

VALEO
French *société anonyme* with a Board of Directors
with registered capital of €235,886,394
Registered office: 43 rue Bayen, 75017 Paris
552 030 967 RCS Paris
Siret no.: 552 030 967 00152

CONVENING MEETING (*AVIS DE CONVOCATION*)

Shareholders are invited to attend an Ordinary and Extraordinary Shareholders' Meeting on June 8, 2011 at 2:30 p.m. at the Palais des Congrès de Paris, 2, place de la Porte Maillot, 75017 Paris, to deliberate on the following agenda and resolutions:

Agenda for the Annual Ordinary Shareholders' Meeting:

- Review and approval of the unconsolidated financial statements for the 2010 fiscal year;
- Review and approval of the consolidated financial statements for the 2010 fiscal year;
- Approval of the co-opting of Mrs. Ulrike Steinhorst as Director;
- Appointment of Mr. Jacques Aschenbroich as Director;
- Appointment of Mr. Gérard Blanc as Director;
- Appointment of Mr. Pascal Colombani as Director;
- Appointment of Mr. Michel de Fabiani as Director;
- Appointment of Mr. Michael Jay as Director;
- Appointment of Mrs. Helle Kristoffersen as Director;
- Appointment of Mr. Georges Pauget as Director;
- Appointment of Mr. Thierry Moulonguet as Director;
- Approval of the severance pay of Mr. Jacques Aschenbroich in accordance with the provisions of article L. 225-42-1 of the French Commercial Code;
- Approval of the related party agreements for the 2010 fiscal year - article 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 Shareholders' Meeting:

- Modification of article 14, point 1 of the Articles of Association relating to the “*Directors' term of office – Age limit – Conditions – Compensation*”;
- Modification of article 14, point 4 of the Articles of Association relating to the “*Directors' term of office – Age limit – Conditions – Compensation*”;
- Modification of article 23 of the Articles of Association relating to “*Attendance of meetings; Proxies*”;

- 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 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 shares and/or securities giving access to the capital of the Company and/or securities 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 reduce the share capital through the cancellation of treasury shares;
- 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;
- Delegation to the Board of Directors of authority to grant stock options;
- Delegation to the Board of Directors of authority to allot free shares, either existing or to be issued, to all or some of the Group's salaried employees or corporate officers;
- Delegation of powers to carry out corporate formalities.

Item for discussion, without vote

- Point to the agenda requested by Pardus Investments Sàrl on April 15, 2011.

A certificate of account registration was attached to Pardus Investments Sàrl request providing registration of 2,499,600 Valeo shares representing 3.17% of the Company's share capital.

Despite strong recent operating performance in 2010, Valeo's shares continue to trade at a deep discount to the valuation of its industry peers. As shown on the table below, the company would need to improve its valuation by 87% simply to reach its peer average. For the benefit of all shareholders, the Company shall host a discussion among shareholders, members of the Board of Directors and management to contemplate various options for Valeo to reduce this valuation gap and the Board of Directors of the Company shall be invited to present to the shareholders options it is considering to enhance value for all stakeholders.

	<u>April 12, 2011</u>			EV / EBIT			EV / EBITDA			VE / Revenues		
	2011e	2012e	2013e	2011e	2012e	2013e	2011e	2012e	2013e	2011e	2012e	2013e
European OE Suppliers												
Valeo	5.4x	4.7x	4.4x	2.9x	2.7x	2.6x	0.3x	0.3x	0.3x	0.3x	0.3x	0.3x
Faurecia	6.7x	5.4x	4.5x	3.5x	3.1x	2.7x	0.3x	0.2x	0.2x	0.2x	0.2x	0.2x
Autoliv	6.9x	6.4x	6.1x	5.1x	4.8x	4.4x	0.8x	0.7x	0.7x	0.7x	0.7x	0.7x
Continental	8.0x	7.1x	6.4x	5.0x	4.6x	4.2x	0.7x	0.7x	0.7x	0.7x	0.7x	0.6x
Brembo SPA	11.1x	8.7x	7.5x	5.4x	4.7x	4.3x	0.7x	0.6x	0.6x	0.6x	0.6x	0.6x
Rheinmetall AG	6.7x	5.4x	4.6x	4.5x	3.8x	3.4x	0.5x	0.5x	0.5x	0.5x	0.5x	0.4x
North American OE Suppliers												

