Information relating to the compensation of the Chief Executive Officer determined by the Board of Directors' meeting on February 24, 2011

After consultation with the Nomination, Remuneration and Corporate Governance Committee, the Board of Directors' meeting on February 24, 2011 defined the variable compensation of the Chief Executive Officer for 2010, determined the rules for the Chief Executive Officer's variable compensation for 2011 and decided to renew the granting to the Chief Executive Officer of the benefit of a possible severance payment.

1. Variable compensation for 2010 and 2011

a. Reminder of the decisions of the Board of Directors' meeting of February 24, 2010

Upon recommendation of the Nomination, Remuneration and Corporate Governance Committee (NRCGC), the Board of Directors' meeting on February 24, 2010 decided that the variable compensation that could be granted to Jacques Aschenbroich for the year 2010, would be determined according to:
- quantitative criteria, including: (i) operating margin, (ii) operating cash, (iii) Group order intake, and (iv) net income.
- qualitative criteria, including: (i) the quality of financial communication and (ii) the implementation of a strategy for Valeo.

The maximum amount of Jacques Aschenbroich's variable compensation as a percentage of his fixed compensation was set as follows:
- operating margin: 0 to 30%;
- operating cash: 0 to 15%;
- order intake, 0 to 20%;
- net income: 0 to 15%.

Regarding the qualitative criteria, financial communication represented between 0 and 15% of the fixed compensation and the implementation of a strategy for Valeo, between 0 and 25%.
The maximum amount of the variable compensation for 2010 had been set at 120% of Jacques Aschenbroich's fixed compensation.

b. Decisions of the Board of Directors' meeting of February 24, 2011 relating to the variable compensation of the Chief Executive Officer for 2010

During its meeting on February 24, 2011, the Board of Directors, upon recommendation of the NRCGC, noted that all quantitative and qualitative criteria had been fulfilled. The Board noted that the application of these criteria would result in a variable compensation for Jacques Aschenbroich for 2010 of 120% of his fixed compensation, or 1,020,000 euros (versus 398,952 euros in 2009).

c. Decisions of the Board of Directors' meeting of February 24, 2010 relating to the variable compensation of the Chief Executive Officer for 2011

At this same meeting on February 24, 2010, the Board of Directors decided, upon recommendation of the NRCGC, that the variable compensation that could be awarded to Jacques Aschenbroich for the year 2011 would be determined according to:
- quantitative criteria including: (i) operating margin, (ii) operating cash, (iii) net income, (iv) ROCE, and (v) Group order intake.
- qualitative criteria including: (i) the quality of financial communication and (ii) the strategic vision.

The amount of the variable part as a percentage of the base fixed compensation could represent between 0 and 15 % for each quantitative criteria.
For the qualitative criteria, the quality of financial communication could represent 0 to 10% and the strategic vision 0 to 35% of the fixed compensation.
The maximum amount of Jacques Aschenbroich's variable compensation for 2011 would be 120% of his fixed compensation.

2. Severance payment and non-competition payment

a. Reminder of the decisions of the Board of Directors' meeting of February 24, 2010

The Board of Directors' meeting on February 24, 2010, upon recommendation of the NRCGC and after consultation with the "Comité des Sages", decided to grant Jacques Aschenbroich the benefit of a severance payment that could be attributed in the event of a non-voluntary departure linked to a change in control or strategy (except in the event of serious professional misconduct).

The amount of this payment would be adjusted according to the year of departure, as follows:
- 6 months of compensation (fixed and variable) for a non-voluntary departure in 2010;
- 12 months for a non-voluntary departure in 2011;
- 18 months for a non-voluntary departure in 2012; and
- 24 months for a non-voluntary departure in 2013.

This severance payment would also be conditional on the following performance criteria:
- payment at least twice in the three previous years of all or part of the exceptional target-based bonus;
- achievement of a positive net income during the last fiscal year;
- achievement of an operating margin in the last fiscal year exceeding 3.6%;
- achievement of a gross margin in the last fiscal year exceeding 16%;
- achievement of an order intake to original equipment sales ratio exceeding 1.3 on average during the two previous fiscal years (or the last fiscal year if termination after one year).

