



# W E N D E L

## Financing agreements and covenants of Wendel and its holding companies

### 1. Bonds issued by Wendel – documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

### 2. Wendel's syndicated loan – documentation and covenants (undrawn as of December 31, 2020)

The syndicated loan has financial covenants associated with it, based primarily on the market value of Wendel's assets and on the amount of its net debt.

Wendel's net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions. The net debt taken into account corresponds to Wendel bonds and the syndicated loan, when drawn, reduced by cash.

Net debt of the Group subsidiaries is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and the financial holding companies compared to the gross revalued value of assets after unrealized taxes (excluding cash) must not exceed 50%;
- and the ratio of:
  - the unsecured gross debt of Wendel and its financial holding companies plus their off-balance-sheet commitments that are akin to unsecured debt, less their available cash (not pledged or in escrow), and
  - the amount of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow);

must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated loan line. As of December 31, 2020 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

On March 31 2021, Wendel announced the signing of an amendment to its undrawn €750 million syndicated credit facility maturing in October 2024 in order to integrate Environmental, Social and Governance (ESG) criteria. Measurable aspects of the non-financial performance of Wendel and the companies in its portfolio will henceforth be taken into account in the calculation of the financing cost of this syndicated credit. They are in line with certain quantitative ESG targets the Group has set in its ESG 2023 roadmap. The three non-financial criteria selected to be integrated into the calculation of the syndicated credit's financing cost are as follows:

- ESG due diligence must systematically be carried out on new investments directly made by Wendel, and the controlled companies in its portfolio must implement an ESG roadmap;

- the main climate risks and carbon footprint associated with each controlled portfolio company must be evaluated and action plans developed;
- at least 30% of Wendel Group representatives on the boards of directors of portfolio companies and of certain Group holdings must be women, by end of 2023. These criteria will be evaluated annually by an independent third-party and will give rise to adjustments to the margin of the facility.