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VALEO

French *société anonyme* with a board of directors
with a share capital of Euros 234,628,851
Registered office: 43, rue Bayen – 75017 Paris
Registry of Commerce and Companies of Paris 552 030 967

NOTICE OF MEETING

Shareholders are invited to attend the Ordinary and Extraordinary General Meeting on June 20, 2008 at 2:30 p.m., at the Palais Brongniart, place de la Bourse, 75002 Paris. The meeting will deliberate on the following agenda:

Agenda for the Annual Ordinary General Meeting:

- Board of Directors' report on operations and financial statements (unconsolidated and consolidated) for fiscal year 2007;
- Chairman's report on the Board's work and on internal audit;
- 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' general reports;
- Review and approval of the fiscal year 2007 unconsolidated financial statements;
- Review and approval of the fiscal year 2007 consolidated financial statements;
- Approval of an agreement including undertakings made for the benefit of Mr. Thierry Morin in accordance with the provisions of article L. 225-42-1 of the French Commercial Code;
- Approval of 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;
- Allocation of profits for the fiscal year and distribution of dividends;
- Authorization to be granted to the Board of Directors to repurchase the Company's shares;
- Determination of the annual amount of directors' fees;
- Appointment of Mr. Behdad Alizadeh as director;

Agenda for the Extraordinary General Meeting:

- Delegation to the Board of Directors of authority to grant options to purchase shares of the Company;
- Delegation of powers to carry out corporate formalities.

TEXT OF THE RESOLUTIONS

Annual Ordinary Meeting

First resolution (*Review and approval of the fiscal year 2007 unconsolidated financial statements*) – The Shareholders’ Meeting, having satisfied the quorum and majority conditions of ordinary shareholders’ meetings, and having considered the report of the Chairman of the Board of Directors on the activities of the Board of Directors and on internal control, 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, 2007, as they were presented, and all the transactions that they reflect.

Second resolution (*Review and approval of the fiscal year 2007 consolidated financial statements*) – The Shareholders’ Meeting, having satisfied the quorum and majority conditions of ordinary shareholders’ meetings, and having considered the report of the Chairman of the Board of Directors on the activities of the Board of Directors and on internal control, the report prepared by the Board of Directors and the statutory auditors’ reports, approves the consolidated accounts for the fiscal year ended December 31, 2007, as they were presented, and all the transactions that they reflect.

Third resolution (*Approval of an agreement including undertakings made for the benefit of Mr. Thierry Morin 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 Articles L. 225-42-1 of the French Commercial Code, the agreements described in this report, which were entered into between the Company and Mr. Thierry Morin and which deal with matters of compensation, indemnities or benefits owed or likely to be paid to him in the event of the termination of his duties or after the end of his duties under certain circumstances, subject to his compliance with performance criteria in line with those set for the Company.

Fourth resolution (*Approval of 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*) – The Shareholders’ Meeting, having satisfied the quorum and majority conditions of ordinary shareholders’ meetings, and having considered the statutory auditors’ special report and the additional 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 these reports in all their provisions as well as the new agreements described therein and the continuation of previously approved agreements.

Fifth resolution (*Allocation of profits for the fiscal year and distribution of dividends*)

- 1°) The Shareholders’ Meeting notes that the financial statements for the period ended December 31, 2007 and approved by this Shareholders’ Meeting result in a net profit of €94,277,774.21 and a profit available for distribution of €1,328,697,829.14, the allocation of which is submitted today for approval by the Shareholders’ Meeting.
- 2°) The Shareholders’ Meeting decides to allocate the profit available for distribution as follows to:

- a dividend to be paid to shareholders: €93,851,540.40;
- allocation of the balance to retained earnings: €1,234,846,288.74.

The dividend to be paid for fiscal year 2007 shall thus be €1.20 per share. It is eligible for the 40% allowance (*réfaction*) provided for in Article 158-3-2° of the French General Tax Code.

For French tax resident individuals, dividends are included in the determination of global income subject to the progressive tax rate schedule (*barème progressif*) of personal income tax. Under certain conditions, French tax resident individuals are entitled to an allowance of 40% of such dividends paid without any limitation and to a fixed limited allowance. All dividends on shares of the Company are eligible for this scheme.

