

Wendel

A French *société anonyme* with an Executive Board and a Supervisory Board
and share capital of €191,158,140

Head office: 89, rue Taitbout - 75009 Paris.
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PROPOSAL TO TRANSFORM WENDEL SA INTO A EUROPEAN COMPANY

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This proposal has been prepared by the Executive Board of Wendel (hereinafter "the Company") with a view to converting Wendel into a "European company", also known by its Latin name "Societas Europaea" (hereinafter "SE"), in accordance with the provisions of Title II, Section 5 of EC regulation no. 2157/2001 of October 8, 2001 relating to the status of a European company (hereinafter the "SE Regulation") and paragraph 2 of Article L.225-245-1 of the French Commercial Code.

Its purpose is to explain and justify the economic and legal aspects of converting the Company into an SE and to explain the effects of this conversion on the Company's shareholders, employees and creditors.

I. DESCRIPTION OF THE CONVERSION PLAN

1. Identity and characteristics of the Company; purpose of the conversion

i. Legal form – registered office

Wendel is a *société anonyme*, a French public limited-liability company with an Executive Board and a Supervisory Board, as provided for under French law. Its registered office is located at 89, rue Taitbout, 75009 Paris, France.

ii. Place of registration – applicable law

Wendel is registered in the Paris Company Register under number 572 174 035 and is governed by the legal and regulatory provisions in force in France as well as by its by-laws.

iii. Business

Wendel is one of Europe's leading investment companies in size, with close to €10 billion in assets under management at end-November 2014.

Wendel invests in leading companies and in companies with the potential to become leaders.

Its business approach and strategy aim to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation and boosting their productivity.

Wendel also has the special characteristic that it is a long-term investor with permanent capital and access to the capital markets. It is supported and controlled by Wendel-Participations, a stable family shareholder structure with more than 300 years of history in industry and almost 40 years of investment experience.

The investment team is composed of around 30 experienced professionals. The team members have varied and complementary profiles and include former consultants,

company executives, investment bankers, financial analysts, public service managers and operations managers from a broad array of industrial and service sectors. As such, they capitalize on their experience and the network of contacts they have developed during their professional career. The team thus has both in-depth industry knowledge and recognized financial expertise. It is supported by the functional departments (legal, tax, finance, communications and financial communications).

An analytical team reviews each investment proposal and the enterprise's growth prospects. It then either rejects the proposal or undertakes a more in-depth study and presents it to the Investment Committee, composed of six Managing Directors and the two members of the Executive Board and, when necessary, to the Executive Board and the Supervisory Board.

Wendel is both a shareholder and an active partner. It supports the management of the companies in which it invests, gives them responsibility and works with them over time to achieve ambitious growth and shareholder value objectives.

iv. Term

The Company's term will expire on July 1, 2064, unless it is dissolved earlier or its term is extended by shareholders at an Extraordinary General Meeting.

v. Listing market – share capital

As of December 31, 2014, Wendel's share capital was divided into 47,796,535 shares with a par value of €4 per share, fully paid-up, giving a share capital of €191,186,140. The share capital indicated in the by-laws is set at €191,158,140, divided into 47,789,535 shares with a par value of €4 per share, fully paid-up.

The Company's shares are admitted to trading on the Euronext Paris market.

2. Reasons for the conversion

Wendel has had a longstanding presence in Europe. It opened offices in the Netherlands in 1908, Switzerland in 1920, Luxembourg in 1931 and Germany in 2007.

Since 2013, Wendel has focused on its internationalization, opening offices in Singapore, the United States and Morocco, the latter of which will cover the whole of Africa. The Company has also been present in Japan since 2007.

In March 2013, Wendel announced an ambitious investment program in Europe, North America and emerging markets.

At this time, we acquired shares in two African companies: IHS and Saham Group.

In December 2014, Wendel announced its largest acquisition since 2007 in Germany/Austria, and another acquisition in the United States.

Wendel intends to develop its investment business both in Europe and worldwide, both through the French companies in its portfolio, which have a strong presence on the international scene, and directly by acquiring companies abroad.

As a result of these developments, the Executive Board—with the approval of the Supervisory Board—now wants its legal form to reflect the Company’s European and international character both in relation to its employees and to its other partners.

The Executive Board has proposed to achieve this by changing Wendel’s legal form to an SE. Created by EU legislation over 10 years ago, “SE” status best fits with Wendel’s European and international character.

This corporate form, already adopted by several large companies, offers the advantage of having a homogeneous legislative framework recognized throughout the European Union and by international investors outside the European Union, which closely reflects Wendel’s economic reality.

The corporate form will also increase Wendel’s appeal in the eyes of all its stakeholders as it will benefit from the world’s image of Europe as an economic power, a reservoir of talents and a source of technological excellence.

3. Conditions for the conversion

In accordance with the provisions of the SE regulation, a public limited-liability company incorporated under the law of a Member State and with a registered office and central administration in the European Union, may set up as an SE provided that:

- . it has a minimum subscribed capital of €120,000;
- . it has had, for at least two years, a subsidiary governed by the law of another EU country.

