



June 25, 2010

## **Information relating to the granting of stock options and free shares to Company employees and corporate officers**

The Board of Directors of Valeo, at its meeting of June 24, 2010, decided to grant stock options and free shares to the Company's employees and corporate officers.

The Board of Directors decided to grant one million stock options and 400,000 free shares, as follows:

- 100,000 stock options and 50,000 free shares to the Chief Executive Officer,
- 280,000 stock options and 75,000 free shares to the members of the Liaison Committee, and
- 620,000 stock options and 275,000 free shares to the Company's employees, with some of these stock options and free shares reserved for high-potential personnel as indicated in the Chairman's letter of May 11, 2010.

The stock option exercise price was set at 24.07 euros.

The stock options and free shares granted to the Chief Executive Officer and to the members of the Liaison Committee are subject to the same performance conditions.

All of the stock options and 50% of the free shares granted to the CEO and the members of the Liaison Committee are conditional on the Group achieving the level of operating margin for 2010 set by the Board of Directors and that is higher than that proposed by Valeo in its guidance for the year. The granting of the remaining 50% of free shares is also conditional on achieving a target operating margin level in 2011 and, with regard to the CEO, on the renewal of his term of office by the General Shareholders' Meeting approving the accounts closed on December 31, 2010. In addition, all free shares granted to the CEO will be granted only if he is CEO at the time of the actual grant date. The CEO must also respect certain holding obligations. He may not sell any shares obtained through issuance of stock options until four years after the grant date. He must also hold a minimum of 50% of the granted free shares in registered form until the end of his term as CEO.

More details on corporate governance and all elements relating to the remuneration of Valeo executives is available in the Group's 2009 Registration Document.