

20 March 2008

Agreement on the conditions for Wendel seats at the Board of Directors

Pierre-André de Chalendar, Chief Executive Officer of Compagnie de Saint-Gobain, presented to the Board of Directors of Saint-Gobain at its meeting of 20th March 2008 the conclusions of the mission entrusted to him last November 22nd concerning the bases on which Wendel, the leading shareholder of Compagnie de Saint-Gobain, might enter the Board.

The Board studied the proposals put forward and the commitments undertaken by Wendel, as set out in the letter reproduced in the appendix hereto, having regard to three essential principles:

- 1) Support for the Strategy approved by the Board of Directors and implemented by the Executive Management

Wendel has confirmed its support for the strategy of the Group and, being represented on the Board, it is planned that Wendel be part of a Strategy Committee which will be established following the Shareholders Meeting of 5th June 2008. This Committee, which will have three members, will be chaired by an independent member of the Board and will include the Chief Executive Officer and a director representing Wendel. The Appointments Committee will be expanded to include a director representing Wendel.

- 2) Respecting the Independence of the Group and Equal Treatment for All Shareholders

Wendel has committed to limit its holding to 21.5% of the share capital and to limit the exercise at a shareholders meeting of the double voting rights which it will have in 2010 and 2011, so as not to surpass, solely because of such double voting rights, 34% of the votes of shareholders participating at that shareholders meeting. Wendel has also committed not to join in or favour a tender offer for Saint-Gobain which had not been recommended by the Board of Directors.

- 3) Stability of the Shareholder Base and a Medium Term Commitment

These provisions remain in force through to the conclusion of the Shareholders Meeting of 2009 and are automatically renewed (unless otherwise notified in advance). A conciliation procedure is provided for in case of a major disagreement. The provisions concerning limits placed on the use of double voting rights will remain in force through to the conclusion of the Shareholders Meeting of 2011. Finally, should Wendel wish to dispose of all or part of its holding, Saint-Gobain will under certain conditions have a right of "first offer".

The Board of Directors of Saint-Gobain considered unanimously that based on the commitments taken by Wendel regarding the respect of those 3 principles, it is natural that Wendel, the leading shareholder of Compagnie de Saint-Gobain, should be able to participate at the Board level. It has therefore accepted the request to that effect from Wendel and will propose to the Shareholders Meeting of 2008 the appointment to the Board of two directors representing Wendel, and a third such director to the Shareholders Meeting of 2009; the total number of directors being increased from 15 to 16 as from the Shareholders Meeting of 5th June 2008.

The Board of Directors welcomes the upcoming entry of new members representing Wendel. With a holding of near to 20% of its share capital, Wendel will bring stability to the shareholder base of Saint-Gobain, at the same time as preserving the independence of the Group so that it may continue its development.

Investor Relations Department

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WENDEL

Translation

Mr Jean-Louis Beffa
Compagnie de Saint-Gobain

18 March 2008

Dear Mr Chairman,

Our discussions, which have been carried out in a spirit of partnership, have allowed us to explore together the conditions in which Wendel could participate in the governance of your company. We are therefore in a position to confirm the measures to be taken to allow us to make our contribution, as principal shareholder, to the development of Saint-Gobain in becoming part of its board of directors; and to provide you with the assurances which you have considered necessary.

As the principal shareholder of Saint-Gobain we intend to support its strategy, implemented by its Chief Executive Officer, to contribute to the realisation of its plans while providing stability to its shareholder base.

1. Voting Rights

Should Wendel be in the position where it were able to exercise, together or in concert, more than 34% of the votes of shareholders participating at a shareholders meeting of Saint-Gobain, solely through the holding of double voting rights, we are prepared to limit the exercise of such rights at that shareholders meeting so that Wendel did not surpass this threshold of 34%.¹

These provisions will remain in effect until the conclusion of the annual shareholders meeting held in 2011.

All the above provisions limiting the voting rights of Wendel will cease to apply should any other shareholder surpass the threshold of 11% of the share capital of Saint-Gobain (alone or in concert) and in the case of a tender offer for Saint-Gobain.

2. Governance

We have noted that the governance of Saint-Gobain is in line with the principles established by AFEP and MEDEF.

We understand that you are considering proposing to the annual shareholders meeting of 5 June 2008 to increase the number of directors to 16 in order to maintain a sufficient number of independent directors, and we shall vote in favour of this resolution. In this context, our representation on the Board of Directors of Saint-Gobain would include three directors, of which the first two would be nominated by the Board of Directors at the annual shareholders meeting of 5 June 2008 and the third at the annual shareholders meeting of 2009.

A Strategy Committee will be established following the shareholders meeting of 5th June 2008. It will be comprised of three members. It will be chaired by an independent director and will include the Chief Executive Officer of Saint-Gobain and a director proposed by Wendel. This Committee will permit the continuation of the dialogue which we have engaged with the Executive Management of Saint-Gobain. It will meet six times per year in order to

¹ Wendel and Saint-Gobain will notify the arrangement thus agreed to the entity in charge of organising the holding of the shareholders meeting so that the latter can carry out the necessary calculations, of which it will inform the *bureau* of the meeting.

study the strategic plan, areas of potential improvement in the same and the strategic matters put forward by its members.

