

Conditions relating to the termination of Mr. Thierry Morin's tenure

Meeting of the Board of Directors of March 20, 2009

On March 20, 2009, the Board of Directors accepted Mr. Thierry Morin's resignation from the positions of Chairman and CEO (*Président-Directeur Général*), and Director (*administrateur*) of Valeo, as well as from all positions held within subsidiaries of the Group, with immediate effect, due to differences with respect to strategy.

After hearing the recommendations of the Appointments, Compensation and Governance Committee, the Board of Directors, with Mr. Thierry Morin's consent, decided to end his tenure as Chairman and CEO (*Président-Directeur Général*) in accordance with the following conditions:

- Mr. Thierry Morin will receive a severance payment upon this non-voluntary departure of a lump sum equal to two years of compensation, i.e., €3,261,405.33 (gross), which represents the average of Mr. Thierry Morin's fixed and variable compensation for his corporate office during the last three fiscal years ended prior to his departure. After hearing the recommendations of the Appointments, Compensation and Governance Committee, the Board of Directors noted that only three out of the five performance criteria set by decision of the Board of Directors on March 20, 2008 and approved by the Shareholders' Meeting of June 20, 2008 were met, which led to a reduction in the amount of the initial severance payment by 30%. Nonetheless, the Board of Directors decided that the performance criterion based on profits (Group share) for the 2008 fiscal year would have been met were it not for the exceptional provisions approved by the Board of Directors before the end of the 2008 fiscal year and thus, in order to take into account this exceptional item, decided not to apply the 30% reduction. The Board decided that this severance amount would be paid on March 23, 2009.
- Mr. Thierry Morin will keep the share purchase and subscription options granted to him, the Board of Directors having exempted him from complying with the condition of presence stated in all of the share purchase and subscription plans from which he benefits.

Furthermore, with his consent, the Board of Directors decided that Mr. Thierry Morin's employment contract, which was suspended during the whole term of Mr. Thierry Morin's corporate office, will be terminated on June 30, 2009. It is noted that Mr. Thierry Morin has waived any termination indemnity (*indemnité de rupture*) relating to his employment contract.

The agreements implementing the above provisions were authorized by the Board of Directors during its meeting of March 20, 2009 and will be the subject of a resolution presented at the next Shareholders' Meeting.