



W E N D E L

WENDEL

European company with an Executive Board and a Supervisory Board  
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**INTERNAL RULES**

**OF WENDEL'S**

**SUPERVISORY BOARD**

**Adopted by the Supervisory Board  
at its meeting of December 1, 2010 and amended  
at its meetings of  
February 10, 2012, February 11, 2015,  
November 29, 2017, October 17, 2018,  
September 5, 2019, March 18, 2020, November 30, 2022 and December 11, 2023**

## TABLE OF CONTENTS

<b>1. Responsibilities of the Supervisory Board</b> .....	3
<b>2. Composition of the Supervisory Board</b> .....	3
<b>3. Concurrent appointments</b> .....	4
<b>4. Independent members</b> .....	4
4.1. Independence criteria.....	4
4.2. Lead Independent Director of the Supervisory Board .....	5
<b>5. Shares held by Supervisory Board members</b> .....	6
<b>6. Meetings of the Supervisory Board</b> .....	6
<b>7. Compensation of Supervisory Board members</b> .....	7
<b>8. Expense reimbursement</b> .....	7
<b>9. Powers reserved for the Supervisory Board</b> .....	8
<b>10. Regulated agreements</b> .....	9
<b>11. Security interests, guarantees, endorsements</b> .....	10
<b>12. Relations with the Executive Board</b> .....	10
<b>13. Relations with shareholders at their Shareholders' Meeting</b> .....	11
<b>14. Evaluation of the Supervisory Board</b> .....	11
<b>15. Supervisory Board committees</b> .....	11
15.1. Audit, Risks and Compliance Committee.....	12
15.2. Governance and Sustainability Committee .....	14
<b>16. Ethics of Supervisory Board members</b> .....	15
<b>17. Conflicts of interest on the Supervisory Board</b> .....	16
<b>18. Liability of Supervisory Board members</b> .....	17
<b>19. Entry into force – amendment to the Internal Rules – communication to Supervisory Board members – disclosure</b> .....	18

**APPENDICES: The Market Confidentiality and Ethics Code currently in force at Wendel and the expense reimbursement policy.**

## **1. Responsibilities of the Supervisory Board**

The Supervisory Board exercises permanent oversight of the Executive Board's management of Wendel. Throughout the year, it performs the verifications it deems appropriate and may request the documents it considers necessary to fulfill its duties.

The members of the Supervisory Board individually and collectively represent all shareholders. The Board must act in the common interest of the Company.

The Supervisory Board is a collegial body, its members make decisions collectively.

The members of the Supervisory Board stay informed of French and EU laws and regulations, the Company's by-laws, the Afep-Medef code, which is the Company's reference, these Internal Rules, the Market Confidentiality and Ethics Code and the Company's internal compliance policy and in particular the policy for combating bribery and influence peddling. They agree to adhere to the obligations resulting therefrom.

Members of the Supervisory Board have an obligation to stay informed. All members are given the opportunity to undertake training that they consider necessary to fulfill their obligations. Any Supervisory Board member may request a meeting with the Company's senior managers.

Members must be diligent and attend all meetings of the Board and of the Committees to which they belong, if any, as well as shareholders' meetings (the "**Shareholders' Meetings**").

## **2. Composition of the Supervisory Board**

The Supervisory Board is composed of a minimum of three and a maximum of 18 members. Supervisory Board members are appointed by shareholders during their ordinary Shareholders' Meetings. In the event of a vacancy due to the death or resignation of one or more members of the Supervisory Board, the Board may, between two Shareholders' Meetings, temporarily appoint new members for the remainder of the former members' terms. These appointments must be ratified by shareholders at their next ordinary Shareholders' Meeting.

Supervisory Board members are appointed for a term of four years. They can be re-appointed. The term of a member of the Supervisory Board ends at the close of the ordinary Shareholders' Meeting called to approve the financial statements of the previous year and held during the year in which the term expires.

The terms of Supervisory Board members are staggered so as to avoid having to reappoint the entire Board at the same time.

Members of the Supervisory Board may be removed at any time by the shareholders at their ordinary Shareholders' Meeting.

The Supervisory Board also includes one or more members representing employees, appointed by Wendel's Works Council for a four-year term. The Board members representing employees are full members, who participates in the Board's deliberations and voting.

The Board chooses a Vice-Chairman from among its independent members, who becomes the Lead Independent Director of the Supervisory Board.

At the close of each year's ordinary Shareholders' Meeting to approve the financial statements, the number of Supervisory Board members being over 70 years old may not exceed one-third of the number of current Board members.