Federal Mogul	12.8x	10.2x		5.8x	5.2x	4.5x	0.6x	0.6x	0.5x
Dana Corp.	7.3x	5.7x		4.3x	3.6x	2.9x	0.4x	0.4x	0.3x
Lear Corp.	5.2x	4.4x	3.8x	4.1x	3.6x	3.3x	0.3x	0.3x	0.3x
TRW	5.5x	5.0x	4.9x	4.0x	3.7x	3.4x	0.5x	0.4x	0.4x
Magna	6.3x	5.3x	4.7x	4.4x	3.7x	3.3x	0.3x	0.3x	0.3x
Tenneco	8.6x	6.7x	5.9x	5.5x	4.6x	4.1x	0.5x	0.4x	0.4x
Arvin Meritor	8.6x	5.7x		6.8x	4.7x	4.2x	0.5x	0.4x	0.4x
Johnson Controls	13.3x	10.8x	8.6x	9.6x	8.0x	6.8x	0.8x	0.7x	0.6x
BorgWarner	11.6x	9.6x	8.6x	8.5x	7.4x	6.4x	1.3x	1.1x	1.0x
Median									
(Excluding Valeo)	<u>7.7x</u>	<u>6.1x</u>	<u>5.9x</u>	<u>5.1x</u>	<u>4.6x</u>	<u>4.2x</u>	<u>0.5x</u>	<u>0.4x</u>	<u>0.4x</u>
Average									
(Excluding Valeo)	<u>8.5x</u>	<u>6.9x</u>	<u>6.0x</u>	<u>5.5x</u>	<u>4.7x</u>	<u>4.1x</u>	<u>0.6x</u>	<u>0.5x</u>	<u>0.5x</u>
Valeo Valuation Gap to Peer Average				87%	74%	60%			

Source : Bloomberg estimates

* * *

The notice of meeting pursuant to Article R. 225-73- of the French Commercial Code has been published in the *Bulletin des Annonces légales obligatoires* n°38 of March 30, 2011. The Board of Directors of April 21, 2011 has decided to propose the appointment of Mr. Thierry Moulounguet as Director. The agenda and the eleventh resolution have been modified accordingly.

Ordinary Business

First resolution (Review and approval of the unconsolidated financial statements for the 2010 fiscal year). The Shareholders' Meeting, having considered the report of the Chairman of the Board of Directors relating to the composition and the application of the principle of the equal representation of women and men, to the method by which the Board's work is prepared and conducted, as well as to the internal control and risk management procedures implemented by the Company, the Board of Directors' report concerning the unconsolidated financial statements and the management report related thereto, and the statutory auditors' reports relating to the unconsolidated financial statements for the 2010 fiscal year, approves the unconsolidated financial statements for such fiscal year, as presented, including the balance sheet, the income statement and the annex, and all of the transactions reflected in these financial statements and in these reports.

Second resolution (Review and approval of the consolidated financial statements for the 2010 fiscal year). The Shareholders' Meeting, having considered the report of the Chairman of the Board of Directors relating to the composition and the application of the principle of the equal representation of women and men, to the method by which the Board's work is prepared and conducted, as well as to the internal control and risk management procedures implemented by the Company, the Board of Directors' report concerning the consolidated financial statements and the management report related thereto, and the Statutory Auditors' reports relating to the consolidated financial statements for the 2010 fiscal year, approves the consolidated financial statements for such fiscal year, as presented, including the balance sheet, the income statement and the annex, and all of the transactions reflected in these financial statements and in these reports.

Third resolution (Approval of the co-opting of Mrs. Ulrike Steinhorst 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 February 24, 2011 of Mrs. Ulrike Steinhorst to replace the resigning Mr. Behdad Alizadeh as Director, for the remainder of Mr. Alizadeh's term of office, *i.e.* until the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011.

Fourth resolution (Appointment of Mr. Jacques Aschenbroich as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, acknowledging that Mr. Jacques Aschenbroich's term of office expires today, renews such term for a period of four years which will expire at the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Fifth resolution (Appointment of Mr. Gérard Blanc as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, acknowledging that Mr. Gérard Blanc's term of office expires today, renews such term for a period of four years which will expire at the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Sixth resolution (Appointment of Mr. Pascal Colombani as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, acknowledging that Mr. Pascal Colombani's term of office expires today, renews such term for a period of four years which will expire at the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Seventh resolution (Appointment of Mr. Michel de Fabiani as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, acknowledging that Mr. Michel de Fabiani's term of office expires today, renews such term for a period of four years which will expire at the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Eighth resolution (Appointment of Mr. Michael Jay as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, acknowledging that Mr. Michael Jay's term of office expires today, renews such term for a period of four years which will expire at the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Ninth resolution (Appointment of Mrs. Helle Kristoffersen as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, acknowledging that Mrs. Helle Kristoffersen's term of office expires today, renews such term for a period of four years which will expire at the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Tenth resolution (Appointment of Mr. Georges Pauget as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, acknowledging that Mr. Georges Pauget's term of office expires today, renews such term for a period of four years which will expire at the closing of Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Eleventh resolution (Appointment of Mr. Thierry Moulonguet as Director). The Shareholders' Meeting, having satisfied the quorum and majority conditions of ordinary shareholders' meetings, having reviewed the Board of Director's report, hereby appoints Mr. Thierry Moulonguet as Director, for a term of four years, which will expire at the closing of the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2014.

