OFFERING MEMORANDUM **NOT FOR GENERAL CIRCULATION IN THE UNITED STATES**

REXEL

€600,000,000 2.125% Sustainability-Linked Senior Notes due 2028

Rexel, incorporated in the Republic of France as a *société anonyme,* or company with limited liability (the "Issuer" or "Rexel"), is offering €600,000,000 of its 2.125% Sustainability-Linked Senior Notes due 2028 (the "Notes"). Rexel will pay interest on the Notes semi-annually in arrears on June 15 and December 15 each year, commencing on June 15, 2022. Interest on the Notes will accrue from their date of issue. The Notes will mature on December 15, 2028. The Notes will initially bear interests at a rate of 2.125% per annum. From and including June 15, 2024, the interest rate shall be increased by 25 basis points to 2.375% per annum, unless the Issuer has notified the Trustee and the Paying Agent (each as defined herein) in writing, at least 15 days prior to June 15, 2024, that it has determined that the Issuer has attained the Sustainability Performance Targets (as defined herein) and received an Assurance Report (as defined herein).

The Issuer may, at its option, redeem the Notes in whole or in part at any time prior to December 15, 2024, at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest, and on or after December 15, 2024, by paying the applicable redemption price set forth in this offering memorandum. In addition, at any time on or prior to December 15, 2024, the Issuer may redeem up to 40% of the principal amount of the Notes with the net proceeds from one or more specified equity offerings. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes. In addition, holders of the Notes may cause the Issuer to redeem the Notes, at a redemption price equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if the Issuer undergoes specific kinds of changes of control and a ratings decline.

The Notes will be senior unsecured obligations of Rexel. The Notes will rank equally with all of Rexel's existing and future unsecured senior debt and senior to all its existing and future subordinated debt. The Notes will be effectively subordinated to all secured indebtedness of Rexel to the extent of the value of the assets securing such indebtedness and to all obligations of its subsidiaries.

This offering memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectuses for securities dated July 16, 2019. Application has been made to have the Notes admitted to listing on the official list of the Luxembourg Stock Exchange (the "Official List") and admitted to trading on the Euro MTF market. References in this offering memorandum to the Notes being "listed" (and all related references) shall refer to the admission of the Notes to the Official List and to trading on the Euro MTF market. The Euro MTF is a multilateral trading facility for the purposes of Directive 2014/65/EU of May 15, 2014 on markets in financial instruments, as amended.

Investing in the Notes involves risks. You should carefully consider the risk factors beginning on page 19 of this offering memorandum before investing in the Notes.

The Notes will be deposited with and registered in the name of a common depositary for the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream"). Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. Delivery of the beneficial interests in the Notes has been made through Euroclear and Clearstream, in each case on November 10, 2021 or such later date as agreed between the Issuer and the Initial Purchasers (as such term is defined under "Plan of Distribution"). See "Book-Entry, Delivery and Form".

Issue Price for the Notes: 100%, plus accrued interest, if any, from the Issue Date.

The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act").

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Plan of Distribution" and "Notice to Certain Investors" for additional information about eligible offerees and transfer restrictions.

Joint Global Coordinators

BNP PARIBAS | **Crédit Industriel et Commercial S.A.** | **ING**

Joint Bookrunners

Bayerische Landesbank | **BBVA**

Commerzbank | **Natixis**

Co-Lead Managers

Danske Bank A/S | **Standard Chartered Bank AG**

The date of this offering memorandum is November 10, 2021

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NOTICE TO INVESTORS

This offering memorandum has been prepared solely for use in connection with, and prospective investors are authorized to use this offering memorandum only in connection with, a private placement of the Notes by Rexel outside the United States to persons that are not U.S. persons (within the meaning of Regulation S under the Securities Act) under Regulation S under the Securities Act. Rexel and the Initial Purchasers reserve the right to reject any offer to subscribe for the Notes for any reason. You may not use any information herein for any purpose other than considering subscribing for the Notes. You agree to the foregoing by accepting delivery of this offering memorandum.

No person has been authorized to give any information or to make any representations in connection with the offering or sale of the Notes other than as contained in this offering memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by Rexel, the Initial Purchasers, any of their affiliates or any other person. None of Rexel, the Initial Purchasers or any of their affiliates or representatives is making any representation to any recipient of the Notes regarding the legality of an investment by such purchaser of the Notes under appropriate legal investment or similar laws. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Rexel or its subsidiaries since the date hereof or that the information contained herein is correct and complete as of any time subsequent to the date hereof.

Rexel has prepared this offering memorandum and is solely responsible for its contents. You are responsible for making your own examination of Rexel and your own assessment of the merits and risks of investing in the Notes. Rexel has summarized certain documents and other information in a manner it believes to be accurate. However, Rexel refers you to the actual documents for a more complete understanding of the matters discussed in this offering memorandum. Where information has been sourced from a third party, we confirm that this information has been accurately reproduced and that as far as we are aware and are able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been included, its source has been cited.

To the best of the knowledge and belief of Rexel, having taken all reasonable care to ensure that such is the case, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. Rexel accepts responsibility for the information contained in this offering memorandum accordingly.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this offering memorandum and, if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer or any of its affiliates, or any of the Initial Purchasers. This offering memorandum does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this offering memorandum nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time subsequent to that date.

The information contained in this offering memorandum has been furnished by the Issuer and other sources we believe to be reliable. This offering memorandum contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents. By receiving this offering memorandum, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision to invest in the Notes. The contents of this offering memorandum are not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountants and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the Notes. In making an investment decision, investors must rely on their own examination of the Issuer and its respective affiliates, the terms of the offering of any of the Notes and the merits and risks involved.

No representation or warranty, express or implied, is made by the Initial Purchasers or any of their respective affiliates, advisors or selling agents, nor any of their respective representatives, as to the accuracy or completeness of the information set forth herein, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by any of them, whether as to the past or the future.

By accepting delivery of this offering memorandum, you agree to the foregoing restrictions and agree not to use any information herein for any purpose other than considering an investment in the Notes. This offering memorandum may only be used for purpose for which it was published. The information set out in relation to sections of this offering memorandum describing clearing and settlement arrangements, including the section entitled "Book-entry, Delivery and Form", is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream.

Rexel will not, nor will any of its agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants under the rules and procedures governing their operations, nor will Rexel or its agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

The Notes are subject to restrictions on transferability and resale, which are described under the sections "Plan of Distribution" and "Notice to Certain Investors". By possessing this offering memorandum or purchasing any Note, you will be deemed to have represented and agreed to all of the provisions contained in that section of this offering memorandum. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Investors are urged to pay careful attention to the risk factors described under the section "Risk Factors" of this offering memorandum, as well as the other information in this offering memorandum, before making their investment decision. The occurrence of one or more of the risks described herein or therein could have an adverse effect on Rexel's activities, financial condition, results of operations or prospects. Furthermore, other risks not yet identified or not considered significant by Rexel could have adverse effects on Rexel's activities, financial condition, results of operations or prospects, and investors may lose all or part of their investment in the Notes.

MiFID II Product Governance / Professional Investors and Eligible Counterparties

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the guidelines published by ESMA on 5 February 2018 has led to the conclusion that:

(i) the target market for the Notes is eligible counterparties and professional clients, each as defined in Directive (EU) 2014/65 (as amended, "MiFID II"); and

(ii) all channels for distribution of the Notes to Eligible Counterparties and professional clients are appropriate.

Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

UK MiFIR Product Governance / Professional Investors and Eligible Counterparties

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that:

(i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and

(ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate.

Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPS regulation / prohibition of sales to EEA retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA").

For these purposes, a "retail investor" means a person who is one (or more) of:

(i) a retail client as defined in point (11) of article 4(1) of MIFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II.

Consequently, no key information document required by Regulation (EU) 1286/2014, as amended (the "PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This offering memorandum has been prepared on the basis that any offer of the Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes.

This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for us, the Issuer or any of the Initial Purchasers to produce a prospectus for such offer. Neither we, nor the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this offering memorandum.

Prohibition of sales to UK retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK").

For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (8) of article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Mediation Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA.

Consequently no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

STABILIZATION

In connection with the issue of the Notes, BNP Paribas (the "Stabilizing Manager") (or any person acting on behalf of the Stabilizing Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) will undertake stabilization activities. Any stabilization activities may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but they must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization activities or over allotment must be conducted by the Stabilizing Manager (or person(s) acting on behalf of the Stabilizing Manager) in accordance with all applicable laws and rules.

NOTICE TO CERTAIN INVESTORS

General

This offering memorandum does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Notes in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this offering memorandum and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum comes are required to inform themselves about and to observe any such restrictions.

No action has been taken in any jurisdiction that would permit a public offering of the Notes. No offer or sale of the Notes may be made in any jurisdiction except in compliance with the applicable laws thereof. You must comply with all laws that apply to you in any place in which you buy, offer or sell any Notes or possess this offering memorandum.

For a description of certain restrictions relating to the offer and sale of the Notes, see "Plan of Distribution". Rexel accepts no liability for any violation by any person, whether or not a prospective purchaser of the Notes, of any such restrictions.

United States

The Notes offered pursuant to this offering memorandum have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may be offered and sold only to non-U.S. persons outside the United States in "offshore transactions" as defined in, and in accordance with, Regulation S under the Securities Act ("Regulation S"). The term "U.S. persons" has the meaning given to it in Regulation S.

Accordingly, the offer is not being made in the United States or to U.S. persons and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for, any Notes in the United States or to, or for the account or benefit of, U.S. persons.

Any person who subscribes or acquires Notes will be deemed to have represented, warranted and agreed, by accepting delivery of this offering memorandum or delivery of the Notes, that it is not a U.S. person and that it is subscribing or acquiring the Notes in compliance with Rule 903 of Regulation S in an "offshore transaction" as defined in Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a broker/dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Any person in the United States or any U.S. person who obtains a copy of this offering memorandum is required to disregard it.

United Kingdom

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); (iii) high net worth companies falling within Article 49(2)(a) to (d) of the Order; and (iv) persons to whom it may be lawfully communicated, (all such persons together being referred to as "relevant persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Notes will be engaged only with, relevant persons. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents. For a description of certain restrictions on the offer and sale of the Notes and the distribution of this offering memorandum in the United Kingdom, see "Plan of Distribution — United Kingdom".

PRIIPS regulation / prohibition of sales to EEA retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA").

For these purposes, a "retail investor" means a person who is one (or more) of:

(i) a retail client as defined in point (11) of article 4(1) of MIFID II; or

(ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II.

Consequently, no key information document required by Regulation (EU) 1286/2014, as amended (the "PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation. This offering memorandum has been prepared on the basis that any offer of the Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Notes.

This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation. Accordingly, any person making or intending to make any offer of the Notes within the EEA should only do so in circumstances in which no obligation arises for us, the Issuer or any of the Initial Purchasers to produce a prospectus for such offer. Neither we, nor the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this offering memorandum.

Prohibition of sales to UK retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK.

For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (8) of article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Mediation Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA.

Consequently no key information document required by the PRIIPS Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

France

This offering memorandum has not been prepared and is not being distributed in the context of a public offering (other than to qualified investors) of securities in France within the meaning of Article L. 411-1 of the French *Code monétaire et financier* and, therefore, this offering memorandum or any other offering material relating to the Notes have not been and will not be filed with the French *Autorité des Marchés Financiers* (the "AMF") for prior approval or submitted for clearance to the AMF and, more generally, no prospectus has been prepared in connection with the offering of the Notes that has been approved by the AMF or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the AMF; no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public (other than to qualified investors) in France; this offering memorandum and any other offering material relating to the Notes have not been distributed or caused to be distributed and will not be distributed or caused to be distributed, directly or indirectly, to the public (other than to qualified investors) in France; offers, sales and distributions of the Notes have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) within the meaning of Article 2(e) of the Prospectus Regulation in accordance with Articles L. 411-1 and L. 411-2 of the French *Code monétaire et financier* and applicable regulations thereunder. The direct or indirect distribution to the public in France of any Notes so acquired may be made only as provided by Articles L. 411-1 to L. 411-4, L. 412-1 and L. 621-8 to L. 621-8-2 of the French *Code monétaire et financier* and applicable regulations thereunder.

Australia, Canada, Japan and South-Africa

The Notes may not be offered, sold or purchased in Australia, Canada, Japan or South Africa.

Luxembourg

Neither this offering memorandum nor any other material relating to the Notes will be offered, sold, distributed or otherwise made available in the Grand Duchy of Luxembourg other than in compliance with the Law of July 16, 2019 on prospectuses for securities.

CERTAIN DEFINITIONS

In this offering memorandum (except as otherwise defined in "Description of Notes" for purposes of that section only or the financial statements of Rexel included elsewhere in this offering memorandum):

- "Issuer" and "Rexel" refers to Rexel;
- "Rexel Group", "Group", "us" or "we" refers to Rexel and its subsidiaries;
- "2.750% Notes" means the Issuer's 2.750% Notes due 2026 issued on March 12, 2019 in the original aggregate principal amount of €600,000,000;
- "2.125% Notes" means the Issuer's 2.125% Notes due 2028 issued on May 5, 2021 and on May 18, 2021 in the original aggregate principal amount of €400,000,000;
- "Initial Purchasers" refers to BNP Paribas, Crédit Industriel et Commercial S.A., ING Bank N.V., Bayerische Landesbank, Commerzbank Aktiengesellschaft, Banco Bilbao Vizcaya Argentaria, S.A., Natixis, Danske Bank A/S and Standard Chartered Bank AG and the other initial purchasers named in the section "Plan of Distribution" in this offering memorandum;
- "Senior Facility Agreement" means the €850 million revolving credit facility agreement, dated March 15, 2013 (as most recently amended on January 31, 2018), among Rexel, as borrower, and, *inter alios*, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Belgium SA, succursale en France, Natixis, and Société Générale Corporate & Investment Banking as Mandated Lead Arrangers and Bookrunners, and Crédit Agricole Corporate and Investment Bank as Facility Agent and Swingline Agent. The facility under the Senior Facility Agreement is referred to herein as the "Senior Credit Facility";
- "2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline" means 116,829 of metric tons of carbon dioxide equivalent which are the Scope 1 and Scope 2 Greenhouse Gas Emissions for the year ended December 31, 2016 calculated based on the December 31, 2017 Rexel Group perimeter;
- "2016 Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products Baseline" means 2.92 metric tons of carbon dioxide equivalent per thousand of euro of sales which is the Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products for the year ended December 31, 2016;
- "Assurance Report" refers to a limited assurance report from the External Verifier relating to the satisfaction of the Sustainability Performance Targets;
- "External Verifier" refers to PricewaterhouseCoopers Audit or any other qualified provider of third-party assurance or attestation services appointed by the Issuer, in its sole discretion, to review the Sustainability Performance Targets and provide related limited assurance services;
- "GHG Protocol Standard" means the document titled "the Greenhouse Gas Protocol, A corporate Accounting and Reporting Standard (revised Edition)" published by the World Business Council for Sustainable Development and the World Resources Institute (as amended, updated and supplemented from time to time);
- "Scope 1 and Scope 2 Greenhouse Gas Emissions" means, in respect of a fiscal year, in metrics tons of carbon dioxide equivalent, the sum of:

  (a) direct greenhouse gas emissions from sources owned or controlled by the Issuer and its Subsidiaries as defined by the GHG Protocol Standard; and

  (b) indirect greenhouse gas emissions from electricity, steam and heat consumed by the Issuers' and its Subsidiaries' owned or controlled sites;

  in each case as calculated in good faith by the Issuer in accordance with the methodology detailed in the latest annual universal registration document of the Issuer from time to time (which calculation shall be conclusive);

- “Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products” means, in respect of a fiscal year, the ratio of (i) indirect greenhouse gas emissions in metrics tons of carbon dioxide equivalent relating to the use of the products sold during that fiscal year by the Issuer and its Subsidiaries using a specific methodology, developed from time to time by the Issuer and aligned on the recommendations of the GHG Protocol Standard, to (ii) consolidated sales of the Issuer and its Subsidiaries in thousand euros for that fiscal year; as calculated in good faith by the Issuer (which calculation shall be conclusive);

- “Sustainability-Linked Bond Framework” refers to our sustainability-linked bond framework adopted in October 2021. The Sustainability-Linked Bond Framework can be found on our website at http://www.rexel.com. Notwithstanding anything in this offering memorandum to the contrary, neither our sustainability reports (including our Sustainability-Linked Bond Framework) nor any other information on our website is incorporated by reference in this offering memorandum;

- “Sustainability Performance Target 1” refers to a 23% reduction in Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products in respect of the fiscal year ending December 31, 2023, compared to 2016 Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products Baseline;

- “Sustainability Performance Target 2” refers to a 23.7% reduction in Scope 1 and Scope 2 Greenhouse Gas Emissions in respect of the fiscal year ending December 31, 2023, compared to 2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline; provided that (x) in order to take into account perimeter changes (including without limitation, as a result of acquisitions or divestments), the variation rate of the Scope 1 and Scope 2 Greenhouse Gas Emissions shall be calculated in good faith by the Issuer (which calculation shall be conclusive) at the end of each fiscal year compared to the previous year at a constant scope (on a pro forma basis to take into account the perimeter variation, but only once the necessary data is available), and (y) such variation rate shall be applied consecutively each year to the applicable figure from the previous year starting from basis 100 for the 2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline, in order to determine the overall variation of the Scope 1 and Scope 2 Greenhouse Gas Emissions since December 31, 2016; and

- ‘‘Sustainability Performance Targets’’ means Sustainability Performance Target 1 and Sustainability Performance Target 2, referred to collectively.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Rexel is the parent company of the Rexel Group and the head of the tax consolidation group implemented as of January 1, 2005. This offering memorandum incorporates by reference the audited consolidated financial statements of Rexel as at and for the years ended December 31, 2020 and 2019 and the related statutory auditors' reports, and the unaudited condensed consolidated interim financial statements of Rexel as at and for the six-month period ended June 30, 2021. The consolidated financial statements of Rexel have been prepared in accordance with IFRS as adopted by the European Union.

Rexel publishes its consolidated financial statements in euros. In this offering memorandum, references to "euro" and "€" refer to the lawful currency of the member states participating in the third stage of the Economic and Monetary Union under the Treaty Establishing the European Community, as amended from time to time.

Various calculations of figures and percentages included in this offering memorandum may not add up or match due to rounding.

CONSTANT BASIS PRESENTATION AND OTHER NON-GAAP MEASURES

Figures are incorporated by reference from Rexel's Half year financial report for the six-month period ended June 30, 2021, Chapter 5.1 ("Activity report") and Chapter 5.2 ("Consolidated Financial Statements") of our *Document d'enregistrement universel* for the year ended December 31, 2020 filed with the AMF on March 11, 2021 under the number D.21-0111 (the "2020 *Document d'enregistrement universel*") and from Chapter 5.1 ("Activity report") and Chapter 5.2 ("Consolidated Financial Statements") of our *Document d'enregistrement universel* for the year ended December 31, 2019 filed with the AMF on March 9, 2020 under the number D.20-0111 (the "2019 *Document d'enregistrement universel*") and presented on an actual historical basis and, in some instances, on a "constant basis". Presenting a percentage change from one period to another on a constant basis is designed to eliminate the effect of changes in Rexel's scope of consolidation (that is, the entities that the Group consolidates in its financial statements), fluctuation in exchange rates between the euro and other currencies and, in some cases, the different number of working days between two periods. For more information in this respect, see Rexel's Half year financial report for the six-month period ended June 30, 2021 and Chapters 5.1 and 5.2 of the 2020 *Document d'enregistrement universel* and Chapters 5.1 and 5.2 of the 2019 *Document d'enregistrement universel* respectively. Rexel uses figures prepared on a constant basis both for its internal analysis and for its external communications, as it believes they provide means by which to analyze and explain variations from one period to another on a more comparable basis. Prospective investors should be aware, however, that these figures presented on a constant basis are not measurements of performance under IFRS.

In addition, this offering memorandum includes certain supplemental indicators of the Group's performance and liquidity that the Group uses to monitor its operating performance and debt servicing ability. These indicators include EBITA, EBITDA, Adjusted EBITA, Adjusted EBITDA, EBITDAaL and "free cash flow before net interest and income taxes". These measures are unaudited and are not required by, or presented in accordance with, IFRS. Such indicators have limitations as analytical tools, and investors should not consider them in isolation from, or as a substitute for analysis of, related indicators derived in accordance with IFRS. The Group uses these non-GAAP financial measures in this offering memorandum because it believes that they can assist investors in comparing the Group's performance to that of other companies on a consistent basis without regard to depreciation and/or amortization. Depreciation and amortization can vary significantly among companies depending on accounting methods, particularly where acquisitions or non-operating factors, including historical cost bases, are involved. The Group believes that EBITA and the other non-GAAP financial measures, as it defines them, are also useful because they enable investors to compare the Group's performance excluding the effect of various items that it believes do not directly affect its operating performance. These measures should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS. Moreover, the Group's computation of EBITA and other non-GAAP financial measures may not be comparable to similarly titled measures of other companies.

MARKET AND INDUSTRY DATA

Unless otherwise stated, the information provided in this offering memorandum relating to market share and the size of relevant markets and market segments for the professional distribution of low and ultra-low voltage electrical products is based on the estimates of Rexel and is provided solely for illustrative purposes. To the knowledge of Rexel, there are no authoritative external reports providing comprehensive coverage or analysis of the professional distribution of low and ultra-low voltage electrical products. Consequently, Rexel has made estimates based on a number of sources, including internal surveys, studies and statistics from independent third parties or professional federations of electrical products distributors, specialist publications (such as Electrical Business News and Electrical Wholesaling), figures published by the Rexel Group's competitors and data provided by its operating subsidiaries.

The above-referenced studies, estimates, research and public information, which Rexel considers reliable, have not been verified by independent experts. Neither Rexel nor the Initial Purchasers guarantee that a third party using different methods to analyze or compile market data would obtain or generate the same results. In addition, the Rexel Group's competitors may define their markets differently. To the extent the data relating to market share and market size included in this offering memorandum is based solely on Rexel's estimates, it does not constitute official data. Neither Rexel nor the Initial Purchasers make any representation as to the accuracy of such information.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains “forward looking statements” that reflect the current expectations of Rexel with respect to future events and the financial performance of the Rexel Group. The words “believe”, “expect”, “intend”, “aim”, “seek”, “plan”, “project”, “anticipate”, “estimate”, “will”, “may”, “could”, “should” and similar expressions are intended to identify forward looking statements. Forward looking statements reflect the present expectations of Rexel with regard to future events and are subject to a number of important factors and uncertainties that could cause actual results to differ significantly from those described in the forward-looking statements.

Although Rexel believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions given its knowledge of its industry, business and operations as of the date of this offering memorandum, Rexel cannot give any assurance that they will prove to be correct, and it cautions you not to place undue reliance on such statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause the Rexel Group’s actual results, performance or achievements, or its industry’s results, to be significantly different from any future results, performance or achievements expressed or implied in this offering memorandum. These forward looking statements are based on numerous assumptions regarding the Rexel Group’s present and future business strategies and the environment in which the Group expects to operate in the future. Some of these factors are discussed under “Risk Factors” beginning on page 19 of this offering memorandum, and include, among other things:

- significant worsening of the global economic environment or in the main countries in which Rexel operates or major exogenous event impacting the activities of the Group;
- challenges which may impact the Group’s business transformation to adapt to the digital world and better structure itself around service offering;
- increased competition from digital players and suppliers;
- deterioration of the Group’s operating margin;
- difficulties for Rexel to strengthen its marketing capabilities to switch from a conventional to a more customer data driven marketing approach in every geography of the Group;
- significant cyber-attack on the information systems of the Group;
- events impacting the health and safety of Group employees or third parties (including psychosocial risks);
- difficulties for Rexel to manage and exploit data;
- inability of the Group to attract, develop and/or retain talents to support Rexel’s activities and objectives;
- insufficiently resilient information systems;
- significant fraud due to the misappropriation of assets or accounting manipulation;
- significant loss of value of intangible assets;
- margin deterioration resulting from raw materials price fluctuation, including that of copper;
- unethical behavior within the Group (corruption, anticompetitive agreements, non-compliance with embargoes, failure to protect personal data); and
- insufficient or inadequate actions in favor of environmental protection and social responsibility to meet stakeholders’ expectations.

The forward-looking statements of Rexel speak only as of the date of this offering memorandum. Rexel expressly disclaims any obligation or undertaking and does not intend to release publicly any updates or revisions to any forward-looking statements contained in this offering memorandum to reflect any change in its expectations or any change in events, conditions or circumstances, on which any forward looking statement contained in this offering memorandum is based.

AVAILABLE INFORMATION

Each purchaser of Notes from the Initial Purchasers will be furnished with a copy of this offering memorandum and, to the extent provided to the Initial Purchasers by us, any related amendment or supplement to this offering memorandum. Any such request should be directed to Investor Relations, Rexel, 13, boulevard du Fort de Vaux, 75017 Paris, France.

Except for the information specifically incorporated by reference in this offering memorandum, the information contained on our website does not constitute a part of this offering memorandum.

Pursuant to the indenture governing the Notes and so long as the Notes are outstanding, we will furnish periodic information to holders of the Notes. See "Description of Notes — Reports".

If the Notes are listed on the Official List, and admitted to trading on the Euro MTF market (the "Euro MTF market"), then for so long as the Notes are listed on that exchange and the rules of that exchange so require, copies of such information, our organizational documents, the indenture governing the Notes and our most recent consolidated financial statements will be available for review during the normal business hours on any business day at the specified office of the paying agent and transfer agent in Luxembourg at the address listed on the inside of the back cover of this offering memorandum.

INFORMATION INCORPORATED BY REFERENCE

The information set out below, which has previously been published or is published simultaneously with this offering memorandum and will be filed with the Luxembourg Stock Exchange, shall be deemed to be incorporated in, and to form part of, this offering memorandum.

Such documents and this offering memorandum will be made available, free of charge, during normal business hours on any weekday at the specified office of the listing agent, unless such documents have been modified or superseded.

Documents incorporated by reference in this offering memorandum:

- Press release related to the third-quarter 2021 sales dated October 21, 2021 (the "Q3 Press Release");
- English version of the half-year activity report with the unaudited condensed consolidated interim financial statements as at and for the six-month period ended June 30, 2021 (the "Half-Year Activity Report");
- Chapter 1 ("Presentation of the Rexel Group"), Chapter 2 ("Risk Factors and Internal Control"), Chapter 3 ("Corporate Governance"), Chapter 5.1 ("Activity Report"), Chapter 5.2 ("Consolidated Financial Statements"), including statutory auditors report thereon, and Chapter 7 ("Responsible for the Universal Registration Document / Statutory Auditors") of the English language translation of our *Document d'enregistrement universel* for the year ended December 31, 2020 filed with the AMF on March 11, 2021 under the number D.21-0111, and the English language translation of our *Amendement au Document d'enregistrement universel* for the year ended December 31, 2020 filed with the AMF on March 29, 2021 under the number D.21-0111-A01 (the "2020 URD Extracts"); and
- Chapter 5.1 ("Activity Report") and Chapter 5.2 ("Consolidated Financial Statements"), including statutory auditors report thereon, of the English language translation of our *Document d'enregistrement universel* for the year ended December 31, 2019 filed with the AMF on March 9, 2020 under the number D.20-0111 and as amended by our *Amendement au document d'enregistrement universel* for the year ended December 31, 2019 filed with the AMF on May 11, 2020 under the number D.20-0111-A01 (the "2019 URD Extracts").

The Q3 Press Release, the Half-Year Activity Report, the 2020 URD Extracts and the 2019 URD Extracts contain, among other things, a description of the Group and our activities. It is important that you read this offering memorandum, including the information incorporated by reference, in its entirety before making an investment decision regarding the Notes.

