, R. 225-83 and R. 225-88 of the French Commercial Code



## Combined Shareholders' Meeting

**Tuesday June 9, 2009**

at the Centre Eurosites George V - 28 avenue George V - 75008 Paris

Return this application to the Securities and Brokerage Division of Société Générale –  
Shareholders' Meetings Department – 32, rue du Champ de Tir – PO BOX 81236 – F-44312 NANTES cedex 3

The undersigned <sup>(1)</sup> .....

Last name (Mr, Mrs. or Miss) .....

First name .....

Street address .....

City .....

Postal Code .....

Owner of ..... Company-registered shares

..... bearer shares <sup>(2)</sup> or shares registered  
with a financial intermediary

Wishes to receive the documents or Information stipulated in Articles R. 225-81, R. 225-83 and R. 225-88 of the French Commercial Code concerning the Combined Shareholders' Meeting June 9, 2009.

Place ..... date ..... 2009

Shareholder's signature:

Pursuant to Article R. 225-88 of the French Commercial Code, those holders of shares registered with the Company may request to have the aforementioned documents and information for future Shareholders Meetings sent to them on a continuing basis.

(1) If an entity, indicate the precise corporate name.

(2) Attach a copy of the shareholding certificate (attestation de participation) issued by the intermediary in charge of managing your securities.





# Notes

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French société anonyme with a Board of Directors with registered capital of €234,628,851  
Registered office: 43 rue Bayen, 75017 Paris - 552 030 967 RCS Paris  
[valeo.com](http://valeo.com)