Wendel fulfills these conditions because it is a *société anonyme* incorporated under French law with its registered office and central administration in France, and (i) has a share capital of €191,158,140 and (ii) has directly owned Oranje Nassau Groep, a subsidiary located in the Netherlands, for more than two years.

4. Legal regime governing the conversion

The conversion envisioned herein is governed by (i) the SE Regulation (and in particular Article 2 paragraph 4 and Article 37 relating to the conversion of an existing company into an SE); (ii) Articles L.225-245-1 and R.229-20 to R.229-22 of the French Commercial Code; and (iii) the provisions of the Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European company with regard to the involvement of employees (hereinafter the “SE Directive”) as well as the transposition of the Directive into French law as provided for in Articles L.2351-1 et seq. of the French Labor Code.

II. CONSEQUENCES OF THE CONVERSION

1. Legal consequences of the conversion

i. Company name subsequent to the conversion

Once the conversion is definitive, the Company will retain its corporate name “Wendel”, followed by the words “Societas Europaea” or “SE” on any documents it issues.

ii. Company registered office and central administration

Wendel's registered office and central administration will be located at 89, rue Taitbout, 75009 Paris, France.

iii. Legal entity and shares of Wendel SE

In accordance with Article 37, paragraph 2 of the SE Regulation, the conversion shall not result in the winding up of Wendel or in the creation of a new legal person. Once the conversion is definitive and the Company is registered as an SE with the Paris Companies Register, the Company will continue its normal execution of operations as a European company.

The conversion will have no effect on the number of shares issued by Wendel, nor on their par value. The Company's shares will continue to be traded on the Euronext Paris market.

iv. Structure of an SE

The SE Regulation provides a limited number of rules on the organizational structure of an SE, referring to national legislation on the matter. Wendel SE's operations will therefore be primarily governed by the French Commercial Code applicable to the administration and management of a French public limited-liability company (*société anonyme*), with the exception of certain rules which are set forth in the SE Regulation.

Under the terms of the proposed amendments to the by-laws provided in the appendix of this document, the rules set forth in the SE regulation will be applicable to Wendel SE, unless the by-laws refer to a French law or lay out their own stipulations.

To this end, and in accordance with the SE regulation, the Company will retain the bodies that currently govern it under its *société anonyme* legal form. They are as follows:

o Annual General Meetings of Shareholders

The rules for calculating the majority of Shareholders at an Annual General Meeting will be amended in accordance with the provisions applying to European companies. Whereas under the rules governing a *société anonyme*, abstentions and blank votes are tantamount to votes against a resolution presented at an Ordinary or Extraordinary General Meeting, at the Shareholders' Meetings of a European company, the majority is calculated based on the number of votes cast, which do not include abstentions, blank votes or shares that were not voted at all.

o Same corporate governance

In accordance with Articles 38 b) and 39-42 of the SE Regulation, Wendel SE will retain its two-tier system of an Executive Board and Supervisory Board. The powers of the Executive Board and Supervisory Board will remain unchanged.

The definitive conversion to a European company will have no effect on the composition of the Executive Board or its Supervisory Board, and its members will continue to carry out their functions under the same conditions for the remainder of their term. When necessary, shareholders at their Annual Meeting will note and approve the continuation of current mandates under the European company structure.

The Board's two committees—the Audit Committee and Governance Committee—will

remain in place.

In accordance with the provisions applicable to European companies, the number of members present and represented is taken into account when calculating the quorum of Executive Board and Supervisory Board meetings.

Article 17 of the by-laws will be amended so that in the event a vacancy occurs on the Executive Board, the Supervisory Board may designate one of its members to carry out the functions of an Executive Board member for a period not exceeding six months. During this period, the substitute shall temporarily suspend his/her functions as a member of the Supervisory Board.

v. Regulated agreements

Pursuant to Article L.229-7 of the French Commercial Code, the by-laws of Wendel SE will provide for the application of the procedure relating to regulated agreements by referring to the provisions applying to *sociétés anonymes* operating under French law).

vi. Wendel SE's Statutory Auditors

The definitive conversion to a European company will have no effect on the mandate of the Company's Statutory Auditors. They will continue to perform their duties under the same terms until their mandate expires.

When necessary, shareholders at their Annual Meeting will note and approve the continuation of current mandates under the European company structure.

vii. By-laws

Wendel's by-laws will not be amended, except for those regarding the Company's corporate form and name, the composition of its Executive Board, the regulated agreements and the two details specifying how the quorum is calculated for Executive Board and Supervisory Board meetings, and how the majority is calculated at Shareholders' meetings.

A draft version of the by-laws that will govern Wendel SE once the conversion is definitive, subject to the approval of shareholders at their Extraordinary General Meeting, is provided in the appendix of this document.