The information contained in the 2020 URD Extracts has not been updated since March 29, 2021 and speaks only as of such date.

The information contained in the Half-Year Activity Report has not been updated since July 28, 2021 and speaks only as of such date.

The information contained in the Q3 Press Release has not been updated since October 21, 2021 and speaks only as of such date.

Any statement contained in the Q3 Press Release, the Half-Year Activity Report, the 2020 URD Extracts or the 2019 URD Extracts shall be deemed to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained in this offering memorandum (including any statement in an excerpt from a more recent document that is incorporated by reference in this offering memorandum) modifies or supersedes such statement. Any statement that is modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this offering memorandum. The Q3 Press Release, the Half-Year Activity Report, the 2020 URD Extracts and the 2019 URD Extracts are important parts of this offering memorandum. All references herein to this offering memorandum include the Q3 Press Release, the Half-Year Activity Report, the 2020 URD Extracts and the 2019 URD Extracts hereto, as modified or superseded.

Any documents themselves incorporated by reference in the documents incorporated by reference in this offering memorandum shall not form part of this offering memorandum and are either covered in another part of this offering memorandum or are not relevant for the investors.

Copies of the documents incorporated by reference in this offering memorandum are available for viewing on the website of the Issuer (http://www.rexel.com/en/) and on the website of the Luxembourg Stock Exchange (http://www.bourse.lu.). Except for the information specifically incorporated by reference in this offering memorandum, the information provided on such website is not part of this offering memorandum and is not incorporated by reference in it.

ENFORCEMENT OF JUDGMENTS

The Issuer of the Notes is organized under the laws of France. The indenture governing the Notes and the Notes will be governed by New York law. Most of the directors and executive officers of the Issuer are non-residents of the United States. Since most of the assets of the Issuer, and most of its directors and executive officers, are located outside the United States, any judgment obtained in the United States against the Issuer or any such other person, including judgments with respect to the payment of principal, premium (if any) and interest on the Notes or any judgment of a U.S. court predicated upon civil liabilities under U.S. Federal or state securities laws, may not be collectible in the United States. Furthermore, although the Issuer will appoint an agent for service of process in the United States and will submit to the jurisdiction of New York courts, in each case, in connection with any action in relation to the Notes and the indenture governing the Notes or under U.S. securities laws, it may not be possible for investors to effect service of process on us or on such other persons as mentioned above within the United States in any action, including actions predicated upon the civil liability provisions of U.S. federal securities laws.

If a judgment is obtained in a U.S. court against the Issuer, investors will need to enforce such judgment in jurisdictions where the relevant company has assets.

Even though the enforceability of U.S. court judgments outside the United States is described below for the country in which the Issuer is located, you should consult with your own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States.

France

Our French counsel has advised us that the United States and France are not party to a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards, rendered in civil and commercial matters. Accordingly, a judgment rendered by any U.S. Federal or state court based on civil liability, whether or not predicated solely upon U.S. Federal or state securities laws, enforceable in the United States, would not directly be recognized or enforceable in France. A party in whose favor such judgment was rendered could initiate enforcement proceedings (*exequatur*) in France before the relevant civil court (*Tribunal judiciaire*). Enforcement in France of such U.S. judgment could be obtained following proper (i.e., *non-ex parte*) proceedings if the civil court is satisfied that the following conditions have been met (which conditions, under prevailing French case law, do not include a review by the French court of the merits of the foreign judgment):

- such U.S. judgment was rendered by a court having jurisdiction over the matter in accordance with French rules of international conflicts of jurisdiction (including, without limitation, where the dispute is clearly connected to the U.S.) and the French courts did not have exclusive jurisdiction over the matter;

- such U.S. judgment does not contravene French international public policy rules, both pertaining to the merits and to the procedure of the case, including fair trial rights;

- the rights of the defendant were respected in the U.S. Federal or state court proceedings (French courts may check in particular that service was properly effected, that the facts were properly proved by reference to elements other than mere statements by the plaintiff and that the defendant had the opportunity of appealing to the extent an appeal was possible in the relevant court, in particular by having had knowledge of the judgment in sufficient time);

- such U.S. judgment is not tainted with fraud; and

- such U.S. judgment does not conflict with a French judgment or a foreign judgment which has become effective in France and there is no risk of conflict with proceedings pending before French courts at the time enforcement of the judgment is sought and having the same or similar subject matter as such U.S. judgment.

In addition to these conditions, it is well established that only final and binding foreign judicial decisions (i.e., those having a *res juridicata* effect) can benefit from an *exequatur* under French law. If the French civil court is satisfied that such conditions are met, the U.S. judgment will benefit from the *res juridicata* effect as of the date of the decision of the French civil court and will thus be declared enforceable in France. However, the decision granting the *exequatur* is subject to appeal.

In addition, the discovery process under actions filed in the United States could be adversely affected under certain circumstances by French law No. 68-678 of July 26, 1968, as modified by French laws No. 80-538 of July 16, 1980 and No. 2000-916 of September 19, 2000 (relating to communication of documents and information of an economic, commercial, industrial, financial or technical nature to foreign authorities or persons), which could prohibit or restrict obtaining evidence in France or from French persons in connection with a judicial or administrative U.S. action. Pursuant to the regulations above, the U.S. authorities would have to comply with international (The Hague Convention of 18 March 1970 on the Taking of Evidence Abroad in Civil or Commercial Matters) or French procedural rules to obtain evidence in France or from French persons.

Similarly, French data protection rules (law No. 78-17 of January 6, 1978 on data processing, data files and individual liberties, as last modified by law No. 2019-828 of August 6, 2019 and French ordinance No. 2019-964 of September 18, 2019) can limit under certain circumstances the possibility of obtaining information in France or from French persons in connection with a judicial or administrative U.S. action in a discovery context. The General Data Protection Regulation (EU) 2016/679 imposes further restrictions to the transfer of information located in France or from French individuals to the US.

We have been advised by our French counsel that if an original action is brought in France, French courts may refuse to apply the designated law if its application contravenes overriding provisions of French law (*lois de police*) or French international public policy rules, or in case of fraud. Further, in an action brought in France on the basis of U.S. Federal or state securities laws, French courts may not have the requisite power to grant all the remedies sought.

Our French counsel has also advised us that according to article 15 of the French Civil Code (*Code civil*), a party may always bring in France an action against a French national (either a company or an individual), and such jurisdiction of the French courts is not exclusive of the jurisdiction of foreign courts, provided that the dispute presents sufficient links to such foreign State, and the choice of jurisdiction is not tainted by fraud. In addition, according to article 14 of the French *Code civil*, a French national may decide to bring an action before the French courts, regardless of the nationality of the defendant. Such jurisdiction of the French courts is not exclusive of the jurisdiction of foreign courts, provided that the dispute presents sufficient links to such foreign State, and the choice of jurisdiction is not tainted by fraud. The rights granted under articles 14 and 15 of the French *Code civil* may be waived.

The French Supreme Court (*Cour de cassation*) has held that a jurisdiction clause may only be effective if it complies with the requirement of foreseeability. This can notably be the case where the jurisdiction clause sets out an objective basis for the determination of the competent courts. A contractual provision submitting one party to the exclusive jurisdiction of a court and giving another party the discretionary option to choose any competent jurisdiction, which, by definition, does not set out an objective basis for the determination of the competent courts to be chosen by the latter party, is however likely to be considered by French courts as not complying with the requirement of foreseeability. Accordingly, French courts would likely find that any provision to this effect would not be binding on the party submitted to the exclusive jurisdiction of the court or prevent a French party from bringing an action before the French courts, should they otherwise have jurisdiction.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum but may not contain all of the information that you should consider before investing in the Notes. This summary does not purport to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the more detailed information appearing elsewhere in this offering memorandum, and in the Q3 Press Release, the Half-Year Activity Report, the 2020 URD Extracts and the 2019 URD Extracts, each incorporated by reference to this offering memorandum. You should read this entire offering memorandum, including the section entitled "Risk factors", the financial statements and related notes, and each of the documents incorporated by reference therein, before making an investment decision. References to "we", "our", "us", and "the Group" refer to, collectively, Rexel and its consolidated subsidiaries.

THE REXEL GROUP

Our company

We believe the Rexel Group to be one of the leading global distributors of low and ultra-low voltage electrical products, based on both sales and number of branches. We estimate that in 2020 we held globally a market share of more than 6%. The countries in which we consider that the Rexel Group has a market share over 15% represent nearly 60% of our sales.

We target three end-markets:

- the residential market (28% of 2020 sales), which mainly covers the use of electrical products in housing, building complexes, buildings and public housing, as part of their construction, extension, renovation or upgrading;

- the commercial market (43% of 2020 sales), covering the use of electrical products in stores, health institutions, schools, offices, hotels, public facilities as well as energy power plants, public networks and transport infrastructure, as part of their construction, extension, maintenance, renovation or upgrading; and

- the industrial market (29% of 2020 sales), which covers the use of electrical products in plants and other industrial sites, either as part of their construction or extension, or for maintenance, renovation or upgrading.

For these three end-markets, we are a key link of the value chain between electrical equipment providers and customers and end-users. We offer our solutions and services to a wide range of customers, in particular electrical equipment contractors, end-users with internal installation departments, parts manufacturers and panel builders, industrial companies and tertiary companies. This diversity allows us to avoid being dependent on any customer, although the degree of customer concentration in some countries or product ranges can be higher than in others.

We distribute our electrical products through a network comprising 59 logistical centers and 1,906 branches across 25 countries employing 24,396 people (full time equivalent) as at December 31, 2020. Our product offer can be broken down into eight families (as a percentage of our 2020 sales): electrical installation products (44%), cables and conduits (22%), lighting (15%), climate control (6%), tools (4%), renewable energies and energy management (3%), security and communication (2%), white and brown goods (1%) and other (3%). The product families and percentages presented above correspond only to the professional distribution of low and ultra-low voltage electrical products business. These product families do not include the specific services provided by certain specialist entities of the Rexel Group, such as Rexel Energy Solution or Capitol Light in the United States, or the provision of services or software. The sales generated by the Rexel Group for these other businesses was around 3% in 2020. The offer is enhanced by combining products with services, in particular logistics, technical assistance, financing and training aiming at addressing all of the needs of our customers.

Our sales for the nine-month period ended September 30, 2021 amounted to €3,555.1 million, of which €1,978.1 million were generated in Europe, €1,260.3 million in North America, and €316.6 million in the Asia-Pacific zone.

Sales for the nine-month period ended September 30, 2021 were up 11.5%, with Europe up 10.2%, North America up 17.4% and Asia-Pacific down 1.3%, on a constant and same-day basis.

Our consolidated sales for the half-year ended June 30, 2021 amounted to €7,057.8 million, of which €4,122.9 million were generated in Europe (58% of sales), €2,296.2 million in North America (33% of sales), and €638.7 million in the Asia-Pacific zone (9% of sales). In the first half of 2021, the Rexel Group recorded EBITDA of

€588.2 million, Adjusted EBITDA of €544.0 million, EBITDAaL of €476.4, EBITA of €442.4 million and Adjusted EBITA of €398.2 million, representing 5.6% of first half of 2021 consolidated sales. Please refer to "Selected Historical Financial Data — Other data (Unaudited)" below for definitions of EBITDA, Adjusted EBITDA, EBITDAaL, EBITA and Adjusted EBITA.

Our consolidated sales for the year ended December 31, 2020 amounted to €12,592.5 million, of which €7,083.3 million were generated in Europe (56% of sales), €4,342.0 million in North America (35% of sales), and €1,167.2 million in the Asia-Pacific zone (9% of sales). In 2020, the Rexel Group recorded EBITDA of €820.9 million, Adjusted EBITDA of €810.3 million, EBITDAaL of €605.9, EBITA of €537.0 million and Adjusted EBITA of €526.4 million, representing 4.2% of 2020 consolidated sales.

A market driven by long-term growth factors

We consider that our market, following the trend in electricity consumption, should grow in volume over the long term by approximately 2.5% per year CAGR until 2050, with the share of energy consumption relating to electricity rising from 19% of the mix in 2020 to 42% in 2050. This anticipated growth trend is notably driven by a conjunction of macroeconomic trends such as:

- the development of access to electricity linked to demographic growth and distribution, as well as increasing urbanization, creating demand for the construction of new infrastructures;
- the willingness of States to reduce the share of carbon energies, in particular as part of the Paris Agreement;
- the aging of the population, the advent of new medical solutions and the upkeep of elderly people at home thanks to connected objects; and
- the development of countries' industrialization.

In addition to macroeconomic factors, we consider that the professional distribution market for low and ultra-low voltage electrical products is driven by a conjunction of different structural growth factors, which should lead to an increase in the electrical distribution market of at least 3% per year in the medium-term (addressable market estimated by Rexel at c. €180 billion):

- energy issues awareness entailing the will to increase active energy efficiency of equipment. The desire to promote low-carbon energy favors the future development of electricity, as is the willingness of customers to pay more for products or solutions that help protect the environment. The development of solutions to reduce energy consumption or the production of new energy solutions is also a consequence of this awareness of energy issues and opens up new opportunities;
- recovery plans of States in Europe (Green deal) and the United States, decided as a result of the Covid-19 pandemic;
- the development of the Internet of Things, that offers increased functionalities, in particular in terms of security, ease of use and energy efficiency, leading to the modernization of existing equipment. The offer tends to lean towards complex systems of connected products, steerable on-site or remotely, and of interconnected multi-purpose products. This emergence paves the way for a trend towards more added value and the need for consistent offerings, including software offerings;
- a changing regulatory environment, which varies by country. The modification of safety and energy consumption standards constitutes a factor for equipment renewal;
- the multiplication of electrical uses, along with the development of offers for solar panels, electric vehicles, air conditioning systems requiring electrical installations that replace traditional systems resorting to other energy sources, in many cases carbon energy sources;
- the development of technical assistance and maintenance services, due notably to the technological evolution of installations and customers' increasing demand for value added services;
- the consolidation of international customers looking for a value-consistent service delivery offer across all countries in which they operate; and

- the ongoing development and renewal of the higher value-added product offer encourages regular growth and an increase in the price of the average basket. This trend is particularly noticeable in the most technical product categories, such as industrial automation, lighting, security and communication. It is also supported by the change in safety and energy efficiency standards, promoting the renewal and shift to more advanced products. In 2020, green revenues represented 50% of Group sales, corresponding to the best estimate at date.

The geographical breakdown of our markets

Our businesses are spread over three main geographical regions (Europe, North America, and Asia-Pacific). Our 2020 sales amounted to €12,592.5 million and our first half of 2021 sales amounted to €7,057.8 breakdown as follows:

	Six-month period ended June 30, 2021		Year ended December 31, 2020	
	In millions of euros	**In percentage**	**In millions of euros**	**In percentage**
Europe	4,122.9	58%	7,083.3	56%
North America	2,296.2	33%	4,342.0	35%
Asia-Pacific	638.7	9%	1,167.2	9%
Total	7,057.8	100%	12,592.5	100%

Europe: According to our estimates, we are the second player in the market for the professional distribution of low and ultra-low voltage electrical products in Europe, with a 2020 market share of more than 16%. We consider that the residential, commercial and industrial markets represented respectively 43%, 36% and 21% of our 2020 sales in Europe.

At December 31, 2020, we were located in 17 European countries. We consider that we occupy the first or second place in 10 of these countries.

North America: According to our estimates, and based on our 2020 sales, our market share for 2020 was over 5% for the professional distribution of low and ultra-low voltage electrical products market in North America. In North America, we operate essentially in the industrial and commercial markets and to a lesser extent in the residential market. We consider that the residential, commercial and industrial markets represented respectively 8%, 59% and 33% of our 2020 sales in North America.

Asia-Pacific: Based on our estimates and our 2020 sales, we consider that we are number two in Asia-Pacific, with a market share of approximately 2% in 2020.

According to our estimates, the residential, commercial and industrial markets represented respectively 18%, 19% and 63% of our 2020 sales in Asia-Pacific.

At December 31, 2020, we were located in 6 Asia-Pacific countries.

OUR COMPETITIVE STRENGTHS

We consider our principal competitive strengths to be the following:

Leading global market positions and strong local leadership: We are worldwide experts in the professional omnichannel distribution of electrical products and services for the energy world and one of the main players in the market of the professional distribution of low and ultra-low voltage electrical products in terms of both sales and number of branches. We estimate that in 2020 we held globally a market share of more than 6%. We believe that this position allows us to have competitive advantages compared to distributors whose size or organization is not similar:

- Meet the demands of customers operating in several geographical zones while offering a comparable level of service and advice worldwide;

- Determine and apply the best practices in terms of business management and development within our network, thanks to Group-wide operations in the most important functions (purchasing, logistics, sales and training);

- Benefit from equivalent or better purchasing conditions than our smaller competitors, by entering into partnership agreements with our strategic suppliers;

- Share IT and digital solutions and streamline contracts with partners in these areas;

- Ensure that our clients, in all areas, apply the best environmental and social standards in the sector; and

- Better identify external growth opportunities in countries we target and integrate acquired businesses according to processes defined on the basis of our experience.

The countries in which we consider that we have a market share over 15% represented close to 60% of our sales in 2020. We are convinced of the importance of reaching a critical size in each of the markets where we are present in order to guarantee the quality and profitability of our operations in such countries.

Diversified in terms of geography, end-market and customers: Our presence in a range of different countries over several continents limits our exposure to the fluctuations of local economic cycles. As at December 31, 2020, we operated in 25 countries with our operations across Europe, North America and Asia-Pacific accounting for 56%, 35% and 9% of our sales, respectively (58%, 33% and 9% of our sales, as at June 30, 2021). Our operations are divided into three end-market segments: commercial, industrial and residential. For 2020, the split of sales across these three segments was 43% commercial, 29% industrial and 28% residential. Our diversification in both the end-markets and geographies also allows us to reduce the effects of a downturn in a given end-market within a country or region, thus driving a resilient global business.

High value added products and services: Among our eight product families, we offer a wide range of technical solutions that allow us to address local consumption behavior and applicable standards as well as technological innovations. The product offer is generally marketed under the suppliers' brands, whose brand awareness is an important element in the contractors' purchase decision. Thus, the change in the product range is the result of a dynamic, continuous approach that takes into account customer requirements. We position ourselves as a trusted player in the value chain. The evaluation of the ethical, social and environmental performance of key suppliers in each country contributes to strengthen customer confidence in the Group's offer. In a limited number of segments suitable for their development and corresponding to products that are not part of its core business, we also distribute our own-brand products (such as the BizLine, Gigamedia or Newlec brands), mainly commodities, which represent around 3% of 2020 sales.

We seek to enhance the value of our product offer by combining it with varied value-added services. These services are carried out by qualified personnel benefiting from continuous training that allows them to master technological changes. The services we provide allow our customers to handle the technical changes involved in the distributed products families and support them along their projects. These services notably include:

- Training, support for automation programming and support for drafting cabling diagrams;

- Electrical installations design services;

- Support for major projects, *inter alia* international projects, in particular for logistics needs;

- Outsourcing programs for the supply chain, in particular in the area of inventory and assembly management, distribution of spare parts and the outsourcing of logistics services;

- Provision of turnkey solutions and the calculation of potential savings, in particular in the industrial and energy efficiency areas; and

- Financing services adapted to the profiles of our customers.

These additional services increase the value of our distributor role and help improve customer loyalty. In addition, these services are part of a customer loyalty and development policy, in particular, through the widening of skills to products incorporating the most recent technological evolutions.

Highly qualified, experienced teams and a strong sales force: Due to the technical nature of our business, we employ highly experienced personnel with in-depth knowledge of product specificities, local needs and applicable regulations. This know-how and training offered to customers allows us to direct them to higher value-added systems for end-customers, which allows us to improve such customers' loyalty and to develop the market share held with them. We can therefore act as an advisor in technical solutions.

To preserve this competitive advantage, our employees benefit from an active training program in performance-oriented technical and sales areas. The evolution of employees' capacities is part of a desire to ensure that everyone's skills are updated, which represents a strong commitment in a context of global digitalization. To that end, we rely on the development of our digital tool Rexel Academy, which gathers all modules available relating to the company's life and knowledge of new products.

To implement our digital transformation, we had to make arrangements to attract talent before mastering these new skills and assist our employees to favor the introduction of the new digital tools made available to sales forces and teams.

Our managers have a broad experience in professional distribution as well as expertise in operational, financial and mergers and acquisitions (M&A) matters.

Strategic relations with suppliers, capitalizing on these global/local and physical/digital dual assets: In order to adapt our supply structure to the specificities of each country or geographical zone, and to optimize our purchasing conditions, we have implemented partnerships with our suppliers on several levels:

- On a global level, around 40 international suppliers are considered "strategic suppliers" by the Rexel Group. These suppliers are present in different countries on one or several continents and are committed with the Rexel Group in international development programs;

- At each country level, the Rexel Group subsidiaries negotiate specific purchasing conditions with their suppliers; and

- At a local level, the branches may also negotiate specific sales conditions with their suppliers.

We have a policy of concentrating our suppliers, with the aim of rationalizing our purchasing policy and strengthening our relations with the most important suppliers. Thanks to our digital transformation, we upgraded our service and now offer our suppliers joint digital marketing proposals or the sharing of analytical data worldwide through a dedicated portal.

In this way, we promote the development of sustainable relations with our strategic suppliers who have the ability to contribute to the growth of our business both on global and local levels. The development of these relations also takes into account the technological advance of the suppliers (in terms of products and services) and their digital innovation. These privileged relations enable us to have more bargaining power, obtain productivity gains, generate economies of scale in logistics; benefit from the supplier's marketing resources as well as their support in introducing innovations on the market. Our active supplier management has resulted in a gradual concentration in our purchases.

Our supplier relations are governed by short-to-medium-term contracts. We have strategic relationships with a number of suppliers.

We consider that we have generally favorable relations of interdependence with most of our major suppliers, thus limiting the inherent risks in a concentration of suppliers, as shown in the table below:

December 31, number of suppliers to achieve	2020	2019
50% of purchases	26	26
80% of purchases	350	378
100% of purchase	9,986	10,575

A model adapted to customer expectations

An omnichannel model with a growing digital share: We rely on nine distribution channels, both physically and remotely managed, in order to optimize contacts with customers and adapt to their preferences and needs:

- Branch network: local channel offering an immediate availability of several thousand products, the withdrawal of orders placed until the evening before on tens of thousands of additional references and access to the expertise of sales consultants;

- Autostores: automated proximity models, positioned in metropolises, offering a wide range of immediately available products;

- Call center: in order to place orders or obtain a quick response to quotes and technical queries;

- Sales force: a unique and dedicated contact point for each customer for a customized response to its needs;

- Know-how center: access to specialists in all fields;

- EDI: a digital catalogue directly integrated into the customer's systems for simple and efficient ordering;

- E-commerce site: an extensive offer available online, as well as a wide range of services such as online chat with experts, the Click & Collect allowing to select a drop-off point to pick up the order (including safe deposit lockers);

- Web-based configurator: online tools for product configuration; and

- Applications: many applications aimed at making our customers' lives easier, such as sales applications allowing them to create their shopping cart offline, geolocation of the nearest branch, etc.

The complementarity of skills and expertise available in the various channels allows us to build complete and personalized solutions for our customers, positioning it as a unique partner for the supply of electrical solutions and equipment.

This omnichannel offer improves customer loyalty and the share of purchases made with the Group. It represents a major competitive advantage, particularly in the face of players specializing in digital technology. It goes together with the will to increase the share of digital sales (online tools and EDI), which amounts to approximately 21% of the Group sales in 2020.

Effective logistics model: Our distribution activities are based on an adaptable logistics model organized around four variants:

- Logistics centers which are generally used in areas with high customer density to carry out logistics functions, stock a large number of referenced products and are directly supplied by suppliers. Sales of products are carried out by the branches attached to these distribution centers;

- Hub and spoke branches whose implementation allowed us to develop in areas with lower customer density. Each hub branch provides logistics support to its spoke branches, in addition to its own sales activity;

- Autonomous branches which are generally located in areas with low customer density, where logistics centers and hub branches would not be economically efficient. All products are stocked in the branches, which are directly supplied by the suppliers; and

- New automated models of the Autostore type, generally located close to metropolitan areas and which enable deliveries to be made on site or in racks in urban areas. For example, Rexel France entered into an agreement with a parking company to install lockers in city centres that are available at any time.

The choice of one of these distribution modes for a given region depends on numerous parameters, in particular the customer concentration, market size, the density of the branch network, the product offer, competition, as well as the type and diversity of services to be supplied. In addition, we can adapt each of these variants to take into account the characteristics of each region. If the sales densities allow it, we seek to centralize flows through logistics centers.

Resilient operational and financial performance

Balanced cost structure: We have engaged in developing digitalization and a sales organization relying on shared structures that allow cost flexibility. The Covid-19 period also showed that this cost structure can also be adapted quickly to consider sudden and unexpected external events. Thereby, in the stages of decline, we respond efficiently and with agility. The capacity to implement the various supporting government programs and to modify our cost structure on a permanent basis in order to face sustainably an uncertain macroeconomic environment has been confirmed in this worldwide crisis.

Based on our financial information for the year ended December 31, 2020, we estimate that the structure of our operating expenses before amortization consists in: (i) variable costs depending on the level of activity of 27% (transport, commissions, etc.); and (ii) fixed costs, flexible in the short- to medium-term of 73% (salaries, rents, information systems costs, etc.).

Improving operational performance: We aim at continuously increasing our profitability through gross margin enhancement and strict cost control.

Gross margin improvement results from the improvement of customer services, from the systematic implementation of pricing initiatives and from the supplier relationship management. We also optimize our cost base, thanks in particular to the improvement of productivity of processes without compromising the digital transformation of our organization.

In addition to these initiatives, we drove deep transformations to enhance our profitability in key geographies, in particular in the USA, Germany, the UK and Spain.

Since 2017, the priority was to increase the quality of service, in particular by improving the network density and product availability. For example, in the United States, we opened 57 additional sales outlet (branches/counters) over the 2017-2019 period and increased inventories of about €150 million between 2016 and 2018. Furthermore, we upgraded our U.S. model in early 2018 from a national approach by brand to a multi-banner regional approach, focusing on eight key regions (Northwest, Midwest, Northeast, Southeast, Florida, Gulf Central, Mountain Plains and California).

Through these initiatives, we aim in particular at improving operational efficiency, leading to market share gains and improving profitability.

Solid cash flow generation: Our operating profitability, associated with the rigorous management of our working capital requirements and low capital intensity, allows us to generate significant cash flows.

A component of our managers' variable compensation is based on efficiently managing working capital requirements, aimed at reducing inventories and customer payment terms thanks to the continuous optimization of logistics and credit management. The deployment of the logistics model to a structure based on hub branches and regional distribution centers as well as the implementation of debt recovery monitoring software are examples of initiatives that have led to a reduction in working capital requirements in percentage of sales.

Regarding operating investment, we have increased our gross capital expenditure over the last four years, by increasing the share allocated to IT and digital, which today represents about two-thirds of total capital expenditure investments. However, despite this progress, the level of investment remains of a low-capital intensity with a gross investment/sales ratio of circa. 0.9% as at December 31, 2020.

Over the last four years, cash flow generation was mainly used to pay shareholders a dividend, and to reduce the company's debt. In order to preserve our liquidity during the health crisis, the Board of Directors decided not to propose a distribution to the benefit of shareholders in 2020.

We especially illustrated our resilience in 2020 thanks to our capacity to optimize cash flow generation in times of economic downturns. We were able to limit the year-on-year decrease in our Adjusted EBITA margin to 78bps thanks to our proven ability to control our costs, and generated "cash flow before interest and taxes" of €613 million in 2020. At the same time, we reduced our net leverage ratio (as calculated under the terms of our Senior Credit Agreement) to 2.14x as at December 31, 2020, the lowest point since our initial public offering in 2007.

