

9.4 Report of the Executive Board on the resolutions submitted to the Shareholders' Meeting of July 2, 2020

Ordinary General Meeting

2019 financial statements and allocation of income

The purpose of the **first** and **second resolutions** is to approve Wendel's financial statements as of December 31, 2019.

The parent company financial statements show net income of €1,866 million. Equity (excluding net income for the year) totaled €5,273 million and is a guarantee of Wendel's financial soundness.

The consolidated financial statements show net income, Group share, of €399.7 million.

The **third resolution** proposes to allocate net income for the year ended December 31, 2019 and distribute a dividend of €2.90 per share, an increase of 3.60% from the ordinary dividend paid in respect of 2018⁽¹⁾.

	2016	2017	2018
Dividend	€2.35	€2.65	€2.80

The ex-dividend date is July 7, 2020 and the dividend will be paid on July 9, 2020.

For individuals whose tax residence is France, the gross dividend is subject either to a flat-rate tax on the gross dividend at the rate of 12.8% (Article 200 A of the French Tax Code) or to a progressive tax rate applied after an allowance of 40% (under Article 200 A, 2. and 158-3 2° of the French Tax Code). The dividend is also subject to withholding of 17.2% for social contributions.

Regulated related-party agreements

The purpose of the **fourth resolution** is to approve the agreements entered into with certain corporate officers of the Company, as described in the Statutory Auditors' special report. These agreements are (i) those entered into with Mr. David Darmon in the context of his appointment as a member of the Executive Board (amendment to his French and US employment contracts and co-investment commitments) as well as his additional co-investments in IHS and Tsebo and (ii) those entered into with Mr. André François-Poncet, Mr. David Darmon and Ms. Sophie Parise in respect of their co-investment in Crisis Prevention Institute and of the reciprocal purchase and sale commitments entered into with Trief Corporation in connection with the 2018-2021 co-investment program, which whose purpose is to settle the co-investments in case of departure from the Wendel Group before the occurrence of liquidity events and (iii) the letters of guarantee granted by Wendel for the benefit of Mr. André François-Poncet and Mr. David Darmon.

The purpose of the **fifth resolution** is to approve a regulated related-party agreement entered into with Wendel-Participations SE and described in the special report of the Statutory Auditors, which concerns the use of the Wendel trademark for the Luxembourg entity which will manage and hold Wendel Group's unlisted investments.

Supervisory Board: appointment of a new member of the Supervisory Board

The purpose of the **sixth resolution** is to appoint Mr. Thomas de Villeneuve as a member of the Supervisory Board for a term of four (4) years.

Mr. Thomas de Villeneuve will provide the Supervisory Board with his professional experience in the sector of investment and private equity - more specifically in the fields of telecoms/media/technologies - gained through his position since 2001 in the private equity firm Apax Partners, of which he is Managing Director. He will also share with the Board his knowledge of the European and American markets, acquired in particular through his activities with the strategy consulting firm The Boston Consulting Group. His knowledge of the field of engineering and innovation, gained in his capacity as member of the Board of Directors of the listed company Altran Technologies for around 10 years will be of use for the Supervisory Board.

(1) Press release dated April 14, 2020: "After a very good 2019 financial performance and in light of its solid balance sheet, Wendel had announced a €2.90 per share dividend on March 17. Wendel wants to have a better understanding of the macroeconomic and health situation prior to confirming this decision."

Mr. Thomas de Villeneuve's background is set out in the Company's 2019 Universal Registration Document, section 2.1.1.1 "Composition of the Supervisory Board".

Vote on compensation of corporate officers

The purpose of the **seventh**, **eighth** and **ninth resolutions** is to approve the compensation policy for the 2020 fiscal year for the Chairman of the Executive Board, the member of the Executive Board and the members of the Supervisory Board. This policy is presented in the Supervisory Board's report on Corporate governance, in sections 2.2.1, 2.2.1.1 and 2.2.1.2 of the Company's Universal Registration Document for 2019. Your vote is required pursuant to Article L. 225-82-2 of the French Commercial Code.

The purpose of the **tenth resolution** is to approve the information relating to the compensation of the Company's corporate officers (members of the Executive Board and members of the Supervisory Board) for the 2019 fiscal year, as presented in the Supervisory Board's report on Corporate governance, in accordance with Article L 225-37-3 I of the French Commercial Code. Your vote is required pursuant to Article L.225-100 II of the French Commercial Code. This new vote was introduced by Law n°2019-486 of May 22, 2019 (known as the *PACTE* law) and Order n°2019-1234 of November 27, 2019.

In addition to the information concerning the total compensation and benefits of any kind paid during or awarded in respect of fiscal year 2019, the information provided in accordance with the new regulations contains, in particular, the ratios between the level of compensation of executive officers and the average and median compensation of the Company's employees, as well as items illustrating the evolution of these compensations and of the performance of Wendel over the last five fiscal years.

