

Valeo announces an employee share offering

Paris, May 2, 2018 – Valeo announces the launch of a share subscription offering reserved for employees. Around 95 000 Group employees are eligible to the offering proposed in 22 countries.

The main terms of this offering are described below.

ISSUER

Valeo, a French Société Anonyme with a share capital of EUR 239,653,121 having its registered office at 43, rue Bayen – 75017 Paris Cedex 17 – France, and registered in the trade registry of Paris under number 552 030 967 (the “Company”)
Listed on Euronext Paris (France)
ISIN code: FR0013176526 FR

PURPOSE OF THE OFFERING

This plan is part of the development of the employee shareholding policy of Valeo in France and abroad with the goal to involve employees in the performance of the Group.

CONTEXT OF THE OFFER – SECURITIES OFFERED

The offer is proposed pursuant to Articles L. 3332-18 et seq. of the French Labor Code, in the context of the French group savings plan (*plan d'épargne de groupe, PEG*) and the international group savings plan (*plan d'épargne de groupe international, PEGI*) of Valeo.

The subscription of shares is made on the basis of the Company's shareholder's authorization given by the 18th resolution of the extraordinary general meeting of shareholders of May 23, 2017. Employees subscribing to offering out of France will benefit from the grant of shares for free based on the 20th resolution of the extraordinary general meeting of shareholders of May 26, 2016.

The share subscription offering covers a maximum of 600,000 Valeo shares with a nominal value of EUR 1 per share.

The shares will bear immediate dividend entitlements and will be fully fungible with existing shares upon their issuance.

SUBSCRIPTION TERMS

Beneficiaries of the offering

The offering is proposed to employees having a seniority of at least three months, achieved consecutively or not, between January 1, 2017 and the last day of the subscription period with a Valeo Group company member of the PEG or the PEGI, as the case may be. The scope of implementation of the offering comprises the following countries: France, Belgium, Brazil, China, Czech Republic, Egypt, Germany, Hungary, India, Indonesia, Ireland, Italy, Japan, Malaysia, Mexico, Poland, Romania, South Korea, Spain, Thailand, Turkey and USA.

The offer is also open in France to the employees on retirement or pre-retirement having kept assets in the PEG since their departure from the group.

Subscription formula

Employees may subscribe shares either through the company shareholding fund (fonds commun de placement d'entreprise, FCPE) “Shares4U Relais 2018” intended to merge with the FCPE “Valeorizon” after the approval of the Supervisory board of the FCPE and of the AMF, or, in some countries, through direct shareholding. The employee's investment will fluctuate in the same manner as the price of the Valeo share, both increasing or decreasing.

The subscription of shares allows employees subscribing in context of the PEG to benefit from a matching contribution of their employer.

Outside of France, employees will be awarded conditional shares for free according to the terms and conditions of the plan rules adopted by the Company. The free shares are existing shares of Valeo which have been repurchased by the Company.

Custody of shares – Exercise of voting rights

Subscription is carried out through an FCPE or, in certain countries, by direct shareholding. When the shares are subscribed through an FCPE, the voting rights are exercised by the Supervisory Board (conseil de surveillance) of the FCPE.

With regard to the shares subscribed for directly, the voting rights are exercised by the subscribers.

Subscription price

The subscription price is set at 43,58 euros. It corresponds to the average of opening prices of Valeo shares on 20 trading days from April 3, 2018 to April 30, 2018 inclusive, after a discount of 20%.

Subscription period

The beneficiaries may subscribe to the offering from May 2, 2018 (inclusive) to May 16, 2018 (inclusive).

Lock-up of the shares

Subject to specific provisions applicable in certain countries, the FCPE units as well as the shares subscribed directly will be subject to a lock-up period of 5 years as provided for in the PEG and the PEGI, except early exit event provided for in Articles L. 3332-25 and R. 3324-22 of the French Labor Code, and as applicable in different countries of implementation of the offering.

CAPITAL INCREASE AND LISTING OF SHARES

The capital increase and the delivery of Valeo shares under the offer should take place on June 28, 2018. An application for listing on Euronext Paris of the Valeo shares issued in the context of this offering will be filed as soon as possible following the capital increase on the same line of listing as the existing shares.

LEGAL NOTICE

This press release should not be considered as a form of canvassing or solicitation for the subscription of Valeo shares.

The offering is strictly reserved to the beneficiaries mentioned in this press release and will be implemented only in countries where such an offering has been registered or notified to the competent local authorities and/or following the approval of a prospectus by the competent local authorities or in consideration of exemption from the requirement to prepare a prospectus or to proceed to registration or notification of the offering.

More generally, the offering will only be conducted in countries where all procedures of registering and/or notifications have been completed and the necessary authorizations have been obtained.

CONTACT

For any questions regarding the offering, beneficiaries may contact their Human Resources manager and/or any other person as indicated in the documentation relating to the offering provided to beneficiaries.

This document is established under Articles 212-4, 5° and 212-5, 6° of the General Regulations of the French *Autorité des marchés financiers* (AMF) and Article 19 of the AMF Instruction DOC-2016-04.

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of CO₂ emissions and to the development of intuitive driving. In 2017, the Group generated sales of 18.6 billion euros and invested 12% of its original equipment sales in Research and Development. At March 31, 2018, Valeo has 185 plants, 20 research centers, 35 development centers and 15 distribution platforms, and employs 113,600 people in 33 countries worldwide. Valeo is listed on the Paris stock exchange and is a member of the CAC 40 index.

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