



2019

SHAREHOLDER ADDITIONAL INFORMATION BROCHURE

COMBINED SHAREHOLDERS' MEETING

THURSDAY MAY 23, 2019, 2:30 P.M.

AT PAVILLON VENDÔME

362-364, AVENUE SAINT-HONORÉ, 75001 PARIS

LED signal circuit board

SMART TECHNOLOGY FOR SMARTER CARS



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SPECIAL REPORT ON STOCK PURCHASE OPTIONS

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

This text is a free translation from the French language for information purpose. Only the original version in the French language has legal force.

The characteristics of the Company's stock purchase option plans in force as at December 31, 2018, taking into account the three-for-one stock split decided by the General Shareholders' Meeting of May 26, 2016 (nineteenth resolution) and implemented by the Board of Directors on that same day, as well as the related adjustment⁽¹⁾, are described in the table attached in [Schedule 1](#) to this report. The information provided in this report also takes into account the above-mentioned stock split and adjustment.

As at December 31, 2018, the total number of stock purchase options allotted and not yet exercised amounted to 50,390 stock purchase options for the June 8, 2011 plan and 127,823 stock purchase options for the March 27, 2012 plan.

Number of beneficiaries of stock purchase options as at December 31, 2018 _____

As at December 31, 2018, the residual number of beneficiaries of stock purchase options amounted to 30 for the June 8, 2011 plan and 51 for the March 27, 2012 plan.

Stock purchase options allotted in the course of the financial year _____

It is specified, as necessary, that the tenth resolution adopted by the General Shareholders' Meeting of June 4, 2012, lapsed on August 5, 2014, and that no other resolution with the same object has been proposed by the Board of Directors at the General Shareholders' Meeting since that date.

Exercise of stock purchase options in the course of the financial year _____

In the course of the financial year ended December 31, 2018, 201,220 stock purchase options were exercised pursuant to the June 24, 2010 plan, 31,875 stock purchase options were exercised pursuant to the June 8, 2011 plan and 98,912 stock purchase options were exercised pursuant to the March 27, 2012 plan. The 10 employees (other than corporate officers) with the highest number of purchased shares received, pursuant to the exercise of their stock purchase options, 120,951 shares, at the average price of €9.97.

During the financial year ended December 31, 2018, no stock purchase or subscription option was exercised by the Chairman and Chief Executive Officer or the other members of the Board of Directors (the latter are not entitled to stock purchase options).

⁽¹⁾ For the purpose of protecting the interests of the beneficiaries of stock purchase options, the Board of Directors of May 26, 2016, decided to adjust the exercise price of the options to be exercised by the beneficiaries, by dividing it by three and multiplying the number of options by three.



Schedule 1

Characteristics of the Company's stock purchase option plans in force as at December 31, 2018⁽¹⁾

	2010 plan	2011 plan	2012 plan
Date of Board meeting	06/24/2010	06/08/2011	03/27/2012
Date of Shareholders' Meeting	06/03/2010	06/08/2011	06/08/2011
TOTAL NUMBER OF SHARES THAT CAN BE PURCHASED	3,000,000	878,520	1,101,480
■ Total number of options allotted to corporate officers ⁽²⁾	300,000	90,900	105,900
■ Total number of options allotted to employees	2,700,000	787,620	995,580
■ Number of corporate officer grantees ⁽²⁾	1	1	1
■ Number of employee grantees	727	275	282
Start of exercise period	06/24/2012	06/08/2014	03/27/2015
Expiration date	06/23/2018	06/07/2019	03/26/2020
Purchase price	€8.02	€14.13	€13.59
PERFORMANCE CRITERIA⁽³⁾			
■ Chairman and Chief Executive Officer, Operations Committee	Operating margin rate	Operating margin – ROCE – ROA rate	Operating margin – ROCE – ROA rate
■ Liaison Committee	Operating margin rate	Operating margin – ROCE rate	Operating margin – ROCE rate
■ Main direct reports of the Liaison Committee members	Operating margin rate	Operating margin – ROCE rate	Operating margin – ROCE rate
■ High-potential managers	Operating margin rate	-	-
■ All employees	-	-	-
PERFORMANCE CRITERIA – RATE OF ACHIEVEMENT			
■ Chairman and Chief Executive Officer, Operations Committee	100%	60%	100%
■ Liaison Committee and main direct reports of the Liaison Committee members	100%	50%	100%
■ High-potential managers	100%	75%	100%
■ All employees	-	-	-
Number of options exercised at Dec. 31, 2018	2,477,789	446,230	855,007
Number of stock options canceled or forfeited at Dec. 31, 2018 (cumulative)	522,211	381,900	118,650
Number of options outstanding at Dec. 31, 2018	0	50,390	127,823
Number of grantees at Dec. 31, 2018	0	30	51