A succession plan, adopted by the Supervisory Board, describes the assumptions leading to the organization of the succession of Board members, according to different time-frames (short-term situations, medium-term and long-term situations). This plan is reviewed by the Governance and Sustainability Committee and the Chairman of the Supervisory Board at least once a year and whenever necessary.

### **3. Concurrent appointments**

The members of the Supervisory Board must devote all the time necessary to their responsibilities.

According to French law, a Supervisory Board member may exercise no more than five simultaneous appointments to Supervisory Boards or Boards of Directors of limited companies (SA) whose head offices are in France, with the exception of controlled companies (joint or exclusive control, Art. L.223-16 of the French Commercial Code).

Under the Afep-Medef code, a Supervisory Board member may exercise no more than four appointments to listed companies outside his or her own group (same definition of control as above), whether these companies are French or not. If the Board member is an executive officer, he/she may exercise no more than two appointments in listed companies outside his/her group, whether these companies are French or not.

Members of the Supervisory Board must inform the Chairman of the Supervisory Board of their intention to accept any new appointment in a company outside their own group (see also Article 17, Conflicts of interest on the Supervisory Board).

Each member of the Supervisory Board must ensure his/her compliance with the rules of concurrent appointments.

### **4. Independent members**

#### **4.1. Independence criteria**

A director is independent if he or she has no relationship of any kind with the Company, its group or its management, which could compromise his or her judgment.

The Board will use the following criteria on a case-by-case basis to determine whether a member can be considered independent, keeping in mind that the Board may hold that a member can be qualified as independent in light of his or her individual situation, even if that member does not fulfil the enumerated criteria:

1. not to be and not to have been within the previous five years:
  - an employee or executive officer<sup>1</sup> of the Company,
  - an employee, executive officer or director or member of the Supervisory Board of a company consolidated within the Company;

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<sup>1</sup> Executive officers are defined as follows: Chairman and CEO, CEO, Deputy CEO of public limited companies with a Board of Directors, Chairman and members of the Management Board of public limited companies with a Management Board and a Supervisory Board and statutory managers of partnerships limited by shares.

- an employee, executive officer or director or member of the Supervisory Board of the Company's parent company or a company consolidated within this parent company;
2. not to be an executive officer of a company (i) in which the Company holds, directly or indirectly, a seat on the Board of Directors or Supervisory Board, or (ii) in which an employee designated as such or an executive officer of the Company (currently in office or having held such office within the the last five years) holds a seat on the Board of Directors or Supervisory Board;
  3. not to be a customer, supplier, commercial or investment banker or consultant (i) that is significant to the Company or its group or (ii) for which the Company or its group represents a significant portion of its activity (the assessment of whether the relationship is significant or not is determined by the Board, and the criteria on which this assessment is made are detailed in the report of the Supervisory Board on corporate governance);
  4. not to be related by close family ties with a Company officer;
  5. not to have been a Statutory Auditor of the Company during the previous five years;
  6. not to have been a member of the Company's Supervisory Board for more than 12 years (independent status ends as of the 12<sup>th</sup> anniversary of the member's appointment).

As regards to criterion n°3, the Supervisory Board carries out a quantitative and qualitative review of the situation of each member concerned, based on the following criteria:

- the companies involved in the business relationship;
- the nature of the business relationship (customer/supplier/ management position/member of a governance body), as well as its frequency; and
- the significance of the business relationship with regard to (i) the revenue generated between the parties concerned, and (ii) the existence or absence of economic dependence or exclusivity between the parties.

#### ***4.2. Lead Independent Director of the Supervisory Board***

The role of the Lead Independent Director of the Company's Supervisory Board is as follows:

- interact with Wendel shareholders who so request and answer their questions regarding corporate governance, in liaison with the Chairman of the Supervisory Board and the Chairman of the Governance and Sustainability Committee, with the proviso that the Lead Independent Director may not communicate information about business matters (in particular strategy, finance, transactions and financial communication), which are the sole responsibility of the Executive Board;
- represent the Board's independent members vis-à-vis the other members of the Supervisory Board and the Executive Board, call and chair meetings of the independent members;
- prevent, examine and handle potential or actual conflicts of interest with the majority shareholder.

The Lead Independent Director reports on the execution of his or her assignment to the Supervisory Board, and this report is published in the registration document. The Chairman of the Board may also call upon the Lead Independent Director to report on his or her duties to shareholders at their Shareholders' Meeting.