OUR STRATEGY

Over the past four years, we have proven our ability to structurally outperform the growing and increasingly attractive electrical distribution market, boosted by demand in green energy and energy efficiency.

The 2020 pandemic has validated the strategic choices we made to invest early and heavily in digital and sales force to build a truly omnichannel model, offering not just the right product at the right time, but also tailored services and solutions to accompany the increasingly technological and environmentally-friendly needs of our customers.

On February 11, 2021, we hosted an investor presentation and unveiled our mid-term ambition. Our strategy is based on a growth, value-creation and an ambitious approach to ESG, through several strategic initiatives:

- accelerating growth through "More Customers, More SKUs, More Digital". After outperforming our market by 50 bps over the 2016-2020 period (compared with organic sales growth of major suppliers in the United States and Europe), we aim to outperform our market by 50 bps to 100 bps by 2023;

- improving operational and financial performance, in particular through digital, with the objective to reach an Adjusted EBITA margin above 6% in 2023, at constant scope and circa. 6.5% including portfolio management;

- a balanced capital allocation around return to shareholders and investment in future growth opportunities in order to strengthen our position in certain geographies such as the United States or to add adjacent skills; and

- Emission targets for 2030: a 35% reduction in CO_2 emissions of our operations (scope 1 and 2) compared to 2016 and a 45% reduction in CO_2 emissions from the use of products sold (scope 3) compared to 2016.

Constant strengthening of the Rexel Group to guarantee profitable organic growth and benefit from structural gains caused by the transformation

An organic growing strategy based on a "More customers & More references & More digital" approach ("More customers, More SKUs, More Digital")

We target both net customer gains and increasing the average basket with each customer, especially thanks to our digital offer. Indeed, we observe that online customers who use our digital environment generate approximately 2.4x more sales with the Group. In 2020, the share of digital sales in the Group is €2.6 billion (circa 21%) and makes us a leading BtoB e-commerce player and reinforces the resilience of the model.

This "More Customers, More SKUs, More Digital" strategy is supported by accelerated digitization of sales and operations, including the development and implementation of new tools and applications. The growth in demand for energy efficiency solutions and renewable energies is also a level for the performance of this strategy.

Consistent with this strategy, we have adapted our business key performance indicators and created new scorecards across the Group, revised our incentive policies and are constantly adapting our human resources strategy to reflect the need for new skills.

We renew our ambition to achieve organic sales growth above market growth in the markets between 50 and 100 bps where we operate, while prioritizing an improved profitability, particularly thanks to the investments made. To that end, we intend in particular to capitalize on:

- Our digital offer, which strengthens our omnichannel value position, with the objective to achieve more than a third of sales via the digital channel in 2023. We have invested approximately €300 million in our digital transformation, in particular in the construction of its data platform, artificial intelligence modules and cyber security.

- The deployment of our urban model with automated solutions such as Autostore, at major cities gate, combined with the installation of lockers located in city centers to contribute to the improvement of our "proximity" customer offer.

- Our responsible offer, which includes energy auditing and CO_2 emission measurement activities, in addition to the promotion of our e-mobility, smart building or digital factory offers.

- The expansion of our addressable market as a result of new offers: supplier analytical portal, software & services, certified training, support for customers in the deployment of connected solutions.

Continuous improvement of the gross margin and cost structure

In the medium term, we plan to increase our Adjusted EBITA and improve our Adjusted EBITA margin by leveraging the investments of the past four years in development, team transformation and recent restructuring.

Beyond these investments, the continuous improvement of margin and costs is also based on the best practices shared within the Group, including:

- managing the pricing conditions and customer discounts;

- diminishing the number of suppliers in order to rationalize purchasing and further develop existing partnerships;

- deploying our own brands offer;

- optimizing our stock management aiming at reducing obsolescence;

- optimizing sales force efficiency by intensifying business planning and regular training;

- digitalizing back office activities and regularly reviewing processes. This is reflected in particular in the digitization of invoicing, credit and payment processes, and the administration of human resources;

- reducing the surface area of branches;

- flexibilizing costs; and

- placing environmental and social performance at the core of the strategy.

Migration to a leading data driven services company

Adoption of a service strategy, segmented around three types of product and service offers

We wish to evolve towards a more segmented product and service offering adapted to the different needs of our customers.

The approach is differentiated according to three types of product and service offers:

- "Proximity" value proposition (representing approximately 59% of our sales), based on a strengthened presence thanks to a density of agency/counter coverage, a systematic omnichannel approach and continuous improvement in service levels;

- "Projects" value proposition (representing approximately 30% of our sales), based on a process of offering specific products and solutions supported by a catalogue of services for industrial or commercial projects; and

- "Specialty" value proposition (representing approximately 11% of our sales) through an ability to advise and satisfy customers with very specific needs on typical products and solutions.

In future years, we plan to multiply digital approaches in tandem with the physical networks. More particularly, in the Proximity segment, a new model of service was launched in 2020 in the Paris area. The customer promise revolves around an offer of products of more than 20,000 items, instantly available on site or through a new service of lockers located in parking lots of central Paris. The conjunction of a latest generation logistics tool, expanded hours and lockers on-site and off-site 24/7 allows a significant improvement of our "Proximity" customer offer.

Migration to a data-driven company

The second part of our transformation is to become a data-driven company. It is about using available and relevant data to make decisions based on facts and analyses and not simply on beliefs or experiences. This transformation is derived along three axes:

- an internal axis consisting in performance improvement through the implementation of use cases based on algorithms and artificial intelligence. For instance, as of now, a predictive artificial intelligence solution sends alerts to salespersons in order to notify them that some customers are likely to see their sales decrease in the next six months and require greater attention;

- a customer focus consisting in enriching the customer experience. We will deepen our insight on our customers' experience and use the data available to target an ever simpler and more fluid experience. Initiatives will be prioritized starting with those with the greatest customer impact. Thereby, the implementation on our websites of customized homepages, offering customers differentiated offers based on their purchase profile category is an additional step towards an enriched customer experience. In this context, we are particularly committed to comply with the various aspects of the legislative environment for the protection of personal data; and

- a supplier axis consisting in the development and generalization of a dedicated data analysis offer for each supplier. This offer allows each supplier who subscribes to it to receive factual information on its market positioning, its omnichannel offer and its digital conversion rate by product category. This axis also includes a reprofiling of the combined way to best target our customers through field and digital marketing.

Sustainability-linked bond features

Rexel's mission is to support its customers to be at their best in running their business, by providing a broad range of sustainable and innovative products, services and solutions in the field of technical supply, automation and energy management related to construction, renovation, maintenance and production. Rexel shares with all the other players in the electrical industry a major responsibility with regards to the challenges of energy transition, climate change and energy access. The Group has turned these challenges into the driving forces of its growth and wants to be a catalyst for sustainable development through its unique position within the value chain.

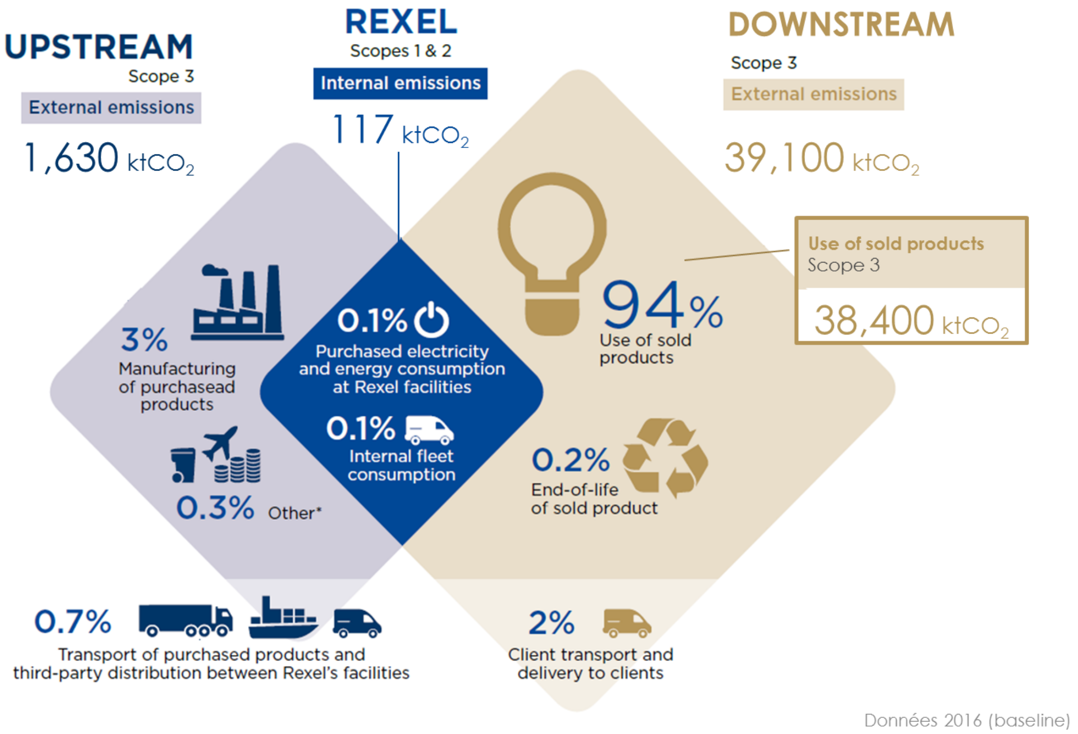
As a strategic goal, Rexel is committed to helping the efforts to limit the rise in global temperatures and contributing to the fight against climate change by (i) offering its customers the products and solutions to accelerate the energy transition; (ii) reducing its own environmental footprint; and (iii) encouraging all of its stakeholders to commit to being a player in the transition to a low-carbon economy.

In line with the Paris Agreement on climate change and validated by the Science Based Targets initiative (a partnership between the not-for-profit Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature), Rexel has set objectives that aim to contribute to limiting global warming to well below +2°C by the end of the century.

The Group implements dedicated procedures, tools, and resources to manage its environmental impacts. The Group's environmental strategy has three levels: (i) procedures and rules common to all subsidiaries; (ii) control of implementation of those rules in operations; and (iii) key performance indicators that verify progress.

Rexel assesses each year its greenhouse gas emissions throughout its value chain. The methodology used by the Rexel Group to quantify its greenhouse gas emissions is based on the GHG Protocol Standard.

The breakdown of 2016 greenhouse gas emissions is illustrated below:



In October 2021, we adopted a Sustainability-Linked Bond Framework and identified two Sustainability Performance Targets.

Sustainability Performance Target 1 refers to a 23% reduction in Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products in respect of the fiscal year ending December 31, 2023, compared to 2016 Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products Baseline.

Sustainability Performance Target 2 refers to a 23.7% reduction in Scope 1 and Scope 2 Greenhouse Gas Emissions in respect of the fiscal year ending December 31, 2023, compared to 2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline; provided that (x) in order to take into account perimeter changes (including without limitation, as a result of acquisitions or divestments), the variation rate of the Scope 1 and Scope 2 Greenhouse Gas Emissions shall be calculated in good faith by the Issuer (which calculation shall be conclusive) at the end of each fiscal year compared to the previous year at a constant scope (on a pro forma basis to take into account the perimeter variation, but only once the necessary data is available), and (y) such variation rate shall be applied consecutively each year to the applicable figure from the previous year starting from basis 100 for the 2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline, in order to determine the overall variation of the Scope 1 and Scope 2 Greenhouse Gas Emissions since December 31, 2016.

From and including June 15, 2024, the interest rate payable on the Notes shall be increased by 25 basis points per annum to 2.375% per annum, unless the Issuer has notified the Trustee and the Paying Agent in writing, at least 15 days prior to June 15, 2024, that it has attained the Sustainability Performance Targets and received an Assurance Report which supports with the Issuer's determination that it has attained the Sustainability Performance Targets. See "Description of Notes".

We intend to report annually on our performance with respect to our key performance indicators in relation to the preceding calendar year within our Universal Registration Document, or in a dedicated report which will be made available within 90 days each calendar. Our Sustainability-Linked Bond Framework can be found on our website at www.rexel.com. Notwithstanding anything in this offering memorandum to the contrary, neither our sustainability reports (including our Sustainability-Linked Bond Framework) nor any other information on our website is incorporated by reference in this offering memorandum.

The impact of the Covid-19 pandemic

Covid-19 has significantly impacted the world economy in 2020. Many countries have imposed travel bans, lockdown and quarantine measures to refrain the outbreak. Businesses dealt with lost revenues and temporarily disrupted supply chains. While some countries had eased the lockdown after the first wave of the pandemic, the release had been gradual in summertime, and sanitary measures were resumed in the fourth quarter of 2020, although to a lesser extent, due to the appearance of a second wave of the Covid-19. As a response to this unprecedented crisis, numerous governments have taken measures to provide both financial and non-financial assistance to the affected entities. As electrical products availability was deemed essential in most of the countries where lockdown measures were implemented, our business was not interrupted although adversely impacted by demand decrease, especially in the second quarter of 2020.

We reacted to sudden decline of electrical equipment demand, starting in March 2020 in most of the countries, by adapting our operations running with most of our logistic centers and branches remaining open and expanding our offering of digital solutions. We implemented action plans that included sanitary measures, cash protection and temporary cost saving measures including part time employment.

In this context, sales were down 17.7% organically in the second quarter of 2020 and shown a good sequential recovery in the third quarter (-4.2%) and in the fourth quarter (-0.7%) as compared to the same periods in 2019. As a result of sales volume decrease, operating income before other income and expenses went down to €526.5 million in 2020 from €663.2 million in 2019. As a percentage of sales, EBITA margin deteriorated only by 67 bps (from 4.9% to 4.3%) other income thanks to active opex management on workforce reduction and leveraging on partial unemployment.

As part of these measures taken by most of the governments to assist entities in the Covid-19 crisis, we benefited from direct subsidies to compensate partial unemployment of our employees that were recognized in profit or loss, as personnel expenses, for €37.6 million.

Expected credit losses were reviewed upwards resulting in a €17.8 million increase of net allowance for account receivables as compared to 2019 reflecting mainly the effect of the Covid-19 crisis.

Moreover, we identified, in the first half of 2020, some indicators requiring performing impairment testing of our cash generating units with goodwill. As a result, a €486.0 million impairment loss was recognized in the first semester ended June 30, 2020, mainly allocated to the following cash-generating units: the United Kingdom, the United States, Canada and Germany.

Consistently with the recognition of goodwill impairment losses, net deferred tax assets were written down by €28.4 million as of December 31, 2020 reflecting remote future taxable gains in some tax jurisdictions (the UK, Germany and New Zealand).

To secure our cash position due to the uncertainty surrounding the effects of the Covid-19 health crisis, we partly drew down €550 million of its revolving credit facilities out of €850 million on March 25, 2020.

The cumulative effects of strong Free Cash Flow generation as well as the €153.5 million of cash proceeds on Gexpro Services and export Spanish businesses divestment and the decision by the Board of Directors to cancel its proposal to distribute a dividend allowed us:

- to pay off these credit facilities on June 24, 2020; and
- to early repay on December 15, 2020, its 2.625% €300 million senior notes due 2024, resulting in derecognition profit of €4.2 million.

As of December 31, 2020, our liquidity stood at €1,459 million and was deemed appropriate by the Management to face any amount falling due within the next twelve months and beyond.

In the first half of 2021, the Group experienced a strong recovery of its business, with an acceleration in the second quarter and overachieved pre-Covid crisis sales and operating performance.

Following a better-than-expected start of the year and capitalizing on robust growth drivers and the growing benefits of its digital transformation, Rexel issued a trading update on June 29, 2021, raising its guidance for the full-year 2021.

RECENT DEVELOPMENTS

On October 6, 2021, Rexel announced it has reached agreement to acquire Mayer, a major distributor of electrical products and services in the Eastern part of the USA, further building up its presence in the world's leading market for electrical supplies.

Headquartered in Birmingham, Alabama, founded in 1930 and owned by the Collat family, Mayer operates 68 branches in 12 states, with a strong presence in Alabama, Florida, Georgia and Pennsylvania. It counts 1,200 employees and generated turnover of USD1.2bn over the last twelve months through end-August 2021.

Based on an Enterprise Value of USD456m, the transaction is projected to be accretive to Rexel's Earnings Per Share in year 1 and value-creating in year 2, fully in line with the Group's commitment, notably thanks to targeted synergies of c.1.5% of acquired sales as of year 2. The transaction will leave Rexel's indebtedness ratio significantly below 2.0x EBITDA on a proforma basis.

This acquisition will provide several strategic benefits to both parties:

- It will reinforce Rexel's presence in the Southeast and Mid-Atlantic regions, with specific focus on high growth areas. Mayer's physical footprint is very complementary to Rexel's, and Mayer's well-established reputation in the marketplace will benefit both companies.
- It will extend and reinforce Rexel's relations with key suppliers.
- Mayer will be able to leverage a series of tools developed by Rexel to accelerate its digital presence and sales, develop new services and enhance operational efficiency.

The transaction remains subject to US antitrust approval and is expected to close before year-end.

THE OFFERING

The summary below describes the principal terms of the offering of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the "Description of Notes" section of this offering memorandum for a more detailed description of the terms and conditions of the Notes.

Issuer...	Rexel, a company with limited liability (*société anonyme*) incorporated under the laws of the Republic of France (the "Issuer").
Notes Offered	€600,000,000 aggregate principal amount of 2.125% Sustainability-Linked Senior Notes due 2028 (the "Notes").
Maturity Date................................	December 15, 2028.
Issue Price......................................	100% (plus accrued interest from the issue date).
Interest Rate and Payment Dates .	The Notes will initially bear interest at a rate of 2.125% per annum, payable, semi-annually in arrears on June 15 and December 15 of each year, commencing on June 15, 2022. Interest on the Notes will accrue from the Issue Date.
Subsequent Rate of Interest……..	From and including June 15, 2024, the interest rate shall be increased by 25 basis points per annum to 2.375% (the "**Target Step-Up**"), unless the Issuer has notified the Trustee and the Paying Agent in writing, at least 15 days prior to June 15, 2024, that it has determined that the Issuer has attained the Sustainability Performance Targets and received an Assurance Report.
Sustainability Performance Targets Observation Date	December 31, 2023
Issue Date.......................................	November 10, 2021.
Interest Commencement Date	Interest will accrue from the issue date of the Notes, and will be computed on the basis of a 360-day year comprised of twelve 30-day months.
Denomination	€100,000 and integral multiples of €1,000 in excess thereof.
Ranking..	The Notes will be senior unsecured obligations of the Issuer and will: • rank *pari passu* in right of payment among themselves and to all existing and future unsecured indebtedness of the Issuer that is not subordinated to the Notes, including the indebtedness of the Issuer under the Senior Credit Facility, the 2.750% Notes and the 2.125% Notes; • rank senior in right of payment to any existing or future indebtedness of the Issuer that is subordinated to the Notes; • be effectively subordinated to all existing and future secured indebtedness of the Issuer to the extent of the assets securing such indebtedness; and • be structurally subordinated to all existing and future indebtedness of the Issuer's subsidiaries.
Optional Redemption for the Notes...	The Issuer may redeem some or all of the Notes at any time: • prior to December 15, 2024, at a redemption price equal to 100% of their principal amount plus the applicable "make whole" premium (as described under "Description of Notes — Optional Redemption") plus accrued and unpaid interest, if any, to the date of redemption; and • on or after December 15, 2024, at the redemption prices set forth under "Description of Notes — Optional Redemption" plus accrued and unpaid interest, if any, to the date of redemption. In addition, at any time until December 15, 2024, the Issuer may, at its option and on one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes at a redemption price of 102.125% of their principal amount plus accrued and unpaid interest, if any, to the redemption date, with the proceeds of certain equity offerings. See "Description of Notes — Optional Redemption".
Redemption for Taxation Reasons	The Issuer may, but is not required to, redeem the Notes at any time in whole, but not in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption in the event that certain changes in tax laws or their interpretation result in the Issuer becoming obligated to pay "additional amounts" on payments to be made with respect to such Notes. See "Description of Notes — Taxation".

Additional Amounts	Except as provided in "Description of Notes — Taxation", all payments to be made with respect to the Notes will be made without withholding or deduction for, or on account of, present and future taxes in any relevant taxing jurisdiction unless required by applicable law. If withholding or deduction for such taxes is required to be made with respect to a payment on the Notes, subject to certain exceptions, the Issuer will pay the additional amounts necessary so that the net amount received by holders of the Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction.
Change of Control	Upon the occurrence of a "Change of Control Triggering Event" (as defined in the Description of Notes) with respect to the Notes, holders of Notes will have the right to require the Issuer to repurchase all or part of such Notes, at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of such repurchase. See "Description of Notes — Change of Control".
Covenants	The indenture (the "Indenture") governing the Notes will, among other things, limit the ability of the Issuer and of certain "restricted" subsidiaries to: • incur or guarantee additional indebtedness and issue certain preferred stock; • create certain liens or permit certain liens to exist; and • merge or consolidate with other entities. Each of the covenants is subject to a number of important exceptions and qualifications. See "Description of Notes — Certain Covenants". The above covenants (with the exception of the limitation on the ability to create or permit certain liens, and, in the case of the merger covenant, only in respect of a financial test that would otherwise need to be met prior to merger or consolidation) will be suspended during achievement of investment grade status for the Notes, in the event that the Notes have been assigned the following ratings: (x) BBB− or higher by S&P and (y) Baa3 or higher by Moody's.
Form of Notes	The Notes will be represented on issue by global Notes which will be delivered through Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme. Interests in a global Note will be exchangeable for the relevant definitive Notes only in certain limited circumstances. See "Book Entry, Delivery and Form".
ISIN/Common Code	ISIN: XS2403428472 Common Code: 240342847
Transfer Restrictions	The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Notes offered hereby are being offered and sold to non-U.S. Persons outside the United States in reliance on Regulation S under the Securities Act. See "Plan of Distribution".
No Prior Market	The Notes will be new securities. Accordingly, the Issuer cannot assure you that a liquid market for the Notes will develop or be maintained. See "Risk Factors — There currently exists no market for the Notes, and Rexel cannot assure you that such an active trading market for the Notes will develop".
Use of Proceeds of the Notes	In connection with the offering of the Notes, the Issuer will receive net proceeds of approximately €596.85 million after deduction of costs and underwriting commissions. Rexel intends to use the net proceeds of the offering of the Notes, together with its available cash, to redeem the 2.750% Notes in full. Rexel expects to redeem the 2.750% Notes on or about November 15, 2021 at a redemption price equal to 100% of their principal amount plus a "make-whole" premium and accrued and unpaid interest to their redemption date. Rexel can elect not to redeem the 2.750% Notes if Rexel does not issue the Notes in this offering or if there is a material adverse change in financial markets. See "Use of Proceeds".
Listing and Trading	Application has been made to admit the Notes to the Official List of the Luxembourg Stock Exchange and admit the Notes for trading on the Euro MTF market. You should note, however, that there is currently no trading market for the Notes, and we cannot assure you that an active or liquid market in the Notes will develop.
Trustee	The Bank of New York Mellon acting through its London Branch
Principal Paying Agent	The Bank of New York Mellon acting through its London Branch
Luxembourg Paying Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
Luxembourg Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch
Governing Law of the Notes and the Indenture	State of New York

Further Issues................................	The Issuer may, without notice to or the consent of the holders or beneficial owners of the Notes, create and issue Additional Notes having the terms and conditions as the Notes (except for the issue date, the initial interest accrual date and the amount of the first payment of interest).
Risk Factors...................................	You should refer to "Risk Factors" beginning on page 19 of this offering memorandum for an explanation of certain risks involved in investing in the Notes.
EU Financial Transaction Tax......	If the proposal of the European Commission for a directive on the financial transaction tax to be implemented under the enhanced cooperation procedure is adopted and implemented in local legislation by the participating Member States, the financial transaction tax could be chargeable on transactions made on the Notes. See "Risk Factors — Transactions on the Notes could be subject to the European financial transaction tax, if adopted".

SELECTED HISTORICAL FINANCIAL DATA

The selected financial data set forth below has been prepared on the basis of the audited consolidated financial statements of Rexel as of and for the years ended December 31, 2020 and 2019 and the unaudited condensed consolidated financial statements of Rexel as of and for the six-month period ended June 30, 2021, an English translation of each of which is incorporated by reference in this offering memorandum and was prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Selected Rexel consolidated income statement data

	Six-month period ended June 30,		Year ended December 31,		
(in millions of euros)	2021	2020	2020	2019	2018 (Restated) [(1)]
Sales	7,057.8	6,045.6	12,592.5	13,742.3	13,365.7
Cost of goods sold	(5,207.1)	(4,566.1)	(9,489.0)	(10,310.3)	(10,078.7)
Gross profit	**1,850.7**	**1,479.6**	**3,103.4**	**3,432.0**	**3,286.9**
Distribution and administrative expenses	(1,411.4)	(1,293.9)	(2,576.9)	(2,768.8)	(2,670.0)
Operating income before other income and expenses	**439.3**	**185.7**	**526.5**	**663.2**	**617.0**
Other income	6.3	6.9	25.0	26.9	15.5
Other expenses	(10.5)	(489.4)	(554.9)	(203.7)	(196.7)
Operating income	**435.1**	**(296.8)**	**(3.4)**	**486.4**	**435.8**
Financial income	1.4	2.1	3.8	2.7	3.3
Interest expense on borrowings	(26.0)	(34.3)	(65.7)	(71.8)	(75.9)
Other financial expenses	(30.0)	(30.9)	(59.5)	(75.4)	(72.2)
Non-recurring redemption costs	(5.1)	-	4.2	(20.8)	-
Net financial expense	**(59.8)**	**(63.1)**	**(117.2)**	**(165.3)**	**(144.9)**
Share of profit / (loss) of associates	(0.1)	0.0	0.0	0.0	0.0
Net income before income tax	**375.3**	**(360.0)**	**(120.6)**	**321.1**	**290.9**
Income tax	(104.7)	(79.9)	(140.7)	(117.3)	(155.3)
Net income	**270.6**	**(439.8)**	**(261.3)**	**203.8**	**135.6**
Earnings per share:					
Basic earnings per share (in euros)	0.89	(1.46)	(0.86)	0.68	0.44
Fully diluted earnings per share (in euros)	0.89	(1.46)	(0.86)	0.68	0.44

(1) Restated for changes in accounting policies following the adoption of IFRS 16 "Leases". See note 3.2.1.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2018 included in the 2019 URD Extracts.

Selected Rexel consolidated cash flow statement data

	Six-month period ended June 30,		Year ended December 31,		
(in millions of euros)	2021	2020	2020	2019	2018 (Restated) [(1)]
Operating cash flow[(2)]	556.1	296.2	739.5	823.3	768.4
Repayment of lease liabilities	(91.8)	(84.0)	(172.3)	(175.2)	(166.5)
Changes in working capital requirements	(299.1)	17.8	122.5	(70.0)	(159.9)
Net capital expenditure	(48.8)	(53.1)	(76.6)	(116.5)	(90.6)
Free cash flow before net interest and income taxes[(3)]	**116.3**	**176.8**	**613.0**	**461.6**	**351.3**

(1) Restated for changes in accounting policies following the adoption of IFRS 16 "Leases". See note 3.2.1.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2018 included in the 2019 URD Extracts.

(2) Before interest, taxes and changes in working capital requirements.

(3) Free cash flow before net interest and income taxes is defined as the change in the net cash position originating from operational activities before deduction of net financial interest paid and before deduction of income taxes paid, less net capital expenditure.