(1) The figures in the table have been adjusted for the three-for-one stock split approved by the Shareholders' Meeting of May 26, 2016 (nineteenth resolution) and implemented by the Board of Directors on the same date. To protect the interests of stock purchase option holders, at its meeting on May 26, 2016, the Board of Directors decided to adjust the exercise price of the unexercised options, by dividing the exercise price by three and multiplying the number of options by three.

(2) Chairman and Chief Executive Officer.

(3) For definitions of operating margin, ROCE and ROA, see Financial Glossary, page 15 of the Notice of Meeting.



SPECIAL REPORT ON THE ALLOTMENT OF FREE SHARES

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

This text is a free translation from the French language for information purpose. Only the original version in the French language has legal force.

In accordance with the provisions of Article L. 225-197-4 of the French Commercial Code, the purpose of this report is to inform you of the allotment, in the course of the financial year ended December 31, 2018, of free existing or newly issued shares, to employees of the Company or of companies or groups related to it under the conditions set forth in Article L. 225-197-2 of the French Commercial Code and to corporate officers referred to in Article L. 225-197-1-II of the French Commercial Code.

Pursuant to the authorisation granted under the twentieth resolution of the Ordinary and Extraordinary General Shareholders' Meeting of May 26, 2016, the Board of Directors, during its meeting of March 22, 2018, allotted a maximum number of 1,234,623 free or performance shares of the Company, the breakdown of which, by category, is as follows: 55,026 performance shares to the Chairman and Chief Executive Officer, Jacques Aschenbroich (discretionary plan), 148,851 performance shares to the members of the Operations Committee (discretionary plan), 72,246 performance

shares to the members of the Liaison Committee (discretionary plan), 294,000 performance shares to the main direct reports of the Liaison Committee members (discretionary plan), 600,000 free shares to all employees of the Group's companies (collective plan) and an exceptional allotment of 64,500 free shares to certain high potential managers on the basis of 150 free shares per beneficiary ("high potential managers" plan).

The value of the performance shares and free shares, excluding Shares4U plan, allotted by the Board of Directors of March 22, 2018, amounts to €47.25 per share (based on the average market price for the last 20 trading days (closing market price) as at March 21, 2018 inclusive).

The value of the free shares allotted in connection with the implementation of the Shares4U plan amounts to €52.53 per share (based on the average market price for the last 20 trading days (closing market price) as at June 28, 2018 inclusive, date of allotment of the free shares).

Discretionary plan

The vesting date of the performance shares was set by the Board of Directors at March 22, 2021 for beneficiaries of the Group who are French tax residents and at March 22, 2023 for beneficiaries of the Group who are not French tax residents, provided (i) concerning the Chairman and Chief Executive Officer, Jacques Aschenbroich, that he is still in office as Chairman and Chief Executive Officer on the vesting date (however, the condition of presence may be waived at the Board of Directors' discretion, unless the departure is attributable to gross negligence or wilful misconduct) or has retired, and concerning the other beneficiaries, that their employment contract or corporate mandate is in force and that the beneficiary is not in a notice period on the vesting date, due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors) and (ii) that the performance criteria applicable to all of the performance shares allotted to the Chairman and Chief Executive Officer, Jacques Aschenbroich, the members of the Operations Committee, the members of the Liaison Committee (other than operational members), and the main direct reports of the Liaison Committee members are met.

As of the vesting date and provided the above conditions are met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. A two-year holding period as of March 22, 2021 for beneficiaries employed by the Group and who are French tax residents and also for the Chairman and Chief Executive Officer will follow, during which they may not transfer their vested shares (except in the event of death or total and permanent disability), it being specified that at the end of this two-year period, the Chairman and Chief Executive Officer must hold at least 50% of vested shares in registered form until the end of his term of office and, in accordance with the AFEP-MEDEF Code and Valeo's Code of good conduct, he shall not use hedging transactions to reduce his risk. There is no holding period for beneficiaries who are not French tax residents; they may transfer their shares as of the vesting date, *i.e.* March 22, 2023.