## ***5. Shares held by Supervisory Board members***

The Company's by-laws stipulate that each member of the Supervisory Board must hold 500 fully paid-up shares. If they do not hold this number of shares when they are appointed, they must correct that situation within six months from the date of appointment.

## ***6. Meetings of the Supervisory Board***

The Supervisory Board meets as often as the interests of the Company require, and at least once a quarter. The Chairman of the Supervisory Board is responsible for convening the Board and chairing its discussions. In the event the Chairman is unable to attend, this task is the responsibility of the Vice-Chairman.

The Supervisory Board may validly deliberate only if at least half of its members are present, represented or deemed present in the event telecommunication tools are used (see Article 6.1 below). Board decisions require a majority vote of the members present, represented or deemed present in the event telecommunication tools are used.

When at least one member of the Executive Board or at least a third of the members of the Supervisory Board present a request for a Supervisory Board meeting to the Chairman, supported by the reasons for their request, the Chairman must call a meeting within 15 days of receiving the request. If the Chairman of the Supervisory Board does not call a meeting, the members who requested it may call the meeting themselves, sending the meeting agenda with the invitation.

The Statutory Auditors are invited to all meetings of the Supervisory Board at which the annual or semi-annual financial statements are examined, attending the parts of the meeting during which those financial statements are discussed.

The agenda for a Supervisory Board meeting and related documents are sent to Board members approximately one week before the meeting by email or post. The Secretary of the Supervisory Board prepares the minutes of the Board meetings. The minutes are sent to Board members as soon as possible and prior to the following Board meeting at the latest. Any changes are sent subsequently. The minutes of a Supervisory Board meeting are approved at the start of the Supervisory Board's following meeting.

### ***6.1. Supervisory Board meetings held via telecommunication***

Article 14 of the Company's by-laws states that Supervisory Board meetings may be held by videoconference or via telecommunication. The members of the Supervisory Board who participate in the Board meeting by videoconference or telecommunication tools that ensure they can be identified and can participate, are considered present for the purposes of calculating the quorum and the majority. These tools must transmit at least the participants' voice and allow for continuous and simultaneous transmission of all deliberations. Any technical incidents must be mentioned in the minutes.

The following decisions may not be made when some Board members attend the meeting via telecommunication, unless authorized by applicable laws or regulations:

- decisions related to verifying the annual financial statements and the management report;
- decisions related to appointing or replacing the Chairman of the Supervisory Board and nominating or removing members of the Executive Board;
- decisions related to the compensation of Executive Board and Supervisory Board members.

## **6.2. Written consultation**

Article 14 provides that, by way of exception and upon request of the Chairman, decisions within the Supervisory Board's remit mentioned in Article L. 225-82 of the French Commercial Code may be made by way of written consultation. In the event of written consultation, the agenda and the draft resolution are sent to the Supervisory Board members by whatever means. The Supervisory Board members express their vote by whatever written means. Resolutions of the Supervisory Board by way of written consultation are valid only if at least half of its members have expressed their vote.

## **7. Compensation of Supervisory Board members**

The shareholders set the annual amount of director's fees at their Shareholders' Meeting. The Supervisory Board apportions director's fees among its members based on the recommendations of the Governance and Sustainability Committee, and approved by the Shareholders' Meeting in the framework of the Say on Pay.

Each member of the Supervisory Board receives fees based on the following:

- a fixed portion, increased for the Chair and members of each Committee;
- a variable portion, preponderant over the fixed one, calculated according to actual attendance to the Supervisory Board and its Committees' planned meetings.

The compensation paid to the Chairman of the Supervisory Board and the Lead Independent Director are subject to an annual decision of the Board.

In the event a Board member resigns or is removed from office during the year, director's fees are paid:

- for the fixed portion: based on the number of planned Supervisory Board and Committee meetings held at the effective date of departure, and
- for the variable portion: based on the number of meetings attended by the director, among the abovementioned planned meetings.

## **8. Expense reimbursement**

Expenses incurred by members of the Supervisory Board that are in the interest of the Company are reimbursed upon presentation of the necessary supporting documentation.