Twelfth resolution (Approval of the severance pay of Mr. Jacques Aschenbroich 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 Board of Directors' report and the 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, approves, in accordance with the provisions of article L. 225-42-1 of the French Commercial Code, the new severance pay undertaking described in these reports adopted by the Company in favor of Mr. Jacques Aschenbroich.

This decision is subject to the renewal of Mr. Jacques Aschenbroich's terms as Director by this Shareholders' Meeting and as Chief Executive Officer (*Directeur Général*) by the Board of Directors at its first meeting following this Shareholders' Meeting.

Thirteenth resolution (Approval of the related party agreements for the 2010 fiscal year - article 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, formally notes the statutory auditors' special report stating the absence of new agreement authorized by the Board of Directors during the 2010 fiscal year, and approves this report.

Fourteenth resolution (Allocation of earnings for the fiscal year and dividend distribution). 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, 2010 and approved by this Shareholders' Meeting show profits for the fiscal year of €126,047,129.89 and, that taking account previous retained earnings of €1,250,534,471.81, distributable earnings amount to €1,376,581,601.70, the allocation of which is hereby submitted for approval by the Shareholders' Meeting.

The Shareholders' Meeting decides to allocate the distributable earnings as follows:

Allocation to dividends ⁽¹⁾ :	€94,354,557.60
Allocation to retained earnings:	€1,282,227,044.10

⁽¹⁾The total amount of the distribution presented in this table is calculated based on the number of shares comprising the share capital as of December 31, 2010, and may vary based in particular on changes in the number of treasury shares, as well as the exercise of any share subscription options between January 1, 2011 and the ex-dividend date.

The dividend is set at €1.20 per share for each of the shares entitled to dividends. For beneficiaries who are individuals residing in France for tax purposes, this dividend will automatically be added to their global income which is subject to the progressive tax rate, and will be eligible for a tax abatement of 40% (article 158-3-2° of the French General Tax Code). However, the beneficiary has the option of paying a lump sum withholding tax (*prélèvement forfaitaire libératoire*) of 19% (article 117 *quarter* of the French General Tax Code). All of the Company's shares are eligible under this regime.

Pursuant to applicable law, the Shareholders' Meeting notes that the dividends distributed over the past three fiscal years were as follows:

Fiscal Year	Number of shares paid	Dividend per share (in euros)	Total (in million euros)
2007	76,618,927	1.20	91.9
2008	0	0	0
2009	0	0	0

All of the sums set forth in the "Dividend per share" column in the table above are eligible for the 40% abatement or, at the option of the beneficiary, the lump sum withholding tax referred to above.

The ex-dividend date will be June 28, 2011 and payments will be made starting on July 1, 2011. It is specified that if, at the time such dividends are paid, the Company holds treasury shares, the sums corresponding to the unpaid dividends in respect of these shares will be allocated to retained earnings.

Fifteenth resolution (Authorization to be granted to the Board of Directors to carry out transactions in shares issued by the Company)

The Shareholders' Meeting, having satisfied the quorum and majority conditions for ordinary shareholders' meetings, having reviewed the Board of Directors' report, authorizes the Board of Directors, with powers to subdelegate as provided by law, 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 or other similar plan under the terms of article L.225-177 *et seq* of the French Commercial 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 allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan (or other similar plan) under the conditions stipulated by law, in particular article L.3332-1 *et seq* of the French Labor Code; or
- as a general matter, to comply with its obligations in respect of stock option plans or other distributions of shares to employees or corporate officers of the issuer or of a related company; or
- the delivery of shares upon 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 repurchased shares, subject to the approval by the Extraordinary Shareholders' Meeting of the twenty-third resolution below; or
- the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, spin-offs or contributions; or
- the 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*", or "AMF").

This plan is also intended to allow for the implementation of any market practice that may later be permitted by the AMF, and more generally, to carry out any transaction in compliance with the applicable laws and regulations. In such a case, the Company's shareholders will be informed by way of a press release.

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 this Shareholders' Meeting, *i.e.*, for information purposes, 7,862,879 shares at December 31, 2010, provided that (i) 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, and (ii) when these shares are bought back to increase liquidity pursuant to the AMF's general regulation (*Règlement Général de l'AMF*), the number of shares taken into account for purposes of calculating the 10% maximum limit indicated above in this section shall be the number of purchased shares minus the number of shares resold during the authorization period;
- 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 €546 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 mean), by public tender offer or public exchange offer or by the use of options, or through the use of options or other derivative financial instruments traded on a regulated market or a multilateral trading facility, via a systematic internalizer or sold 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 seventy euros (€70) per share.

