Board Summary

Valeo North America Inc.
160 Stephenson Hwy, Troy, MI 48083
Bertrand Cerru, Activity Director
Manufacturing

Date: July 21, 2016
Main Location: Carson City, Nevada

APPLICATION HIGHLIGHTS
- Valeo North America Inc. is applying for Sales Tax, Modified Business Tax, and Personal Property Tax abatements
- Additional Capex investment of 2 million in improvements

PROFILE
Valeo North America, Inc. (Thermal Systems) is part of Valeo. Valeo operates in thirty countries and has four Business Groups, comprising sixteen Product Groups, supplying the original equipment market and the aftermarket. The Valeo Thermal Systems business group develops and manufactures systems, modules and components to ensure thermal energy management of the powertrain during all phases of vehicle use. These products are designed to significantly reduce fuel consumption, CO2 emissions and other pollutants and harmful particles from vehicles equipped with internal combustion engines. They also increase travel range and battery life for hybrid and electric vehicles.

SIGNIFICANCE OF ABATMENTS IN THE COMPANY'S DECISION TO RELOCATE/EXPAND
Valeo Thermal Systems has fifteen facilities in North America. The decision whether to expand operations to Reno, Nevada hinges on several factors, including business tax structure, cost of living and logistic advantages offered by the region. In addition, Valeo is aware of the benefits offered by the state incentive program, and this will be a critical factor in the decision to expand the Valeo Thermal Systems operations to Reno.

REQUIREMENTS

<table>
<thead>
<tr>
<th></th>
<th>Statutory</th>
<th>Application</th>
<th>Sufficient</th>
<th>% Over / Under</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Creation</td>
<td>50</td>
<td>174</td>
<td>Yes</td>
<td>248%</td>
</tr>
<tr>
<td>Average Wage</td>
<td>$20.89</td>
<td>$21.20</td>
<td>Yes</td>
<td>1%</td>
</tr>
<tr>
<td>Equipment Capex (SU &amp; MBT)</td>
<td>$1,000,000</td>
<td>$38,000,000</td>
<td>Yes</td>
<td>3700%</td>
</tr>
<tr>
<td>Equipment Capex (PP)</td>
<td>$5,000,000</td>
<td>$38,000,000</td>
<td>Yes</td>
<td>660%</td>
</tr>
</tbody>
</table>

INCENTIVES

<table>
<thead>
<tr>
<th></th>
<th>Requested Terms</th>
<th>Estimated 1 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax Abmt.</td>
<td>Abated to 2%</td>
<td>$2,175,500</td>
</tr>
<tr>
<td>Modified Business Tax Abmt.</td>
<td>50% for 4 years</td>
<td>$223,924</td>
</tr>
<tr>
<td>Personal Property Tax Abmt.</td>
<td>50% for 10 years</td>
<td>$1,421,609</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$3,921,333</td>
</tr>
</tbody>
</table>

JOB CREATION

- Contracted
- 24-Month Projection
- 5-Year Projection

- 50
- 174
- 320

OTHER CAPITAL INVESTMENT

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Building Purchase</th>
<th>BTS / Building Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
<td>$0</td>
<td>$2,000,000</td>
</tr>
</tbody>
</table>

ECONOMIC IMPACT ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Jobs Supported</td>
<td>548</td>
<td>17</td>
</tr>
<tr>
<td>Total Payroll Supported</td>
<td>$229,574,936</td>
<td>$1,035,169</td>
</tr>
<tr>
<td>Total Output Estimate</td>
<td>$1,351,868,078</td>
<td>$2,822,060</td>
</tr>
</tbody>
</table>

Estimate includes jobs, payroll & output by the company assisted as well as the secondary impacts to other local businesses.