In addition, a director representing Wendel will be appointed to the Appointments Committee as from the shareholders meeting of 2008.

We also agree to reduce our representation on the Board of Directors of Saint-Gobain to one director should our holding in its share capital fall below 10%.

Furthermore, Wendel and the Executive Management will consult with each other, one month in advance of the relevant Board of Directors meeting, on any draft resolutions relating to matters other than those set out in (a) and (b) below and which are to be submitted to a shareholders meeting.

We shall submit no resolution to the vote of the shareholders of Saint-Gobain at the annual shareholders meeting of 2008 or 2009 unless approved in advanced by the Board of Directors.

More specifically, we are in a position to indicate to you that we shall vote as follows:

- (a) at the annual shareholders meeting of 5th June 2008:
 - for the adoption of a resolution similar to the 20th resolution adopted at the shareholders meeting of 7th June 2007; and
 - for the renewal of the mandate as director of the Chairman of the Board of Directors;
- (b) at the annual shareholders meeting of June 2009:
 - for the adoption of resolutions similar to resolutions 12 through 20 adopted at the extraordinary part of the shareholders meeting of Saint-Gobain of 7th June 2007.

3. Evolution of the Holding of Wendel

We confirm to you that we shall not increase the direct or indirect holding of Wendel (alone or in concert) in the share capital of Saint-Gobain beyond the threshold of 21.5%.

Of course this provision will not apply in case of a reduction in the number of shares of Saint-Gobain or of Saint-Gobain acquiring its own shares – in either of which case Wendel would keep the number of shares held theretofore.

Furthermore, should there be an increase in the share capital of Saint-Gobain, Wendel will be entitled (should it wish to do so) to exercise its rights so as to maintain or increase its holding subject to the limit of 21.5% of the share capital.

However, the provisions above concerning the evolution of the holding of Wendel will cease to apply should any other shareholder, acting alone or in concert, surpass the threshold of 11% of the share capital of Saint-Gobain or in case of a tender offer for Saint-Gobain.

Finally, Wendel agrees not to join a tender offer if the terms thereof have not been approved by the Board of Directors of Saint-Gobain; to abstain from any action which would be susceptible of provoking, encouraging or favouring the success of any such tender offer and from publicly recommending the same; provided that Wendel shall remain free to accept, with respect to all or part of its shares, any such offer.

4. Right of First Offer

We share your desire to favour a stable and sound shareholder base. Therefore, should we consider transferring, in a single or in several transactions, shares representing at least 5% of the share capital of Saint-Gobain, to a limited number of persons, we shall inform the Executive Management of our plan and of the price which we wish to obtain.

The Executive Management will then have 5 business days from the time of the notification to arrange for the acquisition by a third party or by Saint-Gobain at the price indicated, the shares which it is proposed to sell. If such is not arranged, we shall be free to transfer the

shares for a price no less than the price indicated. In any event, the Executive Management of Saint-Gobain will make its best efforts to contribute to the success of the transaction in a spirit of cooperation and partnership.

This right of first offer does not apply in case of a tender offer on Saint-Gobain for shares of Saint-Gobain in respect of which Wendel accepts a tender offer which has been declared valid.

5. Duration

The commitments which we are assuming in this letter will remain in force throughout a period expiring upon the conclusion of the annual shareholders meeting of Saint-Gobain in 2009, except for the provisions in respect of voting rights in paragraph 1 hereof.

We agree that these commitments thereafter be automatically renewed (save as below) for successive periods of 12 months through to the conclusion of the annual shareholders meeting of Saint-Gobain in 2011. However we shall be entitled to terminate these commitments by notice to Saint-Gobain at the latest two months prior to the next scheduled expiry date. In that case, the directors representing Wendel will resign from the Board of Directors effective upon expiry of this agreement.

Should any major disagreement arise between Wendel and the majority of the Board of Directors of Saint-Gobain, a conciliation procedure of two months duration will be organised. If, following this conciliation procedure, the disagreement remains, the directors of Wendel will resign at that time from the Board of Directors.

In the two cases set out here above, and except for the provisions relating to voting rights in paragraph 1 hereof, only the provisions of paragraphs 3 and 4 hereof concerning the evolution of our holding and the right of first offer given to Saint-Gobain shall remain in force: (a) in the case of non-renewal of the agreement – during the notification period provided for above; and (b) in case of a major disagreement – during the conciliation period also provided for above; furthermore, in each of these two cases, during a period of the ensuing two months, Wendel would be freed from its commitments if an shareholders meeting of Saint-Gobain, other than the combined annual shareholders meeting called upon to vote on proposed resolutions which are habitual for this kind of shareholders meeting, was called by the board of directors during any such notification or conciliation period or any ensuing two month period as provided for above.

6. Communication

It is agreed that neither of our two groups will publish a press release or publicly take a position regarding the other without having informed the other in advance.

Yours sincerely

Chairman of the Supervisory Board

Ernest-Antoine Seillière

Chairman of the Management Board

Jean-Bernard Lafonta