The provisions of these by-laws are in accordance with the provisions of the SE Regulation and the provisions under applicable French law.

2. Consequences for shareholders

The conversion will not affect the rights of the Company's shareholders.

The financial commitment of individual shareholders will remain limited to the amount they subscribed to prior to the Company's conversion. The conversion will not affect the voting interests of individual shareholders in the Company. In particular, the provisions in the by-laws regulating double voting rights will remain unchanged.

The conversion itself will have no impact on the value of Wendel shares. The number of shares issued by the Company will not change as a result of this conversion.

The conversion into a European company will strengthen shareholders' rights. Article 55 paragraph 1 of the SE Regulation allows for one or several shareholders who together hold

at least 10% of the Company's subscribed capital to request that a General Meeting be convened and an agenda drawn up. There is no equivalent provision applicable to French *sociétés anonymes*.

The conversion into a European company must be approved by shareholders at their Extraordinary General Meeting.

3. Consequences for creditors

The rights of the Company's creditors will not change in any way as a result of the conversion. Creditors of the Company prior to the conversion will retain all their rights with respect to the Company subsequent to the conversion. Creditors will also continue to benefit from the security interests granted to them prior to the definitive conversion.

4. Consequences for employees – information on the procedures regarding employee involvement

Employee representatives on the Company's works council have been informed and consulted regarding the plan to convert the Company into a European company.

They have responded favorably to the conversion.

The conversion into a European company will not affect the employment contracts of the employees of the Company, its subsidiaries and establishments, and employees will continue to exercise their functions under the same terms and conditions as those prior to the definitive conversion.

Wendel's works council will remain in place and its composition will be identical.

The rules in force regarding employee participation on the Supervisory Board will not be amended as a result of the conversion into a European company. Accordingly the employee representative on Wendel's Supervisory Board designated by the works council on November 20, 2014 will retain his mandate, without amendment, on Wendel SE's Supervisory Board.

In compliance with the SE Directive's interpretation of a subsidiary, given the nature of Wendel's business as a financial holding company that holds and manages investments in other undertakings within the meaning of the EC directive no. 78/660 of July 25, 1978, there is no requirement to constitute a special negotiation body (SNB) composed of employees of Wendel and its subsidiaries located in the European Union.

5. Tax consequences of the conversion

Wendel's conversion into a European company is not such as to have an impact on corporate income tax because it does not entail the creation of a new legal entity, nor does it imply changing the Company's tax regime (Wendel SE will be treated the same as a *société anonyme* for tax purposes). Furthermore, it does not entail transferring the Company's registered office abroad.

With regard to registration fees, the transaction must be registered within 30 days of the conversion. As the conversion is not considered to be a company creation, there are no capital duty requirements. The only duty the Company will be required to pay is a fixed duty for innominate acts, as provided for in Article 680 of the French Tax Code. (This amount is currently €125.)

III. PROCEDURE

1. Auditors overseeing the conversion

Pursuant to Articles 37, paragraph 6 of the SE Regulation and L.225-245-1 of the French Commercial Code, one or several Auditors will be designated by the head of the Commercial Court in Paris ruling upon this request.

In accordance with Article R.229-21 of the French Commercial Code, the Auditor(s) designated to verify the conversion will be chosen from among the auditors included in the list provided for in Article L.822-1 of the French Commercial Code or from among those included in the list drawn up by the courts.

The Auditor(s) overseeing the conversion will be charged with preparing a report for shareholders certifying, in accordance with Article L.225-245-1 of the French Commercial Code, that the Company has net assets totaling at least the equivalent of the capital plus reserves that the law or by-laws prohibit it from distributing.

The Auditors overseeing the conversion will be paid by the Company upon completion of their assignment.

2. Special benefits

Neither the members of the Executive Board and Supervisory Board, nor the Company's Statutory Auditors will be entitled to any special advantages relating to Wendel's conversion into a European company.

3. Registering and publicizing the conversion plan

The conversion plan will be filed with the clerk of the Paris Commercial Court, Paris being the jurisdiction in which Wendel is registered. It will be announced to the public via a notice in a journal of legal notices and in the BALO at least one month before the date of the Shareholders' meeting called to decide upon the conversion proposal.

4. Approval of the conversion plan and the Company by-laws

In accordance with Article 37, paragraph 7 of the SE Regulation and Article L.225-245-1 of the French Commercial Code, shareholders will be asked to vote at an Extraordinary General Meeting on Wendel's conversion plan and by-laws, based on the conditions of quorum and majority required for amending the by-laws of French *sociétés anonymes* as set forth in Article L.225-96 of the French Commercial Code.

In accordance with the requirements of Article L.225-244 of the French Commercial Code, during meetings of bondholders, the conversion will need to be approved by a two-thirds majority of those in attendance or represented.

5. Effective date of the conversion

The conversion of the Company into a European company will take effect from the date Wendel registers in the Companies Register as a European company.

Paris,

January 19, 2015

The Executive Board