Selected Rexel consolidated balance sheet data

(in millions of euros)	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020	As at December 31, 2020	As at December 31, 2019	As at December 31, 2018 (Restated) [1]
Non-current assets	5,537.5	5,473.4	5,400.3	6,074.4	6,126.3
Working capital requirements[2]	1,601.3	1,474.7	1,286.6	1,654.3	1,508.5
Total assets	10,666.5	9,921.6	9,963.2	11,074.8	11,013.3
Net indebtedness[3]	1,523.0	1,690.3	1,334.9	1,945.9	2,014.7
Other non-current liabilities	1,547.5	1,566.0	1,557.3	1,547.4	1,473.7
Shareholders' equity	4,068.2	3,691.8	3,794.8	4,235.3	4,146.4

(1) Restated for changes in accounting policies following the adoption of IFRS 16 "Leases". See note 3.2.1.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2018 included in the 2019 URD Extracts.

(2) Working capital requirements consist of total current assets with the exception of cash and cash equivalents and debt hedge derivatives after deduction of total current liabilities with the exception of the current portion of interest bearing debt and accrued interest.

(3) Net indebtedness includes interest-bearing borrowings and accrued interest less cash, cash equivalents, transaction costs and derivatives fair value.

Other data (*Unaudited*)

(in millions of euros other than percentages)	Six-month period ended June 30, 2021	Six-month period ended June 30, 2020	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018 (Restated) [1]
EBITDA[2]	588.2	333.8	820.9	959.1	897.3
Adjusted EBITDA[2]	544.0	340.7	810.3	966.7	905.2
Adjusted EBITDA margin (as a % of sales)	7.7%	5.6%	6.4%	7.0%	6.7%
EBITA[3]	442.4	192.3	537.0	677.5	632.6
Adjusted EBITA[3]	398.2	199.3	526.4	685.1	640.5
Adjusted EBITA margin (as a % of sales)	5.6%	3.3%	4.2%	5.0%	4.8%
EBITDAaL[4]	476.4	227.7	605.9	738.4	685.5
Adjusted EBITDAaL[4]	432.2	234.6	595.3	746.0	693.4
Adjusted EBITDAaL margin (as a % of sales)	6.1%	3.9%	4.7%	5.4%	5.2%

(1) Restated for changes in accounting policies following the adoption of IFRS 16 "Leases". See note 3.2.1.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2018 included in the 2019 URD Extracts.

(2) EBITDA is defined as operating income before depreciation and amortization and other income and other expenses. EBITDA should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. Companies with similar or different activities may calculate EBITDA differently than Rexel. Adjusted EBITDA is defined as EBITDA excluding the estimated non-recurring impact from changes in copper-based cable prices. Adjusted EBITDA is not an accepted accounting measure with standard and generally accepted definitions. It should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. Companies with similar or different activities may calculate Adjusted EBITDA differently than Rexel.

(3) EBITA (earnings before interest, taxes and amortization) is defined as the operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and expenses. The Adjusted EBITA is defined as the restated EBITA of the estimated non-recurring impact resulting from fluctuations in copper-based cable prices (see "Risk Factors — Financial risks — Margin deterioration resulting from raw materials price fluctuation, including that of copper" below, 1.1.4 "Impact of changes in copper price" of the Half-Year Activity Report and 5.1.1.1.4 "Impact of changes in copper price" of the 2020 URD Extracts). EBITA and Adjusted EBITA are not standardized accounting aggregates, which would meet a single and generally accepted definition. They should not be considered as substitutes for operating income, net income, cash flow from operational activity or as a measure of liquidity. EBITA and Adjusted EBITA can be calculated in different ways by companies having similar or different operations.

(4) EBITDAaL (earnings before interest, taxes, depreciation, amortization and after leases) is defined as EBITA before amortization of fixed assets less capitalized lease payments in accordance with IFRS 16. EBITDAaL is not a standardized accounting aggregate that meets a single generally accepted definition. It is used to assess the level of free cash flow before interest and taxes. The Adjusted EBITDAaL is defined as the restated EBITDAaL excluding the estimated non-recurring impact resulting from fluctuations in copper-based cable prices.

The following table sets forth a reconciliation of EBITA, Adjusted EBITA, Adjusted EBITDA and Adjusted EBITDAaL with operating income:

	Six-month period ended June 30,		Year ended December 31,		
(in millions of euros other than percentages)	**2021**	**2020**	**2020**	**2019**	**2018 (Restated)** [(1)]
Operating income	435.1	(296.8)	(3.4)	486.4	435.8
(−) Other income[(2)]	(6.3)	(6.9)	(25.0)	(26.9)	(15.5)
(+) Other expenses[(2)]	10.5	489.4	554.9	203.7	196.7
(+) Amortization of intangible assets recognized on the occasion of purchase price allocations	3.1	6.6	10.5	14.3	15.7
= EBITA	**442.4**	**192.3**	**537.0**	**677.5**	**632.6**
(+) / (−) Non-recurring effect resulting from changes in copper-based cable prices[(3)]	(44.3)	6.9	(10.6)	7.6	7.9
= Adjusted EBITA	**398.2**	**199.3**	**526.4**	**685.1**	**640.5**
Adjusted EBITA margin	5.6%	3.3%	4.2%	5.0%	4.8%
(+) Depreciation	145.8	141.5	283.9	281.6	264.7
= Adjusted EBITDA	**544.0**	**340.7**	**810.3**	**966.7**	**905.2**
Adjusted EBITDA margin	7.7%	5.6%	6.4%	7.0%	6.7%
(+) Capitalized leased payments	(111.8)	(106.1)	(215.0)	(220.7)	(211.8)
= Adjusted EBITDAaL	**432.2**	**234.6**	**595.3**	**746.0**	**693.4**
Adjusted EBITDAaL margin	6.1%	3.9%	4.7%	5.4%	5.2%

(1) Restated for changes in accounting policies following the adoption of IFRS 16 "Leases". See note 3.2.1.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2018 included in the 2019 URD Extracts.

(2) See note 7 of the Notes to the Rexel Group unaudited condensed consolidated financial statements for the six-month period ended June 30, 2021 included in the Half-Year Activity Report and notes 3.20 and 8 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2020 included in the 2020 URD Extracts.

(3) See "Risk Factors — Financial risks — Margin deterioration resulting from raw materials price fluctuation, including that of copper" below, 1.1.4 "Impact of changes in copper price" of the Half-Year Activity Report and 5.1.1.1.4 "Impact of changes in copper price" of the 2020 URD Extracts.

Financial ratios

	As at and for 12-month period ended June 30, 2021[(1)]	**Year ended December 31, 2020**
EBITDA	1,075.3	820.9
Adjusted EBITDA	1,013.6	810.3
EBITDAaL	854.6	605.9
Adjusted EBITDAaL	792.9	595.3
Net interest[(2)]	57.4	65.7
Net indebtedness[(3)]	1,523.0	1,334.9
Ratio of net debt to EBITDA	1.42	1.63
Ratio of net debt to Adjusted EBITDA	1.50	1.65
Ratio of net debt to EBITDAaL	1.78	2.20
Ratio of net debt to Adjusted EBITDAaL	1.92	2.24
Ratio of EBITDA to net interest[(2)]	18.73	12.49
Ratio of Adjusted EBITDA to net interest[(2)]	17.66	12.33
Ratio of EBITDAaL to net interest[(2)]	14.89	9.22
Ratio of Adjusted EBITDAaL to net interest[(2)]	13.81	9.06

(1) All the figures except for Net indebtedness are calculated based on full year 2020 figures (as of December 31, 2020) plus six-month 2021 figures (as of June 30, 2021) less six-month 2020 figures (as of June 30, 2020).

(2) Interest expense on borrowings.

(3) Net indebtedness includes interest-bearing borrowings and accrued interest less cash, cash equivalents, transaction costs and derivatives fair value.

RISK FACTORS

Potential investors should carefully read and consider the risk factors described below and the other information contained in, and incorporated by reference in, this offering memorandum before they make a decision about acquiring the Notes. The realization of one or more of these risks could individually or together with other circumstances adversely affect the business activities and have material adverse effects on the financial condition and results of operations of Rexel or the Group. The market price of the Notes could decline as the result of any of these risks, and investors could lose all or part of their investment. The risks described below may not be the only risks to which Rexel or the Group is exposed. Additional risks that are presently not known to Rexel or that are currently considered immaterial could also adversely affect the business operations of the Group and have material adverse effects on the financial condition and results of operations of Rexel or the Group. The sequence in which the risks factors are presented below is not necessarily indicative of their likelihood of occurrence, the scope of their financial consequences or the importance of the risk factors mentioned below.

Commercial and strategic risks

Significant worsening of the global economic environment or in the main countries in which Rexel operates or major exogenous event may impact the performance of the Group (high exposure)

The Rexel Group operates in Europe, North America, and Asia-Pacific. These geographies accounted for approximately 56 %, 35% and 9% of the revenue of the Group in 2020 (58%, 33% and 9% in the first half of 2021), respectively. In particular, the top three countries in which the Group operates (the United States, France and Canada) generated more than 55% of its sales. Finally, Europe generated approximately 67% of the adjusted EBITA of the Group, compared to 29% for North America and 4% for Asia-Pacific.

As a result, a decline in global business activity, particularly in the main countries in which the Group is present, for any reason whatsoever (political instability, health crisis, economic downturn, economic tensions, etc.), could lead to a decrease in sales and to a deterioration of the Group EBITA (€526.4 million of adjusted EBITA as of December 31, 2020) and an increase in bad debt (€101.8 million of impairment losses on receivables as of December 31, 2020, for a total of € 2,001.5 million in outstanding receivables).

Regarding the Covid-19 pandemic, the Group has been exposed in 2020 in most of the countries where it operates to a major risk of contamination of one or more of its employees, but also to a temporary shutdown, total or partial, of several sites (branches, logistic centers, administrative offices, etc.) due to various governmental restrictions in place. Rexel was also confronted with the difficulties experienced by some of its suppliers in their procurement chain which could lead to the deterioration of the Group's sales if the situation worsens, particularly in the areas of lightning, solar panels and cables, more exposed to such dysfunctions. Moreover, Rexel is more generally impacted by the global decline of the economic activity due to Covid-19. The Group faced in 2020 a 6.5% decrease in sales on a comparable basis and at a constant number of days compared to 2019. While the full long-term economic impact of this pandemic remains difficult to assess, Rexel is specifically sensitive to the building and renovation sectors as a distributor of electrical supplies for professionals (the residential and commercial markets accounted for 28% and 43% of the Group's revenue in 2020), which could be particularly impacted by an economic recession.

Lastly, any political or economic instability in one or more of the countries in which the Rexel Group operates could have a negative impact on the results of that country and of the Rexel Group. Uncertainties such as the consequences of the UK's exit from the European Union (“Brexit”) could impact Rexel’s performance in these markets. With respect to the risks related to Brexit, it is difficult, as of the writing of this document, to predict the actual impact but an increase in customs tariffs or a decrease in the British economic activity could have a negative impact on the Group’s results in the United Kingdom (the Rexel Group generated €604.3 million from sales in the United Kingdom in 2020 compared to €736.5 million in 2019).

Control Systems

The Rexel Group pays close attention to changes in the economic environment of the various markets in which it operates. An active, permanent and consistent monitoring, aiming at measuring and analyzing financial and extra-financial data is implemented by the country and regional management teams as well as by the Investor Relations department of the Group. The results of this watch are communicated to the Group’s management on a regular basis and are considered when establishing budget or updating the strategy of the Group.

Regarding the Covid-19 pandemic, Rexel closely monitors its evolution and remains in permanent communication with the different entities of the Group to assess the situation and take the appropriate measures. As a priority, the Group has implemented all the appropriate measures to best protect the health and safety of its employees, customers and all stakeholders working with it, in compliance with local health recommendations. In order to reduce the economic impact of this health situation, Rexel has also deployed very quickly several temporary or permanent measures to protect the profitability and liquidity of the Group, by combining operational excellence, profitability management and cash generation. A specific attention has been given to the collection of overdue receivables, to the control of inventory levels and to the temporary or permanent adaptations of the company's cost structure. If Rexel had partially drawn down the syndicated credit line (up to €550 million out of the available €850 million) as a precaution and to give itself a margin of cash flexibility, this amount was fully reimbursed in June 2020 in light of the good performance of the Group in terms of cash generation, which is confirmed as of December 31, 2020, with a free cash flow before interest and positive taxes of €613.1 million in 2020, compared to €461.6 million in 2019.

With respect to Rexel's sensitivity to changes in the building and renovation sectors, the Group benefits from renovation and energy optimization programs which could be maintained even if the economy is in poor shape. They could, therefore, at least partially offset a decline in demand in these markets.

Lastly, the Rexel Group is able to adjust its cost policy (notably its variable costs) or reallocate its investments to other items to reduce the impact of a worsening in the global economy. In 2020, gross investment totaled €112 million, i.e. 0.89% of sales, compared to €125.5 million in 2019 (i.e. 0.9% of sales), whereas distribution and administrative expenses amounted to €2,576.9 million in 2020 (i.e. approximately 20.5% of sales) compared to €2,768.8 million in 2019 (i.e. approximately 20% of sales).

Due to the exogenous nature of the risk and to the fact that the exposure is primarily concentrated on a few countries whose economies are interdependent, the residual exposure level of the Group is considered to be high.

The Group may face challenges that may impact its business transformation to adapt to the digital world and to better structure itself around service offering (moderate exposure)

In a highly competitive environment, where consumption patterns and customer and business partners expectations change in a context of increased digitalization, the Rexel Group must keep on transforming its business model to provide services with higher added value while leveraging the digital inputs.

Indeed, customer behavior is evolving, driven by, among other things, the digital experience of B2C customers (business to consumer). The expectation for an omnichannel offer mixed with high added value services, the importance of a seamless customer experience and the sensitivity to prices, quality and expertise form a full part of this evolution.

In addition, suppliers also have growing expectations for distributors in terms of digital transformation, as they wish the Group, as a partner, to be at the forefront of digital leadership to maximize market share gains.

If Rexel has already started transforming its business model, the deployment of new tools and solutions, related to digital or not, to complement the services provided to customers and suppliers could encounter temporary difficulties related to slow Group employee adoption, first and foremost by the sales forces in the different countries. Newly developed tools could potentially fail to achieve the results expected or fail to fully meet customers and suppliers expectations. Lastly, in an unfavorable economic environment and/or in a situation in which the Group's sales and operating margin were to decline significantly, the digital transformation strategy may need to be revised, since it is based on a significant investment program (€63.8 million of gross capital expenditures related to information systems and digital in 2020, i.e. 57% of the CAPEX of the Group). Lastly, the planned transformation might not fully meet customer expectations, given the evolution of the markets in which the Group operates.

Any challenge faced by the Group delaying or hampering the transformation of its business model could have a negative effect on the results of the Group due to customer dissatisfaction, the loss of certain sales, or even of some customers, and it could also impact the expected return on investment of these innovative initiatives. This could affect the image, the reputation of the Group with its shareholders and the market in general, or the Group's financial rating.

It could also deteriorate the relations with its main suppliers, which could limit the support they provide the Group with.

Control Systems

The Rexel Group has initiated the transformation of its model to become a services company and a model in the use of digital and data. This transformation is based on the centralized coordination of initiatives developed regionally (Europe, North America and Asia-Pacific). Such strategy limits the Group's dependency on a single global technology or solution while benefiting from various initiatives, the best of which will then be deployed at the Group level. Lastly, the

Rexel Group is deploying a significant training and support plan for its teams in order to ensure quick and thorough adoption of the new digital tools used by the Group.

This transformation has enabled a strong growth in the Group's digital sales, which now exceed 20% of sales at the end of 2020, and even 30% in Europe (compared to 18 and 26% respectively at the end of 2019).

With respect to its suppliers, Rexel's digital transformation has also allowed the development of supplier analytics tools, providing marketing insights to vendors and increasing its collaboration with its top suppliers.

Finally, and despite the Covid-19 pandemic, the Group keeps on rolling out its strategic roadmap without compromising on digital investments. Thus, the Group has invested €63.8 million in gross investment expenses related to information systems and digital in 2020 (i.e. 57% of gross investment expenses of the Group), compared to €77.4 million in 2019 (i.e. 62% of gross investment expenditure in 2019).

However, while the transformation towards digital and services is an important aspect of the Group's short and medium-term strategy, any delay would only have a limited immediate impact on the Group's ability to continue selling through its traditional distribution channels and branch network, which remain the main source of sales in 2020.

As a result, the residual exposure of the Group is considered to be moderate.

The Group faces increased competition from digital players and suppliers (moderate exposure)

As an electrical supplies distributor, the Rexel Group is exposed to a risk of competition by digital players and its suppliers, in addition to the pre-existing risk of competition by traditional electrical supplies distributors (such as Sonepar or Wesco).

First, the Group's traditional competitors are increasingly structuring their omnichannel offer, following a strategy similar to Rexel's, which could reduce the Group's comparative edge in this area.

Moreover, some digital players specialized in online sales are already positioned in some markets of the Rexel Group, especially in the residential market, which accounts for 28% of the Group sales. This risk would increase if major online players were also to position themselves in this market with significant technological and financial resources. This competition would lead to increased downward pressure on prices and potential loss of market share and customers, with a negative impact on the results and margin of the Group.

The Rexel Group could also face stronger competition from its main suppliers who could sell their products directly to end customers. This evolution would primarily affect industrial sales (29% of the Group's sales) and commercial sales (43 % of the Group's sales), especially major projects on these markets. The top five suppliers of the Group account for 26.6% of purchases. A significant decline in the sales of products from these suppliers by Rexel could have a negative impact on Group sales and lead to a loss of market shares but could also result in a deterioration in purchase pricing conditions.

<u>Control Systems</u>

The Rexel Group has already implemented measures to limit the competition risk inherent in its business:

- First, the Group deployed a multi-channel strategy to best meet customer expectations. It relies on a physical network of approximately 1,900 branches and on sales functions gathering over 60% of the workforce of the Group aiming at answering customer expectations of proximity and expertise. This physical network is enhanced by the various digital initiatives based on artificial intelligence solutions deployed within the Group to provide additional added value to customers. In addition to its physical network and following an omnichannel approach allowing a seamless transition between physical and digital, Rexel is developing an online sales functionality in most of the countries in which the Group operates to meet customer expectations in terms of simplification of administrative tasks, availability of precise technical data and practicality. This approach is completed by a network of sales representatives (in stores and visiting clients) who answer customer questions and meet their expectations in the field or over the telephone, and who developed specific know-how to offer a differentiating customer experience and answer these customers' needs in terms of expertise and advice.

- Secondly, the Group developed an effective, high-performance logistics model, aiming at combining the ability to deliver on time, in full and with no damaged products, to deliver in a single parcel several items from different suppliers, thereby simplifying customers receptions, to deliver the entire product catalog at

D+1 or D+2 (depending on the geography) while working with reliable and well-suited transport providers. The logistics system is being continuously strengthened thanks to the gradual deployment of best practices inspired by the major e-commerce players (locker systems available 24 hours a day, parcel delivery in pick-up locations, express delivery, track-and-trace during delivery, etc.) to best meet customer needs.

- Lastly, the service of a very large number of customers requires a sophisticated receivables and credit risk management system which is specific to distribution companies. Rexel deployed this type of client risk management system many years ago, and the results show a low level of trade accounts receivable losses (provision for expected credit losses and losses on receivables written-off of €39.8 million in 2020 on over €2,001.5 million of total receivable).

All of these elements are barriers to entry for digital platforms and for manufacturers who would try to sell directly to Rexel customers and help resisting to the traditional competitors in the electrical supplies distribution market. However, despite these control systems, the residual exposure of the Group is assessed as moderate due to the size and growth of the major e-commerce players, the structuring of omnichannel strategies from traditional market competitors and due to the fact that some suppliers are willing to directly address some markets.

A deterioration of the Group's operating margin could impact the Group's investment capacity, its financial stability or its financial rating (moderate exposure)

As a distribution specialist for professionals, the Rexel Group generates, by nature, fairly low margins (€3,092 million in adjusted gross profit, i.e. 24.6% of sales and €526.4 million in adjusted EBITA in 2020). In an environment with significant competition and a digital strategy leading to significant investments (€63.8 million of gross capital expenditures related to information systems and digital in 2020), growing and maintaining margin is a central challenge for the Group since any deterioration could impact the Group's investment capacity, its financial stability or its financial rating.

Protecting the margin starts with a fine-tuned management of sales prices. As a result of Rexel's activities and given the diverse nature of its customers, the development of sales prices is more complex and more tailored for each customer category than other distributors, especially retailers. Any maladaptation of sales price policies to the expectations of customers and/or of the market could have a significant impact on the Group's margin. When too high, prices could result in customers leaving for the competition and, when too low, could imperil the Group's financial equilibrium. With the arrival of new digital players, increasing transparency and pressure on prices, the Rexel Group has to constantly adapt its pricing policy to continue meeting its customers' needs and expectations while protecting its margin.

Moreover, in a highly competitive environment, suppliers could revise the Group's purchase prices or the discounts granted to Rexel, which would have a negative impact on the Group's results. Total Group purchases amounted to €10,054.7 million in 2020, and the details of rebates from suppliers for goods and services in 2020 is presented in note 12.3 to the consolidated financial statements of the Rexel Group for the financial year closed on December 31, 2020 which can be found in Section 5.2 "Consolidated financial statements" of this Universal Registration Document. An increase in purchase prices or a decrease in supplier rebates could result in a decrease in the Group's margin and EBITA. The inflation of purchase prices due to changes in currency exchange rates or the introduction of customs barriers could also impact the Group's operating margin if Rexel is unable to include it to selling prices.

Lastly, protecting the Group's operating margin also means controlling its costs. The Group's inability to control its costs or to adapt its cost structure to its omnichannel strategy could deteriorate the Group's operating margin. In 2020, the administrative and sales costs represented €2,576.9 million (i.e. approximately 20.5% of sales), compared to €2,768.8 million in 2019 (i.e. approximately 20% of sales).

A deterioration of the Group's operating margin could question Rexel's investment capacity, its financial balance or its financial rating.

Control Systems

The Group develops a more and more segmented customer approach to take into account its customers' multi-channel behaviors, online and offline. In this respect, Rexel capitalizes on the most innovative local initiatives in terms of pricing policy to disseminate and promote them within the rest of the Group. Rexel keeps implementing actions to harmonize its pricing practices and the pricing of items outside of the catalog.

To maintain and grow its operational margin, Rexel keeps on optimizing and rationalizing its cost structure, by reducing overhead and improving productivity while, at the same time, reallocating operating expenses to accelerate sales growth and digitalization.

With respect to suppliers, the Rexel Group benefits from longstanding relationships with its main suppliers, showcasing the quality of the Group's network and of its distribution services. The Rexel Group does not depend on any supplier in particular (the top supplier accounted for 9.6% of Group purchases at the end of 2020), allowing a negotiation with multiple suppliers based on price targets. The Group also developed complementary services, notably digital ones, for its suppliers to increase the value of the services provided by the Group.

On the other hand, some supplier concentration initiatives (for example, acquisition growth strategies) have recently been announced and could increase the negotiating power of the suppliers.

Lastly, Rexel keeps on applying its cost discipline that has been ongoing for several years. In 2020, and to mitigate to the impact of the Covid-19 pandemic on its activity, Rexel has implemented temporary or permanent cost control measures which allowed Rexel to protect its operating margin while demonstrating the capacity of the Group to make its cost more flexible. For example, Rexel was thereby able to adapt its administrative and sales costs to the decrease in sales, as they amounted for nearly the same portion of sales in 2019 and 2020 (around 20% in both cases).

As a result, the Group's residual exposure is considered to be moderate.

Rexel may have difficulties to strengthen its marketing capabilities to switch from a conventional to a more customer data driven marketing approach in every geography of the Group (moderate exposure)

As a distributor of electrical equipment, one of the priorities of the Rexel Group is to strengthen, in each country and for each market in which it operates, its marketing capabilities to switch from a conventional marketing approach to a more customer and data driven approach, to better answers its customers' needs and expectations in terms of product and service offering.

This strengthening first relies on the drafting of an appropriate offer plan in every geography of the Group to select the products and references that best meet the needs and expectations of its customers.

This plan allows Rexel to select the products that the company wishes to offer for each market, and thus to select those for which it is able to provide competitive prices and high levels of availability.

The drafting of this offer plan is a complex exercise within the Rexel Group because of the number of countries in which it operates (electrical standards are prone to changes and customer needs differ from country to country) but also due to the highly variable weight of each different market within these countries. For example, in 2020, the residential market accounted for approximately 45% of sales in France, compared to 0% in China and 8% in North America, while the industrial market accounted for approximately 17% of sales in France, compared to 100% in China and 33% in North America. Thus, each entity has to draw up an offer plan tailored to its own specific characteristics.

This complexity is reinforced by the ever-growing advanced technological innovation and frequently changing standards of the products provided by the Rexel Group. The rapid development of home automation, the widespread use of the Internet of Things and the progress of robotization increased the need for extensive technical skills to build this offer plan and for more frequent updates than in the past.

Relying on this conventional marketing approach, the Group pursues its transformation towards an even more customer and data driven approach, to increase its relevance and adapt to the changes in customer expectations and behaviors. Such change requires very specific technical and business skills, in every country and every market in which Rexel operates.

As a result, and given this complexity, the risk for Rexel of not being able to strengthen its marketing capabilities and leverage them to reinforce its customer and data driven marketing approach in every geography of the Group is increased. If this risk were to occur, it could result in a deterioration of the Group's reputation among its customers (Rexel positioning itself as a provider of expertise and advice) and, consequently, a potential loss of market share. In addition, if these difficulties to strengthen the Group's marketing capabilities originate from an inadequate offer plan in one or several countries where Rexel operates, it could lead to an increase in the level of Rexel inventory (stemming from a demand for alternative products from customers) and thus, a potential decrease in the inventory turnover that could induce obsolescence and hence an increase in the inventory depreciation (which amounted to €80.6 million in 2020 compared to €75.8 million in 2019). This could lead to a negative impact on the Group financial performance.

Control Systems

The strengthening of Rexel's marketing capabilities to build a more data and customer driven marketing approach in each of the countries and markets in which Rexel operates remains one of the top priorities of the Group.

For this purpose, the Group constantly reinforces its marketing capabilities, especially through the generalization of a global marketing framework for all of its entities which specifies the best practices to be deployed in terms of customer segmentation, product segmentation, offer plan or even measurement of customer satisfaction. This deployment relies on Rexel's experienced teams benefiting from the technical skills required to roll-out such approach. Nevertheless, the deployment of the aforementioned initiatives remains of gradual progression within the Rexel Group.

In addition, the best practices and innovative initiatives developed in several countries of the Group are identified by the central teams and promoted throughout the rest of the Group. In particular, some entities of the Group have also deployed digital solutions for analyzing customer behavior to help them select the products to be included in their offer plan. Those solutions are currently being promoted by Rexel.

Moreover, Rexel increasingly invests in its customer and data driven marketing transformation. In 2020, the Group invested €63.8 million in gross capital expenditure related to information systems and digital (representing 57% of total gross capital expenditure of the Group), compared to €77.4 million in 2019 (representing 62% of total 2019 gross capital expenditure). Some of these investments have been dedicated to tools strengthening data and customer driven marketing capabilities. For instance, Rexel developed and deployed in a large number of branches across the Group an artificial intelligence solution which aims to optimize the assortment of each branch to better answer customer expectations.

Finally, as the marketing approach is only drawn up at country level, the impact of an inadequate approach for a given country would be limited to that country.

Consequently, Rexel residual exposure is considered to be moderate.

Operating risks

The Group may face significant cyber-attack on its information systems (high exposure)

The Rexel Group's strategy partially relies on the digital transformation of its business activities, both via the improvement of the Group's management systems and through innovative digital solutions provided to customers or suppliers. In addition to traditional information systems, on which part of the operations of the Group depends, Rexel is deploying several data and algorithm solutions which improve the management of its customer portfolio and of the product assortment in the branches. The Group also significantly improved its digital ordering mechanisms using EDI (Electronic Data Interchange) solutions.

