

**Information relating to the compensation components
of the Chairman of the Board of Directors and of the Chief Executive Officer
with regard to the renewal of their mandates**

Following the Shareholders' Meeting held on May 26, 2015 having, in particular, (i) approved the amended severance payment and non-competition payment of Jacques Aschenbroich as regulated agreements (fifth resolution) and (ii) given a favourable opinion on the compensation components owed or awarded for the financial year ending December 31, 2014 to Pascal Colombani and Jacques Aschenbroich (tenth and eleventh resolutions), the Board of Directors held on May 26, 2015 took the following decisions on the compensation components of Pascal Colombani and Jacques Aschenbroich with regard to the renewal of their respective mandates as Chairman of the Board of Directors and Chief Executive Officer.

1. Chairman of the Board of Director's compensation

The Board of Directors held on May 26, 2015 confirmed that the fixed annual compensation of Pascal Colombani as Chairman of the Board of Directors remains set at 300,000 euros. This fixed annual compensation had been increased by the Board of Directors held on June 8, 2011 from 250,000 euros to 300,000 euros and remained unchanged since this date.

2. Chief Executive Director's compensation

2.1 Fixed annual compensation, supplementary pension plan, unemployment insurance fund for Company managers, mandatory health, death and disability plan, life insurance and benefit in kind

The Board of Directors held on May 26, 2015 confirmed that the following compensation components of Jacques Aschenbroich are maintained without any change:

- the fixed annual compensation which had been increased by the Board of Directors held on June 8, 2011 from 850,000 to 900,000 euros and remained unchanged since this date;
- the benefit of the supplementary pension plan, of the unemployment insurance fund for Company managers (*Garantie Sociale des Chefs et Dirigeants d'entreprise*), of the mandatory health, death and disability plan and life insurance covering death, disability or the consequences of any accidents that may occur during a business travel, decided by the Board of Directors held on April 9, 2009 and maintained since this date (please see the 2014 Registration Document, Chapter 3, Section 3.3.1, p.109 to p.112); and
- the provision of a company car which had been decided by the Board of Directors held on April 9, 2009 and maintained since this date.

2.2 Variable part of the compensation of the Chief Executive Officer for the financial year ending December 31, 2015

The Board of Directors held on May 26, 2015 confirmed the terms and conditions of the variable part of the compensation of Jacques Aschenbroich for the financial year ending December 31, 2015, which had been approved by the Board of Directors held on February 24, 2015, upon recommendation of the Appointment, Compensation and Governance Committee (ACGC).

This variable compensation is determined according to the achievement of:

- quantitative criteria including: (i) operating margin, (ii) operating cash flow, (iii) net income, (iv) ROCE and (v) orders booked by the Group; and

- qualitative criteria including: (i) quality of financial communication, (ii) strategic vision and (iii) risk management.

For each quantitative criterion, the amount of variable compensation as a percentage of the fixed compensation ranges from 0% to 17%. For the qualitative criteria, quality of the financial communication as a percentage of the fixed compensation ranges from 0% to 10% and from 0% to 20% for strategic vision and risk management. The maximum amount of the variable compensation for the year ending December 31, 2015 cannot exceed 135% of Jacques Aschenbroich's fixed annual compensation.

2.3 Severance payment and non-competition payment

After having noted that the severance payment and the non-competition payment amended upon recommendation of the ACGC held on January 20, 2015 have been approved by the Shareholders' Meeting of May 26, 2015, the Board of Directors held on May 26, 2015 duly acknowledged that these payments are implemented as from May 26, 2015. Consequently, the new terms and conditions of the severance payment and non-competition payment as described below will replace the former ones as from May 26, 2015.

2.3.1 Severance payment

The maximum amount of severance payment is equal to twice the annual compensation; it being specified that the annual compensation taken into account for the calculation of the severance payment is the average compensation (fixed and variable) paid during the three financial years preceding the year in which the termination occurs (the "**Annual Compensation**").

The payment of the severance payment is subject to the following five performance criteria:

- the payment of 50% of the variable compensation on average in the three previous years;
- the achievement of a positive net income during the last financial year;
- the achievement of a ROCE exceeding 20% on average over the three previous years;
- the achievement of a gross margin in the last financial year exceeding 16%; and
- the achievement of an order intake to original equipment sales ratio exceeding 1.3 on average during the three previous financial years.

The total amount of severance payment to be paid is calculated according to the following scale:

- if 5 criteria are achieved: Jacques Aschenbroich would receive 100% of the amounts concerned in case of termination;
- if 4 criteria are achieved: Jacques Aschenbroich would receive 80% of the amounts concerned in case of termination;
- if 3 criteria are achieved: Jacques Aschenbroich would receive 60% of the amounts concerned in case of termination;
- if 2 criteria are achieved: Jacques Aschenbroich would receive 40% of the amounts concerned in case of termination; and
- if less than 2 criteria are achieved: Jacques Aschenbroich would receive 0% of the amounts concerned in case of termination.

The Board of Directors 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 mandate 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.

The payment could only 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). In addition, the payment of the severance payment is excluded if the Chief Executive Officer elects to leave Valeo in order to hold another position or is assigned to another position within the Group or is able to benefit in the near future from pension rights.

2.3.2 Non-competition payment

If Valeo triggers the non-competition clause, Jacques Aschenbroich shall be prohibited for 12 months following the termination of his functions as 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 clause, if implemented, would lead to the payment to Jacques Aschenbroich of a non-competition payment of an amount equal to 12 months of compensation (calculated on the basis of the Annual Compensation).

This amount is paid in equal monthly instalments throughout the period covered by the non-competition clause.

The Board of Directors shall decide whether or not the non-competition clause will be upheld at the time that the Chief Executive Officer leaves, in particular when Chief Executive Officer leaves the company to claim, or after having claimed his or her pension rights.

Valeo can always release the Chief Executive Officer from his obligation not to compete, in which case the related payment will not be owed.

2.3.3 Common limit to the severance payment and the non-competition payment

The severance payment and the non-competition payment are subject to a common limit which is twice the Annual Compensation.