This information is described in the Supervisory Board's report on Corporate governance, in section 2.2.2 "General information on the compensation of corporate officers related to the 2019 fiscal year" of the Company's Universal Registration Document for 2019.

The purpose of the **eleventh**, **twelfth**, **thirteenth** and **fourteenth resolutions** is to approve the compensation items paid during 2019 or awarded in respect of the 2019 fiscal year to:

- Mr. André François-Poncet, Chairman of the Executive Board;
- Mr. Bernard Gautier, member of the Executive Board until September 9, 2019;
- Mr. David Darmon, member of the Executive Board starting September 9, 2019;
- Mr. Nicolas ver Hulst, Chairman of the Supervisory Board.

These compensation items are presented in the Supervisory Board's Corporate governance report in section 2.2.3 "Breakdown of compensation paid in 2019 or awarded for 2019 to Executive Board members and to the Chairman of the Supervisory Board, submitted to a shareholders' vote" of the Company's Universal Registration Document for 2019.

The variable compensation items of Mr. André François-Poncet, Mr. David Darmon and Mr. Nicolas ver Hulst will be paid to them after your approval.

Your vote is required pursuant to Article L. 225-100 III of the French Commercial Code.

Share buyback program

The **fifteenth resolution** proposes to renew the authorization granted to the Company to buy back its own shares as provided for by law. The maximum purchase price has been set at €250, with the authorization valid for 14 months.

The share buyback program can only be used for the purposes defined by law and set out in this resolution. In practice, the Company may make use of this program to buy back and then cancel shares, to carry out acquisitions, to maintain a liquid market in the Company's shares or to serve stock option or bonus share plans. In 2019, Wendel purchased 1,751,899 treasury shares (including 106,561 under the liquidity contract).

Under no circumstances may the Company acquire more than 10% of its share capital, *i.e.* 4,468,230 shares based on the capital at December 31, 2019. This authorization is without force during a takeover bid.

Extraordinary General Meeting

Capital reduction

The purpose of the **sixteenth resolution** is to renew, for a period of twenty-six months, the authorization granted by the Shareholders Meeting of May 16, 2019 to the Executive Board, with the prior authorization of the Supervisory Board, to cancel, for a period of twenty-four months, up to 10% of the shares purchased by the Company under a buyback program.

It is specified that the Executive Board made use of this type of authorization during the 2019 fiscal year to cancel 1,645,338 shares, *i.e.* 3.55% of the share capital prior to the launch of the share buyback program.

Renewal of financial authorizations

Resolutions seventeen to twenty-five are intended to renew, for a period of twenty-six months, previously granted financial authorizations which are due to expire.

The purpose of these delegations is to issue shares or securities giving immediate or future access to the Company's share capital, while maintaining or canceling shareholders' preferential subscription rights, depending on the opportunities offered by the financial markets and the interests of the Company and its shareholders. They ensure the Company's flexibility and responsiveness by enabling the Executive Board, with the prior authorization of the Supervisory Board, to carry out the market transactions necessary for the implementation of the Group's strategy.

These delegations may not be used during a takeover bid.

The amount authorized to increase the share capital with cancellation of preferential subscription rights is in accordance with best market practices and the recommendations of voting advisory agencies and investors (see the overall ceiling and sub-ceiling provided for in the twenty-fifth resolution).

During the 2019 fiscal year, the Executive Board did not make use of any of these delegations.

The purpose of the **seventeenth resolution** is to grant a delegation of authority to the Executive Board to increase share capital with preferential subscription rights, up to a maximum of 40% of the share capital at the time of the issue. Any issue based on this resolution shall be deducted from the overall ceiling.

The purpose of the **eighteenth resolution** is to grant a delegation of authority to the Executive Board to increase share capital by means of a public offering, with cancellation of preferential subscription rights and the possibility of granting a priority period for shareholders, up to a maximum of 10% of the share capital at the time of the issue. The issue price will be at least equal to the minimum provided for by the applicable regulatory provisions (to date, the weighted average share price of the last three trading days preceding the start of the offer, possibly reduced by a maximum discount of 10%). Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The **nineteenth resolution** is to grant a delegation of authority to the Executive Board to issue securities, through an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code and with cancellation of preferential subscription rights, for a private placement of up to 10% of share capital per year. The issue price will be at least equal to the minimum provided for by the applicable regulatory provisions (to date, the weighted average share price of the last three trading days preceding the start of the offer, possibly reduced by a maximum discount of 10%). Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The **twentieth resolution** grants the Executive Board flexibility in determining the issue price in the event of a public offering (eighteenth resolution) or private placement (nineteenth resolution). It therefore authorizes the Executive Board, within the limit of 10% of the share capital at the time of the issue, to set a price at least equal to the average closing price of the Wendel share over a period of twenty days prior to the issue, possibly reduced by a maximum discount of 10%. Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The purpose of the **twenty-first resolution** is to grant a delegation of authority to the Executive Board to increase, within the limit of 15% of the initial issue, the amount of the issues covered by the seventeenth to twentieth resolutions, with or without preferential subscription rights, in the event that such issues are oversubscribed and within the limit of the overall ceiling. Any issue based on this resolution shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The purpose of the **twenty-second resolution** is to grant a delegation of authority to the Executive Board to increase the share capital in order to remunerate in kind contributions of securities, up to a maximum of 10% of the share capital; the purpose of the **twenty-third resolution** is to authorize the remuneration of contributions of securities in the context of a public exchange offer (OPE), up to a limit of 10% of the share capital. These delegations, granted with cancellation of preferential subscription rights, allow the Company to acquire interests in listed or unlisted companies and to finance these acquisitions in shares, rather than in cash. Any issue based on these resolutions shall be deducted from the overall ceiling and from the sub-ceiling dedicated to capital increases with cancellation of preferential subscription rights.