This strategy, added to a Covid-19 pandemic context favorable to digital, leads to a significant increase in the share of digital sales within the Group. In 2020, the Rexel Group generated over €2.6 billion of sales (approximately 20.8% of its total sales) through its digital services, compared to approximately €2.4 billion in 2019 (approximately 18% of its total sales in 2019).

Therefore, any significant cyber-attack, regardless of type (ransomware, phishing, etc.) which could interfere with the proper operation of the information systems and of the webshop of the Group on which all of the solutions mentioned above rely, could result in an increasingly significant loss in revenue, related to both the failure of the information systems and the potential loss of strategic commercial data. This type of attack could also impact the image and reputation of the Group.

Control Systems

The Rexel Group has deployed a global and sophisticated IT security system within all of the entities of the Group. It includes an analysis of all the risks that can impact the Group's information systems, a dedicated organization and governance, and reinforced investments in technology and human resources to detect attacks, reduce the weaknesses in internal and open systems and increase the protection against intrusion attempts. In addition, the digital solutions of Rexel do not collect nor store its customers' bank information, thereby reducing the risk of banking information theft via a cyber-attack. Lastly, the information systems of the main countries are mostly independent in order to limit any potential risk of contagion between countries and systems.

Nevertheless, and due to the increasing frequency and sophistication of targeted and contagious cyber-attacks, the residual exposure level of the Group is assessed as high.

Various events may impact the health and safety of Group employees or third parties (moderate exposure)

With respect to health and safety, the main risks for Rexel Group employees and third parties (customers, subcontractors, etc.) relate to road traffic, falls, machine operation, equipment and cable handling and sedentary and computer work. Approximately 15% of Rexel's workforce work in warehouses and 60% work in sales functions, possibly traveling by car on a regular basis for their job, directly exposing them to a health and safety risk at work. Likewise, Rexel directly operates nearly 1,500 trucks and vans each day to deliver its products. This generates the potential for accidents involving Group employees and/or third parties. In the specific context of the Covid-19 pandemic, the Group employees and/or third parties are also exposed to a risk of contamination by the virus.

The number of days lost due to work-related accidents was 7,271 in 2020, compared to 6,690 in 2019 and 6,499 in 2018. In 2020, work-related accidents resulting in a work stoppage were primarily related to logistics (109 accidents, i.e. 50.2%) and to commercial/sales position (82 accidents, i.e. 37.8%). The frequency of work-related accidents at the Rexel Group calculated as the number of work-related accidents resulting in lost time per million hours worked was 5 in 2020. This rate decreased compared to 2019 (6.1). The severity rate of Rexel Group work-related accidents, defined as the number of workdays lost due to temporary disability per 1,000 hours worked, was 0.17 in 2020 compared to 0.15 in 2019 and 0.14 in 2018.

In addition to these risks for their physical integrity, the employees of the Group may also be exposed to a psychosocial risk. Such risk can originate from the stress some employees may experience and may have been worsened by the Covid-19 pandemic, because of the movement restrictions enforced by several governments or partial unemployment measures taken in some entities of the Group.

In the event of a serious impact on the physical or mental health and safety of an employee or a third party, the human impact could be extremely severe. Beyond these major human consequences, any accident with a negative impact on the physical or mental integrity of a Rexel employee or of a third party could also have a negative financial, legal or reputational impact on the Group.

Control Systems

A responsible, efficient and consistent safety policy has been deployed since 2015 in the countries in which the Group operates. To reinforce responsible and common culture and practices, the Group enhances and supplements the procedures and rules in place. To promote shared safety practices within the Group, Rexel designed 10 safety principles. These 10 principles provide an overall approach and promote safe and responsible practices and behaviors and address the key risks to which Rexel is exposed as a result of its business activities. Safety-related trainings are rolled out every year in the Group, reaching 19,051 employees in 2020, compared to 15,386 in 2019.

In addition, certain countries have committed to obtaining OHSAS 18001 occupational health-safety certification. The subsidiaries in Austria, Finland, Spain, China and the United Kingdom have implemented this health and safety risk management method.

Regarding the Covid-19 pandemic, the Group has put in place in each of the sites it operates strict hygiene and social distancing measures to best protect employees and third parties in its premises, in full compliance with local government instructions. The Group has also implemented large-scale home-office every time it was possible to limit the risk of contamination of its employees. When working from home was impossible, measures to strengthen the cleaning of the premises or even partitioning between the different shifts working on site were deployed.

Finally, regarding psychosocial risks, the Group pays constant attention to the quality of life at work, with numerous initiatives to promote well-being at work and limit psychosocial risks: right to disconnect, promotion of sporting activity, stress management, development and training actions (including managerial training), establishment of a culture of exchange between managers and employees, etc.

As a result, the Group's residual exposure is considered to be moderate.

Rexel may have difficulties to manage and exploit data (moderate exposure)

In an increasingly connected world and while the Group is fully deploying its digital transformation strategy, Rexel is witnessing a more significant consideration of the value of data.

It is becoming key for Rexel to be able to correctly identify, classify and exploit the large volume of data the Group manages, whether it concerns customers, products, suppliers or even transactions, especially when data valorization will become a key part of the Group's value creation.

Indeed, the data collected by Rexel's information systems are becoming crucial to improving the Group's operations and services offered to customers. For example, customer transactional data are analyzed to identify their purchasing patterns and allow sales teams to pay less satisfied customers specific attention. Similarly, such data are used to improve the range of products offered in stock in branches by identifying key products that must be immediately available in stock and other products for which a next-day delivery from logistics centers is possible.

However, the processing and use of a growing volume of data requires extensive classification, cleansing and characterization work, but also requires increased performance from the Group's information systems. If Rexel were unable to manage and exploit the data it collects in all the countries where the Group operates for whatever reason (IT failure, insufficient rigor in data classification, etc.), it could hinder the proper use of the various digital tools it deploys and thus jeopardize the efficiency and expected return on these tools. This could therefore have an impact on the quality of service provided to customers as well as on the Group's financial performance.

Control Systems

The Rexel Group is fully aware of the importance of using and managing the data it collects as efficiently as possible.

Numerous investments have been made (€63.8 million of gross capital expenditure related to information systems and digital in 2020), particularly on the standardization of the segmentation of the customer base, which will contribute in particular to the optimization and the acceleration of its digital tools and marketing approach. In particular, the Group has set up two digital centers, in France and in the United States, bringing together more than 150 digital and data experts, to support the various data management and exploitation solutions within the Group's entities.

However, the fragmentation of the Group's information systems, a legacy of Rexel's history of external growth, might complicate the use of data and slow down the execution of global data projects.

As a result, the Group's residual exposure is considered to be moderate.

The Group may be unable to attract, develop and/or retain talents to support Rexel's activities and objectives (moderate exposure)

The added value and the transformation strategy of the Rexel Group rely on the quality of its teams and their ability to manage and push forward the company, develop its commercial relationships with nearly 615,000 customers and deliver its products. Therefore, the human resources strategy of Rexel is designed to attract, recruit, develop and retain its employees, who are increasingly qualified and able to provide customers with expertise and both differentiating and appropriate technical advice. In 2020, the Group hired 2,475 of new staff, out of a total workforce of 24,818 employees, resulting in an employee turnover rate of over 12%. However, the ongoing effort to recruit and maintain the Group's teams faces challenges resulting from sometimes tense job market conditions (full employment zones, strong salary competition), notably in the United States and in China.

The inability of the Group to attract key resources and to recruit the staff required to conduct company business could lead to a decline in sales, the loss of certain customers, or a deterioration of delivery conditions or service level promised by the Group.

In addition, Rexel employees must develop very specific know-how to offer a differentiating customer experience. This expertise relies on skills that need to be regularly updated, otherwise the Group would be unable to meet customer expectations and deliver the best possible service.

The inability of the Group to develop its employees' skills and maintain them at the level required to implement the company's strategy could have a negative impact on the service offered to its customers and, as result, decrease their satisfaction and degrade the performance of the Group.

Finally, while 3,736 employees under permanent contracts left the Rexel Group in 2020 (compared to 4,566 in 2019), of which 48.5% resigned (53.8% in 2019), the Group is aware of the negative impact that too high employee turnover would have on the company.

The inability to limit this turnover rate and to retain employees with key skills within the company could result in a loss of knowledge and know-how, additional recruiting costs, deterioration of the quality of service provided to customers and, therefore, of the financial results of Rexel.

Control Systems

Talent recruitment is a key issue for Rexel, which operates in a highly competitive environment. To support the transformation and digitalization of its business, the Group especially relies on its employer brand and, more specifically, has implemented an ambitious recruitment and communication strategy aimed at strengthening the Group attractiveness.

The number of employees hired in 2020 (2,475 recruitments) demonstrates that the Rexel Group is able to attract and recruit new staff. The digital transformation undertaken by the Group also enables it to partially reduce pressure on human resources via the automation of certain processes, while raising productivity, allowing resource redeployment and increasing the appeal of the Group.

Employee development remains a strategic priority for the Group. Rexel intends to promote a culture of knowledge and experience sharing and offer tailor-made training to employees. In particular, the Rexel Group is committed to offering a rich training possibilities to its employees, whether face-to-face or remotely through the Group's online training platform (Rexel Academy), to develop their skills. In 2020, 254,406 hours of training were provided (excluding safety training), compared to 316,506 hours in 2019, covering approximately 93.6% of the total workforce compared to 80% in 2019.

To retain talents as effectively as possible, numerous measures have been taken at country level to promote the integration of new employees and reduce turnover (mentoring, follow-up interviews, induction seminars, etc.). Functional and geographic mobility is also an important driver of talent retention, offering employees opportunities for career development. In 2020, 1,986 employees on permanent contracts benefited from mobility (3,049 in 2019), representing 8.2% of the workforce on permanent contracts (11.8% in 2019).

In addition, and in order to retain talents within the company, several programs have been launched to strengthen the corporate culture in the service of performance (such as the continuous development and performance management program, the top 100 development program, and the identification and development of high-potential employees in key managerial and business skills). To retain its key talents, the Group also strengthened its leadership training programs, in particular through the "Group Advanced Leadership" a 9-month cycle program with a blended learning system that combines face-to-face and e-learning, and which is complemented by external coaching and personal development sessions. Finally, the Rexel Group analyzes the reasons for employees' departures and, in most of the Group's subsidiaries, organizes exit interviews with departing employees to understand the reasons for their resignation and draw up action plans to retain talents as effectively as possible.

Despite the above, the Group's residual exposure is considered to be moderate.

The information systems may be insufficiently resilient (low exposure)

Given the importance of information systems in carrying out the daily operations of the Group and given the deployment of Rexel's digital strategy, these systems are increasingly called upon. A major malfunction or a case of force majeure affecting Rexel or one of its information services providers could have a negative impact on the business activities, the financial situation or the results of the Group. The Rexel Group may also be required to make unforeseen expenditures or may experience temporary or lasting disruptions with respect to its personnel, operations or information processing.

The Rexel Group generated over €2.6 billion from digital sales in 2020 (near 20.8% of its sales), an increasing amount that could be directly impacted by an information system malfunction. a strong growth revenue that might be directly affected by a malfunction in information systems.

In a complex IT landscape of multiple, heterogeneous and at times interconnected information systems such as the Group's, in which maintaining such systems in operational conditions becomes more and more difficult and costly, the risk of facing insufficiently resilient information systems in Rexel increases.

Control Systems

The Rexel Group has deployed an internal control system for its information systems to ensure their continuity and resilience. The system notably provides for the creation of IT emergency plans, incident processing procedures, change management rules for modifications made to the production environment, access right and authorization controls and data backup rules. Rexel frequently carries out assessments of the level of protection of its critical information systems through external services providers and has defined an organization, governance principles and technologies required to increase their protection against intrusion attempts.

In addition, the IT architecture is managed independently in each country, thereby limiting the Group's exposure to a major, global interruption of its business activities. Last, in the event of an interruption in information system services, the Group's physical branch network and dedicated procedures will ensure that Rexel keeps on serving its customers and delivering products.

As a result, the Group's residual exposure is considered to be low.

Financial risks

The Group may face significant fraud due to the misappropriation of assets or accounting manipulation (low exposure)

The Rexel Group is a global distribution company, and as such is exposed to a risk of fraud by misappropriation of internal or external assets daily. Given that fraud attempts are becoming increasingly sophisticated and diverse (IT pirating, social engineering, phishing, etc.), the Rexel Group could become a victim of fraud, which could entail significant financial consequences. In particular, and notably due to the growing proportion of revenue achieved through online sales (near 20.8% of sales in 2020, compared to 18% in 2019), the Rexel Group is exposed to the risk of fraudulent payment methods (such as stolen bank cards) and identity theft, which is not always detected immediately given the credit lines and payment terms granted to customers.

Although the misappropriation of assets in the warehouses and branches is limited given the low value of the individual items stored, Rexel is nevertheless exposed to the risk of merchandise theft as the Group operates logistic centers and branches which carry inventory (valued at a total of €1,511.1 million as of December 31, 2020).

The Group could also be a victim of accounting fraud in one or more of its subsidiaries or even at head office, which could result in financial penalties and, potentially, prison sentences for Group managers and harm the Group's reputation.

Control Systems

The Rexel Group has deployed a control system dedicated to the fight against fraud for many years. The Group conducts fraud awareness-raising and training sessions for its employees on a regular basis. Rexel implemented robust accounting and financial controls, designed to prevent and detect any fraud attempt, and introduced increasingly higher-performing information system security tools. The accounting and consolidation controls are centralized at Group level, which limits potential accounting manipulation within the subsidiaries.

As a result, the Group's residual exposure is considered to be low.

A significant loss of value of intangible assets could result in a major accounting impairment (low exposure)

As of December 31, 2020, the Rexel Group recognized nearly €3,192.2 million in net goodwill for its intangible assets. This is the result of the acquisitions completed over the past years and represents the expected future economic benefits of the assets purchased.

The value of goodwill is reviewed at least annually. It is conditioned by the anticipated cash flows for the following five years including a normative terminal value, the cash flow discount rate and the EBITA rate assumptions for each country. A change in one or more of these assumptions could significantly reduce the value of goodwill and result in a major accounting impairment. The goodwill of some countries is exposed to the risk of non-achievement of growth targets, notably due to changes in the political or economic environment in those countries. For instance, the Group recognized a net goodwill of €13.7 million at the end of 2020 for its activities in the United Kingdom, which are vulnerable due to the Brexit-related instability risk. Likewise, together France, the United States and Canada account for over 68.3% of the total value of goodwill for the Group. They could be exposed to an unfavorable economic environment, which would call into question the Group's growth assumptions for these areas.

The value of goodwill was impaired by €486 million in 2020 compared to €98 million in 2019, while the Group suffered a net loss of €261.3 million in 2020 compared to a positive net income of 203.8 million in 2019, respectively. A significant impairment of goodwill, notably due to conditions external to the Group (economic environment, financing rates) could finally have a negative impact on the financial reputation and the stock market value of the Group. However, any impairment of goodwill would only have an accounting impact, and without any cash nor EBITA impact on the Group.

More detailed information about the amount of goodwill recognized in the assets of the Group as well as the basis for the calculations and impairments implemented in 2019 are available in note 11.1 to the consolidated financial statements of the Rexel Group for the financial year closed on December 31, 2020, included in the 2020 URD Extracts.

Control Systems

The Group conducts goodwill impairment tests at the country level at least annually. This is the most detailed level at which the transactions of each entity are tracked by management to assess their return on investment.

As a result, the Group's residual exposure is considered to be low.

The Group's margin may deteriorate as a result of raw materials price fluctuation, including that of copper (low exposure)

With respect to its cable distribution business, which accounted for approximately 15% of its sales in 2020, the Rexel Group is exposed to fluctuations in cable prices. As copper accounts for approximately 60% of the composition of cables, cable prices change in accordance with copper prices. The price of copper is volatile and can be subject to political (strikes, mine closures) or environmental (reductions in the water supply required for extraction) changes. During 2020, the price of copper fluctuated between approximately $5,081 and $7,788 a ton.

These changes are not, however, solely and directly linked to copper price fluctuations to the extent that the cable prices paid by the Rexel Group also depend on the situation and commercial policies of its suppliers, the competitive environment of the Rexel Group and the evolution of exchange rates. Therefore, the Rexel Group's exposure to changes in the price of copper is indirect.

The Rexel Group believes that a decrease in copper-based cable prices would have the following effects:

- a negative recurring impact linked to a decrease in sales, insofar as the Rexel Group passes on most of the price decreases in the purchase prices of these cables through lower sales prices. The recurring effect in relation to the price variation of copper-based cables reflects the price impact linked to the change in value of the copper part included in the selling price of cables from one period to another. This effect mainly relates to sales and margin; and

- a negative non-recurring impact on gross margin corresponding to the impact of copper-based cable price decreases between the time they were purchased and the time they were sold, until complete turnover of inventory. The non-recurring effect in relation to the price variation of copper-based cables reflects the effect of copper price variations on the selling prices of cables between the moment they are purchased and the time they are sold, until all such inventory is sold (direct effect on gross profit). This impact mainly relates to the gross margin of the Group.

An increase in copper-based cable prices would have the reverse effects of those described above.

The Rexel Group believes that in 2020, fluctuations in cable prices contributed to a recurring increase in its sales of approximately 0.2%, on a comparable basis and at a constant number of days.

The Rexel Group is also exposed to variations in prices of other commodities, which are part of the components of distributed products such as metals (steel, aluminum or nickel) or oil and its derivatives (PVC, polyamide or polycarbonate). Oil also impacts transportation costs for products distributed by the Rexel Group. Transportation costs accounted for 2.3% of the Rexel Group's sales in 2020. Changes in prices of certain commodities may have an adverse effect on the financial situation or the results of the Rexel Group.

Control Systems

The Group does not have any direct control over the price of copper. However, Rexel implemented the tools necessary to monitor and assess the risk level and its impacts. A specific monthly reporting process was developed and is regularly analyzed. Over the past three years, the impact of copper price fluctuation has been limited, to a maximum and in absolute value, to 0.4% of revenue and to less than €10.6 million in EBITA. In addition, the Group communicates on financial results that are adjusted of the non-recurring effects of copper price fluctuation to enable the market to better assess the financial results of the Group excluding the impact of copper price volatility on these results.

With respect to other raw materials, the impact of fluctuations in the price of oil remains indirect for the Group, notably thanks to the signature of transport outsourcing contracts.

As a result, the Group's residual exposure is considered to be low.

Ethics and environmental risks

Unethical behavior within the Group (corruption, anticompetitive agreements, non-compliance with embargoes, failure to protect personal data) could have a negative impact on the Group's image or reputation (moderate exposure)

As a specialist in the distribution of electrical supplies for professionals, the Rexel Group could be exposed, like any other distributor for professionals, to the risk of unethical behavior, including the risk of corruption, anticompetitive agreements, non-compliance with embargoes or the failure to protect personal data:

- With respect to the risk of corruption, the Rexel Group answers public and private calls for tender for construction and renovation projects on a regular basis. Rexel also operates in some countries in which the level of perceived corruption (established by the NGO Transparency International) is relatively high, like India, Russia and China. These elements could expose the Rexel Group to a risk of corruption, the Rexel Group answers public and private calls for tender for construction and renovation projects on a regular basis. Rexel also operates in some countries in which the level of perceived corruption (established by the NGO Transparency International) is relatively high, like India, Russia and China. These elements could expose the Rexel Group to a risk of corruption;

- With respect to the risk of anticompetitive agreements, on September 6, 2018, raids were performed in the offices of Rexel in relation to a judiciary investigation from the Tribunal de Grande Instance of Paris (Paris magistrate's court). This investigation, conducted with the assistance of the French Competition Authority, mainly deals with the mechanisms of price formation on the market of distribution of electrical equipment. At this point, Rexel is not party to the proceedings and therefore is not aware of the practices that it might be accused of. While information has been released in the press, it does not allow to determine the offences that Rexel could be accused of. It is therefore not possible to evaluate the degree of probability of formal indictments being made against Rexel nor of a possible adverse judgment and thus to evaluate the financial risk which Rexel is potentially exposed to;

- With respect to the risk of non-compliance with sanctions and embargoes, the Rexel Group could be exposed to such risk, for instance regarding some export activities, and particularly those related to compliance with the sanctions implemented by OFAC (the Office of Foreign Assets Control) in the United States. Rexel carries out few international transactions, especially with countries subject to an embargo. This limits its exposure to the risk of noncompliance with sanctions and embargoes;

- Lastly, with respect to the risk related to the protection of personal data, and within the framework of a digital strategy based on the collection and advanced use of data, some of the personal information of Group customers and/or employees could be inadequately or insufficiently protected due to external or internal causes.

Any unethical behavior could have a negative impact on the Group's reputation or image. This could result in the loss of customers or a decline in employee commitment. It could also result in a conviction for the Group, which could lead to financial penalties and potentially involve prison terms for Group management. Some of the penalties and fines could involve a percentage of the sales of the Group (10% for illegal agreements, 2 to 4% for non-compliance with the GDPR).

<u>Control Systems</u>

The Rexel Group and its management have been committed to a consistent and repeated ethical approach that reflects the standards of loyalty, integrity, respect and transparency of the Group. This commitment has been embodied in an Ethics Guide since 2007. It was updated in 2013 and 2017 to reflect the Group's strategy and the legislative and regulatory requirements applicable. This guide and the Anti-Corruption Code of Conduct and Guide for the Prevention of Anti-Competitive Practices which complete it form the ethics corpus of reference of the Rexel Group. They have been provided to all Group employees and are published in the local languages of the countries in which the Group operates on a dedicated public Internet page (https://ethique.rexel.com/en).

Extensive ethics training (compliance with competition law, prevention of corruption, protection of personal data, etc.) has also been provided to all Group employees through classroom sessions or e-learnings to raise awareness on this ethical approach. In addition, and in application of the Sapin II Law, Rexel has deployed a comprehensive anticorruption program based on the recommendations of the Agence Française Anticorruption (French Anticorruption Agency). With respect to the risk related to embargoes, while Rexel carries out few international transactions, the Group has nevertheless implemented dedicated procedures to ensure that no sales violate any sanctions or embargoes in effect and has provided specialized training to the most exposed employees. With respect to the protection of personal data and compliance with the GDPR, the Group has deployed a complete system to ensure compliance in all affected countries. It includes training, dedicated procedures and the strengthening of personal data security. Lastly, with respect to the risk of anticompetitive agreements, the Group has strengthened its policies and training for its employees to limit any risk of competition law non-compliance.

As a result, the Group's residual exposure is considered to be moderate.

Insufficient or inadequate actions in favor of environmental protection and social responsibility to meet stakeholders' expectations could affect the Group's image or reputation or its sales (moderate exposure)

As a specialist in the distribution of electrical supplies for professionals, the Rexel Group does not operate any production sites or factories. Present in 25 countries in 2020 and at over 2,000 sites (branches, logistics centers, head offices), the Rexel Group is faced with an environmental challenge which is due more to the dispersion of its impacts than to their extent.

- First, Rexel manages a large vehicle fleet for its logistics operations. The Group's in-house logistics fleet consumed 4.70 million liters of diesel fuel and 2.02 million liters of gasoline in 2020, i.e. energy consumption of 69,009 MWh (note that transport is outsourced by some entities of the Group). The commercial fleet consumed nearly 4.8 million liters of diesel fuel and 2.18 million liters of gasoline. This amounts to an energy consumption of 71,702 MWh. The Group also consumes energy to provide heat and electricity to the sites it operates in. In all, the Group's internal CO2 emissions (direct or indirect emissions from the energy consumption of buildings and the Rexel vehicle fleet) totaled 59,955 ktCO2 in 2020, compared to 71,374 $ktCO_2$ in 2019.

- In addition, the Group consumes the equivalent of approximately 200,000 trees a year for a range of packaging needs. The total quantity of packaging (cardboard, plastic, wood and other) consumed by the Rexel Group in 2020 is estimated at 14,757 tons, based on a scope which includes 100% of the Rexel Group's sales, compared with 17,184 tons in 2019 (based on a scope which included 99.8% of the Group's sales).

- The Group distributes products that have a strong impact on the environment because of the resources and energy used to manufacture them and the fact that recycling is not consistent. Indeed, about 50 million tons of electrical supplies are disposed of around the world every year (according to the estimate of the United Nations Environment Program) and only 17% are recycled.

In addition, the Group is facing growing expectations from its various stakeholders (both internal and external) regarding corporate social responsibility, regarding diversity, gender equality, responsible practices in the value chain or the workplace well-being of its employees.

Considering these growing expectations from stakeholders, both in terms of environmental and social responsibility, the Group's inability to meet them could affect its image and reputation or its sales (in a context of increased customer awareness about environmental issues).

Control Systems

In 2020, and after achieving before the target the objectives it had previously set for itself, the Group has embarked on an even more ambitious global policy aimed at reducing its environmental impact:

- The Group has committed to reduce the level of greenhouse gases emitted from the use of the products it sells by 45% by 2030 (per euro of revenue compared to 2016). At the end of 2020, the Group had already succeeded in reducing them by 25.4% compared to 2016.

- The has also committed to reduce the level of greenhouse gases emitted by its operations by 35% by 2030 (direct or indirect emissions from the Group's operations) compared to 2016. By the end of 2020, Rexel had already reduced its emissions by 25.4% compared to 2016, and 16.1% compared to 2019.

This ambitious policy is regularly rewarded by the Group's performances in various international rankings or evaluations (CDP, DJSI, etc.).

In addition, several Rexel subsidiaries (24% of sites) undertook the ISO 14001 certification process, attesting to their commitment to the continuous improvement of their environmental approach. Furthermore, some entities also committed to implementing energy management systems that meet ISO 50001 standards. These entities account for approximately 15% of Group sites and 8% of the energy consumption on Group sites.

Lastly, the Group implemented procedures to assess its third parties, notably its suppliers, to identify potential environmentally unacceptable behaviors with a target of 80% of the volume of direct purchases assessed on CSR criteria.

Regarding its social responsibility, the Group has implemented concrete actions to meet the expectations of its stakeholders: promotion of responsible practices in the value chain, promotion of the employment of people with disabilities, promotion of gender equality in the company, fight against discrimination, fostering intergenerational diversity and senior employment, fight against fuel poverty through the Rexel Foundation, etc.

As a result, the Group's residual exposure is considered to be moderate.

Risks relating to the Notes

We may not satisfy one or both of the Sustainability Performance Targets. Accordingly, there can be no assurances as to whether the interest rate in respect of the Notes will be subject to adjustment

Although we intend to satisfy each of the Sustainability Performance Targets, there can be no assurance that we will be successful in doing so or that any future investments we make in furtherance of such targets will meet (i) any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations, or (ii) investor expectations, by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Adverse environmental or social impacts may occur during the design, construction and operation of any investments we make in furtherance of the Sustainability Performance Targets, and such investments may become controversial or criticized by activist groups or other stakeholders. It will not be an event of default under the Notes nor will we be required to repurchase or redeem the Notes if we fail to satisfy one or both of the Sustainability Performance Targets in respect of the year ended 2023.

Should we satisfy both of the Sustainability Performance Targets, holders of Notes will not be entitled to an increase in the interest rate on the Notes on account of the applicable targets. Further, should we fail to satisfy one or both of the Sustainability Performance Targets we will be required to pay an increased interest rate on the Notes, which may have an adverse impact on our liquidity and financial position.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion of any third party (whether or not solicited by us) that may be made available in connection with our Sustainability-Linked Financing Framework or the Notes. For the avoidance of doubt, any such opinion is not and shall not be deemed to be incorporated into and/or form part of this offering memorandum. Any such opinion is not, nor should be deemed to be, a recommendation by us or any initial purchaser, or any other person to buy, sell or hold the Notes. Any such opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein and/or the provider of such opinion for the purpose of any investment in the Notes. Currently, the providers of such opinions are not subject to any specific regulatory or other regime or oversight. Any withdrawal of any such opinion or any additional opinion or statement that we are not complying in whole or in part with any matters to which such opinion relates may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose.