## **9. Powers reserved for the Supervisory Board**

### **9.1. Powers granted by law**

The following powers are granted to the Supervisory Board by law:

- appointing the members of the Executive Board and determining their compensation;
- choosing the Chairman of the Executive Board;
- appointing one or more CEOs to represent the Company;
- appointing Supervisory Board members on an interim basis;
- authorizing agreements between the Company and a member of the Executive or Supervisory Board (see Article 10 below);
- appointing Committees' members and determining the responsibilities of each Committee;
- issuing the report of the Supervisory Board on corporate governance;
- apportioning the Supervisory Board members's fees;
- calling a Shareholders' Meeting when it deems such a meeting necessary;
- granting prior approval for the granting of security interests, guarantees and endorsements (see Article 11 below);
- deliberating annually on the Company's policy regarding professional equality and equal pay;
- pursuant to the delegation granted by the extraordinary Shareholders' Meeting, updating the Company's by-laws in accordance with laws and regulations, subject to ratification of the next Shareholders' Meeting;
- transferring the registered office, subject to ratification of the ordinary Shareholders' Meeting.

### **9.2. Powers granted by the Company's by-laws and interpretation**

Under the Company's by-laws, the Supervisory Board has the power to remove members of the Executive Board, according to conditions set down by law.

Under the Company's by-laws, the following Executive Board decisions must receive prior authorization from the Supervisory Board:

- any transaction, particularly any acquisition or divestment by the Company (or an intermediate holding company) in an amount of more than €100 million;
- any decision binding the Company or its subsidiaries over a long period of time;
- divestment of real property of more than €10 million per transaction;
- granting of security interests, guarantees, endorsements and collateral of more than €100 million per transaction;
- any proposal to shareholders to change the by-laws;
- any transaction that may lead, immediately or at a later date, to a capital increase or reduction of capital through the issuance of securities or cancellation of shares;
- any proposal to shareholders regarding the appropriation of earnings or the distribution of dividends, as well as any interim dividend;
- any merger or spin-off that the Company would be party to;
- any proposal to shareholders regarding a share buyback program;
- any proposal to shareholders regarding the appointment or re-appointment of the Statutory Auditors;
- any agreement subject to Article L.225-86 et seq of the French Commercial Code (see Article 10).



In accordance with the interpretation given by the Supervisory Board during its December 1, 2010 meeting, the terms “Any decision binding the Company or its subsidiaries over a long period of time” in Article 15 of the by-laws applies to decisions that significantly change the Wendel Group's strategy or image.

At its September 5, 2018 meeting, the Supervisory Board defined the transactions in excess of €100 million requiring the Board’s prior approval as follows:

**In case of the acquisition of a new business:** authorization is required if total capital deployed exceeds €100 million. Capital deployed refers to equity, and loan / warranty granted, with a general tolerance of 5% of the equity for all approvals.

**In case of an add-on investment into an existing portfolio company:** authorization is required if (i) new capital deployed (equity, loan, warranty) exceeds €100 million, or if (ii) new capital deployed causes the historic cost to go over €100 million; it being specified that no authorization is required for reinvestments representing, over a 12-month period, less than 5% of the cash already invested.

**In case of disposal of a portfolio company:** authorization is required if the equity value of such company in the last published NAV exceeds €100 million.

#### **10. Regulated agreements**

The Supervisory Board has adopted a Charter for the evaluation of regulated related-party agreements and agreements relating to ordinary transactions under standard conditions. This Charter:

- reiterates the regulatory framework applicable to regulated related-party agreements and commitments and offers additional guidance on the methodology used internally to classify the various agreements entered into;
- sets out a typology of agreements which, due to their nature and terms, are not subject to formalities; and
- sets out an internal procedure for the regular review of Wendel’s agreements relating to ordinary transactions under standard conditions.

Certain agreements - said “regulated” - require prior approval from the Supervisory Board. The Chairman of the Supervisory Board reports all authorized agreements to the Statutory Auditors and submits them to shareholders for approval at their Shareholders’ Meeting. The Statutory Auditors present a special report to shareholders during the meeting, which the shareholders vote on.

Agreements subject to this requirement are those entered into, either directly or indirectly via another person or legal entity, the Company and a member of the Executive or Supervisory Board, a shareholder with more than 10% of the voting rights, or a corporate shareholder’s controlling company. The same applies to agreements in which one of these persons is indirectly an interested party. Agreements between the Company and another company, if one of the members of the Executive or Supervisory Board of the Company is the owner, a partner with unlimited liability, president, member of the Board of Directors or Supervisory Board or more generally an executive of that company, are also subject to prior Supervisory Board authorization.

The Supervisory Board’s prior authorization must be based on the benefits the Company will derive from the agreement; in particular the Board must specify the financial terms connected with the agreement. The interested party, if he/she is a member of the Board, does not take part in the deliberations and the vote on the requested authorization.

Agreements already authorized and entered into and whose execution is ongoing are reviewed every year by the Supervisory Board and communicated to the Statutory Auditors for their report.

