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Compensation of Corporate Officers

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The Board of Directors of February 10, 2017, decided the following in relation to the compensation of corporate officers.

1. 2016 variable portion and 2017 compensation of Corporate Officers

Upon recommendation of the Nominations and Compensation Committee, the Board of Directors of February 10, 2017 reviewed the various items of compensation of the executive corporate officers and took the following decisions:

2016 variable portion

- Patrick Berard, Chief Executive Officer**

Patrick Berard was appointed as Chief Executive Officer by the Board of Directors of July 1, 2016 for a term of two years, effective as of such date.

The 2016 variable compensation of the Chief Executive Officer could reach 120% of the fixed annual compensation (€650,000) if 100% of the financial and individual targets set were achieved. This variable portion was calculated on a pro rata basis for the year 2016, i.e., from July 1 to December 31, 2016.

The variable compensation for 2016 was based for 75% on financial criteria and for 25% on individual criteria. The financial criteria for 2016 were adjusted EBITA in volume (45%), ATWC (35%) and sales growth in volume (20%). The targets to be reached were those set in the 2016 budget.

Having assessed the performance of the Chief Executive Officer, the Board determined a global performance of 77.1%, i.e., an amount of €300,788 to be paid in respect of the period between July 1 and December 31, 2016.

Achievements are detailed as follows:

2016 fixed portion (prorata temporis from July 1 to December 31, 2016).	2016 target variable portion in percentage of fixed compensation	2016 target variable portion in € (prorata temporis from July 1 to December 31, 2016).	Financial part of the target variable portion	Individual part of the target variable portion	Financial part 2016 result	Individual part 2016 result	Achievement of 2016 financial part	Achievement of 2016 individual part	Global achievement in percentage of target variable portion	Amount in € to be paid in respect of 2016 variable portion (from July 1 to December 31, 2016)
A	B	(AxB)=C	D	E	F	G	(DxF)=H	(ExG)=I	(H+I)=J	(CxJ)
325,000	120%	390,000	75%	25%	69.5%	100%	52.1%	25%	77.1%	300,788

Financial results	Weight	Achievements (after weighting)
Adjusted EBITA in volume	45%	33.7%
ATWC	35%	35.8%
Sales growth in volume	20%	0%
Financial part 2016 income		69.5%

The specific mechanism decided by the Board of Directors on June 23, 2016 (coefficient multiplier applicable subject to certain conditions¹) has not been activated.

¹ Mechanism as described in the communication published on June 28, 2016 in relation to the compensation of corporate officers.

- **Catherine Guillouard, Deputy Chief Executive Officer**

The 2016 variable compensation of the Deputy Chief Executive Officer could reach 90% of the fixed annual compensation (€500,000) if 100% of the financial and individual targets set were achieved.

This variable compensation for 2016 was based for 65% on financial criteria and for 35% on individual criteria. The financial criteria for 2016 were adjusted EBITA in volume (45%), ATWC (35%) and sales growth in volume (20%). The targets to be reached were those set in the 2016 budget.

Having assessed the performance of the Deputy Chief Executive Officer, the Board determined a global performance of 69.7%, i.e., an amount of €313,538 to be paid in respect of the 2016 financial year.

Achievements are detailed as follows:

2016 fixed portion	2016 target variable portion in percentage of fixed compensation	2016 target variable portion in €	Financial part of the target variable portion	Individual part of the target variable portion	Financial part 2016 result	Individual part 2016 result	Achievement of 2016 financial part	Achievement of 2016 individual part	Global achievement in percentage of target variable portion	Amount in € to be paid in respect of 2016 variable portion
A	B	(AxB)=C	D	E	F	G	(DxF)=H	(ExG)=I	(H+I)=J	(CxJ)
500,000	90%	450,000	65%	35%	69.5%	70%	45.2%	24.5%	69.7%	313,538

Financial results	Weight	Achievements (after weighting)
Adjusted EBITA in volume	45%	33.7%
ATWC	35%	35.8%
Sales growth in volume	20%	0%
Financial part 2016 income		69.5%

The specific mechanism decided by the Board of Directors on February 10, 2016 (coefficient multiplier applicable subject to certain conditions²) has not been activated.

2. 2017 Compensation

➤ Cash compensation and additional benefits

In accordance with the compensation policy for corporate officers determined by the Board of Directors according to which the fixed and variable compensation of the corporate officers is determined at the beginning of the corporate office and for the whole term of office thereof, the 2017 fixed compensation of the Chairman of the Board of Directors and the 2017 fixed and target variable compensation of the Chief Executive Officer and of the Deputy Chief Executive Officer have remained identical to those of 2016.