No assurance or representation is given by the Issuer, the Initial Purchasers, the second party opinion provider or the external verifier as to the suitability or reliability for any purpose whatsoever of any opinion, report, certification or validation of any third party in connection with the offering of the notes or the Sustainability Performance Targets to fulfil any green, social, sustainability, sustainability-linked and/or other criteria. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this offering memorandum

The second party opinion providers and providers of similar opinions, certifications and validations are not currently subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Initial Purchasers, any second party opinion providers, the external verifier or any other person to buy, sell or hold notes. Noteholders have no recourse against the Issuer, any of the

Initial Purchasers or the provider of any such opinion, certification or validation for the contents of any such opinion, certification or validation, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in the notes. Any withdrawal of any such opinion, certification or validation or any such opinion, certification attesting that Rexel is not complying in whole or in part with any matters for which such opinion, certification or validation is opining on or certifying on may have a material adverse effect on the value of the notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Notes may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics.

Although the interest rate relating to the Notes is subject to upward adjustment in certain circumstances specified in the indenture, such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. The Notes are not, and are not being marketed as "green bonds" or "sustainable bonds". We intend to use the net proceeds from this Offering, to refinance Existing Notes and to pay related fees and expenses. Therefore, we do not intend to allocate the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria or to be subject to any other limitations associated with "green bonds" or "sustainable bonds". The Subsequent Rate of Interest in respect of the Notes depends on the occurrence of a Step-up Event. A Step-up Event occurs, if the Issuer fails to notify the Trustee and the Paying Agent in writing, at least 15 days prior to June 15, 2024, that it has attained the Sustainability Performance Targets and received an Assurance Report. The definition of Sustainability Performance Targets may be inconsistent with investor requirements or expectations or other definitions relevant to renewable energy and/or greenhouse gas emissions and would be subject to change subject to our Sustainability-Linked Financing Framework. Although the Notes are designated as "sustainability-linked notes," investors should be aware that there is no commonly understood definition of this term and that the Notes may lack certain features contained in other similarly designated debt securities. In addition, the definition of Sustainability Performance Targets may be inconsistent with investor requirements or expectations or other definitions relevant to GHG emissions. We have not obtained any third-party analysis of such definitions. Further, our Sustainability Performance Targets are based off certain historical baselines that have been independently audited by a third-party. Adverse environmental or social impacts may occur during the design, construction and operation of any investments the Issuer makes in furtherance of their targets or such investments may become controversial or criticized by activist groups or other stakeholders. Lastly, no event of default shall occur under the Notes, nor will the Issuer be required to repurchase or redeem such Notes, if the Issuer fails to meet the Sustainability Performance Targets or if the Issuer does not receive an Assurance Report.

Calculation and reporting of our key performance indicators on which our Sustainability Performance Targets are based may change over time.

The greenhouse gas emissions key performance indicators on which our Sustainability Performance Targets are based are calculated internally by the Group based on broadly accepted industry standards (if available). These standards and guidelines and our internal methodology may change over time, which may affect the way in which we calculate our key performance indicators. The standards and guidelines continue to be reviewed by expert groups and include contributions from industry bodies, which may change going forward. We expect to report on an annual basis on progress on our key performance indicators, but a failure to do so will not constitute a default or event of default under the Notes or any other agreement.

The Issuer will rely on payments from its subsidiaries to pay its obligations under the Notes

Rexel is primarily a holding company, with business operations principally located at the level of Rexel Développement and its subsidiaries. Accordingly, Rexel will have to rely largely on dividends and other distributions from Rexel Développement and its subsidiaries to make payments under the Notes. Rexel cannot assure you that the earnings from, or other available assets of, these operating subsidiaries, together with its own operations, will be sufficient to enable the payment of principal or interest on the Notes when due.

The payment of dividends and the making of loans and advances to Rexel by its subsidiaries are subject to various restrictions, including:

- restrictions under applicable company or corporation law that restrict or prohibit companies from paying dividends unless such payments are made out of profits available for distribution;

- restrictions under the laws of certain jurisdictions that can make it unlawful for a company to provide financial assistance in connection with the acquisition of its shares or the shares of any of its holding companies;

- statutory or other legal obligations that affect the ability of Rexel's subsidiaries to make payments to it on account of intercompany loans; and

- existing or future agreements governing Rexel's debt that may prohibit or restrict the payment of dividends or the making of loans or advances to the Issuer.

If Rexel is not able to obtain sufficient funds from its subsidiaries, it will not be able to make payments on the Notes.

The Notes will be structurally subordinated to the obligations of Rexel's subsidiaries

None of Rexel's subsidiaries will initially guarantee the Notes. You will therefore not have any direct claim on the cash flows or assets of Rexel's subsidiaries and Rexel's subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Notes, or to make funds available to the Issuer for those payments. Generally, claims of creditors, including lenders and trade creditors, and claims of preference shareholders (if any), will have priority with respect to the assets and earnings over the claims of a company's ordinary shareholders, including the claims of its parent entity. Accordingly, claims of creditors and preference shareholders of Rexel's subsidiaries will also generally have priority over the claims of creditors of its parent entity. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceedings of any of Rexel's subsidiaries, holders of their debt and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Rexel. As such, the Notes will be structurally subordinated to the claims of creditors (including lenders and trade creditors) and preference shareholders (if any) of Rexel's subsidiaries. While Rexel's subsidiaries will be required, if they guarantee certain types of debt, also to guarantee the Notes, such subsidiaries will also be permitted under the Indenture to incur or guarantee some debt without providing such guarantees, and any such future debt will also be structurally senior to the Notes.

The Indenture under which the Notes will be issued offers limited protection to holders of the Notes

The terms of the Indenture and the Notes do not restrict our ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances or events that could have an adverse impact on your investment in the Notes. In particular, the terms of the Indenture and the Notes will not place any restrictions on our ability to:

- subject only to compliance with the covenant described under "Description of Notes — Certain Covenants — Limitation on Indebtedness," issue debt securities or otherwise incur additional indebtedness or other obligations;

- pay dividends or distributions on, or purchase or redeem or make any payments in respect of, equity interests or other securities ranking junior in right of payment to the Notes;

- make any payments in respect of, purchase or redeem indebtedness permitted to be incurred (including junior debt);

- sell assets (other than certain limited restrictions on our ability to consolidate, merge or sell all or substantially all of our assets);

- subject only to compliance with the covenant described under "Description of Notes — Certain Covenants — Limitation on Liens," create liens (including liens on the shares of our subsidiaries, if any);

- enter into transactions with affiliates;

- make investments; or

- create restrictions on the payment of dividends or other amounts to us from our subsidiaries (if any).

Furthermore, other than limited restrictions on our ability to incur or guarantee additional indebtedness, create liens and consolidate or merge with or into, or sell substantially all of our assets to, another person, the terms of the Indenture and the Notes do not protect holders of the Notes in the event that we experience changes (including significant adverse changes) in our financial condition, results of operations or credit ratings, as they do not require that we or our subsidiaries (if any) adhere to any financial tests or ratios or specified levels of revenues, income, cash flow, or liquidity.

Our ability to take a number of actions that are not limited by the terms of the Notes may have important consequences for you as a holder of the Notes, including making it more difficult for us to satisfy our obligations with respect to the Notes or negatively affecting the trading value of the Notes.

Other debt that we presently have outstanding does contain, and debt that we may issue or incur in the future could also contain, more protections for our holders than the Indenture and the Notes, including additional covenants and events of default. The issuance or incurrence of any further such debt with incremental protections could affect the market for and trading levels and prices of the Notes.

The Group may be unable to raise funds necessary to finance repurchase offers as required upon a Change of Control Triggering Event

If Rexel experiences a Change of Control Triggering Event, it will be required to make an offer to purchase all of the outstanding Notes at a price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. The occurrence of specified events that would constitute a change of control would also require early repayment of the Senior Credit Facility, the 2.750% Notes and the 2.125% Notes. In addition, a failure by Rexel to purchase the Notes after a change of control in accordance with the terms of the Notes would result in a default under the Senior Facility Agreement, the 2.750% Notes and the 2.125% Notes and may cause such a default under the Group's other indebtedness.

If a Change of Control Triggering Event were to occur, Rexel cannot assure you that the restrictions in the Senior Facility Agreement, the 2.750% Notes and the 2.125% Notes or other contractual obligations would allow it to make such required repurchases. If an event constituting a Change of Control Triggering Event occurs at a time when the Issuer is prohibited from repurchasing Notes, Rexel will need to seek the consent of the lenders under such indebtedness to purchase the Notes, or to attempt to repay or offer to repay the borrowings that contain such prohibition. If Rexel does not obtain such a consent or repay such borrowings, Rexel will remain prohibited from repurchasing any tendered Notes, which will be an event of default under the Notes. In addition, Rexel may not have the resources to finance the redemption of the Notes and an early repayment of the Senior Credit Facility Agreement, the 2.750% Notes and the 2.125% Notes required by a Change of Control Triggering Event, and currently Rexel expects that it would require third party financing to make an offer to repurchase the Notes upon a Change of Control Triggering Event. Rexel cannot give any assurances that it would be able to obtain such financing.

The change of control provision in the Notes may not necessarily afford investors protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving the Group that may adversely affect holders of Notes, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Indenture governing the Notes. See "Description of Notes — Change of Control".

You may face currency exchange risks by investing in the Notes

The Notes are denominated and payable in euros. If you measure your investment returns by reference to a currency other than euros, investment in such Notes entails foreign currency exchange-related risks due to, among other factors, possible significant changes in the value of the euro, relative to the currency you use to measure your investment returns, caused by economic, political and other factors which affect exchange rates and over which we have no control. Depreciation of the euro, against the currency in which you measure your investment returns would cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency in which you measure your investment returns. There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

Early redemption of the Notes may reduce an investor's expected yield

The Notes may be redeemed at the option of Rexel as more fully described in the "Description of Notes". In the event that Rexel exercises the option to redeem the Notes, you may suffer a lower than expected yield and may not be able to reinvest the funds on the same terms.

French insolvency may not be as favorable to holders of Notes as laws of another jurisdiction with which holders are familiar

Rexel is incorporated under the laws of France. In general, French insolvency legislation favors the continuation of a business and protection of employment over the payment of creditors and could limit your ability to enforce your rights under the Notes. The following is a general discussion of insolvency proceedings governed by French law. This summary is provided for informational purposes only and does not address all the French legal considerations that may be relevant to holders of the Notes.

EU Directive on Preventive Restructuring Frameworks

The EU directive 2019/1023 of the European Parliament and the Council of June 20, 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency) (the "**EU Restructuring Directive**") was published on June 26, 2019.

The objectives of the EU Restructuring Directive are to ensure that (i) viable enterprises and entrepreneurs that are in financial difficulties have access to effective national preventive restructuring frameworks that enable them to continue operating, (ii) honest insolvent or over-indebted entrepreneurs (i.e. individuals) can benefit from a full discharge of debt after a reasonable period of time, thereby affording them a second chance and (iii) the effectiveness of procedures concerning restructuring, insolvency and discharge of debt is improved, in particular with a view to shortening their length.

The EU Restructuring Directive aims to achieve a higher degree of harmonization in the field of restructuring, insolvency, discharge of debt and disqualifications by establishing substantive minimum standards for preventive restructuring procedures as well as for procedures leading to a discharge of debt for entrepreneurs in order to promote a culture that encourages early preventive restructuring to address financial difficulties at an early stage, when it appears likely that insolvency can be prevented and the viability of the business can be ensured. Most notably, the EU Restructuring Directive provides for a framework pursuant to which (a) a stay of individual enforcement actions by creditors against debtors must be introduced by Member States national legislation, (b) all creditor claims shall be grouped into separate classes each of which shall reflect a commonality of interests (at a minimum, creditors of secured and unsecured claims shall be treated in separate classes), (c) creditor claims may be restructured in a restructuring plan by majority vote with a majority of not more than 75% of the amount of the claims in each class and, where the Member State so requires, a majority in number of affected parties in each class and (d) a cross-class cram-down is introduced whereby a restructuring plan may, under certain conditions, be adopted and bind dissenting creditors even if the creditors of one or more classes do not consent to the restructuring plan with the required majority. In order to be adopted the plan will have to be confirmed by a judicial or administrative authority that will in particular ensure the protection of each type of creditors' rights and compliance with the priority rules governing the adoption of the plan.

French insolvency law has been recently and substantially amended by the following ordinances:

- Ordinance No. 2021-1193 dated September 15, 2021 amending Book VI of the *Code de commerce* (the "**Transposition Ordinance**") applicable to court-assisted pre-insolvency proceedings and court-controlled insolvency proceedings: this ordinance transposed the EU Restructuring Directive into French law and has been adopted pursuant to Article 196 of the French Law No. 2019-486 dated May 22, 2019 ("**Loi Pacte**") granted the French government twenty-four months to enact appropriate measures through ordinances for the transposition of the EU Restructuring Directive; Article 14 of the French Law No. 2020-290 dated March 23, 2020 extended by four months the period of time during which the French government is entitled to enact the said measure through ordinance; it being noted that the French government has not requested any extension of the deadline to transpose the EU Restructuring Directive, which was set to July 17, 2021. This ordinance has been completed by the Decree No. 2021- 1218 dated 23 September 2021 amending Book VI of the *Code de commerce*; and

- Ordinance No. 2021-1192 dated September 15, 2021 reforming of the law of security interests: this ordinance initially had to be implemented before May 23, 2021, pursuant to Article 60, I, of the Loi Pacte; this initial twenty-four months period of time provided for in the Loi Pacte for such ordinance to be implemented has been extended by four months pursuant to Article 14 of the French Law No. 2020-290 dated March 23, 2020. The provisions provided for in the Transposition Ordinance shall enter into force on October 1, 2021 and shall not apply to ongoing insolvency proceedings on the day of the entry into force (subject to certain exceptions).

Temporary measures in the context of the Covid-19 pandemic

Due to the COVID-19 pandemic, certain temporary measures have recently been enacted by the French Government to adapt French insolvency law to the health crisis (Law No. 20201525 dated December 7, 2020 and in force from December 8, 2020 and Ordinance No. 2020-1443 dated November 25, 2020 and in force from November 26, 2020).

In particular, Article 1 of Ordinance No. 2020-1443 dated November 25, 2020 and in force from November 26, 2020 has extended the duration of the conciliation proceedings. According to this article, the duration of the conciliation may be extended, one or more times, at the request of the conciliator, by a motivated decision of the president of the court, without this duration exceeding 10 months (see "—Conciliation Proceedings" below). This temporary measure is applicable until December 31, 2021.

In addition, Article 124 of the Law No. 2020-1525 dated December 7, 2020 and in force from December 8, 2020 extends the temporal application of certain measures that were initially adopted by an Ordinance No. 2020-596 dated May 20, 2020 and in force from May 21, 2020. The measures described in this ordinance, that were initially supposed to expire on December 31, 2020 and are now applicable until December 31, 2021, are:

- the addition of specific measures aimed at protecting debtors and an adaptation of the provisions governing grace periods in the context of conciliation proceedings;

- the loosening of the conditions for eligibility for Accelerated Safeguard Proceedings and Accelerated Financial Safeguard Proceedings;

- the possible reduction by the supervising judge, at the request of the court-appointed administrator or the creditors' representative, of the deadline during which creditors can respond to a debt settlement proposal in the context of a standard consultation for the approval of a safeguard or reorganization plan. The deadline can be reduced from 30 to 15 days of the receipt of the debt settlement proposal;

- the possible extension of the duration of the safeguard or reorganization plan for up to two additional years, meaning that such a plan can now last up to 12 years; and

- the granting of a special privilege for creditors that make new cash contributions to the debtor during the observation period in order to ensure the continuation of the company's business and its survival and for those who undertake to make such contribution for the execution of the safeguard or reorganization plan ordered or modified by the court.

Note that, due to the COVID-19 pandemic, these rules may be further adapted and additional measures may be put in place within the following weeks or months, which may have an impact on French insolvency law.

Grace periods

In addition to insolvency laws discussed below, your enforcement rights may, like those of any other creditor, be subject to Article 1343-5 of the French Civil Code (*Code civil*).

Pursuant to the provisions of this article, French courts may, in any civil proceeding involving a debtor, defer or otherwise reschedule over a maximum period of two years the payment dates of payment obligations and decide that any amounts, the payment date of which is thus deferred or rescheduled, will bear interest at a rate that is lower than the contractual rate (but not lower than the legal rate) or that payments made shall first be allocated to repayment of principal. A court order made under Article 1343-5 of the *Code civil* will suspend any pending enforcement measures, and any contractual interest or penalty for late payment exceeding the legal rate will not accrue or be due during the period ordered by court.

When the debtor benefits from the opening of conciliation proceedings, these provisions shall be read in combination with Article L 611-7 of the *Code de commerce*, which have been strengthened by the Transposition Ordinance (see —"Conciliation proceedings" below).

Court assisted pre-insolvency proceedings

Pre-insolvency proceedings may only be initiated by the debtor company itself, in its sole discretion, provided that it experiences or anticipates legal, economic or financial difficulties (1) while still being able to pay its debts as they fall due out of its available assets (*i.e.*, the company is not in *cessation des paiements*) in case of *mandat ad hoc* or *conciliation* proceedings, or (2) while being in *cessation des paiements* for less than 45 days in case of conciliation proceedings only.

Mandat ad hoc and *conciliation* proceedings are informal proceedings carried out under the supervision of the president of the court. The president of the court will appoint a third party (as the case may be, a *mandataire ad hoc* or a *conciliateur*) in order to help the debtor to reach an agreement with its creditors, in particular by reducing or rescheduling its indebtedness. The debtor may propose, in the filing for the commencement of the proceedings, the appointment of a particular person as the court appointed third party. Arrangements reached through such proceedings are non-binding on non-parties, and the *mandataire ad hoc* or *conciliateur* has no authority to force the parties to accept an arrangement.

Mandat ad hoc proceedings

Such proceedings are confidential. The agreement reached by the parties (if any) will be reviewed by the president of the court but, unlike in conciliation proceedings, French law does not provide for specific consequences attached to such review.

Conciliation proceedings

Such proceedings are confidential. If an agreement is reached among the parties in the context of *conciliation* proceedings, it may be either recognized (*constaté*) by the president of the court or, at the request of the debtor (and provided that certain conditions are satisfied), sanctioned (*homologué*) by the court (in which case the proceedings cease to be confidential).

Recognition (*constatation*) of the agreement by the president of the court gives the agreement the legal force of a final judgment, which means that it constitutes a judicial title that can be enforced by the parties without further recourse to a judge (*titre exécutoire*).

Sanction (*homologation*) by the court has the following consequences:

- creditors who, during the conciliation proceedings or as part of the sanctioned agreement, provide new money or goods or services designed to ensure the continuation of the business of the distressed company (other than shareholders providing new equity) will enjoy priority of payment over all pre-petition and post-petition claims (other than certain pre-petition employment claims and procedural costs) (the "New Money Lien"), in the event of subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings;

- in the event of subsequent safeguard, accelerated safeguard, accelerated financial safeguard or judicial reorganization proceedings, the claims benefiting from the New Money Lien may not, without their holders' consent, be written off and their payment date may not be rescheduled to a date later than the date on which the safeguard or reorganization plan is adopted, not even by the creditors' committees (the powers of the noteholders general meeting in this respect are the subject of debate);

- when the debtor is submitted to statutory auditing, the conciliation agreement is communicated to its statutory auditors; and

- in the event of subsequent judicial reorganization proceedings or judicial liquidation proceedings, the date of the *cessation des paiements* cannot be determined by the court as having occurred earlier than the date of the sanction of the agreement, except in case of fraud.

Court controlled insolvency proceedings

The following French insolvency proceedings may be initiated by or against a company whose center of main interest (within the meaning of the E.U. Insolvency Regulation) is in France:

(a) safeguard proceedings (*procédures de sauvegarde*), if such company, while not being in *cessation des paiements*, is facing difficulties which it cannot overcome; or

(b) accelerated safeguard proceedings (*procédure de sauvegarde accélérée*) if such company is in conciliation proceedings; or

(c) judicial reorganization (*redressement judiciaire*) or judicial liquidation (*liquidation judiciaire*) proceedings if such company is in *cessation des paiements*.

The proceedings may be initiated before the relevant court:

- in the event of (a) or (b) above, upon petition by the company only; and
- in the event of (c) above, upon petition by the company, any creditor or the public prosecutor.

While a company does not have an obligation to apply for safeguard, accelerated safeguard or accelerated financial safeguard proceedings, it is required to petition for the opening of judicial reorganization or judicial liquidation proceedings within 45 days of becoming unable to pay its due debt out of its available assets (*cessation des paiements*), unless it has requested the opening of conciliation proceedings within the same 45-day period. If such petition is not made, directors and, as the case may be, de facto managers of the company, may be subject to civil liability.

In safeguard and judicial reorganization proceedings, a court appointed administrator (whose name can be suggested by the debtor) investigates the business of the company during an initial observation period, which may last for up to six months renewable once (plus an additional six months under exceptional circumstances). In safeguard proceedings, the administrator's mission is limited to either supervising the debtor's management or assisting it, and assisting the company in the preparation of a safeguard plan. In judicial reorganization proceedings, the administrator's mission is usually to assist the management and to make proposals for the reorganization of the company, which proposals may include the sale of all or part of the company's business to a third party. In judicial reorganization, the court may also decide that the administrator will manage the company him/herself. At any time during this observation period, the court can order the liquidation of the company if its rescue has become manifestly impossible.

The safeguard or reorganization privileges

As an incentive to grant debtors facing safeguard or judicial reorganization proceedings, new financings, safeguard or reorganization privileges, have been consecrated by the Transposition Ordinance (the "S/R Privilege"):

(a) the S/R Privilege is distinct from the existing statutory preference enjoyed by financing granted, with the approval of the insolvency judge (*juge-commissaire*), after commencement of the proceedings, for the needs of the proceedings or of the observation period;

(b) the S/R Privilege applies to new cash contributions made to the debtor, with the exception of those made by (x) shareholders, through a share capital increase, and (y) creditors, prior to opening of the proceedings (*concours antérieurs*), by any person:

- during the observation period, in order to ensure the continuity of debtor's business and its sustainability, in which case such cash contributions must be authorized by the insolvency judge; or
- for the implementation of the safeguard or reorganization plan, i.e., within the plan as approved or modified by the court, and for the purposes of its execution, it being specified that the judgment must identify claims benefiting from the S/R Privilege;
- claims benefiting from the S/R Privilege enjoy a priority of payment over precommencement and post-commencement claims except with respect to (x) employees' super-privileged claims (*créances salariales super privilégiées*), procedural costs incurred after the opening judgment for the needs of the proceedings, the New Money Lien, pre-petition claims secured by real estate (in judicial liquidation proceedings only), and (y) post-petition wages claims not advanced by the French wages guarantee fund, in the event of on-going or subsequent safeguard proceedings, judicial reorganization proceedings or judicial liquidation proceedings.

(c) claims benefiting from the S/R Privilege enjoy a privileged treatment under subsequent judicial liquidation proceedings;

(d) claims benefiting from the S/R Privilege may not be termed-out or written-off without the consent of the relevant creditors in case of subsequent insolvency proceedings:

Constitution of classes of affected parties

During the observation period, with respect to large companies (i.e.; (i) with more than 250 employees and turnover greater than €20 million, or (ii) turnover greater than €40 million), or where authorized by the insolvency judge for smaller companies (i) in case of safeguard proceedings, at the request of the debtor, and (ii) in case of judicial reorganization proceedings, at the request of the debtor and the judicial administrator, classes of affected parties have to be established. The thresholds above mentioned can be considered at the group level where applicable.

Only affected parties have a right to vote on the adoption of the plan. Parties whose claims are left untouched by the plan have no voting rights.

Affected parties are defined as follow: (i) creditors, whose rights are directly affected by the draft plan, and (ii) the “Equity Holders”, if their shareholding, the articles of association or their rights are modified by the draft plan (i.e., the shareholders, as members of the general meeting or the extraordinary general meeting, the members of the special meetings provided for in Article L. 225-99 of the *Code de commerce* gathering holders of a specified class of shares (*titulaires d'actions d'une catégorie déterminée*), the members of the special meetings provided for in Article L. 228-35-6 of the *Code de commerce,* gathering holders of non-voting preferred shares (*titulaires d'actions à dividende prioritaire sans droit de vote*), and the members of the general meetings provided for in Article L. 228 of the *Code de commerce* gathering holders of securities giving rights to the capital (*titulaires de valeurs mobilières donnant accès à terme au capital*).

In addition, employee’s claims pursuant to an employment contract, pension rights, and maintenance claims (*créances alimentaires*) cannot be affected by the plan. Regarding affected parties benefiting from a trust agreement (*fiducie*) granted by the debtor, only the unsecured amounts of their claims are taken into account and give rights.

The judicial administrator is in charge of the constitution of the classes of affected parties, gathering pre-petition creditors only, and shall ensure that affected parties are treated in separate classes which reflect sufficient commonality of economic interest (*communauté d'intérêt économique suffisante*), based on verifiable criteria.

In addition, the constitution of classes of affected parties must comply with the following conditions:

- creditors benefiting from security interests over the debtor's movable assets (i.e.; rights *in rem*) in order to secure their claims belong to a class of their own;

- the allocation of creditors into classes must take into account the subordination agreements entered into before the opening of the proceedings, if they have been communicated to the judicial administrator by the relevant affected parties within the required time period (otherwise, these subordination agreements are not enforceable under the proceedings);

- Equity holders are treated in one or several classes.

At least 21 days prior to the vote, the court-appointed judicial administrator will notify each affected party regarding (i) the criteria used for the formation of the classes; (ii) the conditions of calculation of the voting rights within each class of affected parties; and (iii) the list of the classes. In case of disagreement, each affected party, the debtor, the Public Prosecutor, the creditors’ representative and the court-appointed judicial administrator may seize the insolvency judge within 10 days from the above-mentioned notification.

Adoption of the safeguard or reorganization plan

In case of judicial reorganization proceedings, not only is the debtor entitled to present a draft plan but also any affected party. In this case, the relevant affected party must submit its own plan to the debtor and the judicial administrator no later than 15 days before the date of the vote. However, such right is not provided for under safeguard proceedings.

The classes of affected parties will be consulted on the safeguard or reorganization plans drafted by the debtor’s management together with the judicial administrators during the observation period as well as, in case of judicial reorganization proceedings only, the plan drafted by any affected party.

Each class of affected parties must vote within 20 to 30 days from the submission of the draft plan by the company (such time can be reduced or extended by the supervising judge, at the request of the debtor or the judicial administrator, it being noted that it cannot last less than 15 days).

The approval of the plan requires the affirmative vote of the members of each class of affected parties holding with at least two-thirds of the votes held by the members of such class who expressed a vote. The Equity Holders vote in accordance with the provisions applicable to the various shareholders’ meetings to which they belong and such vote shall replace the vote in such meetings. Finally, the vote can be replaced, in each class of affected parties, by an agreement with the requisite majority.

Following the approval by each class of affected parties, the plan has to be approved (*arrêté*) by the court.