Arm's length agreements for ordinary transactions as well as agreements between a company and a wholly-owned subsidiary of that company (not including the minimum number of shares required to be held depending on the legal form of the company) are not subject to the regulated agreements procedure.

### ***11. Security interests, guarantees, endorsements***

Before the Company may grant security interests, guarantees or endorsements to secure a commitment made by third party, including by a subsidiary of the Company, the Executive Board must receive prior authorization from the Supervisory Board. Such authorization is valid for one year. The Supervisory Board determines the total annual maximum amount that can be used by the Executive Board. It may also determine, within the limits of the overall ceiling, the unitary amounts beyond which its authorization is required.

The Board must grant a special authorization for any commitment that exceeds the total annual maximum amount.

### ***12. Relations with the Executive Board***

At least once every quarter, the Executive Board must present a report to the Supervisory Board. This report must include the performance and growth strategy of the subsidiaries and associates in the investment portfolio (e.g. net sales, financial condition), projected or executed financial transactions and all other transactions that might affect the Company.

Within three months after the close of each fiscal year, the Executive Board must submit the parent-company and consolidated financial statements for the year to the Supervisory Board for verification, along with its management report. Before the end of the months of March, April and October, the Executive Board must prepare management forecasts, which it submits to the Supervisory Board along with a report analyzing the numerical data they contain.

The Executive Board must also inform the Supervisory Board each quarter of the change in net asset value (NAV) per share, which measures the value created by the Company. As frequently as required, it presents the Company's balance sheet position, its debt structure, its cash position and the nature and maturity of its bank or bond financing.

The Executive Board keeps the Supervisory Board regularly informed of the risks the Company runs and the measures it has taken to address them.

It also regularly informs the Supervisory Board of changes in the share capital and voting rights and of the Company's proposed acquisitions or divestments. It requests its authorization on the subjects indicated in Article 9.

The Executive Board ensures that the draft resolutions it submits to shareholders at their Shareholders' Meeting regarding the composition or the proceedings of the Supervisory Board accurately reflect the Supervisory Board's decisions.

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; in this case, the Supervisory Board

member's responsibilities are suspended. Such member can be appointed for the time remaining before the Executive Board is to be renewed or for six months, whichever is shorter.

### ***13. Relations with shareholders at their Shareholders' Meeting***

The Supervisory Board must present its observations on the Executive Board's report and on the parent-company and consolidated financial statements to shareholders at their ordinary Shareholders' Meeting called to approve the financial statements.

Each year during the ordinary Shareholders' Meeting called to approve the financial statements, the Supervisory Board submits in his report on corporate governance the following information:

- the selected governance structure,
- the reference to a corporate governance code,
- the corporate officers compensation policy,
- the compensation items and benefits paid or awarded to corporate officers,
- the list of directorships and roles of corporate officers,
- the regulated agreements and the procedure for the review of ordinary agreements,
- the composition of the Board and its Committees, and the preparation and organization of their proceedings,
- the factors likely to have an impact in the event of a takeover offer,
- the Supervisory Board's observations,
- the delegations of powers and authority for capital increases, and
- the conditions to take part in the Shareholders' Meetings.

### ***14. Evaluation of the Supervisory Board***

The Supervisory Board must periodically evaluate its composition, organization and proceedings, as well as that of its Committees. The Board performs a review once a year, and a formal evaluation by a specialized firm under the authority of the Chairman of the Supervisory Board and the Chairman of the Governance and Sustainability Committee is performed once every three years.

### ***15. Supervisory Board committees***

The law requires companies whose shares are admitted to trading on a regulated market to create a committee responsible for monitoring the preparation and verification of accounting and financial information. For the Company, this committee is the Audit, Risks and Compliance Committee.

In addition, the Supervisory Board may create other committees and set their composition and duties. Accordingly, the Supervisory Board has created a Governance and Sustainability Committee, based on the proposal of its Chairman.

Such Committees act under the responsibility of the Supervisory Board. The Committees' duties may not have as their purpose the delegation of the powers of the Supervisory Board nor have the effect of reducing or limiting the powers of the Executive Board.

The Board's Committees may contact the Company's principal executives after informing the Chairman of the Board of their intention; they must subsequently report to the Board thereon.

Each Committee has a meeting secretary. At least half of a Committee's members must be present for the Committee to validly deliberate.

## **15.1. Audit, Risks and Compliance Committee**

### *15.1.1. Composition of the Audit, Risks and Compliance Committee*

The Audit, Risks and Compliance Committee is composed of at least three Supervisory Board members. The Supervisory Board designates from among its members those who have recognized expertise in finance and accounting. The Chairman of the Audit, Risks and Compliance Committee is appointed by the Supervisory Board.

