8.9 Report of the Executive Board on the resolutions submitted to shareholders at their Annual Meeting on June 1, 2016

8.9.1 Overview of resolutions

Ordinary General Meeting

2015 financial statements, allocation of income and related-party agreements

The purpose of the **first** and **second resolutions** is to approve Wendel's financial statements as of December 31, 2015.

The parent company financial statements show net income of €1,338.6 million. Shareholders' equity totaled €5,505.3 million, reflecting Wendel's sound financial condition. The consolidated financial statements show net income of €24.5 million and net income, group share of €-146.2 million.

The **third resolution** proposes to allocate net income for the year ended December 31, 2015 and distribute a dividend of €2.15 per share, an increase from the dividends paid for the past three years:

	2012	2013	2014
Dividend	€1.75	€1.85	€2

The ex-dividend date will be set for June 6, 2016, and the dividend will be paid on June 8, 2016.

Under current regulations, in accordance with Article 243 *bis* of the French Tax Code, the entire dividend paid to individuals resident in France for tax purposes is subject to a progressive income tax rate, after applying the 40% exclusion allowed under Article 158-3 2° of the French Tax Code.

A mandatory non-definitive withholding tax of 21% is in principle applicable to the gross dividend amount, in addition to a 15.5% social security withholding tax, and will be applied to the income tax owed for the year 2016.

The **fourth resolution** proposes to approve the Statutory Auditors' special report on the related-party agreements entered into in 2015 and early 2016. This report details the co-investment by Executive Board members in AlliedBarton Security Services and the additional co-investments by Executive Board members in IHS and CSP Technologies.

The **fifth resolution** proposes to approve the amendment to the brand license agreement between Wendel and Wendel-Participations as part of the reopening of Wendel's London office, so the office can use the Wendel brand name.

Supervisory Board: renewal of the term of one member

The **sixth resolution** proposes to renew the appointment of François de Wendel for four years.

His biography is provided in section 2.1.2.2 of the Company's 2015 registration document.

If this renewal is approved, the Supervisory Board will still have 12 members, including five independent members, five women, and one member representing employees.

Non-binding vote on compensation for executive corporate officers

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted pursuant to Article L. 225-37 of the French Commercial Code, the seventh and eighth resolutions ask shareholders to cast a favorable vote on the compensation owed or granted to Executive Board Chairman Frédéric Lemoine and Executive Board member Bernard Gautier for the 2015 fiscal year.

Their compensation is detailed below in the second part of this report.

Share buyback program

The **ninth resolution** would renew the authorization granted to the Company to buy back its own shares as provided for by law. The maximum repurchase price has been set at €200 and the authorization would be valid for 14 months.

The share buyback program can only be used for the purposes defined by law and determined in this resolution. In practice, your Company may use this program to buy back and cancel shares, carry out acquisitions, stimulate the market for the Company's shares or cover stock purchase options or performance shares. In 2015, Wendel purchased directly 643,829 treasury shares.

In all cases, the Company may not acquire more than 10% of its capital, or (on an indicative basis) based on the share capital as of December 31, 2015 and taking into account the shares held in treasury as of that date, 2,835,952 shares. This authorization may not be used during a takeover bid.

Extraordinary General Meeting

Renewal of financial authorizations

The **tenth through seventeenth resolutions** propose to renew, for a period of 14 months, existing financial authorizations that are due to expire. The maximum par value of the corresponding capital increases is set at €210 million.

The authorizations relate to the issue of shares or securities giving immediate or future access to the capital of the Company, with the maintenance or cancellation of preferential subscription rights in favor of shareholders, depending on the opportunities arising on the financial markets and the interests of the Company and its shareholders. They would give the Company flexibility and the ability to act quickly by allowing the Executive Board, with the prior approval of the Supervisory Board, to carry out market transactions as needed to implement the Group's strategy.

These authorizations may not be used during a public offering period.

The authorized amount for the capital increase with cancellation of preferential subscription rights has been reduced substantially to reflect current best practices, recommendations from voting agencies and the opinions expressed by certain shareholders.

The Executive Board did not use any of these authorizations in 2015.

The **tenth resolution** would authorize the Executive Board to increase the share capital, with preferential subscription rights maintained, by up to a maximum par value of €95 million.

The **eleventh resolution** would authorize the Executive Board to increase capital while canceling preferential subscription rights, but with the possibility of granting the shareholders a priority period, up to a maximum par value of €19 million and at a price that is at least equal to the weighted average share price for the three trading days prior to the price-setting, to which a discount of up to 5% may be applied. The total authorization for capital increases with cancellation of preferential subscription rights is €19 million.

