

Compensation of Corporate Officers

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The Board of Directors of February 13, 2018, decided the following in relation to the compensation of Corporate officers.

1. 2017 variable portion and 2018 compensation of Corporate officers

Upon recommendation of the Compensation committee, the Board of Directors of February 13, 2018 reviewed the various items of compensation of the corporate officers and took the following decisions:

2017 variable portion

- **Chief Executive Officer, Patrick Berard**

The 2017 variable target compensation of the Chief Executive Officer was set at 120% of the fixed annual compensation (€650,000) if 100% of the financial and individual targets were achieved.

The variable compensation for 2017 was based for 75% on financial criteria and for 25% on individual criteria. The financial criteria for 2017 were adjusted EBITA in volume (33.33%), ATWC (33.33%) and sales growth in volume (33.33%). The targets to be reached were those set in the 2017 budget.

Having assessed the performance of the Chief Executive Officer, the Board determined a global performance of 124.8%, i.e., an amount of €973,440 to be paid for 2017.

Achievements are detailed as follows:

2017 fixed compensation	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	Financial part 2017 result	Individual part 2017 result	Achievement of 2017 financial part	Achievement of 2017 individual part	Global achievement in percentage of target variable portion	Amount in € to be paid in respect of 2017 variable portion
A	B	(AxB)=C	D	E	F	G	(DxF)=H	(ExG)=I	(H+I)=J	(CJ)
650,000	120%	780,000	75%	25%	135.6%	92.5%	101.7%	23.1%	124.8%	973,440

Financial results	Weight	Achievements (after weighting)
Adjusted EBITA in volume	33.3%	47.3%
ATWC	33.3%	38.3%
Sales growth in volume	33.3%	50.0%
Financial part 2017 income		135.6%

In accordance with the article L.225-100 of the French commercial code, the payment of this 2017 variable portion will be subject to the approval of Rexel general ordinary and extraordinary shareholders meeting on May 24, 2018.

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

The Board of Directors upon its meeting of February 20, 2017, decided to terminate the duties of the Deputy Chief Executive Officer, effective February 20, 2017. Catherine Guillouard has therefore performed her corporate office duties until this date.

The 2017 variable compensation of the Deputy Chief Executive Officer was set at 90% of the fixed annual compensation (€500,000) if 100% of the financial and individual targets were achieved. The fixed annual compensation *prorata temporis* for the period from January 1st to February 20, 2017 was €70,833.

This variable compensation for 2017 was based for 65% on financial criteria and for 35% on individual criteria. The financial criteria for 2017 were adjusted EBITA in volume (33.33%), ATWC (33.33%) and sales growth in volume (33.33%). The targets to be reached were those set in the 2017 budget.

Having assessed the performance of the Deputy Chief Executive Officer, the Board determined a global performance of 109% (based on financial statements as at June 30, 2017 for the financial criteria), i.e., an amount of €69,487 to be paid in respect of the period from January 1st to February 20, 2017.

Achievements are detailed as follows (based on financial statements as at June 30, 2017)

2017 fixed portion (<i>prorata temporis</i> from January 1st to February 20th)*	2017 target variable portion in percentage of fixed compensation	2017 target variable portion in € (<i>prorata temporis</i> from January 1st to February 20th)	Financial part of the target variable portion	Individual part of the target variable portion	Financial part 2017 result	Individual part 2017 result	Achievement of 2017 financial part	Achievement of 2017 individual part	Global achievement in percentage of target variable portion	Amount in € to be paid in respect of 2017 variable portion (<i>prorata temporis</i> from January 1st to February 20th)
A	B	(AxB)=C	D	E	F	G	(DxF)=H	(ExG)=I	(H+I)=J	(CxJ)
70,833	90%	63,750	65%	35%	119.3%	90.0%	77.5%	31.5%	109.0%	69,487

*14.2% of the annual amount

Financial results (<i>Semester 1 - 2017</i>)	Weight	Achievements (after weighting)
Adjusted EBITA in volume	33.3%	37.6%
ATWC	33.3%	31.7%
Sales growth in volume	33.3%	50.0%
Financial part 2017 income		119.3%

In accordance with the article L.225-100 of the French commercial code, the payment of this 2017 variable portion will be subject to the approval of Rexel general ordinary and extraordinary shareholders meeting on May 24, 2018.

2018 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 set at the beginning of the corporate office and for the whole term thereof, the 2018 fixed compensation of the Chairman of the Board of Directors and the 2018 fixed and target variable compensation of the Chief Executive Officer remained unchanged since 2016.

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

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	2018	Evolution	2017
Fixed portion	500,000	0%	500,000
Variable portion	N/A		N/A

▪ **Chief Executive Officer, Patrick Berard**

- 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 2018 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 2018 remain unchanged: adjusted EBITA in volume (33.33%), ATWC (33.33%) and sales growth in volume (33.33%) and the targets to be achieved are those of the 2018 budget. The payout at target for financial criteria will be 100%. A new mechanism will be implemented in 2018 according to which overachievement on sales growth criteria will only be paid if the adjusted EBITA criterion reaches at least a certain level.

Patrick Berard	2018	Evolution	2017
Fixed portion	650,000	0%	650,000
Variable portion:	780,000	0%	780,000
Total target	1,430,000	0%	1,430,000
<i>Target variable portion/fixed portion</i>	<i>120%</i>		<i>120%</i>

2018 fixed compensation in €	2018 target variable part in percentage of fixed compensation	2018 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 2018 target variable portion in % of target and in €	Maximum 2018 target variable portion in % of fixed compensation and in €
650,000	120%	780,000	75%	25%	(75% \times 150%)=112.5%	(25% \times 100%)=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).

In accordance with the article L.225-37-2 of the French commercial code, the principles and criteria of determination, allocation and granting of the compensation components for the Chairman of the Board of Directors and for the Chief Executive Officer will be submitted to Rexel general ordinary and extraordinary shareholders meeting on May 24, 2018.

2. Medium-term and long-term compensation / Severance indemnities

▪ **Chief Executive Officer, Patrick Berard**

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 13, 2018 acknowledged the achievement of the performance criteria for the 2017 financial year (the payment level of the variable portion for 2017 over the exercise period of the corporate office having reached 124.8%). 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 reminded 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).