The Chairman of the Audit, Risks and Compliance Committee must be an independent Board member.

The Chairman of the Supervisory Board is invited to attend each Audit, Risks and Compliance Committee meeting.

### *15.1.2. Responsibilities of the Audit, Risks and Compliance Committee*

The primary responsibilities of the Company's Audit, Risks and Compliance Committee are to monitor:

- the process for preparing financial and extra-financial information;
- the effectiveness of internal control and risk management systems;
- the audit of parent-company and consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

More specifically, the Audit, Risks and Compliance Committee's main tasks are to:

#### **▪ Accounting and financial information**

- review all accounting and financial documents to be issued by the Company before they are published (in particular the periodic calculation of NAV and the applicable methodology);
- ensure that the accounting policies chosen are appropriate and properly applied in the preparation of parent-company and consolidated financial statements;
- ensure that the processes used to produce financial information are rigorous enough to guarantee the sincerity of this information;
- ensure that internal data collection and control procedures make it possible to guarantee the quality and sincerity of the Company's accounts;
- ensure the appropriate accounting methods are used for any significant or complex transaction realized by the Company;
- inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are finalized;
- review the Company's earnings releases;

#### **▪ Risks, internal audit and compliance**

- ensure that a procedure exists to identify and analyze risks that may have material impact on accounting and financial information, and in particular on the Company's assets;
- review risk exposure and ensure the implementation of appropriate insurance programs;
- follow-up the main ongoing litigations involving the Company, and their potential accounting impact;
- regarding anti-corruption measures, review risk assessment and follow-up implementation of action plans;
- approve the annual internal audit program;

- interview the persons in charge of internal audit and risk control, and provide advice on the organization of their departments;
- **ESG**
  - review extra-financial information to be published (“Extra-Financial Performance Declaration” or equivalent), including the follow-up on the achievement of the main ESG performance indicators and the taxonomy reporting;
  - ensure that the process used to produce extra-financial information is rigorous;
  - be informed of the selection process of the independent third party, and its annual audit;
  - inform the Supervisory Board of any observations it considers relevant on ESG reporting;
- **Statutory Auditors**
  - serve as liaison with the Statutory Auditors and consult them regularly;
  - oversee the Statutory Auditor selection process, submit its findings to the Supervisory Board, and issue a recommendation on the Statutory Auditors nominated for shareholder approval at the Shareholders’ Meeting;
  - review the audit and consulting fees paid by the Group and Group-controlled companies to the Statutory Auditors and their networks and submit a report thereon to the Supervisory Board;
  - examine any work that is accessory to or directly complementary to the audit of the financial statements (work directly related to the audit);
  - approve the non-audit services of the Statutory Auditors of the Group and Group-controlled companies, in accordance with laws and regulations applying to the Statutory Auditors’ independence.

The Audit, Risks and Compliance Committee also reviews any issues within its remit raised by the Supervisory Board.

### *15.1.3. Audit, Risks and Compliance Committee meetings and information sources*

The Audit, Risks and Compliance Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Supervisory Board’s review of the annual and semi-annual financial statements.

It may, in the context of its responsibilities, examine a topic whenever it believes it is necessary and worthwhile to do so.

The Audit, Risks and Compliance Committee may interview the accounting staff as well as the Statutory Auditors outside the presence of the Company's management. The Committee may also retain experts to perform specific tasks falling within the scope of its responsibilities. Upon request, information on specific aspects of the Company’s accounting, financial and operating processes is provided to the members of the Supervisory Board who are also members of the Audit, Risks and Compliance Committee.

The Audit, Risks and Compliance Committee may hold meetings using videoconferencing or other telecommunications tools.

The Chairman of the Audit, Risks and Compliance Committee presents the Committee’s conclusions to the Supervisory Board for debate and decision at the Board’s next meeting.

## **15.2. Governance and Sustainability Committee**

### *15.2.1. Composition of the Governance and Sustainability Committee and Sustainability*

The Governance and Sustainability Committee is composed of at least three members of the Supervisory Board. The Chairman of the Governance and Sustainability Committee is appointed by the Supervisory Board.

The Chairman of the Governance and Sustainability Committee must be an independent Board member.

The Chairman of the Supervisory Board is invited to attend each Governance and Sustainability Committee meeting.

### *15.2.2. Responsibilities of the Governance and Sustainability Committee and Sustainability*

The Governance and Sustainability Committee includes the functions of a compensation committee and an appointments committee.