Collective plan and “high potential managers” plan

The beneficiaries are (i) regarding the collective plan, (a) all employees of the Group’s companies in France and in the countries which do not participate in the Shares4U employee shareholding plan (without performance condition) and (b) all employees of the Group’s companies who subscribed shares pursuant to the Shares4U employee shareholding plan outside France (without performance condition) and (ii) regarding the “high potential managers” plan, 430 high potential managers.

(i) Collective plan

a) Allotment to all employees of the Group’s companies in France and in the countries which do not participate in the Shares4U employee shareholding plan

The vesting date was set by the Board of Directors at March 22, 2021, for beneficiaries employed by the Group and who are French tax residents, and at March 22, 2023 for beneficiaries who are not French tax residents, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date, due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the above condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. A two-year holding period as of March 22, 2021 will follow for employee beneficiaries who are French tax residents, during which they may not transfer their vested shares (except in the event of death or of total and permanent disability). There is no holding period for employee beneficiaries who are not French tax residents; they may transfer their shares as of the vesting date, *i.e.* March 22, 2023.

b) Allotment to all the employees of the Group’s companies who subscribed shares pursuant to the Shares4U employee shareholding plan outside France

The vesting date was set (i) at June 30, 2021 for beneficiaries employed by the Group and who are Italian and Spanish tax residents, (ii) at June 30, 2023 for beneficiaries employed by

the Group who are tax residents from other countries which participate in the Shares4U plan, and outside France, provided that their employment contract was not terminated before the vesting date (*i.e.* during the vesting period) due to resignation or dismissal for misconduct. In the event of termination of the employment contract before the end of the vesting period for any other purpose, the rights to free shares are maintained. Similarly, if the employer is no longer part of the Valeo Group, the rights to free shares are not affected. In the event of death or disability, the free shares will be delivered in advance. No performance condition is required.

As of the vesting date and provided the condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. However, a three-year holding period as of June 30, 2021 is required for employee beneficiaries who are Italian and Spanish tax residents, during which they may not transfer their vested shares (except in the event of death or total and permanent disability). Regarding other countries, there is no holding period and the beneficiaries may transfer their shares as of the vesting date, *i.e.* June 30, 2023.

(ii) “High potential managers” plan

The vesting date was set by the Board of Directors at March 22, 2021 for beneficiaries employed by the Group and who are French tax residents, and at March 22, 2023 for beneficiaries who are not French tax residents, provided that their employment contract is in force and that the beneficiary is not in a notice period on the vesting date, due to resignation, dismissal or contractual termination, except in limited cases (death, total and permanent disability, retirement or early retirement, beneficiary whose entity was transferred or in case of discretionary decision of the Board of Directors). No performance condition applies.

As of the vesting date and provided the above condition of presence is met, the beneficiaries will own the shares allotted to them for free and will benefit from all shareholder rights. A two-year holding period as of March 22, 2021 will follow for employee beneficiaries who are French tax residents, during which they may not transfer their vested shares (except in the event of death or total and permanent disability). There is no holding period for employee beneficiaries who are not French tax residents; they may transfer their shares as of the vesting date, *i.e.* March 22, 2023.



Performance shares allotted in 2018 to the Chairman and Chief Executive Officer, Jacques Aschenbroich⁽¹⁾

	Number of performance shares allotted	Value of shares (€)	Date of Board of Directors' meeting
Performance shares allotted in the course of the financial year to the Chairman and Chief Executive Officer by Valeo and by its affiliates under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	55,026	47.25*	03/22/2018
Performance shares allotted in the course of the financial year to the Chairman and Chief Executive Officer by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code for the mandates he exercises therein	N/A	N/A	N/A

* Based on the average market price for the last 20 trading days (closing market price) as at March 21, 2018, inclusive.

Free shares and/or performance shares allotted in 2018 to the 10 employees (who are not corporate officers) with the highest number of shares allotted

	Number of free shares allotted	Value of shares (€)	Date of Board of Directors' meeting
Free shares and/or performance shares allotted in the course of the financial year by Valeo and by its affiliates to the 10 Valeo employees (who are not corporate officers) with the highest number of shares allotted, under the conditions set forth in Article L. 225-197-2 of the French Commercial Code	129,008	47.25*	03/22/2018

* Based on the average market price for the last 20 trading days (closing market price) as at March 21, 2018, inclusive.