The purpose of the **twenty-fourth resolution** is to grant a delegation of authority to the Executive Board to increase the Company's share capital by capitalizing reserves, profits, premiums or other amounts that may be capitalized in accordance with the law and the by-laws, up to a maximum of 50% of the share capital, for the benefit of the shareholders. This capital increase would be carried out by allocating bonus shares to shareholders and/or by increasing the par value of existing shares. Any issue based on this resolution shall be deducted from the overall ceiling.

The purpose of the **twenty-fifth resolution** is to:

- set at 100% of the share capital the aggregate ceiling of the cumulative nominal amount of the capital increases that may be decided pursuant to the seventeenth to twentieth and the twenty-second to twenty-fourth resolutions of the Shareholders Meeting;
- set at 10% of the share capital the sub-ceiling of the cumulative nominal amount of the capital increases with cancellation of preferential subscription rights that may be decided pursuant to the eighteenth to twentieth, twenty-second and twenty-third resolutions of the Shareholders Meeting,

it being specified that the nominal amount of the securities that may be issued in the event of over-subscription pursuant to the twenty-first resolution will be respectively deducted from the aforementioned overall ceiling and sub-ceiling.

Employee savings and employee share ownership

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

Group Savings Plan

The purpose of the **twenty-sixth resolution** is to grant, for a period of fourteen months, a delegation of power to the Executive Board to increase the share capital for a maximum par value of €150,000, in favor of the Group's employees and corporate officers within the framework of the Group Savings Plan and subject to the prior authorization of the Supervisory Board.

In accordance with the legislation in force, the subscription price of new shares shall not be higher than the average closing share price for the twenty (20) trading days prior to the date of the Executive Board's decision setting the opening date of the subscription, nor more than 30% lower than this average or less than any other upper limit that may be set by law.

The Executive Board implemented the delegation of power granted by the Shareholders' Meeting of May 16, 2019. Employee share ownership through the Group Savings Plan represented 0.65% of the share capital as of December 31, 2019.

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

Performance conditions for the Executive Board members are set by the Supervisory Board; performance conditions for the beneficiary employees are set by the Executive Board. These performance conditions are described in the compensation policy for 2020 (in the Supervisory Board's Corporate governance report, in section 2.2.1.1 of the Company's Universal Registration Document for 2019).

The **twenty-seventh resolution** proposes to authorize the Executive Board, for a period of 14 months, to grant stock options and/or purchase options, for a maximum of 1% of the share 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 **twenty-eighth resolution** proposes to authorize the Executive Board, for a period of 14 months, to grant bonus shares to employees and corporate officers, for a maximum of 0.5% of the share capital. Any such bonus shares would be included in the aggregate cap of 1% set in the twenty-seventh resolution.

In accordance with recommendation 25.3.3 of the Afep-Medef Code, **the twenty-seventh and twenty-eighth resolutions** indicate the maximum percentage of stock options and bonus shares that can be granted to Executive Board members. Stock options may be granted up to 0.124% of share capital and bonus shares up to 0.105% of share capital.

In the event of allocation to members of the Executive Board, the exercise of stock options and the vesting of bonus shares are subject to conditions of presence and performance as well as an obligation to hold the shares issued upon the exercise of options or vested shares.

Changes to the by-laws

The purpose of the **twenty-ninth resolution** is to amend Article 12, "Composition of the Supervisory Board", paragraph III, of the Company's by-laws.

Law n°2019-486 of May 22, 2019 (known as the PACTE law) lowered from twelve to eight members the threshold above which the Supervisory Board must have a second member representing employees. The Supervisory Board being composed of more than eight members, two members representing the employees must sit on the Board. The second member representing the employees will be appointed by the Company's Social and Economic Committee within six months of the Shareholders' Meeting.

The proposed amendment will enable the by-laws to be updated in accordance with the applicable legal provisions.

The Executive Board recommends shareholders' approval of all of the resolutions presented above, which are submitted to your Shareholders' Meeting.

March 11, 2020,

The Executive Board