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 Shareholders' Meeting delegates to the Board of Directors powers to adjust the aforementioned maximum 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, amortization 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 Shareholders' Meeting grants full power to the Board of Directors, with powers to subdelegate as provided 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, allocate or reallocate the purchased shares in furtherance of its objectives in accordance with applicable legal and regulatory terms, establish the terms and conditions pursuant to which, if applicable, the rights of the holders of securities or options will be preserved, in accordance with applicable legal, regulatory or contractual provisions, make declarations to the AMF or any other competent authority, and to carry out any other formalities and generally do all that is necessary.

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Extraordinary business

Sixteenth resolution (Modification of article 14 point 1 of the Articles of Association relating to the “Directors’ term of office – Age limit – Conditions – Compensation”). The Shareholders’ Meeting, having satisfied the quorum and majority conditions for extraordinary shareholders’ meetings, and having considered the Board of Directors’ report, decides to modify article 14 point 1 of the Articles of Association as follows:

Former wording: “1. The members of the Board of Directors shall each be appointed for a four-year term, expiring upon the adjournment of the Ordinary Shareholders’ Meeting reviewing the financial statements for the past fiscal year and held in the year during which the term of office expires. Members may be re-elected.”

New wording: “1. Each member of the Board of Directors shall be appointed for a four-year term by the Ordinary Shareholders’ Meeting; members may be re-elected. The terms of one-fourth of the members of the Board of Directors are renewed each year or, when the total number of its members divided by four does not equal a whole number, the number that is immediately higher or lower than the number resulting from this division, provided that to the extent possible, for each year within the same period of four consecutive years, the gap between the number of seats to be renewed in such year and the number of seats to be renewed in each of the three other years of such period may not be higher than one.

At the first meeting of the Board of Directors following the Shareholders’ Meeting called to approve the financial statements for the 2010 fiscal year, the expiration of the terms of office of the members appointed during the Shareholders’ Meetings called to approve the financial statements for the 2011, 2012, and 2014 fiscal years will be designated in advance, the number of which was determined applying the rules above in order to allow the implementation of the renewal by one-fourth. This designation will be agreed upon at the Board of Directors’ meeting unanimously by the members present or represented or, failing that, by random-drawing performed during the meeting.

The term of the directors so appointed or who are chosen by way of random-drawing will be cancelled automatically on the expiration dates determined as stipulated in the preceding paragraph. Once the rollover is established, the renewals will take place in the chronological order of the appointments.

A director who is appointed to replace a director whose mandate has not yet expired will only remain in office for the remainder of his or her predecessor’s mandate.

If after the rollover is established, the number of directors changes as a result of the non-replacement or the appointment of new directors, a new exit order will be established in accordance with the principles set forth above so as to allow an annual renewal of the Board of Directors by one-fourth.”

Seventeenth resolution (Modification of article 14 point 4 of the Articles of Association relating to the “Directors’ term of office – Age limit – Conditions – Compensation”). The Shareholders’ Meeting, voting on the quorum and majority conditions for extraordinary shareholders’ meetings, having reviewed the Board of Directors’ report, decides to modify article 14 point 4 of the Articles of Association as follows:

Former wording: “Each director must own a minimum of 100 shares during his/her term of office. Such shares shall be held in a registered account.”

New wording: “4. Each director must own a minimum of 500 shares during his/her term of office. Such shares shall be held in a registered account.”

Eighteenth resolution (Modification of article 23 of the Articles of Association relating to the “Attendance of meeting; Proxies”). The Shareholders’ Meeting, having satisfied on the quorum and majority conditions for extraordinary shareholders’ meetings, and having considered the Board of Directors’ report, decides to modify article 23 paragraph 3 of the Article of Association as follows:

Former wording: *“The shareholders may, in compliance with applicable laws and regulations, send proxies and mail voting instructions with respect to any Shareholders’ Meeting, either in paper format or, upon the Board of Directors’ decision appearing in the notice of the meeting, by remote transmission.”*

New wording: *“The shareholders may, in compliance with applicable laws and regulations, send proxies and mail voting instructions with respect to any Shareholders’ Meeting, either in paper format or by remote transmission.”*

The other provisions of article 23 remain unchanged.

Nineteenth 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 distribution of debt securities)

The Shareholders’ Meeting, having satisfied the quorum and majority conditions for extraordinary shareholders’ meetings, having considered the Board of 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 provided 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 entitling holders to the distribution 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 provided 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 twentieth, twenty-first, twenty-second, twenty-fourth and twenty-sixth resolutions of the present Meeting is set at €131 million;
- the aggregate par value of any additional shares that may be issued in the event of new financial 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 then owned by them ;
- formally notes the fact that the Board of Directors has the option of introducing a reducible subscription right ;
- formally notes that the present delegation of authority entails an unconditional waiver, in favor of the holders of the securities 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, pursuant to article L. 225-134 of the French Commercial Code, 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;
- resolves that issuances of warrants entitling their holders to subscribe for the Company's shares may also be made 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 provided 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, the number, 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 amortization (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's 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 accordance 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 dividends, reserves or premiums, or of any other assets, redemption of capital or any other transaction affecting shareholders' equity or the share capital (including in the event of a public tender offer and/or in the event of a change of control), and set all of the other terms preserving, as the case may be, the rights of holders of securities giving access to the capital (including through cash adjustments);
- duly record completion of each capital increase and make the necessary amendments to the Articles of Association;

- 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 Shareholders' Meeting, in accordance with applicable laws and regulations, on the use made of the powers conferred in the present resolution.