Free shares allotted in 2018 to all employees of the Group

	Number of free shares allotted	Number of employee beneficiaries who received free shares	Value of shares (€)	Date of Board of Directors' meeting
Free shares allotted in the course of the financial year to all employees of the Group's companies in France and in the countries which do not participate in the employee shareholding plan	81,640	16,328	47.25*	03/22/2018
Free shares allotted in the course of the financial year abroad as part of the employee shareholding plan	246,630	21,250	52.53**	03/22/2018

* Based on the average market price for the last 20 trading days (closing market price) as at March 21, 2018, inclusive.

** Based on the average market price for the last 20 trading days (closing market price) as at June 28, 2018, inclusive, date of allotment of the free shares.

(1) The Chairman and Chief Executive Officer, Jacques Aschenbroich, is the only corporate officer benefitting from the allotment of performance shares during the financial year.

SUMMARY TABLE

OF POWERS CURRENTLY DELEGATED BY THE SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS WITH RESPECT TO RAISING NEW EQUITY AND THE USE MADE OF SUCH DELEGATIONS DURING THE YEAR

Authorizations granted

Date of Shareholders' Meeting

(duration of authorization/delegation and expiration date)

Maximum amount of issue

Maximum amount of debt securities

Comments on/Utilization of authorizations during the year

1. AUTHORIZATION TO INCREASE CAPITAL WITH PRE-EMPTIVE RIGHTS

Delegation of authority to issue shares and/or securities giving access to the Company's share capital and/or granting entitlement to the allotment of debt securities (A)

Shareholders' Meeting of May 23, 2017
- 12th resolution
Expiring on July 23, 2019 (26 months)

70 million euros
(A) + (B) + (C) + (D) + (E) + (F)
+ (G) combined share capital ceiling (the "Combined Share Capital Ceiling") = 131 million euros

1.5 billion euros
(A) + (C) + (D) + (E) + (F)
+ (G) combined debt ceiling (the "Combined Debt Ceiling") = 1.5 billion euros

Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting of May 26, 2015 (13th resolution) for the same purpose
Resolution may not be used in the event of a public tender offer
Not used during the year

Delegation of authority to increase the share capital by capitalization of reserves, profits, additional paid-in capital or other amounts that may be capitalized (B)

Shareholders' Meeting of May 23, 2017
- 16th resolution
Expiring on July 23, 2019 (26 months)

30 million euros
Included in Combined Share Capital Ceiling

N/A

Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting of May 26, 2015 (16th resolution) for the same purpose
Resolution may not be used in the event of a public tender offer
Not used during the year

2. AUTHORIZATION TO INCREASE CAPITAL WITHOUT PRE-EMPTIVE RIGHTS

Delegation of authority to issue shares and/or securities giving access to the Company's share capital and/or granting entitlement to the allotment of debt securities under a public tender offer (delegation that can also be used as consideration for securities tendered to a public exchange offer initiated by the Company) (C)

Shareholders' Meeting of May 23, 2017
- 13th resolution
Expiring on July 23, 2019 (26 months)

23 million euros
Ceiling for
(C) + (D) + (E)
Included in Combined Share Capital Ceiling

1.5 billion euros
Included in Combined Debt Ceiling

Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting of May 26, 2015 (14th resolution) for the same purpose
Resolution may not be used in the event of a public tender offer
Not used during the year

Delegation of authority to issue shares and/or securities giving access to the Company's share capital and/or granting entitlement to the allotment of debt securities by way of private placement (D)

Shareholders' Meeting of May 23, 2017
- 14th resolution
Expiring on July 23, 2019 (26 months)

23 million euros
Ceiling for
(C) + (D) + (E)
Included in Combined Share Capital Ceiling

1.5 billion euros
Included in Combined Debt Ceiling

Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting of May 26, 2015 (15th resolution) for the same purpose
Resolution may not be used in the event of a public tender offer
Not used during the year

Delegation of power to issue shares and/or securities giving access to the Company's share capital and/or granting entitlement to the allotment of debt securities to be used as consideration for contributions in kind granted to the Company (E)

Shareholders' Meeting of May 23, 2017
- 17th resolution
Expiring on July 23, 2019 (26 months)

23 million euros
Ceiling for
(C) + (D) + (E)
Included in Combined Share Capital Ceiling

1.5 billion euros
Included in Combined Debt Ceiling

Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting of May 26, 2015 (18th resolution) for the same purpose
Resolution may not be used in the event of a public tender offer
Not used during the year