The Governance and Sustainability Committee responsibilities are to:

- **Governance organization**

- prepare succession plans for the Supervisory Board and the Executive Board;
- propose changes in the composition of the Supervisory Board and of its Committees;
- propose new members of the Executive Board or the renewal of the Executive Board to the Supervisory Board;
- define the candidates' appropriate profiles taking into account a variety of experience and new priorities (ex: ESG);
- monitor the evaluation of the Supervisory Board's composition and proceedings;
- express an opinion on any question related to the governance of the Company or the functioning of its governing bodies;

- **Compensation of corporate officers and co-investment**

- periodically review the adequacy of the overall compensation budget for the Supervisory Board members and, as the case may be, propose to add a resolution to the Shareholders' Meeting agenda in order to change its amount;
- propose the methods for apportionment of director's fees among the members of the Supervisory Board;
- propose the compensation package for the Chairman of the Supervisory Board and for the Lead Independent Member;
- propose the current or deferred compensation of Executive Board members, whether fixed or variable, long term or short term, including benefits in kind, the granting of stock options or performance shares, retirement benefits and termination benefits;
- examine Executive Board proposals involving the grant of stock options and performance shares for Company employees;
- propose to the Supervisory Board the general principles of the co-investment policy for Executive Board members and Wendel teams, and examine the terms and conditions proposed by the Executive Board;

- **ESG**

- ensure that the Board has the required skills to assess ESG issues, risks and opportunities, and to understand applicable rules and standards for ESG matters;
- review the choice of the main ESG performance indicators made by management;
- define and assess ESG objectives applicable to the short term and long term Executive Board members' compensation items;

- **Ethics and compliance**

- review the Supervisory Board Internal Rules and, as the case may be, propose amendments;
- review the compliance to the Afep-Medef Code and to best governance practices;
- ensure the existence of an adequate compliance program (in particular with the Code of Ethics, the anti-corruption program, the protection of personal data); and
- review any question concerning business ethics of Supervisory Board and Executive Board members, raised by the Supervisory Board.

The Governance and Sustainability Committee may review any issues within its remit raised by the Supervisory Board.

### *15.2.3. Governance and Sustainability Committee meetings and information sources*

The Governance and Sustainability Committee meets as frequently as it deems necessary.

The Governance and Sustainability Committee has access to all the resources it considers necessary to discharge its responsibilities. To the greatest extent possible, its meetings are held sufficiently in advance of Board meetings to allow for an in-depth examination of any subject requiring the Committee's attention. Accordingly, documents must be addressed to Committee members sufficiently in advance of each meeting.

The Governance and Sustainability Committee may call upon recognized independent experts to help it carry out its assignments.

The Chairman of the Governance and Sustainability Committee presents the Committee's conclusions to the Supervisory Board for debate and decision at the Board's next meeting.

## *16. Ethics of Supervisory Board members*

The Company's Market Confidentiality and Ethics Code (the "Code") applies to the members of the Supervisory Board, except for section 5.3 "Rules applying to personal transactions on other securities". A brief summary of Board members' obligations to maintain confidentiality, refrain from securities transactions and disclose securities transactions is provided below. This summary does not relieve the members of the Supervisory Board from their obligation to adhere to all applicable stipulations of the Code. Terms beginning with a capital letter are defined in the Code.

### **16.1. Securities to be held in registered form**

All Securities held by or that might in the future be held by Supervisory Board members or their spouses (from whom they are not legally separated) or dependent children must be held in registered form.

## **16.2. Obligation to maintain confidentiality**

Supervisory Board members are bound by a strict confidentiality obligation - this obligation goes beyond the mere duty of discretion provided for by law - regarding (i) discussions and deliberations materials from the Supervisory Board and its Committees and (ii) any information and documents presented or sent, or of which they have been made aware of in the exercise of their duties. This information may not be shared or used for personal reasons. Supervisory Board members must take all necessary steps to ensure that the information remains confidential.

The confidentiality obligation is always applicable, even if the Chairman has not expressly highlighted the confidential nature of information.

## **16.3. Obligation to refrain from trading**

In case of access to an Inside Information, the members of the Supervisory Board must refrain from carrying out any Securities Transaction, either directly or indirectly, for their own account or for the account of a third party, whether on or off the market, until the information is not defined anymore as Inside Information (eg. the information is published or the project is off).