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

The Shareholders' Meeting, having satisfied the quorum and majority conditions for extraordinary meetings, having considered the Board of 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 as provided by 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, 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 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 incorporation of reserves, profits or premiums, or on the same terms to decide to issue securities entitling holders to the allotment of securities governed by article L. 228-91 *et seq* of the French Commercial Code. These securities may in particular be issued as consideration for securities contributed to the Company within the framework of a public exchange offer carried out in France or abroad under local rules (*e.g.* within the framework of U.S. style "reverse merger") involving securities which satisfy the conditions established in article L. 225-148 of the French Commercial Code);

2) delegates to the Board of Directors, with powers to subdelegate as provided by law, its authority to decide upon issuances of shares or 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 decision entails an unconditional waiver, in favor of the holders of securities that may be issued by companies belonging to the Company's Group, 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 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 €46 million, it being stipulated that this amount will count towards the overall ceiling stipulated in section 3 of the nineteenth 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 create 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 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 of the shares issued directly will 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 volume 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%), after, if applicable, adjusting this average if the dates of ranking of dividends are different;
- the issuance price of the securities giving access to the capital and the number of shares to which conversion, redemption or more generally transformation of each 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 subscription price defined in the previous paragraph;

10) resolves that the Board of Directors will have full powers, with powers to subdelegate as provided by 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, number, 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 amortization (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's 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 without having to apply the method for the determination of the price set forth in paragraph 9 of this resolution 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;
- 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, allotment of free shares, stock split or reverse stock split, distribution of reserves or of any other assets, amortization 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 Articles of Association;
- 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 global delegation of authority relating to increases in the share capital without preferential subscription rights through a public offering, 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 Shareholders' Meeting, in accordance with applicable laws and regulations, on the use made of the powers conferred in the present resolution.

Twenty-first resolution (Delegation to the Board of Directors of authority to decide a capital increase by incorporation of premiums, reserves, profits or other items).

The Shareholders' Meeting, having satisfied the quorum and majority conditions for ordinary shareholders' meetings, and having considered the Board of 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 provided 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 Articles of Association, in the form of an issuance of new capital shares or of an increase of the par value of existing capital 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 nineteenth 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 capital shares to be issued and/or the amount by which the par value of the existing capital shares is to be increased and decide the date, which may be retrospective, from which the new capital shares will rank for dividend or the increase in the par value of the existing capital shares will take effect;
- decide, in the event of an allotment of free capital shares:
 - that fractional rights will not be negotiable and that the corresponding capital 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, allotment of free shares, stock split or reverse stock split, distribution of reserves or of any other assets, amortization 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 Articles of Association;
- 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.

Twenty-second 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 Shareholders' Meeting, having satisfied on the quorum and majority conditions for extraordinary meetings, having considered the Board of 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 provided 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 the subscription 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 nineteenth 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.

Twenty-third resolution (Authorization to be granted to the Board of Directors to reduce the share capital through cancellation of treasury shares)

The Shareholders' Meeting, having satisfied the quorum and majority conditions for extraordinary meetings, having considered the Board of 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 and L.225-213 of the same 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, at any time (for information purposes, the share capital of the Company being constituted, *i.e.*, of 7,862,879 shares at December 31, 2010), 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 Shareholders' Meeting.

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 Shareholders' 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 Articles of Association accordingly and accomplish all formalities.

Twenty-fourth 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 Shareholders' Meeting, having satisfied the quorum and majority conditions for extraordinary meetings, having considered the Board of 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 provided 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) implemented 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 this resolution may be used to implement leverage effect formulas and 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 nineteenth 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 delegation of authority of issuance covered by 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; for the purposes of the present section, the Reference Price refers to the volume weighted average of the 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 or group savings (or similar) 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 a company or group savings (or similar) plan, it being stipulated that the aggregate par value of shares sold at a discount to members of one or more of the employee 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 provided 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 or group savings (or similar) 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 Articles of Association;
- 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.