The **twelfth resolution** would authorize the Executive Board to issue securities, with cancellation of preferential subscription rights, for private placements up to a maximum of 20% of the capital per year and using the price setting method set forth by law. The **thirteenth resolution** would authorize the Executive Board to increase capital, with cancellation of preferential subscription rights and up to a maximum of 10% of the capital per year, through a private placement or public offering, at a price at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a discount of up to 10% may be applied. The par value of any such share issues would be included in the €19 million maximum amount set in the eleventh resolution.

The **fourteenth resolution** would authorize the Executive Board to increase the size of the above issues by up to 15% of the initial issue, with maintenance or cancellation of preferential subscription rights, in the event of excess demand. Any such increases must not exceed the maximum limit set for the Board.

The **fifteenth resolution** would authorize the Executive Board to increase the share capital, with cancellation of preferential subscription rights, in consideration for contributions in kind consisting of shares, up to a maximum of 10% of the capital, or in connection with a public exchange offer, up to a maximum par value of €19 million. This authorization would enable the Company to acquire equity investments in unlisted or listed companies and to fund those acquisitions with shares rather than cash. The par value of any such share issues would be included in the €19 million maximum amount set in the eleventh resolution.

The **sixteenth resolution** would authorize the Executive Board to carry out a capital increase for the benefit of Company shareholders through the capitalization of reserves, profits or premiums, up to a maximum par value of €80 million. This capital increase may be carried out through the allocation of bonus shares to shareholders and/or an increase in the par value of existing shares.

The **seventeenth resolution** would set the maximum aggregate par value of capital increases resulting from the tenth to seventeenth resolutions at €210 million.

Employee savings and employee share ownership

Wendel implements its employee share ownership policy with the aim of limiting the dilutive effect for shareholders.

Group savings plan

The **eighteenth resolution** would authorize the Executive Board, for a period of 14 months, to increase the Company's capital, with the prior approval of the Supervisory Board, in favor of the Group's employees and corporate officers and under the Group Savings Plan, up to a maximum par value of €200,000, as in previous years.

In accordance with the legislation in force, the issue price of shares may not be higher than the average closing share price for the 20 trading days prior to the Executive Board's decision, nor lower than this average reduced by a maximum discount of 20%.

The Executive Board used the authorization granted by shareholders at their June 5, 2015 meeting. Employee share ownership through the Group savings plan was 0.7% of the capital as of December 31, 2015.

Grant of stock subscription and/or purchase options and performance shares

The exercise of options to purchase or subscribe to shares and the vesting of performance shares are subject to service and performance conditions and, for Executive Board members, to an obligation to hold the shares issued upon the exercise of stock options or the vested performance shares.

Performance conditions for the Executive Board members will be set by the Supervisory Board; performance conditions for the beneficiary employees, if applicable, will be set by the Executive Board.

The **nineteenth resolution** would authorize the Executive Board, for a period of 14 months, to grant stock subscription and/or purchase options, for up to a maximum of 1% of the capital, to employees and corporate officers of the Wendel Group. The price would be set in accordance with legal and regulatory provisions, with no discount.

The **twentieth resolution** would authorize the Executive Board, for a period of 14 months, to grant performance shares to employees and corporate officers, up to a maximum of 0.3333% of the capital. Any such performance shares would be included in the aggregate maximum amount of 1% set in the nineteenth resolution.

In accordance with recommendation 23.2.4 of the Afep-Medef Code as amended in June 2013, the nineteenth and twentieth resolutions indicate the maximum percentage of stock options and performance shares that can be granted to Executive Board members. This percentage would be set at 0.36% of the capital.

Powers

Finally, the **twenty-first resolution** would grant the necessary powers to accomplish legal formalities.

8.9.2 Breakdown of compensation owed or granted to Executive Board members for 2015 and submitted to a shareholder vote

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted as set forth in Article L. 225-37 of the French Commercial Code, the following aspects of the compensation owed or granted to Executive Board members for the fiscal year under review must be submitted to a vote of shareholders:

- fixed compensation;
- variable compensation for the year, including any multi-year variable portion, together with the objectives contributing to the determination of that variable compensation;
- exceptional compensation;
- stock options, performance shares, and any other form of long-term compensation;
- hiring bonuses and termination benefits;
- supplementary pension plans;
- any other benefits.

At the June 1, 2016 Annual Meeting, shareholders will be asked to vote on the following compensation owed or granted to Executive Board members for the 2015 fiscal year.