French tax resident individuals may, however, opt for these dividends to be subject to a standard levy at source of 18% (Article 117 *quater* of the French General Tax Code). The individual must make this election with the paying agent for each dividend payment, at latest at the time of payment of such dividend. If the individual has made this election at least once in a year, all dividends received by the individual during this year (that is, those for which the individual has made this election as well as any other outstanding amount for which the individual has not made this election) will not be entitled to benefit from the allowances discussed above.

The levy at source election may be advantageous or unfavorable depending on the tax situation of the individual taxpayer. French tax resident individuals concerned are urged to consult their own tax advisers in order to assess the effect of making the levy at source election in the light of their particular circumstances.

The dividend shall be payable beginning on July 1, 2008.

The dividend shall be paid to the shareholders either at the Company's corporate office or at the teller window of any banks or financial institutions authorized to pay the dividend, upon proper identification of the shareholder or presentation of a certificate of deposit or registration for their shares.

In the event the Company owns some of its own shares when the dividend is paid, the profits relating to the dividend that will not be paid on these shares shall be transferred to retained earnings.

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)	50%/40% allowance	Total (in million euros)
2004	82,977,822	1.10	The sums are eligible for the 50% allowance provided for in Article 158-3-2° of the French General Tax Code	91
2005	76,719,479	1.10	The sums are eligible for the 40% allowance provided for in Article 158-3-2° of the French General Tax Code	84
2006	76,937,913	1.10	The sums are eligible for the 40% allowance provided for in Article 158-3-2° of the French General Tax Code	85

Moreover, during fiscal year 2005, 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 euros per repurchased share, limited to the amount of the gain realized by the shareholder.

Sixth resolution (*Authorization to be granted to the Board of Directors to repurchase the Company's shares*) – The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, having considered the report prepared by the Board of Directors, authorizes the Board of Directors, with the power to sub-delegate, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, to buy back or cause to buy-back the Company's shares, with a view:

- to implement stock option plans of the Company under the terms of Articles L. 225-177 *et seq.* of the French Commercial Code; or
- to grant or transfer shares to employees in respect of their participation in the proceeds of the Company's expansion and to implement company savings plans under the terms provided for by law, in particular Articles L. 443-1 *et seq.* of the French Labor Code; or
- to grant free shares in accordance with the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- to deliver shares at the time of the exercise of rights attached to securities giving access to the capital through redemption, conversion, exchange, presentation of a warrant or otherwise; or
- to cancel all or part of the securities so repurchased; or
- to deliver shares (for exchange, payment or otherwise) as part of external growth, merger, spin-off or contribution transactions; or

- to have a provider of investment services act on the secondary market or act on the liquidity of Valeo shares under a liquidity agreement in compliance with the ethical charter recognized by the *Autorité des marchés financiers*; or
- to have a provider of investment services carry out purchase, sale or transfer transactions through any means, in particular in the context of transactions carried out off-market.

The purchases of the Company's shares shall be restricted in number as follows:

- the number of shares that the Company may buy during the duration of the share buy-back program shall not, at any time, exceed 10% of the Company's share capital. Such percentage shall apply to the Company's share capital as adjusted as a result of any transaction affecting it after this Shareholders' Meeting (that is, for informational purposes only, 78,209,617 shares as of December 31, 2007), it being specified that the number of shares purchased in order to be held and subsequently delivered as part of a merger, spin-off or contribution transaction shall not exceed 5% of the share capital;
- the number of shares that the Company can hold at any time shall not exceed 10% of the Company's share capital on the date in question.

The overall amount allocated to the aforementioned authorized share buy-back program shall not exceed €600 million.

The acquisition, sale or transfer of shares may be made at any time within the limits authorized by the applicable legal and regulatory provisions then in force (excluding during a public tender offer) and by any means, on the stock market or over-the-counter, including through the acquisition or sale of blocks (without limiting the portion of the share buy-back program that can be carried out through such means), public tender offer, sale or exchange bid, or the use of options or other futures financial instruments traded on a regulated market or over-the-counter or the delivery of shares further to the issuance of securities giving access to the Company's share capital by conversion, exchange, redemption, exercise of a warrant or any other means, either directly or indirectly through a provider of investment services.

The maximum purchase price of the shares under this resolution shall be €60 per share, it being specified that this maximum price shall apply solely to acquisitions of shares decided as from this Shareholders' Meeting and not to the futures transactions made pursuant to an authorization granted by a previous Shareholders' Meeting and providing for share purchases after the date of this Shareholders' Meeting.