Twenty-fifth resolution (Delegation to the Board of Directors of authority to grant stock options)

The Shareholders' Meeting, having satisfied the quorum and majority conditions for extraordinary meetings, having considered the Board of Directors' report and the statutory auditors' special report:

1. authorizes the Board of Directors, in accordance with articles L. 225-177 to L. 225-186-1 of the French Commercial Code, with powers to subdelegate as provided by law, to grant on one or more occasions to beneficiaries designated by it among salaried employees and corporate officers of the Company and of companies or groupings associated with the Board of Directors under article L. 225-180 of said Code, options conferring the right to buy shares of the Company coming from repurchases made by the Company under the conditions stipulated by law;

2. resolves that the stock options granted under this authorization may not give the right to purchase more than a total of 660,000 shares;

3. resolves that the price to be paid when exercising the stock options shall be set by the Board of Directors on the day when the stock options are granted and that this price may not be less than or 100% of the average of the opening prices of the shares of the Company on the regulated market of Euronext Paris during the twenty trading sessions preceding the day the stock options are granted, or 80% of the average purchase price of the shares held by the Company under L. 225-208 and L. 225-209 of the French Commercial Code. If the Company carries out any of the transactions covered by article L. 225-181 or article R. 225-138 of the French Commercial Code, the Company shall take the necessary actions required by laws and regulations to protect the interests of the beneficiaries, including, if necessary, an adjustment of the number of shares that may be obtained by exercising the stock options granted to the beneficiaries to take into account the impact of this transaction;

4. resolves that the exercise of stock options granted to corporate officers shall be subject to the performance requirements set by the Board of Directors;

5. accordingly, the Shareholders' Meeting grants full powers to the Board of Directors to carry out this authorization and in particular:

- to draw up the list of beneficiaries, or the category(ies) of beneficiaries, receiving stock options and to determine the number of stock options granted to each one;
- to set the terms and conditions of the stock options, and in particular:
 - the period of validity of the stock options, it being stipulated that the stock options shall be exercised within a period not exceeding eight years;
 - the exercise date(s) or period(s) for the stock options, it being stipulated that the Board of Directors may (a) move up the exercise dates or periods, (b) maintain the possibility of exercising the stock options, or (c) modify the dates or periods when the shares obtained by exercising stock options may not be transferred or transformed into bearer shares;
 - clauses forbidding the immediate resale of all or a portion of the shares; however, the period during which the shares must be kept may not exceed three years from the exercise of the option, with the stipulation that

in the case of options granted to corporate officers, the Board of Directors must either (a) decide that the options may not be exercised by the persons in question before the end of their functions, or (b) determine the quantity of shares that must be kept as registered shares until the end of their functions;

- if need be, to limit, suspend, restrict or forbid the exercise of stock options or the transfer or transformation into bearer shares of shares obtained by exercising stock options during certain periods or following certain events; its decision may apply to all or a portion of the options or shares or to all or a portion of the beneficiaries;

6. resolves that this authorization cancels as of this date the unused portion, if applicable, of any prior authorization granted to the Board of Directors for purposes of issuing stock options. It is granted for a period of twenty-six months from this date.

Twenty-sixth resolution (Delegation to the Board of Directors of authority to allot free shares, either existing or to be issued, to all or some of the Group's salaried employees or corporate officers)

The Shareholders' Meeting, having satisfied the quorum and majority conditions for extraordinary meetings, having considered the Board of Directors' report and the statutory auditors' special report:

1. authorizes the Board of Directors, in accordance with article L. 225-197-1 *et seq.* of the French Commercial Code, to allot free shares, existing or to be issued (other than preferred shares), on one or more occasions, to beneficiaries or categories of beneficiaries designated by it among the salaried employees of the Company or of companies or grouping associated with it pursuant to article L. 225-197-2 of said Code, and the corporate officers of the Company or companies or grouping associated with it who satisfy the provisions of article L. 225-197-1, II, of said Code, according to the terms and conditions set forth hereafter;

2. resolves:

(i) that existing shares or shares to be issued under this delegation may not give the right to obtain more than a total of 540,000 shares; and

(ii) that the par value of the capital increases that may be made immediately or in the future under this delegation shall count toward the overall ceiling specified in section 3 of the nineteenth resolution of this Shareholders' Meeting, or, as the case may be, towards any overall ceiling stipulated by any similar resolution that would supersede said resolution during the period of validity of this delegation;

3. resolves that the allotment of such shares shall become final either at the end of a minimum vesting period of three years, with the beneficiaries required to keep the shares for a minimum of two years from vesting, or at the end of a minimum vesting period of five years, with the beneficiaries then having no obligation to keep the shares for any period of time. In both cases, the allotment of such shares shall become final before the expiry of the abovementioned period in the event that the beneficiary becomes disabled, within the definition set down in the second or third categories specified by article L. 341-4 of the Social Security Code and that the shares shall be freely transferable if the beneficiary becomes disabled as per the abovementioned categories of the French Social Security Code;

4. resolves that in the case of free shares granted to corporate officers, the final acquisition shall be subject to performance requirements set by the Board of Directors;

5. grants full powers to the Board of Directors, with powers to subdelegate as provided by law, to implement this delegation of authority, and in particular to:

- decide whether the free shares allotted are to be issued or are existing shares;
- draw up the list of beneficiaries or the category(ies) of beneficiaries of the share allotments among the members of the personnel and the corporate officers of the Company or companies or groupings specified above and the number of shares allotted to each of them;
- set the conditions and any allotment criteria, and in particular, the minimum vesting period and the period each beneficiary is required to keep the shares, under the terms and conditions set forth above, with the stipulation that in the case of free shares allotted to corporate officers, the Board of Directors shall either (a) decide that the free shares allotted may not be transferred by the persons in question before the end of their functions or (b) determine the quantity of free shares allotted that must be kept as registered shares until the end of their functions;
- include an option to temporarily suspend the allotment rights;
- record the final allotment dates and the dates after which the shares may be freely transferred, in light of the applicable legal restrictions;
- record the allotted free shares in an account registered in the name of their holder, mentioning the transfer restriction and the term thereof, and to cancel such transfer restrictions for any reason that applicable regulations would allow the cancellation of the transfer restriction;
- in the event new shares are issued, to charge any amounts required to pay up said shares against reserves, profits or share premium; to record the capital increases made under this delegation; to make corresponding modifications to the Articles of Association; and generally to carry out all necessary procedures and formalities;

6. decides that the Company can, if need be, adjust the number of free shares allotted so as to preserve the rights of beneficiaries in relation to any transactions involving the Company's share capital, and in particular a change in the par value of the share, an increase in share capital by incorporation of reserves, allotment of free shares, issuance of new shares with preferential subscription rights reserved for shareholders, stock split or reverse stock split, distribution of reserves, issuance premiums or any other assets, amortization of capital, change in the allocation of earnings through the creation of preference shares, or any other transaction affecting shareholders' equity or share capital (including by way of a public offering and/or in the event of a change of control). The shares allotted pursuant to these adjustments shall be considered allotted on the same day as the shares initially allotted;

7. formally notes that in the event new free shares are allotted, this delegation shall constitute, as and when the allotment of said shares will happen automatically, a capital increase through the incorporation of reserves, profits or issuance premiums in favor of the beneficiaries of said shares and a corresponding waiving by shareholders in favor of said

beneficiaries of their preferential subscription rights in respect of said shares;

8. formally notes that, should the Board of Directors make use of this delegation, it shall inform the Ordinary Shareholders' Meeting each year of the transactions carried out under articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, in accordance with article L. 225-197-4 of said Code;

9. formally notes that this delegation cancels with immediate effect any unused portion of any previous delegation to the Board of Directors of authority to allot free shares, either existing or to be issued, to all or some of the salaried employees or corporate officers of the Group;

10. resolves that this delegation of authority is given for a period of twenty-six months as from this date.

Twenty-seventh resolution (Delegation of powers to carry out corporate formalities)

The Shareholders' 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.

All shareholders can take part in the Shareholders' Meeting regardless of how many shares they own.

Preliminary formalities to attend the Shareholders' meeting - Any shareholder can be represented at the Shareholders' Meeting by another shareholder, by his or her spouse or by his or her partner in the context of a *pacte civil de solidarité*. Any shareholder can also be represented by any legal entity or individual of his or her choice (article L. 225-106 of the French Commercial Code). In accordance with article R. 225-85 of the French Commercial Code, the right to take part in the Shareholders' Meeting is proved by the registration of shares in the name of the shareholder or of the intermediary registered on his or her behalf (in accordance with the seventh paragraph of article L. 228-1 of the French Commercial Code), on the third business day preceding the meeting at midnight (00:00 hour), Paris time, namely at 12:00 a.m., Paris time, on June 3, 2011, either in the registered share accounts kept by the Company (or its agent), or in the bearer share accounts kept by the authorised intermediary.

- for *registered shareholders*, this registration in the accounts at midnight, Paris time, on June 3, 2011, will be sufficient to allow them to take part in the Shareholders' Meeting.
- for *bearer shareholders*, registration of their shares in bearer share accounts kept by financial intermediaries will be established by a certificate of investment issued by those intermediaries under the conditions provided by article R. 225-85 of the French Commercial Code, and attached:

(1) to the mail voting form; or

(2) to the proxy form; or

(3) to the request for an admission ticket prepared in the name of the shareholder or on behalf of a shareholder represented by the registered intermediary.

A certificate can also be issued to shareholders wishing to take part in the meeting in person and who have not received their admission ticket at the third day preceding the Shareholders' Meeting, at midnight, Paris time.

Participation to the Shareholders' Meeting - Shareholders wishing to **attend the Shareholders' Meeting in person** can ask for an admission ticket in the following way:

- for *registered shareholders*: every registered shareholder will automatically receive the voting form attached to the notice of meeting, which he or she must complete, stating that he or she wishes to take part in the Shareholders' Meeting, and must obtain an admission ticket, to be signed and returned to Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3. Alternatively such shareholders may attend on the day of the meeting and go to the counter specially provided for this purpose to present an identity card.
- for *bearer shareholders*: bearer shareholders must ask the authorised intermediary handling the management of their share account to arrange for an admission ticket to be sent to them.