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Indirect</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>$2,516,268</td>
<td>$6,684,368</td>
<td>$9,400,666</td>
</tr>
<tr>
<td>Sales</td>
<td>$74,425</td>
<td>$3,704,070</td>
<td>$3,868,495</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$198,629</td>
<td>$198,629</td>
</tr>
<tr>
<td>State Taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>$122,570</td>
<td>$360,117</td>
<td>$482,687</td>
</tr>
<tr>
<td>Sales</td>
<td>$765,000</td>
<td>$1,425,385</td>
<td>$2,209,385</td>
</tr>
<tr>
<td>Modified Business</td>
<td>$1,396,306</td>
<td>$1,425,385</td>
<td>$2,821,693</td>
</tr>
<tr>
<td>Lodging</td>
<td>$0</td>
<td>$5,730</td>
<td>$5,730</td>
</tr>
<tr>
<td>Total</td>
<td>$4,895,591</td>
<td>$14,091,664</td>
<td>$18,987,255</td>
</tr>
</tbody>
</table>

IMPACT ASSESSMENT

<table>
<thead>
<tr>
<th>Economic Impact per Abated Dollar</th>
<th>New Total Tax per Abated Dollar</th>
</tr>
</thead>
<tbody>
<tr>
<td>$354</td>
<td>$4.97</td>
</tr>
</tbody>
</table>

EMPLOYEE BENEFITS
- Percentage of health insurance covered by company: 82%.
- Health care package cost per employee - $16,000 annually with options for dependents.
- Overtime, PTO/Sick/Vacation, Retirement Plan, Merit Increases, Bonus, Tuition Assistance.

NOTES
- Percentage of market outside of Nevada: 100%.
- Considering Nevada and California.
June 9, 2016

Director Steve Hill
Governor’s Office of Economic Development
808 West Nye Lane
Carson City, NV 89703

Re: Valeo Thermal Systems

Dear Steve:

EDAWN hereby supports the application of Valeo Thermal Systems for the Sales & Use Tax Abatement, Modified Business Tax Abatement, Personal Property Tax Abatement incentives, Train Employees Now (TEN) and Silver State Works grants.

Valeo manufactures battery cooling systems that contribute to the reduction of CO₂ emissions for the automobile industry. The new plant may also incorporate production of the HVAC and AGS products currently manufactured in Ohio and Mexico.

The company will be investing approximately $40,000,000 for capital equipment in the first 2 years and plans to initially hire 174 employees within the first 2 years at an average wage of $21.00 per hour. Should the Ohio and Mexico operations also relocate to Reno, this could increase FTE to 320 and approximately $55,000,000 capital equipment investment.

Valeo’s compensation package includes medical, vision and dental benefits, PTO/sick/vacation, bonus, retirement plan /401K, merit increases, tuition assistance, FSA and life insurance which commence on the date of hire. The company covers 82% of the employee’s health insurance benefit.

EDAWN supports this application as the company meets three of three incentive requirements. Your consideration and support of the incentive application for Valeo Thermal Systems is a significant factor in their pending decision to expand in northern Nevada and speaks favorably to the State’s business-friendly environment.

Sincerely,

Stan Thomas
EDAWN, Executive Vice-President
Business Development
Dear Commission Members:

Valeo is an automotive supplier, partner to all automakers worldwide. As a Technology Company, Valeo proposes innovative products and systems contributing to the reduction of CO2 emissions and to the development of intuitive driving. We are investigating possibly expanding our business into the Reno Area, Nevada. If we do so, we would plan to hire and train employees from the local Reno area, and begin manufacturing, at the Reno facility, our products (Battery cooling module) and potentially other products such as HVAC (currently produced out of our Mexico Plant), as well as AGS (currently produced out of our Ohio Plant). The target date for such a physical move would be September 2016, with operations to commence in the Spring of 2017.

Valeo Thermal Systems has 15 facilities in North America (see attached presentation for more details). The decision whether to expand our operations to Reno hinges upon several factors, including the business tax structure, cost of living, and the logistic advantages offered by the region. In addition, Valeo is aware of the benefits offered by the State Incentive Program, and this will be a critical factor in our decision to expand the Thermals Systems operations to Reno.