2015 compensation owed or granted to Executive Board Chairman Frédéric Lemoine, to be submitted to a shareholder vote

Form of compensation	Amounts	Comments
Gross fixed compensation	€1,200,000	
Director's fees	€239,424 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on February 10, 2016.
Gross variable compensation for the year	€1,050,120	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation will total 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, use of cash, debt levels, and the increase in NAV. On March 30, 2016, upon the recommendation of the Governance Committee, the Supervisory Board set Mr. Lemoine's variable compensation at 87.51% of his fixed compensation, or €1,050,120.
Stock options and performance shares	51,747 stock options valued at €926,271 and 17,249 performance shares valued at €910,747	Under the authorization granted by shareholders at the June 5, 2015 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 2, 2015 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition: Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2015-16 period; all options and performance shares vest if NAV increases by at least 10.25% over the 2015-17 period. The NAV used as the point of reference for 2015 is the average of the last three NAVs published before the grant date, or €141 per share. The NAVs used as the points of reference for 2016 and 2017 will be the average of the last three NAVs published before the anniversary of the option grant date, plus accumulated dividends paid after May 28, 2015.
Other benefits	€17,661.98	Matching contributions under the Group savings plan and unemployment benefits
Termination benefits	None owed or paid	If Mr. Lemoine's term as Executive Board Chairman were to be terminated, he would be entitled to a benefit of a maximum of two years' total fixed compensation and target compensation. This payment is subject to two performance conditions: 50% of the benefit would be paid only if he received for two of the three fiscal years prior to departure, including the year in progress, variable compensation equal to at least 50% of his target variable compensation as approved by the Supervisory Board for those three fiscal years; and 50% of the benefit would be paid only if NAV per share at the end of the term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 12 months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the amount paid would be reduced by 2.5 times the difference. If Actual NAV is lower than 60% of the Reference NAV, this portion of the benefit would be zero (see section 2.1.7.8).

Mr. Lemoine is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

2015 compensation owed or granted to Executive Board member Bernard Gautier, to be submitted to a shareholder vote

Form of compensation	Amounts	Comments
Gross fixed compensation Director's fees	€800,000 €179,757 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on February 10, 2016, on the recommendation of the Executive Board Chairman.
Gross variable compensation for the year	€700,080	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation will total 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, use of cash, debt levels, and the increase in NAV. On March 30, 2016, upon the proposal of the Executive Board Chairman and the recommendation of the Governance Committee, the Supervisory Board set variable compensation at 87.51% of fixed compensation, or €700,080.
Stock options and performance shares	34,500 stock options valued at €617,550 and 11,500 performance shares valued at €607,200	Under the authorization granted by shareholders at the June 5, 2015 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 2, 2015 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition. Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2015-16 period; all options and performance shares vest if NAV increases by at least 10.25% over the 2015-17 period. The NAV used as the point of reference for 2015 is the average of the last three NAVs published before the grant date, or €141 per share. The NAVs used as the points of reference for 2016 and 2017 will be the average of the last three NAVs published before the anniversary of the option grant date, plus accumulated dividends paid after May 28, 2015.
Other benefits	€5,439.98	Matching contributions under the Group savings plan
Termination benefits	None owed or paid	In the event Bernard Gautier's employment contract should be terminated, he would be entitled to one year's fixed compensation and target variable compensation (corresponding to the average of the yearly compensation allocated with respect to the last three fiscal years for which the financial statements have been approved); if this amount exceeds the maximum benefit authorized by the collective bargaining agreement, the excess amount would be paid only if Mr. Gautier has been paid, for two of the three years prior to termination, variable compensation equal to at least 50% of his target variable compensation in relation to those three years. In the event of the termination of his term on the Executive Board, Bernard Gautier will receive compensation equal to one year of fixed and target variable compensation (corresponding to the average annual compensation allocated for the last three periods for which the financial statements have been approved), subject to the following performance conditions: 50% of the amount of the benefit would be paid only if he received, for two of the three fiscal years for which the financial statements have been approved before the departure, variable compensation equal to at least 50% of the target variable compensation as approved by the Supervisory Board for those three fiscal years; and 50% of the amount of the benefit would be paid only if NAV per share at the end of the term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 6 months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference. If Actual NAV is lower than 60% of the Reference NAV, this portion of the benefit would be zero. Mr. Gautier's total termination benefits may not exceed two years' gross fixed and target variable compensation (see section 2.1.7.8).

Mr. Gautier is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.