

Information on the allotment of performance shares of the Company

Acting on the recommendation of the Appointment, Compensation and Governance Committee (“ACGC”) and in accordance with the principles established by the Board of Directors of March 27, 2012 and announced to the shareholders in the Board of Directors' report on the resolutions presented at the Shareholders' Meeting of June 4, 2012 (available on the Company's website, www.valeo.com), the Board of Directors, during its meeting of March 27, 2013, decided to allot 473,814 free shares or performance shares to employees and corporate officers of the Company, including 25,634 performance shares to the Chief Executive Officer.

The performance shares allotted to the Chief Executive Officer are subject to the achievement of performance measured for the 2013, 2014 and 2015 fiscal years by reaching an average rate of return pre-tax assets (“ROA”) over this period greater than or equal to 12.5% as well as by reaching an operating margin rate and a rate of return on capital employed (“ROCE”) such that the average over the three years of the reference period of the ratio of the actual rate to the target rate set by the Board of Directors at the beginning of each fiscal year of the reference period (which shall be at least equal to the guidance for the relevant fiscal year) is greater than or equal to one.

Then:

- if the three criteria are reached for the period of the 2013, 2014, 2015 fiscal years, the allotment of all of the allotted performance shares will become final.
- if only two of the three criteria are reached for the period of the 2013, 2014, 2015 fiscal years, the allotment of only 60% of the allotted performance shares will become final and the remainder will be cancelled.
- if only one of the three criteria is reached for the period of the 2013, 2014, 2015 fiscal years, the allotment of only 30% of the allotted performance shares will become final and the remainder will be cancelled.
- if none of the three criteria is reached for the period of the 2013, 2014, 2015 fiscal years, the allotment of all of the allotted performance shares will be cancelled.

The performance shares will be allotted to the Chief Executive Officer subject to his term of office being in force on the date of the final allotment (this presence condition may, however, be waived at the discretion of the Board of Directors unless the departure is due to misconduct or gross misconduct).

The allotment of performance shares will become final at the end of a minimum three-year vesting period, the Chief Executive Officer being then obliged to retain his shares by virtue of the minimum legal two-year holding period. In addition, at the end of a three-year vesting period and of the legal two-year holding period, he must retain at least 50% of the number of performance shares definitely allotted in registered form until the end of his term of office.

Finally, the Chief Executive Officer shall not use hedging transactions to reduce his risk.