

7.7 Share buybacks

7.7.1 Legal framework

At their meeting of June 6, 2014 (9th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a period of 14 months.

At their meeting of June 5, 2015 (11th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a period of 14 months. The maximum repurchase price under this authorization is €200.

The Executive Board is thus authorized to repurchase the number of shares representing a maximum of 10% of the share capital. For information, at the dates the authorizations were granted, these maximums were 4,873,340 and 4,788,846 shares, respectively.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program are as follows:

- to deliver shares (as an exchange, payment or other consideration) in the context of acquisitions, mergers, spin-offs or asset contributions, subject to prior authorization by the Supervisory Board;
- to deliver shares on the occasion of the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;

- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof under a liquidity contract in compliance with the Code of Conduct of the Autorité des marchés financiers;
- to implement a stock purchase option plan as defined in Articles L. 225-177 *et seq.* of the French Commercial Code;
- to allocate performance shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L. 3321-1 *et seq.* and L. 3331-1 *et seq.* of the French Labor Code;
- to cancel all or part of the shares purchased.

This program also allows the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders *via* a press release.

At their meeting of June 5, 2015 (12th resolution), shareholders authorized the Executive Board, for a period of 26 months, with prior approval of the Supervisory Board, to reduce the share capital of the Company by no more than 10% per 24-month period through the cancellation of shares repurchased in the various share buyback programs authorized by shareholders.

7.7.2 Liquidity contract

On October 4, 2005, Wendel entered into a liquidity contract with Oddo Corporate Finance, with a view to making a market and ensuring regular price quotations of its shares, and made €5,000,000 and 80,000 shares available to Oddo.

On September 8, 2011, Wendel contributed an additional €10,000,000, bringing the resources available under the liquidity contract to €15,000,000 and 80,000 shares.

Under the liquidity contract, between January 1 and December 31, 2015, Oddo Corporate Finance:

- purchased for the account of Wendel 1,609,827 shares for a total value of €174,344,055.50 and an average unit value of €108.30;
- sold for the account of Wendel 1,609,827 shares for a total value of €174,605,374.77 and an average unit value of €108.46.

7.7.3 Implementation of stock-option and performance share plans

Between January 1 and December 31, 2015, Wendel did not directly acquire any of its own shares to cover exercises under purchase-type stock-option and performance share plans.

7.7.4 Delivery of shares in the context of acquisitions, mergers, spin-offs or asset contributions

Between January 1, 2015 and December 31, 2015, Wendel directly acquired 643,829 of its own shares for delivery in the context of acquisitions, mergers, spin-offs or asset contributions. These shares were acquired for a gross value of €70,676,860.12 and an average unit price of €109.78.

7.7.5 Cancellation of shares

Between January 1 and December 31, 2015, Wendel did not reduce capital by cancellation of shares.

7.7.6 Summary of transactions on shares held by the Company as of December 31, 2015

The Company has not repurchased or sold shares for any purposes authorized under the program other than those detailed in section 7.7.3 above.

Wendel did not make use of any derivative instruments in the context of this share buyback program.

In the 24 months prior to December 31, 2015, Wendel canceled 975,296 shares (September 2014).

As of December 31, 2015, the Company held 1,963,301 of its own shares, or 4.09% of the capital.

Summary of the Company's transactions on its own shares from January 1 to December 31, 2015

	Cumulative gross amounts in 2015	
	Purchases	Sales/Transfers
Number of shares	2,253,656	2,052,303
Average maximum maturity	-	-
Average transaction price	€108.72	€97.27
Average exercise price	-	-
Amounts	€245,020,915.62	€199,622,014.83

Open positions as of December 31, 2015

Open long positions			Open short positions		
Calls purchased	Puts issued (written)	Forward purchases	Calls issued (written)	Puts purchased	Forward sales
-	-	-	-	-	-
-	-	-	-	-	-

7.7.7 Description of the program to be proposed to shareholders at their June 1, 2016 Annual Meeting

The 9th resolution proposed at the June 1, 2016 Shareholders' Meeting asks shareholders to approve a new share buyback program, pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, to Title IV of Book II of the General Regulation of the AMF and to European Commission regulation 2273/2003, dated December 22, 2003.

Under this program, shares can be bought for any of the following purposes:

- to deliver shares (as an exchange, payment or other consideration) in the context of acquisitions, mergers, spin-offs, or asset contributions;
- to deliver shares on the occasion of the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the Autorité des marchés financiers;
- to implement stock purchase option plans as defined in Articles L. 225-177 *et seq.* of the French Commercial Code;
- to allocate performance shares pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law,

particularly Articles L. 3321-1 *et seq.* and L. 3331-1 *et seq.* of the French Labor Code;

- to cancel all or part of the shares purchased.

This program is also intended to allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders *via* a press release.

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed 10% of the share capital at the time of the buyback. For information, as of December 31, 2015, this authorization represented 4,799,253 shares, or a maximum theoretical investment of €959,850,600 based on the maximum buyback price of €200 per share.

Pursuant to Article L. 225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10% of share capital. As of December 31, 2015, the number of Wendel shares held by the Company was 1,963,301. In light of the shares already held in treasury, the Company would be able to repurchase 2,835,952 shares, or 5.9% of the share capital, for a maximum amount of €567,190,400, based on the maximum unit purchase price of €200. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization would be valid for a period of 14 months from the June 1, 2016, Shareholders' Meeting, *i.e.* until August 1, 2017.