The decision to expand to Reno would involve an investment of approximately $40 million in additional equipment, and in order to staff and operate our operations, we would plan to hire approximately 174 full-time employees. The average hourly rate of the employees is projected to be $21 per hr. If other products from our Ohio/Mexico plant would be relocated, the full-time employees would reach a total up to 320, and an investment of approximately $55 million.

We are excited about the market opportunities presented by this expansion, and the advantages that locating this facility in Reno will offer our company. In conjunction with Nevada’s business-friendly environment, we see this as a first step in what will be increased growth and opportunity for Valeo as well as the Reno community.

Sincerely,

Bertrand Carru
June 8th 2016

Activity Director, Valeo Thermal Systems
ECONOMIC DEVELOPMENT

Incentive Application

Company Name: Valeo North America Inc.
Date of Application: June 9th 2016

Section 1 - Type of Incentives
Please check all that the company is applying for on this application:

☐ Sales & Use Tax Abatement
☐ Modified Business Tax Abatement
☐ Personal Property Tax Abatement
☐ Sales & Use Tax Deferral
☐ Recycling Real Property Tax Abatement
☐ Other: Train Employees Now, Silver State Works

Section 2 - Corporate Information

COMPANY NAME (Legal name under which business will be transacted in Nevada)
Valeo North America, Inc.

CORPORATE ADDRESS
150 Stephenson Hwy

MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)
Same as above

TELEPHONE NUMBER
248-209-8466

COMPANY CONTACT NAME
Bertrand CERRU

E-MAIL ADDRESS
bertrand.cerru@valco.com

CITY / TOWN
Troy

STATE / PROVINCE
Michigan

ZIP
48083

WEB SITE
www.valco.com

COMPANY CONTACT TITLE
Activity Director

PREFERRED PHONE NUMBER
+1-248-425-6452

Has your company ever applied and been approved for incentives available by the Governor’s Office of Economic Development?
☐ Yes ☐ No

If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

Section 3 - Program Requirements

Please check two of the boxes below; the company must meet at least two of the three program requirements:

☐ A capital investment of $1,000,000 in eligible equipment in urban areas or $250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.

☐ New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter following quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.

☐ In urban areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage. In rural areas, the average hourly wage will equal or exceed the lesser of the county-wide average hourly wage or statewide average hourly wage.

Note: Criteria is different depending on whether the business is in a county whose population is 100,000 or more or a city whose population is 60,000 or more (i.e., "urban" area), or if the business is in a county whose population is less than 100,000 or a city whose population is less than 60,000 (i.e., "rural" area).

Section 4 - Nevada Facility

Type of Facility:
☐ Headquarters
☐ Technology
☐ Back Office Operations
☐ Research & Development / Intellectual Property

PERCENT OF COMPANY'S MARKET OUTSIDE OF NEVADA
100%

NAICS CODE / SIC
383200

DESCRIPTION OF COMPANY'S NEVADA OPERATIONS
Thermal Systems Products (Battery Cooling Systems)

PROPOSED / ACTUAL NEVADA FACILITY ADDRESS
8240 North Virginia

CITY / TOWN
Reno

COUNTY
Washoe

ZIP
89506

WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?
California (Fremont Area)
Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)

Check the applicable box when form has been completed.

5 (A) ☐ Equipment List
5 (B) ☐ Employment Schedule
5 (C) ☐ Evaluation of Health Plan

Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up - Plans Over the Next Ten Years</th>
<th>Expansions - Plans Over the Next 10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1. Are you currently/planning on leasing space in Nevada?</td>
<td>Part 1. Are you currently leasing space in Nevada?</td>
</tr>
<tr>
<td>if No, skip to Part 2. If Yes, continue below:</td>
<td>If No, skip to Part 2. If Yes, continue below:</td>
</tr>
<tr>
<td>What year(s)?</td>
<td>What year(s)?</td>
</tr>
<tr>
<td>6</td>
<td></td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>How much space (sq. ft.)?</td>
</tr>
<tr>
<td>200KSF to 350KSF</td>
<td></td>
</tr>
<tr>
<td>Annual lease cost of space:</td>
<td>Annual lease cost at current space:</td>
</tr>
<tr>
<td>$48/SF/YR</td>
<td></td>
</tr>
<tr>
<td>Do you plan on making building tenant improvements?</td>
<td>Due to expansion, will you lease additional space?</td>
</tr>
<tr>
<td>if No, skip to Part 2. If Yes *, continue below:</td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td>When to make improvements (month, year)?</td>
<td>Expanding at the current facility or a new facility?</td>
</tr>
<tr>
<td>TBD</td>
<td>What year(s)?</td>
</tr>
<tr>
<td></td>
<td>How much expanded space (sq. ft.)?</td>
</tr>
<tr>
<td></td>
<td>Annual lease cost of expanded space:</td>
</tr>
<tr>
<td></td>
<td>Do you plan on making building tenant improvements?</td>
</tr>
<tr>
<td></td>
<td>if No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td></td>
<td>When to make improvements (month, year)?</td>
</tr>
<tr>
<td>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada?</td>
<td>Part 2. Are you currently operating at an owner occupied building in Nevada?</td>
</tr>
<tr>
<td>if No, skip to Part 3. If Yes *, continue below:</td>
<td>If No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td>Purchase date, if buying (month, year):</td>
<td>How much space (sq. ft.)?</td>
</tr>
<tr>
<td></td>
<td>Current assessed value of real property:</td>
</tr>
<tr>
<td></td>
<td>Due to expansion, will you be making building improvements?</td>
</tr>
<tr>
<td></td>
<td>if No, skip to Part 3. If Yes *, continue below:</td>
</tr>
<tr>
<td></td>
<td>When to make improvements (month, year)?</td>
</tr>
<tr>
<td>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada?</td>
<td>Part 3. Do you plan on building or buying a new facility in Nevada?</td>
</tr>
<tr>
<td>if Yes *, continue below:</td>
<td>if Yes *, continue below:</td>
</tr>
<tr>
<td>When to break ground, if building (month, year):</td>
<td>Purchase date, if buying (month, year):</td>
</tr>
<tr>
<td>Estimated completion date, if building (month, year):</td>
<td>When to break ground, if building (month, year):</td>
</tr>
<tr>
<td>How much space (sq. ft.)?</td>
<td>Estimated completion date, if building (month, year):</td>
</tr>
<tr>
<td></td>
<td>How much space (sq. ft.)?</td>
</tr>
</tbody>
</table>

* Please complete Section 7 - Capital Investment for New Operations / Startup

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

None
### Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much capital investment is planned? (Breakout below):</td>
<td>How much capital investment is planned? (Breakout below):</td>
</tr>
<tr>
<td>Building Purchase (if buying):</td>
<td>Building Purchase (if buying): $0</td>
</tr>
<tr>
<td>Building Costs (if building / making improvements): $2,000,000</td>
<td>Building Costs (if building / making improvements): $0</td>
</tr>
<tr>
<td>Land: $0</td>
<td>Land: $0</td>
</tr>
<tr>
<td>Equipment Cost: $38,000,000</td>
<td>Equipment Cost: $0</td>
</tr>
<tr>
<td>Total: $40,000,000</td>
<td>Total: $0</td>
</tr>
</tbody>
</table>

Is the equipment purchase for replacement of existing equipment?  
Current assessed value of personal property in NV:  
(Must attach the most recent assessment of personal property from the County Assessor's Office.)

### Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)

<table>
<thead>
<tr>
<th>New Operations / Start Up</th>
<th>Expansions</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of new operations?: 174</td>
<td>How many full-time equivalent (FTE*) employees will be created by the end of the first fourth quarter of expanded operations?:</td>
</tr>
<tr>
<td>Average hourly wage of these new employees: $21.20</td>
<td>Average hourly wage of these new employees:</td>
</tr>
</tbody>
</table>

How many FTE employees prior to expansion?:  
Average hourly wage of these existing employees:  
Total number of employees after expansion: |

* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

**OTHER COMPENSATION** (Check all that apply):  
- [ ] Overtime  
- [ ] Merit increases  
- [ ] Tuition assistance  
- [ ] Bonus  
- [ ] PTO / Sick / Vacation  
- [ ] COLA adjustments  
- [ ] Retirement Plan / Profit Sharing / 401(k)  
- [ ] Other: ___________________________________________

**BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS** (Attach a separate sheet if necessary):

### Section 9 - Employee Health Insurance Benefit Program

<table>
<thead>
<tr>
<th>Package includes (check all that apply):</th>
<th>Percentage of health insurance coverage by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Medical</td>
<td>Company: 82%</td>
</tr>
<tr>
<td>[ ] Vision</td>
<td>Employee: 18%</td>
</tr>
<tr>
<td>[ ] Dental</td>
<td></td>
</tr>
<tr>
<td>[ ] Other: ___________________________________________</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qualification after (check one):</th>
<th>Health Insurance Costs:</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Upon employment</td>
<td>Cost of health insurance for company (annual amount per employee): $16,000.00</td>
</tr>
<tr>
<td>[ ] Three months after hire date</td>
<td>Health Plan annual out-of-pocket maximum (individual): $3,000.00</td>
</tr>
<tr>
<td>[ ] Six months after hire date</td>
<td></td>
</tr>
<tr>
<td>[ ] Other: ___________________________________________</td>
<td></td>
</tr>
</tbody>
</table>

| [ ] Yes (copy of benefit plan must be attached)  |  |
| [ ] No  | |

**[SIGNATURE PAGE FollowS]**

bc
Section 10 - Certification

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and for the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

[Signature]
Name of person authorized for signature

[Signature]
Signature

[Name]
Title

[Date]
Date

Nevada Governor's Office of Economic Development
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • www.diversitynevada.com
## Site Selection Factors

**Company Name:** Valeo North America, Inc.  
**County:** Washoe

### Section 1 - Site Selection Ratings

Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of qualified workforce</td>
<td>5</td>
</tr>
<tr>
<td>Labor costs</td>
<td>5</td>
</tr>
<tr>
<td>Real estate availability</td>
<td>2</td>
</tr>
<tr>
<td>Real estate costs</td>
<td>2</td>
</tr>
<tr>
<td>Utility infrastructure</td>
<td>4</td>
</tr>
<tr>
<td>Utility costs</td>
<td>4</td>
</tr>
<tr>
<td>Transportation infrastructure</td>
<td>4</td>
</tr>
<tr>
<td>Transportation costs</td>
<td>3</td>
</tr>
<tr>
<td>State and local tax structure</td>
<td>5</td>
</tr>
<tr>
<td>State and local incentives</td>
<td>5</td>
</tr>
<tr>
<td>Business permitting &amp; regulatory structure</td>
<td>3</td>
</tr>
<tr>
<td>Access to higher education resources</td>
<td>3</td>
</tr>
</tbody>
</table>

**Other Factors & Ratings:**

Proximity of training facilities (Community college, University.).
# 5(A) Capital Equipment List

**Company Name:** Valeo North America, Inc.  
**County:** Washoe

## Section 1 - Capital Equipment List

Directions: Please provide an estimated list of the equipment [columns (a) through (c)] which the company intends to purchase over the two-year allowable period. For example, if the effective date of new / expanded operations begins April 1, 2015, the two-year period would be until March 31, 2017. Add an additional page if needed. For guidelines on classifying equipment, visit: tax.nv.gov/LocalGovt/PolicyPub/ArchiveFiles/Personal_Property_Manuals. Attach this form to the Incentives Application.