This authorization, given for an 18-month period starting today, deprives of any effect from the date hereof, the unused portion, if any, of any prior delegation granted to the Board of Directors to repurchase the Company's shares.

The Shareholders' Meeting delegates to the Board of Directors, in the event of a change in the share's par value, an increase in the share capital by capitalizing reserves, the granting of free shares, a stock split or a reverse stock split, a distribution of reserves or any other assets, amortization of share capital, or any other transaction affecting shareholders' equity, the power to adjust the aforementioned purchase price in order to take into account the effect of these transactions on the share value.

The Shareholders' Meeting grants the Board of Directors all powers, with the power to sub-delegate as permitted by law, to decide and implement this authorization, to specify, if necessary, the terms thereof and to determine the terms and conditions, in order to complete the share buy-back program and, in particular to place any stock exchange order, enter into any agreement with respect to the keeping of registers of stock purchases and sales, make any declarations to the *Autorité des marchés financiers* and any other authority which may replace it, carry out all formalities and, in general, do whatever is necessary.

Seventh resolution (*Determination of the annual amount of directors' fees*) – The Shareholders' Meeting, having satisfied the quorum and majority conditions required for ordinary shareholders' meetings, and having considered the Board of Directors' report, sets at €600,000 the global amount of directors' fees annually allocated to the Board of Directors for the fiscal year 2008 and for each following fiscal year until a new decision is taken in this respect.

Eighth resolution (*Appointment of Mr. Behdad Alizadeh as director*) – The Shareholders' Meeting, having satisfied the quorum and majority conditions required for ordinary shareholders' meetings, and having considered the Board of Directors' report, appoints from the date hereof Mr. Behdad Alizadeh as director, for a term of four years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011. Mr. Behdad Alizadeh has acknowledged that he accepts such position and that he meets the conditions and obligations required by applicable regulations, in particular regarding the holding of multiple offices.

Extraordinary Meeting

Ninth resolution (*Delegation to the Board of Directors of authority to grant options to purchase shares of the Company*) – The Shareholders' Meeting, having satisfied the quorum and majority conditions required for extraordinary shareholders' meetings, and having considered the report prepared by the Board of Directors, and the statutory auditors' special report:

1. Authorizes the Board of Directors, in accordance with the provisions of Articles L. 225-177 to L. 225-185 of the French Commercial Code, to grant, on one or more occasions, for the benefit of staff members it may choose among the employees and possibly the corporate officers of the Company and of the companies or groups affiliated with it under the conditions set forth in article L. 225-180 of the French Commercial Code, options giving the right to purchase shares of the Company resulting from share repurchases made by the Company under the conditions provided for by law;

2. Decides that the total number of shares to which the share purchase options granted by virtue of this delegation give right may not exceed 1,000,000 shares on the date of the Board of Directors' decision, and that, in any event, no share purchase option may be granted under this authorization if such grant would have the effect of bringing the total number of shares to which the options to subscribe or purchase shares and the free shares already granted by the Board of Directors by virtue of this or past delegations give right to a number that exceeds the number of shares to which such options and free shares would have given right at December 31, 2007, as published in the Company's 2007 reference document, that is, 7,560,413 shares (increased, if needed, following any adjustments necessary to protect the interests of the beneficiaries in accordance with regulations in force).

3. Decides that the price to be paid at the time of the exercise of the options to purchase shares will be set by the Board of Directors on the day such options are granted and that this price may not be lower than either (i) 100% of the average of the opening market prices of the Company's shares on Euronext Paris during the twenty trading days prior to the date the options would be granted or (ii) 80% of the average purchase price for shares held by the Company under Articles L. 225-208 and L. 225-209 of the French Commercial Code. If the Company carries out any of the transactions provided for in Article L. 225-181 of the French Commercial Code or R. 225-138 of the French Commercial Code, the Company shall take, under the conditions provided for by the applicable regulations then in force, the measures necessary to protect the interests of the beneficiaries, including, if necessary, adjusting the number of shares that may be obtained from the exercise of options granted to the beneficiaries to take into account the effect of this transaction; it being recalled that the price of the options may not be modified to take into account a decrease in the Company's share price;

4. Consequently, the Shareholders' Meeting grants all powers to the Board of Directors to implement this authorization and in particular to:

- determine the list of the beneficiaries of options to purchase shares and the number of options to purchase shares allocated to each of them;
- set the terms and conditions of the options to purchase shares, and in particular:
 - the period of validity of the options to purchase shares; it being understood that the options shall be exercised within a maximum period of eight years;
 - the date(s) or period(s) of exercise of the options to purchase shares; it being understood that the Board of Directors may (a) anticipate the dates or periods of exercise of the options, (b) maintain the exercisable nature of the options, or (c) modify the dates or periods during which the shares obtained by the exercise of options may be sold or put in bearer form;
 - any provisions prohibiting the immediate resale of all or part of the shares, such retention period not to exceed three years from the date of exercise of the options to purchase shares, it being specified that with respect to options granted to corporate officers, the Board of Directors must either (a) decide that the options to purchase shares may not be exercised by such corporate officers before the end of their term of office, or (b) set a number of shares which they must to keep in registered form until the end of their term of office;
- if necessary, limit, suspend, restrict or prohibit the exercise of options to purchase shares or the sale or conversion into bearer form of the shares obtained by an exercise of options, during certain periods or at the occurrence of certain events, its decision applying to all or some of the options or shares or concerning all or some of the beneficiaries;

5. Decides that this authorization is granted until the Shareholders' Meeting called to deliberate on the financial statements for the fiscal year ended December 31, 2008.

Tenth resolution (*Delegation of powers to carry out corporate formalities*) – The Shareholders’ Meeting grants all powers to the bearer of an original, a copy or extract from these minutes to carry out all required legal formalities.

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Any shareholder, regardless of the number of shares held, may participate in this Meeting, by voting in person, by mail or by proxy.

However, in accordance with Article R. 225-85 of the French Commercial Code, the right of a shareholder to participate in Shareholders’ Meeting is subject to the recording (*enregistrement comptable*) of its shares in the name of the shareholder or in the name of the intermediary registered on its behalf, on the third business day, 00 hour, Paris time, preceding the Meeting (*i.e.*, on June 17, 2008 at 00 hour), either in the registered shareholder account held by the Company or in the bearer shareholder account held by an accredited financial intermediary. The recording of shares in the bearer shareholder account held by the accredited financial intermediary will be certified by a shareholding certificate (*attestation de participation*) delivered by the intermediary as an attachment to the form of vote by mail or by proxy or to the request form for an admission card (*carte d’admission*) established in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate will be delivered to shareholders who intend to participate in the Meeting in person and who will not have received their admission cards on the third business day, 00 hour, Paris time, preceding the Meeting, *i.e.*, on June 17, 2008 at 00 hour.

A final notice of the Meeting including a form for voting by mail or by proxy will automatically be sent to all owners of registered shares. Owners of shares held in bearer form may also obtain these forms from their financial intermediary with whom such holders have deposited their shares or from Société Générale, Services des assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3, by making their request at least five days before the date of the Shareholders’ Meeting.

In order to be taken into account, the Company must receive the votes by mail or proxy, directly or through a financial intermediary, no later than three days before the Meeting.

Shareholders who will have voted by mail, by proxy or will have asked for admission cards will not be entitled to change their means of participation in the Meeting but will be entitled to sell all or part of their shares at any time. However, if such transfer occurs before the third business day, 00 hour, Paris time, preceding the Meeting, the Company will invalidate or modify, as the case may be, the vote by mail, the proxy, the admission card or the shareholding certificate accordingly. To that end, the financial intermediary will notify the transfer to the Company or its agent and will provide it with the proper information. Any transfer or other transaction that occurs after the third business day, 00 hour, Paris time, preceding the Meeting will not be notified by the financial intermediary nor will it be taken into account by the Company, regardless of any agreement to the contrary.

The participation and vote by videoconference or through electronic telecommunications are not permitted for this Meeting. As a result, no website as provided for by Article R. 225-61 of the French Commercial Code will be put in place.

The agenda and the text of the proposed resolutions for this Meeting have been modified since the notice published on April 30, 2008 in order to add a resolution (eighth resolution) concerning the appointment of Mr. Behdad Alizadeh as Director for a term of four years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011.

The fourth resolution, concerning the approval of related party agreements, was also completed in order to include the approval of the agreement entered into between the Company and Pardus.

The Board of Directors