Shareholders who **do not attend this meeting in person** and who wish to vote by mail or be represented by giving a proxy to the Chairman of the meeting, to their spouse or partner in the context of a *pacte civil de solidarité* or to another person may:

- for *registered shareholders*: send back the single mail voting or proxy form, which will be sent to them with the notice of meeting, to the following address: Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3.
- for *bearer shareholders*: request this form from the intermediary that manages their shares, from the date of the notice of meeting, these requests must be received at Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3, six days before the Shareholders' Meeting (article R. 225-75 of the French Commercial Code). The single mail voting or proxy form must be accompanied by a certificate of investment issued by the financial intermediary and must be returned to the following address: Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3.

In order to be taken into account, mail voting forms must be received at the latest three days before the date of the meeting.

Proxies granted for this meeting are valid for any further meetings which may be convened with the same agenda and may be cancelled by the shareholders in the same form as was required for the appointment of their proxy.

In accordance with the provisions of article R. 225-79 of the French Commercial Code, and pursuant to the decision of the Board of Directors of February 24, 2011, notifications of the appointment and revocation of proxies can also be given electronically, in the following way:

- *registered shareholders*: the shareholder must send an e-mail, with a electronic signature obtained by him from a habilitated certifier under the conditions of applicable laws and regulations to the address ag2011.groups@valeo.com. This e-mail must contain the following information: Valeo Shareholders' Meeting of June 8, 2011, surname, forename, address and login Société Générale for the pure registered shareholders (information available on top left of your account statement) or login from financial intermediary for the administrative registered shareholders, and the surname, forename and address of the proxy appointed or revoked;

- *Bearer shareholders* :

(1) the shareholder must send an e-mail, with a electronic signature obtained by him from a habilitated certifier under the conditions of applicable laws and regulations to the address ag2011.groups@valeo.com. This e-mail must contain the following information: Valeo Shareholders' Meeting of June 8, 2011, surname, forename, address and complete bank references, and the surname, forename and address of the proxy appointed or revoked;

(2) the shareholder must ask the financial intermediary handling the management of their share account to send a written confirmation to Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3.

In order to be valid and taken into account, confirmation of electronic appointments or revocations of proxies must be received at the latest at 3 p.m., Paris time, on the day before the meeting at Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3.

No shareholder that has already voted by mail, sent in a proxy or requested an admission ticket or a certificate of investment, will be able to choose another mode of participation in the meeting (article R. 225-85 of the French Commercial Code). A shareholder can at any time sell all or part of his or her shares. However, if the sale takes place before midnight, Paris time, on June 3, 2011, the Company will, as the case may be, invalidate or make amendments to the mail vote, proxy, admission ticket or certificate of investment. For this purpose, the authorised intermediary and account holder shall give notice of the sale to the Company or its agent, and shall send it the necessary information. No sale or other transaction completed after midnight, Paris time, on June 3, 2011, will be notified by the authorised intermediary or taken into account by the Company, regardless of the method used, and notwithstanding any agreement providing otherwise (article R. 225-85 of the French Commercial Code).

No provision will be made for voting at this meeting by means of videoconferencing or other means of telecommunication and electronic transmission, and accordingly, no website of the kind referred to in article R. 225-61 of the French Commercial Code will be made available for this purpose.

Written Questions. - Any shareholder will be entitled to put written questions until the fourth business day preceding the date of the Meeting, namely until June 1, 2011 (article R. 225-84 of the French Commercial Code). Questions must be sent by registered letter with proof of receipt to: Valeo, The Chairman of the Board of Directors, “Written question for the Shareholders’ Meeting”, 43, rue Bayen, 75017 Paris, or by electronic means to the following address ag2011.groups@valeo.com. In order to be taken into account, questions must be accompanied by a certificate of account registration.

When several questions have the same content, a single reply may be given. The reply to a written question will be deemed to have been given if it appears on the website at www.valeo.com (under Investors Relations).

Documents made available to shareholders. - As required by laws and regulations, all documents that must be provided in the context of this Shareholders’ Meeting will be made available to shareholders at the registered office at 43, rue Bayen, 75017 Paris, within the legal time limits. Shareholders may also obtain the documents provided for by articles R. 225-81 and R. 225-83 of the French Commercial Code, within the legal time limits, namely from the convening notice to the fifth day inclusively before the Shareholders’ Meeting, by making a request to Société Générale, Service des Assemblées, 32 rue du Champ-de-Tir, BP 81236, 44312 Nantes Cedex 3.

Furthermore, the documents intended to be presented to the Shareholders’ Meeting, together with the other information and documents provided by article R. 225-73-1 of the French Commercial Code, will be available on the Company’s website at www.valeo.com (under Investors Relations), at the latest with effect from May 18, 2011 (namely 21 days before the Shareholders’ Meeting).

The Board of Directors