In considering such approval, the court has to verify that the following conditions are met (pursuant to Article L. 626-31 of the *Code de commerce*):

- the plan has been duly adopted by the classes of affected parties;

- affected parties who share a sufficient commonality of economic interest in the same class of affected parties are treated equally and in a manner proportionate to their claims or rights;

- the plan has been duly notified to all affected parties;

- where dissenting affected parties voted against the plan, the plan shall satisfy the best interest of creditors test: no dissenting creditor would be worse-off under the plan than it would be if (i) the ranking of liquidation priorities was applied, in the event of the sale of the asset following judicial liquidation proceedings (whether piecemeal or as a going concern), pursuant to Article L. 642-1 of the *Code de commerce*, or (ii) in the event of the next best alternative scenario (assuming that the plan would not have been confirmed;

- when applicable, any new funding necessary to implement the plan does not unfairly prejudice the interests (*atteinte excessive aux intérêts*) of the affected parties.

The court can refuse to approve a plan if the plan does not have a reasonable prospect of (i) avoiding the insolvency (*cessation des paiements*) of the debtor, or (ii) ensuring the viability of the business. The court must also verify that the interests of all affected parties are sufficiently protected.

Once approved by the court, the safeguard or reorganization plan becomes binding on all affected parties and enforceable against third parties.

Cross-class cram-down (application forcée inter-classes)

In the event that at least one class of affected parties refused to approve the plan, the plan can nevertheless be confirmed by the court upon request of (i) in case of safeguard proceedings, the debtor or the judicial administrator with the debtor's consent, and (ii) in case of judicial reorganization proceedings, the debtor, the judicial administrator with the debtor's consent or at least one affected parties' consent.

The implementation of the cross-class cram-down mechanism is subject to the following conditions:

- the plan is consistent with the conditions provided for in Article L. 626-31 of the *Code de commerce*;

- the plan has been approved by:

(a) a majority of the voting classes of affected parties, provided that at least one of these classes is a secured creditors class benefiting from rights in rem or is senior to the ordinary unsecured creditors class (*créanciers chirographaires*); or, failing that;

(b) at least one of the voting classes of affected parties, other than (i) any class of Equity Holders, or (ii) any other class which, upon a valuation of the debtor as a going concern (*entreprise en activité*) could be reasonably presumed not to receive any payment, if the normal ranking of liquidation priorities were applied, in the event of judicial liquidation proceedings (that is to say: creditors "in the money");

- the plan shall satisfy the absolute priority rule: the claims held by affected creditors in a dissenting class are satisfied in full by the same or equivalent means where a more junior class is entitled to receive any payment or keep any interest under the plan. However, some exceptions are provided for (i) upon request of the debtor or the judicial administrator with the debtor's consent, and (ii) when they are necessary in order to achieve the aims of the plan and when the plan does not unfairly prejudice the rights or interests of affected parties. Therefore, in this case, the court may decide that claims held by suppliers of goods or services, Equity Holders, or tort claims can benefit from a specific treatment;

- no class of affected parties can, under the plan, receive or keep more than the full amount of its claims or interests.

Once the court approved the plan through the cross-class cram down mechanism, the plan becomes binding to all affected parties, including dissenting voting classes.

In addition, the adoption of the plan against the vote of the classes of Equity Holders through the cross-class cram-down mechanism is subject to the additional following conditions:

- the company exceeds the following thresholds: (i) employing more than 250 employees and having turnover greater than €20 million, or (ii) having turnover greater than €40 million;
- upon a valuation of the debtor as a going concern (*entreprise en activité*), it could be reasonably presumed that the dissenting classes of equity holders would not receive any payment, or keep any interest if the normal ranking of liquidation priorities were applied in the event of judicial liquidation proceedings (that is to say: creditors "out of the money");
- if the draft plan provides for a capital increase subscribed by cash contribution: preferential subscription rights shall be applied;
- the plan does not provide for the transfer of all or part of the rights held by the dissenting classes of equity holders.

It is specified that the decision of the court approving the plan through the cross-class cram-down mechanism shall constitute an approval to the changes provided for in the plan and related to the shareholding, the rights held by Equity Holders or the articles of association.

Legal recourses

The court decision approving (via the cross-class cram-down mechanism or not) or rejecting the safeguard or reorganization plan may be appealed under specific circumstances.

In addition, dissenting affected parties can initiate legal recourses regarding the application of the best interest of creditors test and the condition related to creditors "in the money" or "out of the money" (see above), under specific circumstances. In this case, the court shall determine the value of the business, if necessary by ordering an expertise.

Consultation of the creditors on an individual basis

The consultation of the creditors on an individual basis (*consultation individuelle*) is applicable (i) in case of safeguard proceedings and reorganization proceedings, when the classes of affected parties are not constituted, and (ii) in case of reorganization proceedings, when the reorganization plan has not been approved (including via the cross-class cram-down). Classes of affected parties are not constituted if (i) the debtor does not exceed the thresholds, and (ii) there is no application for voluntary constitution of the classes of affected parties before the insolvency judge (see above).

In this context, a safeguard or reorganization plan can be adopted during the observation period, in which case a consultation of the creditors on an individual basis will take place. The creditors will be asked whether they accept rescheduling, cancellation of debt and/or debt-for-equity swaps provided for in the draft plan. Where the consultation is in writing, the creditor is deemed to have accepted the debt rescheduling and/or write-offs proposal if he fails to respond within thirty days upon receipt of the creditors' representative letter. However, in respect to debt-for-equity swap proposals, the creditors' representative must obtain the agreement of each individual creditor in writing within this 30-day timeframe. In those circumstances, the court has the right to accept or reduce debt deferrals or write-offs with respect to the claims of creditors who have consented to such measures, but it may only impose uniform debt deferrals (with interest for debts with an initial maturity of more than one year) for a maximum period of ten years with respect to the claims of non-consenting creditors except for claims with maturity dates of more than ten years, in which case the maturity date shall remain the same. The court cannot impose debt write-offs or debt-to-equity swaps.

Following a court-imposed rescheduling, the first payment under the plan must be made within a year of the judgment approving the plan (from the third year included, the minimum annual instalment is 5% of each of the admitted liabilities and from the six year included, the minimum annual instalment is 10% of each of the admitted liabilities), it being noted, however, that if the contractual provisions relating to a debt claim provide that the principal amount of such debt claim is repayable in fine and its maturity date falls within the implementation period of the plan, the repayment of such principal amount only starts on the annual instalment date (as set out in the plan) following the original contractual maturity date of that debt claim and such debt rescheduling follows specific rules.

In case of judicial reorganization proceedings only, if equity capital of the debtor is lower than half of the share capital and has not been restored, the court-appointed judicial administrator can request the court to appoint a judicial officer (*mandataire de justice*) to (i) convene the shareholders meeting and (ii) vote the share capital restoration in place of the opposing shareholders should the plan provide for a share capital modification to the benefit of one or several persons which made commitments to execute the plan.

In case of judicial reorganization proceedings only, the court may, upon request from the judicial administrator or the Public Prosecutor (and under certain procedural and substantial conditions), decide to squeeze out certain shareholders that have refused a modification of the share capital provided under a reorganization plan benefiting one or several persons who undertook to implement such plan, subject to the following cumulative conditions being met:

- the proceedings relate to a company with a minimum workforce of 150 employees or a dominant company (within the meaning of the *Code du travail*) in a group with a minimum global workforce of 150 employees;

- the cessation of such company's activity may create a risk of serious trouble to the national or local economy and the employment area; and

- a modification of the share capital is only serious option allowing to avoid such trouble and enabling the continuation of the business (after examination of the possibility of totally or partially selling the business).

Such squeeze out can take two different forms:

- a forced dilution of shareholders' rights as part of a capital increase, with an officer appointed by the court convening the shareholders' meeting and voting in lieu of the dissenting shareholders; or

- a forced sale, for the benefit of the persons who undertook to implement the reorganization plan, of the shares of shareholders holding the majority voting rights or a blocking minority and who refused the share capital modifications provided for under the reorganization plan; failing any agreement on the value of the transferred shares, this value shall be determined by an expert appointed by the President of the court.

Specific case – Creditors that are public institutions

Public creditors (financial administrations, social security and unemployment insurance organizations) may agree to grant debt remissions under conditions that are similar to those that would be granted under normal market conditions by a private economic operator placed in a similar position. Public creditors may also decide to enter into subordination agreements for liens or mortgages, or relinquish these security interests. Public creditors examine possible remissions within the framework of a local administrative committee (*Commission des Chefs de Services Financiers*). The tax administrations may grant relief from all direct taxes. As regards indirect taxes, relief may only be granted from default interest, adjustments, penalties or fines.

Accelerated safeguard proceedings

A debtor in the course of conciliation proceedings may request commencement of accelerated safeguard proceedings. The accelerated safeguard proceedings have been designed to "fast-track" the regular safeguard proceedings.

The regime applicable to accelerated safeguard proceedings is roughly the regime applicable to the regular safeguard proceedings to the extent compatible with the accelerated timing in accelerated safeguard proceedings, therefore some provisions relating in particular to ongoing contracts and restitution claims formed by creditors are excluded by law.

Accelerated safeguard proceedings have effect against all pre-insolvency creditors. However, the debtor can request the court to limit the scope of the accelerated safeguard proceedings to its financial creditors if it is essentially facing financial difficulties and, as a result, the adoption of the plan would only require the vote of these creditors.

To be eligible to accelerated safeguard proceedings, the debtor must fulfill the following conditions:

- the debtor must be subject to ongoing conciliation proceedings when it applies for the opening of the accelerated safeguard proceedings;

- the debtor must not have been insolvent for more than 45 days when it initially requested the opening of conciliation;

- as is the case for regular safeguard proceedings, the debtor must face difficulties that it is not in a position to overcome;

- in the context of conciliation proceedings, the debtor must have prepared a draft safeguard plan that aims to protect its operations in the long run and which is likely to be sufficiently and broadly supported, within the group of affected parties under the accelerated safeguard proceedings, to allow a likely adoption of the plan by the classes of affected parties, within the duration of the accelerated safeguard proceedings; and

- the debtor must have its accounts certified by a statutory auditor or established by an accountant.

If the debtor does not meet the thresholds making the classes of affected parties mandatory (see above), the court shall authorize such constitution in the opening decision (i.e., mandatory constitution of classes in the context of accelerated safeguard proceedings).

Where accelerated safeguard proceedings are opened, the classes of affected parties' are convened and,are required to vote on the proposed accelerated safeguard plan within a minimum period of 15 days of delivery of the proposed plan (also applicable in safeguard proceedings).

The plan is adopted following the same majority rules as in regular safeguard proceedings and may notably provide for a debt rescheduling, debt cancellation, and/or conversion of debt into equity.

The total duration of the accelerated safeguard proceedings is two months, unless the court decides to extend it by two additional months, at the request of the debtor and the judicial administrator. If no plan is adopted by the classes of affected parties at the relevant majority rules within such timeframe, the court shall terminate the accelerated safeguard proceedings and may not impose any uniform debt rescheduling.

By exception, Ordinance No. 2020-596 dated May 20, 2020 and Law No. 2020-1525 dated December 7, 2020 provide that for proceedings commenced between May 22, 2020 and December 31, 2021, if a plan is not adopted by the creditors and approved by the court within the applicable time limits the debtor, the judicial administrator, the creditors representative or the Public Prosecutor may request, without any delay, that judicial reorganization or judicial liquidation proceedings (as the case may be) be opened.

The "hardening period" (période suspecte) in judicial reorganization and liquidation proceedings

The insolvency date, defined as the date when the debtor becomes unable to pay its due debts from available assets, is generally deemed to be the date of the court decision commencing the judicial reorganization or judicial liquidation proceedings. However, in the decision commencing judicial reorganization or liquidation proceedings or in a subsequent decision, a court may determine that the insolvency date be deemed to be an earlier date, up to 18 months prior to the court decision commencing the proceedings. The insolvency date, when the debtor entered into a state of cessation of payments (*cessation des paiements*), is important because it marks the beginning of the "hardening period" (*période suspecte*). Certain transactions entered into by the debtor during the hardening period are, by law, void or voidable.

Void transactions include transactions or payments entered into during the hardening period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, payments made in a manner which is not commonly used in the ordinary course of business, deposit of cash or monetary instruments ordered by a court decision that has not yet become final to serve as guarantee or as precautionary measure in accordance with Article 2350 of the French Civil Code, security granted for debts previously incurred, provisional measures unless the security registration or the attachment/seizure predates the date of suspension of payments, share options granted or sold during the hardening period, the transfer of any assets or rights to a trust arrangement (*fiducie*) (unless such transfer is made as a security for a debt incurred at the same time), and any amendment to a trust arrangement (*fiducie*) that dedicates assets or rights as a guarantee of antecedent debts.

Voidable transactions include (i) transactions entered into, (ii) payments made when due or (iii) certain provisional and final attachment measures, in each case, if such actions are taken after the debtor was in *cessation des paiements* and the party dealing with the debtor knew that the debtor was in *cessation des paiements* at the time.

Transactions relating to the transfer of assets for no consideration are also voidable when carried out during the six-month period prior to the beginning of the hardening period.

Status of creditors during safeguard, accelerated safeguard, judicial reorganization or judicial liquidation proceedings

As a general rule, creditors domiciled in France whose debts arose prior to the commencement of insolvency proceedings must file a proof of claim (*déclaration de créances*) with the creditors' representative within two months of the publication of the court decision in the *Bulletin Officiel des annonces civiles et commerciales*; this period is extended to four months for creditors domiciled outside France. Creditors who have not submitted their claims during the relevant period are, except for very limited exceptions, precluded from receiving distributions made in connection with the insolvency proceedings. Employees are not subject to such limitations and are preferred creditors under French law.

In accelerated safeguard proceedings, the debts held by creditors that took part in the conciliation proceedings are listed by the debtor and certified by its statutory auditor (or, in its absence, its accountant) and are thus deemed to have been filed. Although such creditors can file proofs of claim pursuant to the regular process, they may also avail themselves of this simplified alternative and merely adjust the amounts of their claims as set forth on the list prepared by the debtor (within the abovementioned two or four months' time limit). Creditors who did not take part in the conciliation proceedings (but who would be part of classes of creditors) would have to file their proofs of claim within the above-mentioned legal time limits.

During the observation period:

(a) accrual of interest is suspended (except in respect of loans providing for an initial term of at least one year, or contracts providing for a payment which is differed by at least one year); the debtor is prohibited from paying debts having arisen after the commencement of the proceedings (i) unless they were incurred for the purposes of the proceedings or of the observation period or in consideration of services rendered/goods provided to the debtor and (ii) subject to specified exceptions which essentially cover the set-off of related debts, and payments authorized by the supervising judge (*juge commissaire*) and to recover assets for which recovery is justified by the continued operation of the business;

(b) debts duly arising after the commencement of the proceedings and that were incurred for the purposes of the proceedings or of the observation period, or in consideration of services rendered/goods provided to the debtor during this period, must be paid as and when they fall due and, if not, will be given priority over debts incurred prior to the commencement of the proceedings (with certain limited exceptions, such as claims secured by a New Money Lien), provided that they are duly brought to the attention of the judicial administrator or, failing one, the *mandataire judiciaire*, or, should they both have ceased to be in office, the plan commissioner or the judicial liquidator within one year of the end of the observation period;

(c) creditors may not initiate or pursue any individual legal action against the debtor (or, in safeguard or judicial reorganization proceedings, against a guarantor of the debtor if such guarantor is a natural person) with respect to any claim arising prior to the court decision commencing the insolvency proceedings if the objective of such legal action is:

- to obtain an order for payment of a sum of money by the debtor to the creditor (however, the creditor may require that a court determine the amount due);

- to terminate or cancel a contract for non-payment of pre-petition amounts owed to the creditor; to

- to enforce the creditor's rights against any assets of the debtor, except where such asset—whether tangible or intangible, moveable or immoveable—is located in another Member State within the European Union, in which case the rights in rem of creditors thereon would not be affected by the insolvency proceedings, in accordance with the terms of Article 8 of EC Regulation No. 2015/845 (Recast) with respect to insolvency proceedings opened after June 26, 2017. Similarly, the rights of a creditor on the debtor's assets located outside France (and the EU) would only be affected by the French insolvency proceedings if they were to be recognized by the local courts where the assets at stake are located (unless provided otherwise in a treaty to which France is a party).

A natural person that is the guarantor of the debtor may avail itself of the provisions of a safeguard plan adopted by the court, not of the provisions of a judicial reorganization plan.

In accelerated safeguard proceedings, the above rules only apply to the creditors which are subject to those proceedings. Debts owed to other creditors, such as suppliers, continue to be payable according to their contractual / usual terms.

Contractual provisions that would accelerate the payment of the company's obligations upon the occurrence of (i) the opening of *mandat ad hoc*, *conciliation*, safeguard, accelerated safeguard, or judicial reorganization proceedings or (ii) insolvency (*cessation des paiements*), are not enforceable under French law. The opening of liquidation proceedings, however, automatically accelerates the maturity of all of a company's obligations unless the continued operation of the business with a view to the adoption of a "plan of sale of the business" (*plan de cession*) is ordered by the court in which case the acceleration of the obligations will only occur on the date of the court decision adopting the "plan of sale of the business" or on the date on which the continued operation of the business ends.

The administrator may also terminate or, provided that the debtor fully performs its post-petition contractual obligations, continue on-going contracts.

If the court adopts a safeguard plan or a reorganization plan, claims of creditors included in the plan will be paid according to the terms of the plan. The court can also set a time period during which the assets that it deems to be essential to the continued business of the debtor may not be sold without its consent.

If the court decides to order the judicial liquidation of the debtor, the court will appoint a liquidator in charge of selling the assets of the company and settling the relevant debts in accordance with their ranking. If the court adopts a plan for the sale of the business (*plan de cession*), the proceeds of the sale will be allocated for the repayment of the creditors according to the ranking of the claims.

French insolvency law assigns priority to the payment of certain preferential creditors, including employees, officials appointed by the commercial court, creditors who, during the conciliation proceedings or as part of the sanctioned conciliation agreement, have provided new money or goods or services, post-petition creditors, certain secured creditors essentially in the event of liquidation proceedings, and the French Treasury.

Creditors' liability

Pursuant to Article L. 650-1 of the French Commercial Code where insolvency proceedings or safeguard proceedings (including the accelerated safeguard proceeding) have been commenced, creditors may only be held liable for the losses suffered as a result of facilities granted to the debtor, if the granting of such facilities was wrongful and if the relevant creditor (i) committed a fraud; (ii) interfered with the management of the debtor; or (iii) obtained security or guarantees that are disproportionate to such facilities. In addition, any security or guarantees taken to support facilities in respect of which a creditor is found liable on any of these grounds can be cancelled or reduced by the court.

If a creditor has repeatedly interfered in the company's management, it can be deemed a de facto manager of such company (*dirigeant de fait*). In such a case, Article L. 651-2 of the French Commercial Code provides that, if liquidation proceedings have been commenced against the debtor, the creditor may be liable for the debts of the company, along with the other managers (whether de jure or de facto), as the case may be, if it is established that their mismanagement has contributed to the company's shortfall of assets. If such conditions are met, French courts will decide whether the managers should bear all or part of the shortfall amount.]

Transactions on the Notes could be subject to the European financial transaction tax, if adopted

On February 14, 2013, the European Commission adopted a proposal (the "Commission's Proposal") for a directive for a common financial transaction tax (the "**FTT**") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain) (the "**Participating Member States**"). However, Estonia formally announced its withdrawal from the Participating Member States on March 7, 2016.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain transactions relating to the Notes (including secondary market transactions) in certain circumstances. Holders of Notes may therefore be exposed to increased transaction costs.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and may therefore be altered prior to any implementation, the timing of which remains unclear. Member States may join or leave the Participating Member States at later stages.

Prospective investors are advised to seek their own professional advice in relation to the FTT.

Potential purchasers and sellers of the Notes may be subject to the payment of certain other taxes

Potential purchasers and sellers of the Notes should be aware that they may be required to pay other taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this offering memorandum but to consult their own tax advisor as to their individual taxation with respect to the acquisition, holding and disposition of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. The investment consideration in the Notes has to be read in connection with the taxation section of this offering memorandum.

There currently exists no market for the Notes, and Rexel cannot assure you that such an active trading market for the Notes will develop

The Notes will be new securities for which there currently is no market. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to admit such Notes for trading on the Euro MTF market. However, there is a risk that no liquid secondary market for the Notes will develop or, if it does develop, that it will not continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Notes. In an illiquid market, an investor is subject to the risk that he will not be able to sell his Notes at any time at fair market prices or even at all.

The liquidity of any market for the Notes will depend on the number of holders of such Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Group's financial condition, results of operations and prospects, as well as recommendations of securities analysts. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. It is possible that the markets for the Notes will be subject to disruptions. Any such disruption may have a negative effect on investors in the Notes, regardless of the Group's financial condition, results of operations and prospects.

The market value of the Notes could decrease if the creditworthiness of the Group worsens

If, for example, because of the materialization of any of the risks regarding the Group, the likelihood that Rexel will be in a position to fully perform all obligations under the Notes when they fall due decreases, the market value of the Notes will suffer. In addition, even if the likelihood that Rexel will be in position to fully perform all obligations under the Notes when they fall due actually has not decreased, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as Rexel could adversely change.

If any of these risks occurs, third parties would only be willing to purchase Notes for a lower price than before the materialization of these risks. Under these circumstances, the market value of the Notes will decrease.

There is no visibility on the trading price for the Notes

The development of market prices of the Notes depends on various factors, such as changes in market interest rate levels, the policies of central banks, overall economic developments, inflation rates and the level of demand for the Notes and for high yield securities generally, as well as the Group's financial condition, results of operations and prospects. The Notes may thus trade at prices that are lower than their initial purchase price. The holders are therefore exposed to the risk of an unfavorable development of market prices of their Notes which materialize if the holders sell the Notes prior to the final maturity.

Since the Notes have a fixed interest rate, their market price may drop as a result of increases in market interest rates

The Notes bear a fixed interest rate. A holder of fixed rate notes is particularly exposed to the risk that the price of such notes falls as a result of changes in the market interest rate. While the nominal interest rate is fixed during the life of the Notes, the market interest rate typically changes on a daily basis. As the market interest rate changes, the price of fixed rate notes also changes, but in the opposite direction. Thus, if the market interest rate increases, the price of fixed rate notes typically falls, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If the market interest rate decreases, the price of fixed rate notes typically increases, until the yield of such notes is approximately equal to the market interest rate of comparable issues. If a holder of the Notes holds his Notes until maturity, changes in the market interest rate are without relevance to such holder as the Notes will be redeemed at their principal amount.

Definitive notes, if any, may not be delivered with respect to Notes that have a denomination that is not an integral multiple of €100,000

The Notes will have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000, respectively. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than €100,000, in his account with the relevant clearing system at the relevant time may not receive a definitive Note, in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of € 100,000, may be illiquid and difficult to trade.

The transfer of the Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold

The Notes have not been and will not be registered under the Securities Act or the securities laws of any jurisdiction. Accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and all other applicable laws. These restrictions may limit the ability of investors to resell the Notes. It is the obligation of investors in the Notes to ensure that all offers and sales of the Notes within the United States and other countries comply with applicable securities laws. We have not agreed to or otherwise undertaken to register the Notes under the Securities Act (including by way of an exchange offer), and we do not have any intention to do so. See "Plan of Distribution," "Notice to Investors" and "Notice to Certain Investors".

Your rights as a noteholder will be limited so long as ownership in the Notes is evidenced by book-entry interests

Owners of the book-entry interests will not be considered owners or holders of Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, Euroclear and Clearstream or their nominee in respect of the Notes will be the registered holder of Notes.

After payment to the registered holder, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participants through which you own your interest, to exercise any rights and obligations of a holder under the indenture governing the Notes. See "Book-Entry, Delivery and Form."

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions for holders of the Notes. Instead, you may be entitled to act only to the extent you have received appropriate proxies to do so from the Clearing System or, if applicable, from a participant. Rexel cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the relevant Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financing and could adversely affect the value and trading of such Notes.

USE OF PROCEEDS

In connection with the offering of the Notes, Rexel will receive net proceeds of approximately €596.85 million after deduction of costs and underwriting commissions.

Rexel intends to use the net proceeds of the offering of the Notes, together with its available cash, to redeem the 2.750% Notes. Rexel expects to redeem in full the 2.750% Notes on or about November 15, 2021 at a redemption price equal to 100 % of their principal amount plus a “make-whole” premium and accrued and unpaid interest to their redemption date. Rexel can elect not to redeem the 2.750% Notes if Rexel does not issue the Notes in this offering or if there is a material adverse change in financial markets.

CAPITALIZATION

The following table sets forth Rexel's cash and cash equivalents, total financial debt and total capitalization as at June 30, 2021 on an historical basis and as adjusted to reflect the completion of the sale and issuance of the Notes and the allocation of the net proceeds from the Notes as described in "Use of Proceeds".

You should read this table in conjunction with the section entitled "Use of Proceeds" in this offering memorandum, the Q3 Press Release, the Half-Year Activity Report, the 2020 URD Extracts and the 2019 URD Extracts, each of which is incorporated by reference in this offering memorandum.

	As at June 30, 2021		
(in millions of euros)	**Reported**	**Adjustments**	**As Adjusted**
€600 million 2.750% Senior Notes due 2026	600.5	(600.5)[(1)]	—
€400 million 2.125% Senior Notes due 2028	400.9	—	400.9
Securitization Programs	844.6	—	844.6
Senior Credit Facilities	—	—	—
Commercial paper	46.5	—	46.5
Bank loans	34.8	—	34.8
Bank overdrafts and other credit facilities	96.6	—	96.6
Accrued interests	4.2	—	4.2
Notes offered hereby (€)	—	600.0	600.0
Less transaction costs	(12.2)	(2.9)[(2)]	(15.1)
Total Financial Debt and Accrued Interest	**2,015.7**	**(3.4)**	**2,012.4**
Cash and cash equivalents	(487.7)	21.1[(3)]	(466.5)
Accrued interest receivable	(0.5)	—	(0.5)
Debt hedge derivatives	(4.6)	—	(4.6)
Total Net Financial Debt	**1,523.0**	**17.7[(4)]**	**1,540.7**
Total Equity	**4,068.2**	**(12.7)[(5)]**	**4,055.5**
Total Capitalization	**5,591.2**	**5.0**	**5,596.2**

(1) Reflects the repayment of the €600 million 2.750% Notes and a write-back of the related value adjustments of such 2.750% Notes redeemed for €0.5 million.

(2) Reflects the capitalization of issuance costs associated with the Notes amounting to €6.6 million after deducting €3.7 million of amortization of issuance costs related to the full repayment of the 2.750% Notes.

(3) Reflects the payment of the redemption premium of €14.5 million and the issuance costs of €6.6 million associated with the Notes.

(4) Consists of: (i) the €14.5 million redemption premium payable in connection with the planned redemption in full of the 2.750% Notes, (ii) €3.7 million of amortization of issuance costs in connection with the planned redemption of the 2.750% Notes and (iii) after deducting the fair value adjustments of €0.5 million of such 2.750% Notes.

(5) Effect of the refinancing transaction (as described in the "Use of Proceeds" and the footnotes above) net of tax (at the enacted statutory tax rate of 28.4%), including in particular the tax impact generated by the payment of the redemption premium, the reversal of fair value adjustments and the amortization of capitalized transaction costs.

DESCRIPTION OF CERTAIN INDEBTEDNESS

The Group's sources of financing, including its debt facilities, are described in Section 5.1.2.2 "Sources of Financing" of the activity report included in the 2020 URD Extracts and in Note 22 to the consolidated financial statements of Rexel for the year ended December 31, 2020 included in the 2020 URD Extracts incorporated by reference in this offering memorandum and in Note 16 of the Half-Year Activity Report incorporated by reference in this offering memorandum.

The following description of the various financings does not purport to be complete.