<table>
<thead>
<tr>
<th>(a) Equipment Name/Description</th>
<th>(b) # of Units</th>
<th>(c) Price per Unit</th>
<th>(d) Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Battery cooling - assembly equipment including tools</td>
<td>2</td>
<td>$1,850,000.00</td>
<td>$3,700,000.00</td>
</tr>
<tr>
<td>Energy Battery cooling - Brazing oven including tools</td>
<td>2</td>
<td>$2,150,000.00</td>
<td>$4,300,000.00</td>
</tr>
<tr>
<td>Energy Battery cooling - Testing and final control including tools</td>
<td>3</td>
<td>$1,450,000.00</td>
<td>$4,350,000.00</td>
</tr>
<tr>
<td>M3 Battery cooling - Tube assembly equipment including tools</td>
<td>6</td>
<td>$1,750,000.00</td>
<td>$10,500,000.00</td>
</tr>
<tr>
<td>M3 Battery cooling - Brazing oven including tools</td>
<td>2</td>
<td>$2,450,000.00</td>
<td>$4,900,000.00</td>
</tr>
<tr>
<td>M3 Battery cooling - Testing and final control including tools</td>
<td>7</td>
<td>$1,050,000.00</td>
<td>$7,350,000.00</td>
</tr>
<tr>
<td>Laboratory Equipment</td>
<td>1</td>
<td>$450,000.00</td>
<td>$450,000.00</td>
</tr>
<tr>
<td>Maintenance Equipment</td>
<td>1</td>
<td>$75,000.00</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Building preparation</td>
<td>1</td>
<td>$155,000.00</td>
<td>$155,000.00</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>1</td>
<td>$500,000.00</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>Logistic &amp; Storage equipment</td>
<td>1</td>
<td>$890,000.00</td>
<td>$890,000.00</td>
</tr>
<tr>
<td>IT Systems equipment</td>
<td>1</td>
<td>$650,000.00</td>
<td>$650,000.00</td>
</tr>
<tr>
<td>AC Unit System</td>
<td>1</td>
<td>$180,000.00</td>
<td>$180,000.00</td>
</tr>
</tbody>
</table>

**TOTAL EQUIPMENT COST** $38,000,000.00

Is any of this equipment* to be acquired under an operating lease?  
☐ Yes  ☑ No

*Certain lease hold equipment does not qualify for tax abatements

bc
## 5(B) Employment Schedule

**Company Name:** Valeo North America, Inc.  
**County:** Washoe

### Section 1 - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first fourth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application.

A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a “primary job” as set forth in NAC 360.474.

<table>
<thead>
<tr>
<th>(a) New Hire Position Title/Description</th>
<th>(b) Number of Positions</th>
<th>(c) Average Hourly Wage</th>
<th>(d) Average Weekly Hours</th>
<th>(e) Annual Wage per Position</th>
<th>(f) Total Annual Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Management</td>
<td>1</td>
<td>$104.17</td>
<td>40</td>
<td>$216,666.67</td>
<td>$216,666.67</td>
</tr>
<tr>
<td>Production</td>
<td>6</td>
<td>$51.22</td>
<td>40</td>
<td>$106,527.78</td>
<td>$539,166.67</td>
</tr>
<tr>
<td>Process (Brazing)</td>
<td>3</td>
<td>$44.79</td>
<td>40</td>
<td>$93,166.67</td>
<td>$279,500.00</td>
</tr>
<tr>
<td>Maintenance</td>
<td>4</td>
<td>$35.94</td>
<td>40</td>
<td>$74,750.00</td>
<td>$299,000.00</td>
</tr>
<tr>
<td>Logistic</td>
<td>3</td>
<td>$40.28</td>
<td>40</td>
<td>$83,777.78</td>
<td>$251,333.33</td>
</tr>
<tr>
<td>Quality</td>
<td>3</td>
<td>$44.27</td>
<td>40</td>
<td>$92,083.33</td>
<td>$276,250.00</td>
</tr>
<tr>
<td>Purchasing</td>
<td>3</td>
<td>$41.67</td>
<td>40</td>
<td>$86,866.67</td>
<td>$260,000.00</td>
</tr>
<tr>
<td>HR</td>
<td>4</td>
<td>$44.01</td>
<td>40</td>
<td>$91,541.67</td>
<td>$366,166.67</td>
</tr>
<tr>
<td>Finance</td>
<td>3</td>
<td>$45.14</td>
<td>40</td>
<td>$93,886.89</td>
<td>$281,666.67</td>
</tr>
<tr>
<td>Direct Labor Shift</td>
<td>144</td>
<td>$16.00</td>
<td>40</td>
<td>$33,280.00</td>
<td>$4,792,320.00</td>
</tr>
</tbody>
</table>

