June 8, 2011

Information on the compensation of the Chairman of the Board of Directors and the Chief Executive Officer and on stock options and performance shares granted to employees and corporate officers of the Company

1. Salary of the Chairman of the Board of Directors and the Chief Executive Officer

Pascal Colombani and Jacques Aschenbroich were renewed as Directors at the Annual Shareholders' Meeting of June 8, 2011 and re-appointed, respectively, as Chairman of the Board of Directors and Chief Executive Officer at the Board meeting held on the same day. At that meeting, the Board of Directors set the salary to be paid to Pascal Colombani and Jacques Aschenbroich, acting on the recommendation of the Appointments, Compensation and Governance Committee (ACGC).

a. Salary payable to Pascal Colombani, Chairman of the Board of Directors

On June 8, 2011, acting on the recommendation of the ACGC, the Board of Directors set the annual salary payable to Pascal Colombani in respect of his position as Chairman of the Board at €300,000.

Mr. Colombani is not entitled to any severance benefits or other deferred compensation. He does not receive Directors' fees and is not entitled to stock options or performance shares. Details of Mr. Colombani's compensation are provided in section 4.B.1.1 of the Company's 2010 Registration Document.

b. Salary payable to Jacques Aschenbroich, Chief Executive Officer

On June 8, 2011, acting on the recommendation of the ACGC, the Board set the annual salary payable to Jacques Aschenbroich in respect of his position as Chief Executive Officer at €900,000.

Note that on February 24, 2011, the Board agreed to grant Jacques Aschenbroich a variable compensation component and a severance package[1].

Jacques Aschenbroich is also entitled to non-compete benefits, a supplementary pension, life insurance covering death, disability and accidents sustained during business travel, unemployment insurance and the company's mandatory group health, death and disability plan, the terms of which remain unchanged.[2]

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[1] See statement issued by the Company on February 24, 2011 for details of Jacques Aschenbroich's variable compensation and severance package.

[2] See statements issued by the Company on February 24, 2011 and February 26, 2011 for details of Jacques Aschenbroich's non-compete benefits.
See statements issued by the Company on January 11, 2010 for details of Jacques Aschenbroich's supplementary pension.
See the Company's statement entitled "*Information on the compensation of Valeo's Chairman of the Board of Directors and Chief Executive Officer*" published following the Board meeting of April 9, 2009 for details of Jacques Aschenbroich's life insurance, unemployment insurance and mandatory group health, death and disability plan.

Details of Jacques Aschenbroich's compensation are provided in section 4.B.1.2 of the Company's 2010 Registration Document.

2. Stock options and performance shares granted to employees and corporate officers of the Company

On June 8, 2011, acting on the recommendation of the ACGC, the Board of Directors agreed to grant stock options and performance shares to employees and corporate officers of the Company on the terms and conditions announced to shareholders in the Board of Directors' report on the resolutions presented at the annual shareholders' meeting of June 8, 2011 (available on the Company's website, www.valeo.com).

The Board agreed to grant 292,840 stock options and 326,860 performance shares, as follows:
- 30,300 stock options and 15,600 performance shares to the Chief Executive Officer;
- 65,200 stock options and 34,000 performance shares to members of the Operational Committee;
- 197,340 stock options and 137,260 performance shares to members of the Steering Committee and their direct reports;
- 140,000 shares without consideration to all employees of the Company.

The option exercise price was set at €42.41. The options may be exercised from the end of the third year to the end of the eighth year after the grant date.

Stock options and performance shares granted to the Chief Executive Officer and members of the Operational Committee are subject to the same performance conditions.

In accordance with the principles set by the Board of Directors on February 24, 2011 acting on the recommendation of the ACGC, all stock options and performance shares granted to the Chief Executive Officer and members of the Operational Committee are contingent on the achievement of performance targets measured over the 2011, 2012 and 2013 fiscal years. These targets are an average operating margin over the period equal to or greater than the level set by the Board of Directors and greater than the annual guidance for 2011, an average return on capital employed (ROCE) over the period equal to or greater than 30%, and an average pre-tax return on assets (ROA) over the period equal to or greater than 12.5%. The following scale then applies:

- If all three targets for fiscal years 2011, 2012 and 2013 are met, all of the stock options and performance shares granted will vest.

- If two of the three targets for fiscal years 2011, 2012 and 2013 are met, 60% of the stock options and performance shares granted will vest and the remaining 40% will lapse.

- If one of the three targets for fiscal years 2011, 2012 and 2013 is met, 30% of the stock options and performance shares granted will vest and the remaining 70% will lapse.

- If none of the targets for fiscal years 2011, 2012 and 2013 is met, none of the stock options or performance shares granted will vest.

All the stock options and performance shares granted to members of the Steering Committee and 50% of those granted to their direct reports are contingent on the achievement of two performance targets measured over the 2011, 2012 and 2013 fiscal years. These targets are an average operating margin over the period equal to or greater than the level set by the Board of Directors and greater than the annual guidance for 2011, and an average ROCE over the period equal to or greater than 30%. The following scale then applies:

- If two of the targets for fiscal years 2011, 2012 and 2013 are met, all of the stock options and performance shares granted will vest.

- If one target for fiscal years 2011, 2012 and 2013 is met, 50% of the stock options and performance shares granted will vest and the remaining 50% will lapse.

- If none of the targets for fiscal years 2011, 2012 and 2013 is met, none of the stock options or performance shares granted will vest.

Stock options and performance shares are also contingent on continued service with the Company on the vesting date. In the Chief Executive Officer's case, this condition may be waived at the discretion of the Board of Directors, except in the case of dismissal for gross professional misconduct. In the case of other beneficiaries, there are certain clearly defined exceptions to this condition, including the beneficiary's death, total and permanent disability, retirement or early retirement, sale of the company or discretionary decision of the Board. In addition, other beneficiaries must not be working out their notice period following resignation or dismissal.

The Chief Executive Officer is also subject to a lock-up requirement and may not sell the shares arising on exercise of his stock options for a period of four years from the grant date. After selling the number of shares required to finance exercise of the stock options and pay the related tax, social security contributions and transaction costs, he is required to hold at least 50% of the remaining shares in registered form throughout his entire term of office. Likewise, after the three-year vesting period and two-year lock-up period, he is required to hold at least 50% of all performance shares in registered form throughout his entire term of office.

The Chief Executive Officer may not hedge the risk on his stock options and performance shares.