Authorizations granted

Date of Shareholders' Meeting

(duration of authorization/delegation and expiration date)

Maximum amount of issue

Maximum amount of debt securities

Comments on/Utilization of authorizations during the year

Delegation of authority to issue shares and/or securities giving access to the Company's share capital and/or granting entitlement to the allotment of debt securities reserved for members of the employee share ownership plan (F)

Shareholders' Meeting of May 23, 2017

- 18th resolution

Expiring on July 23, 2019 (26 months)

5 million euros
Included in Combined Share Capital Ceiling

1.5 billion euros
Included in Combined Debt Ceiling

Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting of May 26, 2015 (20th resolution) for the same purpose

Resolution may not be used in the event of a public tender offer

Used in connection with the June 28, 2018 capital increase reserved for employees

3. AUTHORIZATION TO INCREASE CAPITAL WITH OR WITHOUT PRE-EMPTIVE RIGHTS

Delegation of authority to increase the number of shares or securities to be issued with or without pre-emptive rights under an overallotment option (G)

Shareholders' Meeting of May 23, 2017

- 15th resolution

Expiring on July 23, 2019 (26 months)

The ceiling is specified in the applicable regulation (currently 15% of the initial issuance), not exceeding the ceiling applicable to the initial issuance, determined pursuant to resolution (A), resolution (C) or resolution (D)

The ceiling is determined pursuant to resolution (A), resolution (C) or resolution (D)

Delegation of authority replacing the previous delegation granted by the Shareholders' Meeting of May 26, 2015 (17th resolution) for the same purpose

Resolution may not be used in the event of a public tender offer

Not used during the year

4. ALLOTMENT OF FREE SHARES

Authorization to allot free existing or new shares to Group employees and corporate officers

Shareholders' Meeting of May 26, 2016

- 20th resolution

Expiring on July 26, 2018 (26 months)

Maximum number of shares (existing or to be issued) allotted: 3,467,000 (with a sub-ceiling of 195,000 shares for executive corporate officers); these allotments may not exceed more than 10% of the share capital at the date of the Board of Directors' decision

N/A

Used by the Board of Directors at its meeting on March 22, 2018 (1,234,623 shares allotted)

Authorization to allot free existing or new shares to Group employees and corporate officers

Shareholders' Meeting of May 23, 2018

- 12th resolution

Expiring on September 26, 2020 (26 months)

Maximum number of shares (existing or to be issued) allotted: 3,485,404 (with a sub-ceiling of 196,035 shares for executive corporate officers); these allotments may not exceed more than 10% of the share capital at the date of the Board of Directors' decision

N/A

Authorization for a period of 26 months as of the end of the previous authorization granted by the Shareholders' Meeting of May 26, 2016 (20th resolution) for the same purpose

Not used during the year

STATUTORY AUDITORS' REPORT

ON THE ISSUE OF SHARES AND MARKETABLE SECURITIES WITH AND/OR WITHOUT CANCELLATION OF PREFERENTIAL SUBSCRIPTION RIGHTS



12th, 13th, 14th, 15th and 17th resolutions

This is a free translation into English of a report issued in French and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report on the proposed authorisations allowing your Board of Directors to decide on whether to proceed with various issues of shares and/or marketable securities, operations upon which you are called to vote.

Your Board of Directors proposes, on the basis of its report, that:

- it be authorised for a 26-month-period to decide on whether to proceed with the following operations and to determine the final conditions of these issues and proposes, where applicable, to cancel your preferential subscription rights:
 - issue, without cancellation of preferential subscription rights (12th resolution) of (i) shares of the Company, (ii) marketable securities governed by articles L. 228-92 paragraph 1 and L. 228-93 paragraphs 1 and 3 of the French Commercial Code (*Code de commerce*), that giving access, immediately or in the future, to the share capital of the Company or of a company of which the Company directly or indirectly owns more than half of the share capital (a "Subsidiary") (including equity securities giving the allocation of debt),
 - issue, with cancellation of preferential subscription rights, through offerings in accordance with II of article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) for an amount that does not exceed 20% of the share capital per year (13th resolution), of (i) shares of the Company, (ii) marketable securities governed by articles L. 228-92 paragraph 1 and L. 228-93 paragraphs 1 and 3 of the French Commercial Code (*Code de commerce*), that giving access, immediately or in the future, to the share capital of the Company or of a company of which the Company directly or indirectly owns more than half of the share capital (a "Subsidiary") (including equity securities giving the allocation of debt), it being specified that these securities may be issued for the purpose of remunerating securities that would be contributed to the company within the framework of a public exchange offer on securities meeting the conditions set by article L. 225-148 of the French Commercial Code (*Code de commerce*),