**TOTAL** 174  
**Total Annual Wages** $7,662,070.00

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete [columns (b) through (c)]. These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment.

<table>
<thead>
<tr>
<th>(a) Year</th>
<th>(b) Number of FTE(s) Projected</th>
<th>(c) Average Hourly Wage</th>
<th>(d) Payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-Year</td>
<td>225</td>
<td>$21.49</td>
<td>$10,956,466.88</td>
</tr>
<tr>
<td>4-Year</td>
<td>280</td>
<td>$21.92</td>
<td>$12,765,008.62</td>
</tr>
<tr>
<td>5-Year</td>
<td>320</td>
<td>$22.25</td>
<td>$14,807,410.00</td>
</tr>
</tbody>
</table>
5(C) Evaluation of Health Plans Offered by Companies

Company Name: Valeo North America Inc

County: Washoe

Total Number of Full-Time Employees: 174

Average Hourly Wage per Employee $21.20
Average Annual Wage per Employee (implied) $44,096.00

Annual Cost of Health Insurance per Employee $16,000.00
Percentage of Cost Covered by:
  Company 82%
  Employee 18%

Health Plan Annual Out-of-Pocket Maximum $3,000

Generalized Criteria for Essential Health Benefits (EHB)
[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]
Covered employee's premium not to exceed 9.5% of annual wage 8.0% MMQ

Annual Out-of-Pocket Maximum not to exceed $6,600 (2015) $3,000 MMQ

Minimum essential health benefits covered (Company offers PPO):
(A) Ambulatory patient services
(B) Emergency services
(C) Hospitalization
(D) Maternity and newborn care
(E) Mental health/substance use disorder/behavioral health treatment
(F) Prescription drugs
(G) Rehabilitative and habilitative services and devices
(H) Laboratory services
(I) Preventive and wellness services and chronic disease management
(J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached sufficient plan information for GOED to independently confirm the same.

Name of person authorized for signature

Signature

Title

Date
The Valeo Group

Valeo is an automotive supplier, partner to all automakers worldwide. As a Technology Company, Valeo proposes innovative products and systems contributing to the reduction of CO₂ emissions and to the development of intuitive driving.
Key Group Figures 2015

- 82,800 Team Members
- 30 Countries
- 52 Research & Development centers
- 134 Production sites
- 15 Distribution Platforms

Global Sales: $16.1 Bn

June 2016
Valeo North America at a Glance

$3.4 Bn

Region Total Sales

Representing 22% of Group Sales

End of 2015
Valeo Strategic Priorities

- CO₂ emissions reduction and intuitive driving
- Development in high growth potential regions

With the ambition to generate growth higher than the market in each production region

June 2016
Valeo at the Heart of Two Technical Revolutions...

- **CO₂** Emissions reduction
- Intuitive Driving
Driven by Regulations and Marketing

CO$_2$ Emissions reduction

Active Safety
Intuitive Driving

Safety assist

June 2016
CO2 Emissions Reduction and Driving Performance

1. Efficiency of Internal Combustion Engine (Downsizing)
2. Electrification
3. Downspeeding & Automation
4. Efficiency of auxiliary systems
Intuitive driving for safe and connected mobility

1. Automated car
   - Valet Park4U
   - Cruise4U
   - Laser scanner
   - Driving, parking and access

2. Connected car
   - Telematics Control Unit (TCU)
   - InBlue
   - Passive Entry
   - Passive Start (PEPS)
   - Remote control and access

3. Intuitive controls
   - eSkin Lite
   - Dome control module
   - Display, control & connect

Intuitive driving for safe and connected mobility while reducing CO₂ emissions

June 2016
Valeo, a Key Player, Making the World...