- **Ian Meakins, Chairman of the Board of Directors**

There will be no change in the fixed compensation of the Chairman of the Board of Directors, which will remain at €500,000 per year. The Chairman of the Board of Directors does not benefit from any other compensation item.

Ian Meakins	2017	Evolution	2016*
Fixed portion	500,000	0%	125,000
Variable portion	N/A		N/A

Pro rata temporis from October 1 to December 31

² Mechanism as described in the 2015 Registration document, at page 75.

▪ **Patrick Berard, Chief Executive Officer**

- The annual fixed compensation of the Chief Executive Officer is maintained at €650,000 and his target annual variable compensation at 120% of his fixed compensation if 100% of the financial and individual targets are reached.
- The 2017 variable compensation is based for 75% on financial criteria and for 25% on individual criteria. The criteria targets may reach a maximum result of 150%. The individual portion of the variable compensation is capped at 100% of achievement (i.e., a maximum variable portion representing 165% of the fixed compensation).

The financial targets determined for 2017 are adjusted EBITA in volume (33%), ATWC (33%) and sales growth in volume (33%) and the targets to be achieved are those of the 2017 budget. The weighting of the criteria has been reviewed in order to recognize the contribution of each criteria to the group's development.

Patrick Berard	2017	Evolution	2016*
Fixed portion	650,000	0%	325,000
Variable portion:	780,000	0%	390,000
Total target	1,430,000	0%	715,000
<i>Target variable portion/fixed portion</i>	<i>120%</i>		<i>120%</i>

*Pro rata temporis from July 1 to December 31

2017 fixed compensation in €	2017 target variable part in percentage of fixed compensation	2017 target variable portion in €	Financial part of the target variable portion	Individual part of the target variable portion	Maximum financial part	Maximum individual part	Maximum 2017 target variable portion in % of target and in €	Maximum 2017 target variable portion in % of fixed compensation and in €
650,000	120%	780,000	75%	25%	(75%x150%)=112.5%	(25%x100%)=25%	137.5%	165%
			585,000	195,000	877,500	195,000	1,072,500	1,072,500

- The other benefits are renewed (health and welfare insurance, basic and supplementary pension, health checkup, tax/retirement advice, company car).

▪ **Catherine Guillouard, Deputy Chief Executive Officer**

The Board of Directors of Rexel, upon its meeting of February 20, 2017, decided to terminate the duties of Catherine Guillouard as Deputy Chief Executive Officer, effective February 20, 2017. The decisions below will therefore apply within these limits in respect of her duties as corporate officer for the considered period³.

- The annual fixed compensation of the Deputy Chief Executive Officer was maintained at €500,000 and her target annual variable compensation at 90% of her fixed compensation if 100% of the financial and individual targets are reached.
- The 2017 variable compensation is based for 65% on financial criteria and for 35% on individual criteria. The financial criteria may reach a maximum result of 150%. The individual criteria are capped at 100% of achievement (i.e., a maximum variable portion representing 119% of the fixed compensation).

The financial targets determined for 2017 are adjusted EBITA in volume (33%), ATWC (33%) and sales growth in volume (33%) and the targets to be achieved are those of the 2017 budget. The weighting of the criteria has been reviewed in order to recognize the contribution of each criteria to the group's development.

³ This decision of the Board of Directors dated February 20, 2017 is the purpose of a separate detailed communication dated February 24, 2017.

Catherine Guillouard	2017	Evolution	2016
Fixed portion	500,000	0%	500,000
Variable portion:	450,000	0%	450,000
Total target	950,000	0%	950,000
<i>Target variable portion/fixed portion</i>	<i>90%</i>		<i>90%</i>

2017 fixed compensation in €	2017 target variable portion in percentage of fixed compensation	2017 target variable portion in €	Financial part of the target variable portion	Individual part of the target variable portion	Maximum financial part	Maximum individual part	Maximum 2017 target variable portion in % of target and in €	Maximum 2017 target variable portion in % of fixed compensation and in €
500,000	90%	450,000	292,500	157,500	(65% \times 150%)=97.5% 438,750	(35% \times 100%)=35% 157,500	132,5%	119%

- The various benefits in kind are renewed (health and welfare insurance, basic and supplementary pension, health checkup, tax/retirement advice, company car, GSC unemployment coverage).