- issue with cancellation of the preferential subscription right by way of public offer (14th resolution) (i) shares in the company and (ii) securities governed by articles L. 228-92 paragraph 1 and L. 228 -93 paragraphs 1 and 3 of the French Commercial Code (*Code de commerce*) giving access, immediately or in the future, to the capital of the company or of a Subsidiary (including equity securities giving right to the allocation of debt securities),
- issue with cancellation of preferential subscription rights, of ordinary shares resulting from the issue by a Subsidiary, of marketable securities giving access to ordinary shares to be issued of the Company (13th and 14th resolutions);
- it be delegated, for a period of twenty-six months, the powers necessary to issue (i) ordinary shares, (ii) marketable securities governed by article L. 228-92 paragraph 1 of the French Commercial Code (*Code de commerce*), that give access, immediately or in the future, to the share capital of the Company including equity securities giving the allocation of debt, to be issued in consideration for the contributions in kind made to the Company and consisting of equity securities or marketable securities giving access to the capital (17th resolution), within the limit of 10% of the share capital.

The overall nominal amount of increases in capital that can be implemented immediately or at a later date may not exceed €70,000,000 in respect of the 12th resolution and €23,000,000 in respect of the 13th, 14th, and 17th resolutions, it being specified that those amounts would count toward the €131,000,000-general maximum limit for capital increases in respect of the 12th, 13th, 14th, 15th, 16th, 17th and 18th resolutions.

The overall nominal amount of increases in debt securities that can be implemented may not exceed €1,500,000,000 in respect of the 12th, 13th, 14th, 15th, 17th and 18th resolutions.

These ceilings reflect the additional number of securities to be created as part of the implementation of the delegations referred to in the 12th, 13th and 14th resolutions, in accordance with article L. 225-135-1 of the French Commercial Code (*Code de commerce*), if you adopt the 15th resolution.



It is the responsibility of the Board of Directors to prepare a report in accordance with articles R. 225-113 *et seq.* of the French Commercial Code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to these operations provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to these operations and the methods used to determine the issue price of the equity securities to be issued.

Subject to a subsequent examination of the conditions for the issues that would be decided, we have no matters to report as to the methods used to determine the issue price of the equity securities to be issued provided in the Board of Directors' report in respect of the 13th and 14th resolutions.

Moreover, as the methods used to determine the issue price of the equity securities to be issued in accordance with the 12th and 17th resolutions are not specified in that report, we cannot report on the choice of constituent elements used to determine the issue price.

As the final conditions in which the issues would be performed have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights for the 13th and 14th resolutions.

In accordance with article R. 225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report, if necessary, when your Board of Directors has exercised these authorizations in case of the issue of marketable securities that are equity securities giving access to other equity securities or giving entitlement to the allotment of debt securities, in case of the issue of marketable securities giving access to equity securities to be issued and in case of the issue of shares with cancellation of preferential subscription rights.

Courbevoie and Paris-La Défense, April 15, 2019

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Thierry Colin

Jean-Marc Deslandes

Jean-François Ginies

Philippe Berteaux

STATUTORY AUDITORS' REPORT

ON THE ISSUE OF SHARES OR SECURITIES GIVING ACCESS TO ORDINARY SHARES IN THE COMPANY RESERVED FOR MEMBERS OF A COMPANY SAVINGS SCHEME



18th resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your Company and in compliance with articles L. 228-92 and L. 225-135 *et seq.* of the French commercial code (*Code de commerce*), we hereby report on the proposal to authorize your board of directors to decide whether to proceed with an issue, with cancellation of preferential subscription rights, of (i) ordinary shares, (ii) marketable securities that are equity securities giving access to the share capital of the Company or (iii) marketable securities that are representative of a debt right that must likely give access to the share capital of the Company to be issued, reserved for the members of one or more company savings schemes set up within a company or a group of companies, that may be French or foreign, that are part of the scope of consolidation or combination of the accounts of your Company, in accordance with Article L. 3344-1 of the French labour code (*Code du travail*), an operation upon which you are called to vote.