Cleaner

Connected

Automated

June 2016
4 Market-Leading Business Groups

- **Thermal**
  - $4.52 billion Global Sales (28% of Group total)

- **Visibility**
  - $4.65 billion Global Sales (28% of Group total)

- **Powertrain**
  - $4.17 billion Global Sales (26% of Group total)

- **Comfort & Driving Assistance**
  - $3.02 billion Global Sales (18% of Group total)
Valeo, a World Leader in each Business

1. Wiper Systems
2. Lighting Systems
3. Interior Controls
4. Driving Assistance
5. Transmission Systems
6. Electrical Systems & Power Electronics
7. Climate Control
8. Thermal Powertrain

end 2015

June 2016
The electric supercharger enables fuel consumption reduction

The Powertrain Systems Business Group develops innovative powertrain solutions aimed at reducing fuel consumption, CO₂ emissions and other pollutants, without compromising on driving performance and pleasure.
The air intake module enables further engine downsizing, leading to CO₂ emissions reduction.
Comfort and Driving Assistance Systems

The laser scanner enables driving automation for enhanced safety

The Comfort and Driving Assistance Business Group focuses on the driver and develops a range of unique solutions to make driving more intuitive and mobility safer, more connected and greener.

June 2016
Visibility Systems

BiLED™
Improves performance while reducing energy consumption – 5 times lower than a halogen

The Visibility Systems Business Group designs and produces efficient and innovative lighting and wiper systems which support the driver and passengers whatever the weather, day and night, and in their various on-board activities.

June 2016

Valeo
Innovation Shifting from Driver to Mobility
Disruptive Innovation

- 10 PACE Award Winners
- 30 PACE Award Finalists
- 3rd most PACE Awards/Finalist entries in the industry

Automotive News

PACE Award Winner 2016

Building a better working world
Valeo Innovation Challenge Program

Innovate to make the car of 2030 and the way it’s used more intelligent, green, intuitive and fun.

VALEO INNOVATION CHALLENGE 2016

€100,000 PRIZE FOR WINNER

"HOW HAPPY ARE YOU TO USE CAR?"

€100,000 PRIZE FOR WINNER

"HOW HAPPY IS YOUR INNOVATION?"

Form your team and sign up on our website:
https://valeoinnovationchallenge valeo.com

June 2016
Top 24 Announced - 4 North American Teams Selected

Next Steps

- Each team is given €5,000 and 4 months to build a prototype
- 8 Finalist teams will be selected in September to present their projects to the jury in Paris

Awards Ceremony
October 2016
New Engineering Roles in the USA

- San Bruno, CA: 9
- Troy, MI: 79
- Seymour, IN: 35
- Auburn Hills, MI: 16

Total: 752 (2016)

Previous Year: 595 (2015)

June 2016
A Culture of Excellence

5 Axes driven by continuous improvement

A level of customer returns of less than 4 parts per billion products delivered

THE 5 AXES FOR CUSTOMER SATISFACTION

- Total Quality
- Supplier Integration
- Product Development
- Involvement of Personnel
Values for Operational Excellence

- Ethics
- Transparency
- Empowerment
- Professionnalism
- Teamwork
Ethics, Diversity and Responsibility

- Culture of Integrity and Ethics
- Diversity
- Valeo Women Connected
- Corporate/Social Responsibility
Career Opportunities @ Valeo

Interested in a Career Opportunity with Valeo?

- valeo.com/en/candidates
- careerbuilder.com
- search Valeo

When was your last real thrill?