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Alignment of the remuneration of the Chairman & CEO of Valeo with AFEP-MEDEF recommendations – 12 February 2009 Board of Directors Meeting

Paris, France, 13 February 2009 – Following the request of Thierry Morin, Valeo Chairman & CEO, to the Board of Directors to significantly lower his remuneration and to review his termination benefits approved at last year's General Shareholders' Meeting, in order to align them with the AFEP-MEDEF recommendations, the Board of Directors meeting on 12 February 2009 decided, on the recommendation of the Nomination, Remuneration and Corporate Governance Committee:

- To set his fixed salary at 1.100.000 euros;
- To calculate his variable compensation based on quantitative criteria evaluated by half-year (Group operating cash excluding restructuring costs and EBITDA) and for the full year (evolution of the share price versus a selection of other shares in the sector), and qualitative criteria evaluated over the full year (in particular the implementation of the crisis plan), within a limit set by the Board of Directors as proposed by the Nomination, Remuneration and Corporate Governance Committee equivalent to 100% of his fixed annual salary;
- To close the UK pension fund of which Thierry Morin was a beneficiary and to continue the work to set up a new complementary retirement scheme covering the Group's senior management, including Thierry Morin, which will replace the current schemes;
- To follow the AFEP-MEDEF recommendations and to set the termination benefits that could be paid to the Chairman at two years of fixed and variable compensation, the remuneration to be taken into account being the average of all fixed and variable compensation received during the last three full years preceding his departure. These benefits may be paid to Thierry Morin in the event that his termination comes following (i) a change in control of the Company or (ii) a change in strategy decided by the Board of Directors and, in either of these two cases, regardless of the legal terms of a non-voluntary departure of the Chairman & CEO; that is to say whether the Board decides to terminate the Chairman & CEO's tenure or should the Chairman & CEO have no other choice than to resign after noting a significant modification of the conditions for exercising his function.

The payment of these benefits and the setting of their amount are subject to the validation of the Board of Directors that the performance criteria set by the company's Board of Directors on 20 March 2008 and published in accordance with the applicable legislation after the Board meeting on that date (see the website www.valeo.com, Corporate Governance section).



Information relating to the remuneration of the Chairman & CEO is published every year in the Board of Directors report to the General Shareholders' Meeting. This report is included in the Reference Document available on the company's website.

The agreements concluded between the company and Thierry Morin with reference to remuneration, compensation or benefits due, or which could be paid in certain cases in the event of the termination of his functions or after such termination as authorized by the Board of Directors on 20 October 2008 and 12 February 2009, will be submitted for approval at the next General Shareholders' Meeting and, as such, will be the subject of a special statutory auditors report.

Valeo is an independent industrial Group fully focused on the design, production and sale of components, integrated systems and modules for cars and trucks. Valeo ranks among the world's top automotive suppliers. The Group has 121 plants, 61 R&D centers, 10 distribution centers and employs 51,200 people in 27 countries worldwide.

For all additional information, please contact:

Kate Philipps, Group Communications Director, Tel: +33 1.40.55.20.65
Vincent Marcel, Vice-President Financial Affairs, acting Investor Relations,
Tel: +33 1.40.55.37.71