Specifically, the members of the Supervisory Board must refrain from carrying out any Securities Transaction, either directly or indirectly, for their own account or for the account of a third party during:

- “blackout” periods;
- the period between the date on which the Supervisory Board member becomes aware of an Inside Information and the date such information is not defined anymore as Inside Information;
- any other period communicated by the Ethics Officer, in particular in the framework of an inscription on a Confidentiality List which includes an abstention obligation.

In addition, the members of the Supervisory Board must also refrain from trading in the securities of - listed or unlisted - subsidiaries and associates directly or indirectly held by the Company.

Finally, the members of the Supervisory Board of the Company are prohibited from trading in any put or call options on Securities and more generally in any hedging transaction on Securities, when the maturity of the transaction is less than one year. Options or hedging transactions with a maturity of more than one year must comply with the principles of the Code.

## **16.4. Transaction disclosure**

The members of the Supervisory Board and any Related Person with respect to the Supervisory Board must disclose to the AMF, via the AMF's “Onde” website, any transaction - if the global amount of transactions over a calendar year is in excess of €20,000 - carried out on the shares of Wendel within three trading days of such transaction. These transactions include acquisitions, sales, short sales, subscriptions, the pledging, lending or borrowing of securities, transactions carried out on a life insurance policy, transactions connected with derivative instruments, gifts, donations made or received and inheritances received. This list is not exhaustive; Board members should refer to section 5.6 of the Code.

## **17. Conflicts of interest on the Supervisory Board**



The members of the Supervisory Board have an obligation to be loyal to the Company. They are required to personally disclose to the Ethics Officer any conflict of interest situation, including potential or coming situations, in which they are or are likely to be, and to inform the Lead Independent Member of any conflict of interest situation with the majority shareholder (see Article 4.2).

Each member of the Supervisory Board must declare that he or she is not subject to any conflict of interest, even potential, as defined in the Code of Ethics. This statement is addressed to the Company's Ethics Officer (i) when the Board member assumes his or her office, (ii) at any other time, at the initiative of the member or upon the request of the Ethics Officer and (iii) within ten business days of any event rendering all or part of the previous statement inaccurate. The Ethics Officer examines and monitors any potential conflict of interest situation between a member of the Board and the Company.

In the event of conflict of interest, even a potential one, the Board member must abstain from attending in debate and must not take part in the corresponding vote. He or she does not receive the information related to the agenda item giving rise to the conflict of interest. Any Board decision relating to a conflict of interest is explained in the minutes of the meeting.

Following the annual request of the Company, each Supervisory Board member has to disclose the list of his/her directorships and roles in any company over the last five years.

Members of the Supervisory Board must also inform the Chairman of the Supervisory Board of their intention to accept a new appointment in a company that does not belong to a group of which they are executives. If the Chairman of the Supervisory Board believes that the new appointment could create a conflict of interest, the Chairman puts the issue before the Supervisory Board. In this case, the Board decides whether the appointment is incompatible with the position of a Wendel Supervisory Board member. Should the Board decide that there is a conflict of interest, it asks the Board member to choose between the new appointment and his/her appointment at Wendel. The Board must explain the reasoning behind its decision to declare an appointment incompatible.

## **18. Liability of Supervisory Board members**

### **18.1. Civil liability**

Supervisory Board members are responsible only for their personal failings in the execution of their duties. These would include, for example, being delinquent in their verification duties, or not revealing to shareholders illegal activities committed by members of the Executive Board even though they were aware of them. On the other hand, they do not bear any liability for the acts of management.

The members of the Supervisory Board must not interfere with the management of the Company when they carry out their responsibility to monitor and verify the work of the Executive Board. If they do so interfere, the members of the Supervisory Board can be qualified as *de facto* executives. This could cause them to bear the same liability as the members of the Executive Board.

### **18.2. Penal liability**

Because their duties involve verification, the penal liability of the members of the Supervisory Board is reduced, unless they are qualified as *de facto* executives. Interference in the management of the Company could have penal consequences if infractions have been committed.

### **18.3. Insurance**

The members of the Supervisory Board are covered by Wendel's liability insurance policy for its corporate officers.

***19. Entry into force – amendment to the Internal Rules – communication to Supervisory Board members – disclosure***

These Internal Rules will enter into force when they are adopted by the Supervisory Board.

Any amendment to the Internal Rules must be approved by a majority of the members present or represented.

Each member of the Supervisory Board will receive a copy of the Internal Rules as an attachment to the minutes of the Supervisory Board meeting during which they were approved.

The principal features of the Internal Rules will be disclosed to the public in the Company's universal registration document and more generally in compliance with the applicable legal or regulatory requirements.

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