➤ **Medium-term and long-term compensation / Severance indemnities**

▪ **Patrick Berard, Chief Executive Officer**

Additional defined-benefit retirement plan

The Board of Directors of July 1, 2016 decided to maintain the benefit of the additional defined-benefit retirement plan that Patrick Berard benefited from prior to accepting his duties as Chief Executive Officer. Pursuant to article L. 225-42-1 of the French commercial code, the Board of Directors decided that the contingent rights that may be acquired by Patrick Berard in respect of his duties as Chief Executive Officer in connection with this scheme will only be granted subject to the achievement of the annual performance conditions set (taking into account the activity period and the compensation in his capacity as corporate officer).

The performance criteria determined by the Board of Directors have been aligned with those of the annual variable portion of the Chief Executive Officer (financial portion and individual portion). The performance criteria shall be considered as satisfied if the payment level of the annual variable portion reaches at least 60% of the target variable portion.

The Board of Directors of February 10, 2017 acknowledged the achievement of the performance criteria for the 2016 financial year (the payment level of the variable portion for 2016 over the exercise period of the corporate office having reached 77.1%). The activity period and the compensation received in respect of the duties of corporate officer over the considered period shall be taken into consideration for the calculation of the contingent rights.

Severance indemnities

The Chief Executive Officer does not qualify for any severance indemnity in respect of his corporate office. The Board of Directors decided not to grant to Patrick Berard any severance indemnity resulting from the termination of his duties as Chief Executive Officer of the Company, nor any non-compete compensation indemnity in connection with the termination of such duties, taking into account his career and profile.

It is reminded⁴ that the employment agreement of Patrick Berard, suspended during the exercise of his duties as Chief Executive Officer of the Company, provides under certain conditions for the payment of such indemnities, within the limits of a global amount of 18 months of monthly reference compensation. It is specified by the Board of Directors that in case of reactivation of the employment agreement of Patrick Berard, these potential severance indemnities would be calculated without taking into account the exercise period of the corporate office (without considering his seniority or fixed or variable compensation received as a corporate officer).

⁴ Please see communication in relation to the Compensation of Corporate Officers dated July 5, 2016.

▪ **Catherine Guillouard, Deputy Chief Executive Officer**

The Board of Directors of Rexel, upon its meeting of February 20, 2017, decided to terminate the duties of Catherine Guillouard as Deputy Chief Executive Officer, effective February 20, 2017. The decisions below will therefore apply within these limits in respect of her duties as corporate officer for the considered period⁵.

Medium-term collective savings scheme

A medium-term collective savings scheme was set up in 2016⁶, better adapted and competitive given the international profiles of the group's top managers. This scheme also concerns the Deputy Chief Executive Officer.

This scheme includes an annual component based on the fixed and variable compensation received the relevant year⁷, thus taking into account the annual performance achieved, as follows:

- 20% on the portion of compensation ranging between 4 and 20 PASS⁸.
- 10% on the portion of compensation ranging between 20 and 40 PASS⁸.

An exceptional contribution was provided in connection with this scheme, in particular in respect of the Deputy Chief Executive Officer. Deputy Chief Executive Officer, Catherine Guillouard, will be able to benefit from a specific contribution of €81,765 per year during 3 years as of 2016, subject to service conditions on December 31, of the relevant year. This specific contribution was calculated in accordance with the same rules as those described for the yearly component of the scheme, based on the compensation received by Catherine Guillouard since the beginning of her term of office.

All of these components are liable to social security contributions and personal income tax.

These contributions are transferred by the company to a medium-term investment vehicle⁹, with a lock-up undertaking from the corporate officers of at least 8 years. Part of the contribution is paid directly in cash to the beneficiaries in order to allow them to pay for the tax and Social Security charges associated with this scheme.

Severance indemnities

Upon renewal for 2 years of the term of office of the Deputy Chief Executive Officer by the Board of Directors on June 23, 2016, it was decided to maintain the benefit of a severance indemnity within the terms previously approved (limitation in case of forced departure, linked to a change of control or of strategy, within a limit of 24 months of the latest Monthly Reference Compensation and subject to performance conditions).

⁵ This decision of the Board of Directors dated February 20, 2017 is the purpose of a separate detailed communication dated February 24, 2017.

⁶ Decision of the Board of Directors of February 10, 2016.

⁷ The variable portion taken into consideration will be limited in any case to 80% of the fixed annual compensation.

⁸ Annual Social Security limit (*Plafond Annuel de la Sécurité Sociale*).

⁹ Such as a life insurance repurchasable at any time.