The compensation taken into account for calculating the severance payment will be the average compensation (fixed and variable) paid during the two fiscal years preceding the year in which the termination occurs (or during the previous year in the event of termination in 2010), the compensation for 2009 being calculated on an annualized basis.

The total amount payable as a severance would be calculated as follows:
- if 5 criteria achieved: Jacques Aschenbroich would receive 100% of the amounts concerned;
- if 4 criteria achieved: Jacques Aschenbroich would receive 80% of the amounts concerned;
- if 3 criteria achieved: Jacques Aschenbroich would receive 60% of the amounts concerned;
- if 2 criteria achieved: Jacques Aschenbroich would receive 40% of the amounts concerned;
- if less than 2 criteria achieved: Jacques Aschenbroich would receive 0% of the amounts concerned.

The Board would reduce by 20% the amount resulting from the above calculations if a major plan affecting employment is implemented in the year preceding the date Jacques Aschenbroich's term of office is terminated.

The severance payment would be paid as a lump sum within a maximum of one month following the review by the Board of Directors of the respect of the severance payment criteria.

At this same meeting of the Board of Directors on February 24, 2010, upon recommendation of the NRCGC and after consultation with the "Comité des Sages", also proposed to have the possibility to subject Jacques Aschenbroich to a non-competition clause. Should this option be exercised by the Company, Jacques Aschenbroich would be forbidden, for 12 months following the termination of his function as Valeo's Chief Executive Officer, regardless of the reason, to collaborate in any manner whatsoever with an automotive supplier or, more generally, with any company that is a competitor to Valeo.

This option, should it be exercised, would result in the payment of a non-competition payment to Jacques Aschenbroich amounting to 12 months of compensation (calculated on the same basis as compensation taking into account for the severance payment). This amount would be paid in equal monthly installments throughout the period covered by the non-competition clause.

Should a Company exercise this non-competition clause, the amount of the payment due would be charged against the severance payment. Thus, depending on the case, the maximum payment of compensation due to be paid to Jacques Aschenbroich in terms of non-competition and/or severance payment would be:

	Non-voluntary departure with non-competition clause exercised	Non-voluntary departure with non-competition clause not exercised
Termination in 2010	12 months	6 months
Termination in 2011	12 months	12 months
Termination in 2012	18 months	18 months
Termination in 2013	24 months	24 months

Should the non-competition clause be exercised, Jacques Aschenbroich would receive as a minimum the amount of the non-competition payment, and the amount due for this payment and the severance payment would be paid: (i) for the amount due under the non-competition payment, in line with the payment rules defined for this case, (ii) for the surplus, should there be one, in line with the payment rules defined for the severance payment.

b. Decisions of the Board of Directors' meeting of February 24, 2010 relating to the severance payment of the Chief Executive Officer

The Board of Directors' meeting on February 24, 2011, upon recommendation of the NRCGC, decided – on condition that Jacques Aschenbroich's term of office as a Board Member is renewed by the General Shareholders' Meeting called to approve the financial statements for the period ending on December 31, 2010, and that his term of office as Chief Executive Officer is renewed by the Board of Directors at its meeting following the General Shareholders' Meeting – to renew the severance payment, sustaining it at 24 months from 2013 on, and to submit this renewal to the General Shareholders' Meeting called to approve the financial statements for the period ending on December 31, 2010.

It is also to be noted that Board of Directors' meeting on February 24, 2011, upon recommendation of the NRCGC, decided that there would be no change in (i) the non-competition payment, (ii) the complementary pension fund, and (iii) the life insurance policy in the event of death, incapacity or any consequence of an accident occurring during business travel, benefiting Jacques Aschenbroich, on condition that his term of office as a Board Member is renewed by the General Shareholders' Meeting called to approve the financial statements for the period ending on December 31, 2010, and that his term of office as Chief Executive Officer is renewed by the Board of Directors at its meeting following the General Shareholders' Meeting.

Should a Company exercise this non-competition clause, the amount of the payment due would be charged against the severance payment. Thus, depending on the case, the maximum payment of compensation due to be paid to Jacques Aschenbroich in terms of non-competition and/or severance payment would be:

	Non-voluntary departure with non-competition clause exercised	Non-voluntary departure with non-competition clause not exercised
Termination in 2011	12 months	12 months
Termination in 2012	18 months	18 months
Termination in or after 2013	24 months	24 months