The overall nominal amount of the increase in capital that can be implemented immediately or at a later date may not exceed €5,000,000, it being specified that those amounts would count toward the €131,000,000-general maximum limit for capital increases in respect of the 12th resolution.

The overall nominal amount of increases in debt securities that can be implemented may not exceed €1,500,000,000, it being specified that those amounts would count toward the general maximum limit for debt securities in respect of the 12th resolution.

This issue is submitted for your approval in accordance with articles L. 225-129-6 of the French commercial code (*Code de commerce*) and L. 3332-18 *et seq.* of the French labour code (*Code du travail*).

Your board of directors proposes that, on the basis of its report, it be authorized for a period of twenty-six months starting on the date of the present shareholders' meeting to decide on whether to proceed with one issue and proposes to cancel your preferential subscription rights to the marketable securities to be issued. If applicable, it shall determine the final conditions of this operation.

It is the responsibility of your board of directors to prepare a report in accordance with articles R. 225-113 *et seq.* of the French commercial code (*Code de commerce*). Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights and on other information relating to the issue provided in the report.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this operation and the methods used to determine the issue price of the capital securities to be issued.

Subject to a subsequent examination of the conditions for the issue that would be decided, we have no matters to report as to the methods used to determine the issue price of the capital securities to be issued provided in the board of directors' report.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French commercial code (*Code de commerce*), we will issue a supplementary report, if necessary, when your board of directors has exercised this authorization.

Courbevoie and Paris-La Défense, April 15, 2019

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Thierry Colin

Jean-Marc Deslandes

Jean-François Ginies

Philippe Berteaux



STATUTORY AUDITORS' REPORT

ON THE FREE ALLOCATION OF EXISTING SHARES OR SHARES TO BE ISSUED

19th resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with article L. 225-197-1 of the French commercial code (*Code de commerce*), we hereby report on the proposed free allocation of existing shares or shares to be issued, reserved for the salaried employees of Valeo or of companies or groups affiliated with Valeo and to the corporate officers of Valeo or of companies or groups affiliated with Valeo, an operation upon which you are called to vote.

The total number of existing shares or shares to be issued pursuant to this authorisation may not exceed 4,445,000 shares and may not represent more than 10% of the share capital on the date of the Board of Directors' decision.

The total number of existing shares or shares to be issued pursuant to this authorisation for corporate officers of the Company may not exceed 250,000 shares on the date of the Board of Directors' decision.

Your board of directors proposes that, on the basis of its report, it be authorized, for a period of twenty-six months, to allocate, for free, existing shares or shares to be issued.

It is the responsibility of the board of directors to prepare a report on the proposed operation. Our role is to report on any matters relating to the information regarding the proposed operation.

We have performed those procedures which we considered necessary to comply in accordance with the professional guidance issued by the national auditing body (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted mainly in verifying that the proposed methods described in the board of directors' report comply with the legal provisions governing such operations.

We have no matters to report as to the information provided in the board of directors' report relating to the proposed free allocation of existing shares or shares to be issued.

Courbevoie and Paris-La Défense, April 15, 2019

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Thierry Colin

Jean-Marc Deslandes

Jean-François Ginies

Philippe Berteaux



STATUTORY AUDITORS' REPORT

ON THE REDUCTION IN CAPITAL

20th resolution

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Valeo and in compliance with article L. 225-209 of the French commercial code (*Code de commerce*) in respect of the reduction in capital by the cancellation of repurchased shares, we hereby report on our assessment of the terms and conditions for the proposed reduction in capital.

Your Board of directors requests that it be authorized, for a period of 26 months starting on the date of the present shareholder's meeting, to proceed with the cancellation of shares the Company was authorized to repurchase, representing an amount not exceeding 10% of its total share capital, by periods of 24 months in compliance with the article mentioned above.

We have performed those procedures which we considered necessary in accordance with professional guidance issued by the national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) for this type of engagement. These procedures consisted in verifying that the terms and conditions for the proposed reduction in capital, which should not compromise equality among the shareholders, are fair.

We have no matters to report on the terms and conditions of the proposed reduction in capital.

Courbevoie and Paris-La Défense, April 15, 2019

The Statutory Auditors
French original signed by

MAZARS

ERNST & YOUNG et Autres

Thierry Colin

Jean-Marc Deslandes

Jean-François Ginies

Philippe Berteaux



Valeo

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