Senior Credit Facilities

The senior facility agreement initially executed on March 15, 2013 and subsequently amended, the latest amendment being dated January 31, 2018 (as amended and extended, the "Senior Facility Agreement"), provides for a multicurrency revolving credit facility for an aggregate maximum amount of €850 million with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Bank France, Natixis and Société Générale as Mandated Lead Arrangers and Bookrunners. Facilities can also be drawn down through swingline loans for an aggregate amount of €137.8 million. On January 16, 2020, Rexel exercised its option to extend the final maturity date by one additional year, from January 31, 2024 to January 31, 2025.

On March 25, 2020, the Group drew down €550 million out of €850 million of its available credit facilities in order to secure its cash position due to the second quarter sales decrease as a result of Covid-19 related lock down measures. On June 24, 2020, these facilities were paid-off and €850 million of these facilities remained available as of December 31, 2020.

Interest and margin

Amounts drawn bear interest at a rate determined in reference to (i) the EURIBOR rate when funds are made available in Euro or the LIBOR rate when funds are made available in currencies other than Euro, and (ii) the applicable margin.

Swingline drawings bear interest at a rate determined in reference to (i) the EONIA rate, and (ii) the applicable margin.

The initial applicable margin was 1.25% per annum and, as of the date of this offering memorandum, the margin is 0.75% per annum. The margin varies in accordance with the leverage ratio (defined as the ratio of consolidated adjusted total net debt to consolidated adjusted EBITDA, in each case as such terms are defined under the Senior Facility Agreement) calculated as of December 31 and June 30 of every year. The margin ranges from 0.60% to 2.25%.

In addition, the applicable margin shall be increased by a utilization fee that varies depending on the percentage of the total commitment drawn under the Senior Facility Agreement at any given time.

Rexel shall also pay a commitment fee in the base currency on that lender's available commitment the amount of which varies based on the leverage ratio.

Financial undertakings and covenants

Under the Senior Facility Agreement, Rexel must maintain a leverage ratio below 3.50 times as at December 31 and June 30 of each year. The leverage ratio corresponds to adjusted total net debt relative to adjusted EBITDA (for further details on the leverage ratio, please see note 22.1.1 to Rexel's audited consolidated financial statements for the year ended December 31, 2020 included in the 2020 URD Extracts).

This ratio may exceed 3.50 times on three accounting dates during the life of the Senior Facility Agreement, being specified that only two of such three accounting dates may be consecutive, and provided that (i) such ratio does not exceed 3.75 times on two accounting dates during the life of the Senior Facility Agreement and (ii) such ratio does not exceed 3.90 times on one accounting date during the life of the Senior Facility Agreement. This ratio stood at 2.14 times as of December 31, 2020.

Other undertakings and covenants

The Senior Facility Agreement contains certain customary negative covenants that restrict the capacity of Rexel and its subsidiaries (subject to certain agreed exceptions) to, among other things, (i) incur additional financial indebtedness; (ii) give guarantees and indemnities; (iii) make loans or credit to others; (iv) create security interests; (v) make acquisitions or investments; (vi) enter into joint ventures; (vii) dispose of assets; (viii) substantially change the general nature of Rexel or the Group's business; or (ix) enter into mergers, demergers or corporate reconstruction.

The Senior Facility Agreement also requires Rexel and any of its material subsidiaries to observe certain customary affirmative covenants, including, but not limited to, covenants relating to legal status, insurance, taxation, intellectual property, compliance with laws and pension schemes.

Prepayment

The Senior Facility Agreement must be prepaid, subject to certain agreed circumstances and exceptions and in varying amounts, such as in the event of a change of control of Rexel or a sale of all or substantially all of the assets of the Group.

Voluntary prepayments and cancellations are also permitted under the Senior Facility Agreement, subject to minimum amounts.

Events of Default

The Senior Facility Agreement contains customary events of default, the occurrence of any of which would entitle the lenders to accelerate all or part of the outstanding loans and terminate their commitments in respect of the Senior Facility Agreement.

Securitization programs

The Rexel Group runs several on-going securitization programs, which enable it to obtain financing at a lower cost than issuing bonds or bank loans. The main characteristics of these programs are summarized below:

				Balance as of		
Program	**Commitment as of June 30, 2021**	**Amount of receivables assigned as of June 30, 2021**	**Amount drawn down as of June 30, 2021**	**June 30, 2021**	**December 31, 2020**	**Repayment date**
		(in millions of currency)		*(in millions of euros)*		
France	€300.0	€403.1	€300.0	300.0	300.0	12/16/2023
Europe (excl. France)	€219.0	€303.9	€197.1	197.1	185.1	08/16/2022
United States — on balance sheet	US$290.0	US$448.0	US$276.5	232.7	225.1	09/20/2022
United States — off balance sheet	US$225.0	US$199.4	US$199.4	167.8	138.2	09/20/2022
Canada	CAD185.0	CAD238.2	CAD168.5	114.5	107.8	09/19/2022
TOTAL				**1,012.1**	**956.3**	
Of which:	— on balance sheet			844.6	818.4	
	— off balance sheet			167.8	138.2	

These securitization programs pay interest at variable rates including a specific credit spread to each program.

As of June 30, 2021, the total outstanding amount authorized for these securitization programs was €1,078.0 million, of which €1,012.1 million were used.

For more detailed information on Rexel's securitization programs, see Note 22.1.3 to the consolidated financial statements as of and for the year ended December 31, 2020 included in the 2020 URD Extracts and Note 16.1.2 to the unaudited consolidated financial statements as of and for the six-month period ended June 30, 2021 included in the Half-Year Activity Report.

In addition to these on-balance sheet programs, in 2009, the Group entered into an agreement with Ester Finance Titrisation (the purchaser), a French subsidiary of Calyon (now, Crédit Agricole Corporate and Investment Bank), to sell a participating interest in eligible trade receivables of Rexel's US subsidiaries under a *Receivables Participation Agreement* ("RPA"). This agreement was amended in 2016 and allows the Group to assign eligible receivables and receive cash consideration up to a maximum amount of US$225 million. The maturity of this program was extended to September 2022.

As of June 30, 2021, derecognized receivables totaled €167.8 million (€138.2 million as of December 31, 2020) and the discounting loss was recorded as a financial expense for €2.4 million (€5.7 million in 2020). Cash collected under the servicing agreement in relation to derecognized receivables and not yet transferred to the purchaser totaled €28.7 million and was recognized in financial liabilities (€23.6 million as of December 31, 2020).

The Group did not retain any interests in the receivables sold under this program.

Securitization programs are subject to certain covenants concerning the quality of the trade receivables portfolio including dilution (ratio of credit notes to eligible receivables), delinquency and default criteria (aging ratios measured respectively as overdue and doubtful receivables to eligible receivables). As of June 30, 2021, Rexel had satisfied all of these covenants. All the programs are on-going programs and therefore are not subject to seasonality other than seasonality arising in the ordinary course of business.

Factoring arrangements

In addition to its securitization programs, Rexel entered into factoring agreements in France and Belgium. Under these arrangements, Rexel assigns trade receivables to the factor and receives cash payment for a maximum amount of €95 million. As a result of these arrangements, the Group transfers the credit risk, interest risk and late payment risk to the factor, and remains liable for collecting the receivable on behalf of the factor.

As of June 30, 2021, Rexel derecognized the trade receivables sold to the factor for €72.5 million (€74.2 million as of December 31, 2020). Cash collected on behalf of the factor in relation with the transferred receivables was recognized in financial liabilities for €19.2 million as of June 30, 2021 (€25.8 million as of December 31, 2020).

2.750% Notes due 2026

On March 12, 2019, Rexel issued €600 million of senior unsecured notes due 2026 which bear interests at 2.750% annually (referred to in this offering memorandum as the “2.750% Notes” or the “2.750% 2026 Notes”).

The 2.750% Notes rank *pari passu* with Rexel’s senior credit facility and other senior unsecured notes. Rexel pays interest on the 2.750% Notes semi-annually on June 15 and December 15, starting from June 15, 2019. The 2.750% Notes mature on June 15, 2026 and are listed on the Euro MTF market of the Luxembourg Stock Exchange.

These 2.750% Notes are redeemable in whole or in part at any time prior to March 15, 2022 at a redemption price equal to 100% of their principal amount, plus a “make-whole” premium and accrued and unpaid interest. On or after March 15, 2022, the 2.750% Notes are redeemable in whole or in part by paying the redemption price set forth below:

Redemption period beginning on	**Redemption price (as a % of principal amount)**
March 15, 2022	101.375%
March 15, 2023	100.688%
March 15, 2024 and after	100.000%

Rexel intends to use the net proceeds of the offering of the Notes, together with its available cash, to redeem the 2.750% Notes. Rexel expects to redeem the 2.750% Notes in full on or about November 15, 2021 at a redemption price equal to 100 % of their principal amount plus a “make-whole” premium and accrued and unpaid interest to their redemption date. Rexel can elect not to redeem the 2.750% Notes if Rexel does not issue the Notes in this offering or if there is a material adverse change in financial markets. Please refer to “Capitalization” for additional details on the adjusted effect of such an election. See “Use of Proceeds”.

2.125% Notes due 2028

On May 5, 2021, Rexel issued €300 million of senior unsecured sustainability-linked notes due 2028 which were issued at 100% of their nominal amount and bear interests at 2.125% annually.

On May 18, 2021, Rexel issued an additional €100 million principal amount of these notes at a price of 100.875% of nominal (i.e.; an issuance price of €100.9 million). The additional notes are fully fungible with the previously issued notes and have identical terms and conditions (referred to in this offering memorandum as the “2.125% Notes” or the “2.125% 2028 Notes”).

The 2.125% Notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the 2.125% Notes semi-annually on June 15 and December 15, starting from December 15, 2021. The 2.125% Notes mature on June 15, 2028 and are listed on the Euro MTF market of the Luxembourg Stock Exchange.

The 2.125% Notes are linked to the following sustainability performance targets:

- a 23% reduction in greenhouse gas emissions related to the consumption of products sold, per euro of turnover by December 31, 2023 from a 2016 baseline; and

- a 23.7% reduction in greenhouse gas emissions related to energy consumption in its operations by December 31, 2023 from a 2016 baseline.

The interest rate of the 2.125% Notes shall be increased by 25 basis points to 2.375% per annum from June 15, 2024, if the Group does not achieve one of the above targets.

These 2.125% Notes are redeemable in whole or in part at any time prior to June 15, 2024 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after June 15, 2024, the 2.125% Notes are redeemable in whole or in part by paying the redemption price set forth below:

	Redemption price (as a % of principal amount)	
Redemption period beginning on	**Sustainability performance targets achieved**	**Sustainability performance targets not achieved**
June 15, 2024	101.063%	101.188%
June 15, 2025	100.531%	100.594%
June 15, 2026 and after	100.000%	100.00%

Promissory notes

In order to manage its credit risk in China, the Group discounts with no recourse to various financial institutions non-matured promissory notes issued by banks ("Bank Acceptance Drafts") that are received from customers as payment of trade receivables. Rexel transfers risks and benefits associated with discounted Bank Acceptance Drafts. As of June 30, 2021, Bank Acceptance Drafts have been derecognized from the balance sheet for €71.3 million (€74.5 million as of December 31, 2020).

Commercial paper program

Rexel runs a €300 million commercial paper program, with fixed maturities ranging from one to three months depending on the notes, issued to diversify its investor base and minimize the cost of financing.

As of June 30, 2021, Rexel had issued €46.5 million of commercial paper (€50.0 million as of December 31, 2020).

DESCRIPTION OF NOTES

Rexel, a *société anonyme* incorporated under the laws of the Republic of France (together with its permitted successors and assigns, the "**Issuer**"), will issue the €600,000,000 2.125% sustainability-linked senior notes due 2028 (the "**Notes**") under an indenture (the "**Indenture**") dated as of November 10, 2021 among the Issuer, The Bank of New York Mellon acting through its London branch, as trustee (the "**Trustee**," which term shall include any trustee or trustees appointed pursuant to the Indenture) and principal paying agent (the "**Principal Paying Agent**"), and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg paying agent (the "**Luxembourg Paying Agent**", and, together with the Principal Paying Agent and any other paying agents as may be appointed under the Indenture from time to time, the "**Paying Agents**"), registrar (the "**Registrar**") and Luxembourg transfer agent (the "**Luxembourg Transfer Agent**," and, together with the Paying Agents and the Registrar, the "**Agents**"), in a transaction that is not subject to the registration requirements of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The terms of the Notes include those set forth in the Indenture. Unless expressly included, the Indenture will not incorporate or include any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

The statements in this "Description of Notes" include summaries of, and are subject to the detailed provisions of, the Indenture, which includes the form of the Notes. Noteholders are entitled to the benefit of the Indenture and are bound by and are deemed to have notice of all the provisions of the Indenture. Noteholders are urged to read the Indenture because the Indenture and the Notes, and not this "Description of Notes", define their rights and govern the obligations of the Issuer (and any future Guarantors) under the Notes. Copies of the Indenture are available for inspection by Noteholders during normal business hours at the specified office of the Trustee for the time being, being at the date hereof at The Bank of New York Mellon, One Canada Square, Canary Wharf, London E14 5AL, England, and at the specified office of the Principal Paying Agent.

The Notes will be issued in registered form. The registered Holder of a Note will be treated as its owner for all purposes. Only registered Holders will have rights under the Indenture.

Brief Description of the Notes

The Notes

The Notes will:

- constitute senior unsecured obligations of the Issuer;
- rank pari passu in right of payment among themselves and to all existing and future unsecured indebtedness of the Issuer that is not subordinated to the Notes, including indebtedness of the Issuer under the Senior Credit Facilities, the 2.750% 2026 Notes and the 2.125% 2028 Notes;
- rank senior in right of payment to any existing or future indebtedness of the Issuer that is subordinated to the Notes;
- be effectively subordinated to all existing and future secured indebtedness of the Issuer to the extent of the assets securing such indebtedness; and
- be structurally subordinated to all existing and future indebtedness of the Issuer's Subsidiaries.

The Issuer is primarily a holding company, with business operations principally located at the level of Rexel Développement SAS and its subsidiaries. The right of the Issuer and its creditors, including Holders of the Notes, to participate in the assets of any of the Issuer's Subsidiaries in the bankruptcy, liquidation or reorganization of any such Subsidiary will be subject to the prior claims of the creditors of such Subsidiary, including, but not limited to, trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries. Although the Indenture will limit the incurrence of Indebtedness by Subsidiaries, the limitation will be subject to a number of significant exceptions. Moreover, the Indenture will not impose any limitation on the incurrence by Subsidiaries of liabilities that are not considered Indebtedness under the Indenture. See "— Certain Covenants — Limitation on Indebtedness." On the Issue Date, no Subsidiary of the Issuer will guarantee or provide any Lien securing the Issuer's obligations under the Notes.

As of June 30, 2021, after giving pro forma effect to this offering and the expected application of the net proceeds therefrom to redeem the 2.750% 2026 Notes in full, the Issuer on a standalone basis would have had approximately €947.3 million aggregate principal amount of outstanding unsecured Indebtedness, which includes the Notes issued in this offering and an additional €446.5 million with which the Notes would rank equal; and the Issuer's

Subsidiaries would have had approximately €975.9 million aggregate principal amount of outstanding Indebtedness, including €844.6 million under securitization programs, to which the Notes would have been effectively junior. As set forth in "Use of Proceeds", we can elect not to redeem the 2.750% 2026 Notes if we do not issue the Notes in this offering or if there is a material adverse change in financial markets. Please refer to "Capitalization" for additional details on the adjusted effect of such an election.

Principal, Maturity and Interest

The Issuer will issue €600,000,000 in aggregate principal amount of Notes on the Issue Date. The Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Notes will mature on December 15, 2028 and have a redemption price at maturity equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date.

Interest on the Notes will accrue at the rate of 2.125% per annum and will:

- be payable semi-annually in arrear on June 15 and December 15, commencing on June 15, 2022;
- be payable to the Holders of record on the immediately preceding June 1 and December 1;
- accrue from the Issue Date;
- be computed on the basis of a 360-day year comprised of twelve 30-day months; and
- cease to accrue with effect on and from their due date for redemption or repayment unless payment of the redemption monies or accrued interest (if any) is improperly withheld or delayed in which event interest will continue to accrue as provided in the Indenture.

Interest on overdue principal will be payable at 1% per annum in excess of the above rate and interest on overdue installments of interest will be payable at such higher rate to the extent lawful.

From and including June 15, 2024, interest shall accrue on the Notes at a rate increased by 25 basis points per annum to 2.375% per annum (the "**Target Step-Up**"), unless the Issuer has notified the Trustee and Paying Agent in writing (such notification, the "**Target Satisfaction Notice**"), at least 15 days prior to June 15, 2024, that it has (based on its good faith calculations as at such date, which determination shall be conclusive) attained the Sustainability Performance Targets and received an Assurance Report which supports with the Issuer's determination that it has attained the Sustainability Performance Targets. The Trustee and Paying Agent shall be entitled to conclusively rely on the Target Satisfaction Notice from the Issuer, shall have no duty to inquire as to or confirm or investigate the accuracy of any Target Satisfaction Notice or the facts, statements, opinions or conclusions stated therein, verify the attainment of the Sustainability Performance Targets or receipt of the Assurance Report, or make calculations, investigations or determinations with respect to the attainment of the Sustainability Performance Targets or the failure to attain the Sustainability Performance Targets. The Trustee and Paying Agent shall have no liability to the Issuer, any Noteholder or any other Person in relying on any Target Satisfaction Notice and the Trustee and the Paying Agent shall be fully protected in acting on any Target Satisfaction Notice.

For the avoidance of doubt, the Target Satisfaction Notice shall be conclusive as at its date of issuance, and no Target Step-Up shall apply retroactively if any Scope 1 and Scope 2 Greenhouse Gas Emissions or any Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products used for the calculation of such Sustainability Performance Targets is adjusted after the date of issuance of the Target Satisfaction Notice.

Subject to compliance of the Issuer with the covenant described under "Certain Covenants — Limitation on Indebtedness" below, the Issuer is permitted, from time to time, without notice to or the consent of the Noteholders, to create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, the initial interest accrual date, and the amount of the first payment of interest), in accordance with the Indenture (the "**Additional Notes**"). Additional Notes, if any, will be consolidated and form a single series with the Notes. Except as otherwise specified in the Indenture, Additional Notes and the Notes shall be treated as a single class for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for the purposes of the Indenture, references to the Notes include any Additional Notes actually issued. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Indenture.

Optional Redemption

At any time prior to December 15, 2024 (the "**First Call Date**"), the Issuer is entitled, at its option, to redeem the Notes, in whole or in part, upon not less than ten nor more than 60 days' prior notice to the Noteholders at a redemption price equal to 100% of the principal amount of such Notes plus the Applicable Premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date). For purposes of this "— Optional Redemption" section:

- "**Applicable Premium**" means with respect to a Note on any redemption date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess of (to the extent positive): (A) the present value at such redemption date of (x) the redemption price of such Note at the First Call Date (such redemption price (expressed as a percentage of the principal amount) being set forth in the applicable table in the second succeeding paragraph below or, at any time after March 30, 2024 unless the Issuer has issued a Target Satisfaction Notice, the third succeeding paragraph below) plus (y) all required remaining interest payments due on such Note to and including the First Call Date (excluding any accrued but unpaid interest to such redemption date), computed using a discount rate equal to the Applicable Rate at such redemption date plus 50 basis points, over (B) the outstanding principal amount of such Note on such date of redemption, as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

- "**Applicable Rate**" means with respect to a redemption date for the Notes, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where: (A) "**Comparable German Bund Issue**" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to the First Call Date, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro-denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to the First Call Date; provided, however, that if the period from such redemption date to the First Call Date is not equal to the fixed maturity of the German Bundesanleihe security selected by such Reference German Bund Dealer, the Applicable Rate shall be determined by linear interpolation (calculated to the nearest one-twelfth of a year) from the yields of German Bundesanleihe securities for which such yields are given, except that if the period from such redemption date to the First Call Date is less than one year, a fixed maturity of one year shall be used; (B) "**Comparable German Bund Price**" means, with respect to such redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations; (C) "**Reference German Bund Dealer**" means any dealer of German Bundesanleihe securities appointed by the Issuer in good faith; and (D) "**Reference German Bund Dealer Quotations**" means, with respect to each Reference German Bund Dealer and such redemption date, the average as determined by the Issuer in good faith of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third Business Day preceding the redemption date.

At any time and from time to time on or after the First Call Date, in the event of a Target Satisfaction Notice the Issuer may, at its option, redeem all or part of the Notes upon not less than ten nor more than 60 days' prior notice to the Noteholders, at the redemption prices, expressed as the following percentages of principal amount of such Notes, or part thereof, to be redeemed, plus accrued and unpaid interest thereon, if any, to the applicable redemption date (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period beginning on December 15, of the following years:

Year	Percentage
2024	101.063%
2025	100.531%
2026 and after	100.000%

At any time and from time to time on or after the First Call Date, in the event of a Target Step-Up the Issuer may, at its option, redeem all or part of the Notes upon not less than ten nor more than 60 days' prior notice in writing to the Noteholders, at the redemption prices, expressed as the following percentages of principal amount of such Notes, or part thereof, to be redeemed, plus accrued and unpaid interest thereon, if any, to the applicable redemption date (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12 month period beginning on December 15, of the following years:

Year	Percentage
2024	101.188%
2025	100.594%
2026 and after	100.000%

At any time from and after the Issue Date until December 15, 2024, upon not less than ten nor more than 60 days' notice, the Issuer may, at its option, on any one or more occasions redeem up to 40% of the original aggregate principal amount of the Notes (including any Additional Notes) issued under the Indenture at a redemption price of 102.125% of their principal amount, plus accrued and unpaid interest on the Notes, if any, to the redemption date (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date), with an amount equal to all or part of the net proceeds received by the Issuer from one or more Qualified Equity Offerings; provided, however, that:

- at least 60% of the original aggregate principal amount of the Notes (including any Additional Notes), issued under the Indenture would remain outstanding immediately after the occurrence of such redemption; and

- the redemption occurs within 120 days of the closing of such Qualified Equity Offering.

For purposes of the immediately preceding paragraph, "**Qualified Equity Offering**" means an issuance and sale (public or private) of Capital Stock (other than Disqualified Stock) of the Issuer or any direct or indirect parent company of the Issuer with gross cash proceeds to the Issuer of at least €50 million (including any sale of Capital Stock purchased upon the exercise of any over allotment option granted in connection therewith).

If less than all of the Notes are to be redeemed at any time, the Notes being redeemed will be redeemed on a pro rata basis, by-lot basis or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate (and in such manner that complies with applicable legal and exchange requirements). No Note of €100,000 in aggregate principal amount or less will be redeemed in part. If the Issuer redeems any Notes in part only, the notice of redemption relating to such Notes shall state the portion of the principal amount thereof to be redeemed. In case of any certificated Notes, a new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Noteholder thereof upon cancellation of the original Note. In case of a global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Once notice of redemption is sent to the Holders, Notes or portions thereof called for redemption become due and payable at the redemption price on the redemption date (subject to the satisfaction of the conditions precedent stated in the redemption notice or their waiver by the Issuer) and, commencing on the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption unless payment of the redemption moneys and/or accrued interest is improperly withheld or refused.

Any redemption notice given under this "— Optional Redemption" section may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions, including in the case of a redemption described in the third paragraph of this "— Optional Redemption" section, the completion of the related Qualified Equity Offering.

Mandatory Redemption, Offers to Purchase, Open Market Purchases

The Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase Notes as described in the covenant under "— Change of Control."

The Issuer and the Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise if such purchase complies with the then applicable agreements of the Issuer and/or the Subsidiaries, including the Indenture, and applicable laws; provided, however, that in determining whether the Holders of the required principal amount of the outstanding Notes have given or taken any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Notes owned by the Issuer or any Guarantor or by any other Subsidiary of the Issuer will be disregarded and deemed not to be outstanding, except that, for the purposes of determining whether the Trustee will be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Notes that the Trustee knows are so owned will be so disregarded.

Taxation

Additional Amounts

All payments under or with respect to the Notes or a Guarantee will be made without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other additions related thereto) (hereinafter "**Taxes**") imposed or levied by or on behalf of the Republic of France, any Guarantor's jurisdiction of organization, any jurisdiction from or through which payment is made by the Issuer, any Guarantor or the Paying Agent on behalf of the Issuer or such Guarantor, and (if different) any jurisdiction to which the payment is effectively connected and in which the payor has a permanent establishment or is resident for tax purposes at the time of payment, and any political subdivision or taxing authority thereof or therein (each a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law.

If any amounts are required to be withheld or deducted for or on account of Taxes imposed by a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or a Guarantee, the Issuer or the relevant Guarantor, to the fullest extent then permitted by law, will be required to pay such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by a Noteholder (including Additional Amounts) after such withholding or deduction will not be less than the amount such Noteholder would have received if such Taxes had not been withheld or deducted; provided, however, that the foregoing obligation to pay Additional Amounts does not apply to:

- any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the relevant Holder, if the relevant Holder is an estate, trust, partnership or corporation) and the Relevant Taxing Jurisdiction (other than the mere receipt of such payment or the ownership or holding outside of the Relevant Taxing Jurisdiction of a Note);

- any payment of or on account of estate, inheritance, gift, sales, excise, transfer, personal property or similar Tax;

- any Tax that would not have been imposed but for the presentation of a Note by the Holder for payment more than 30 days after the date on which such payment on such Note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the Holder would have been entitled to Additional Amounts had such Note been presented on the last day of such 30-day period);

- any Taxes that are required to be withheld or deducted on a payment to a Luxembourg resident individual pursuant to the Luxembourg law dated December 23, 2005, as amended;

- any Taxes that are required to be withheld or deducted on a payment to a French resident individual pursuant to Article 125 A, I of the French *Code général des impôts*, as amended;

- any payment of principal (or premium, if any) or interest under or with respect to the Notes or a Guarantee to any Holder who is a fiduciary or partnership or any person other than the sole beneficial owner of such payment, to the extent that (A) such withholding or deduction is required for the sole reason that the Holder is a fiduciary, a partnership or a person other than the beneficial owner of such payment or (B) a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder;

- any Note presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union;

- any withholding or deduction imposed as a result of the failure of a Holder or beneficial owner of the Notes to comply with any reasonable written request, made to that Holder or beneficial owner in writing at least 90 days before any such withholding or deduction would be payable, by the Issuer or any Guarantor to provide timely and accurate information concerning the nationality, residence or identity of such Holder or beneficial owner or to make any valid and timely declaration or similar claim or satisfy any certification information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from or reduction in all or part of such withholding or deduction;

- any Taxes payable under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any amended or successor version that is substantively comparable), any current or future regulations or official interpretations thereof, or any agreements (including any intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto ("**FATCA**"); or

- any combination of the above.

The Issuer or the relevant Guarantor will make all withholdings and deductions for Taxes required to be made by it and will remit the full amount required to be deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law.

Whenever in the Indenture there is mentioned, in any context (i) the payment of principal; (ii) purchase price in connection with a purchase of Notes; (iii) interest; (iv) premium or (v) any other amount payable on or with respect to any of the Notes, such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Issuer will pay any present or future stamp, transfer, court or documentary taxes or any other excise or property taxes, charges or similar levies, and any penalties, additions to tax or interest due with respect thereto, that may be imposed in a Relevant Taxing Jurisdiction in connection with the execution, issue, initial delivery or registration of the Notes, the Indenture or any other document or instrument in relation thereto, or in any relevant jurisdiction in connection with any enforcement action.

The obligations described under this heading will survive any termination or discharge of the Notes and the Indenture and will apply *mutatis mutandis* to any jurisdiction in which any successor person to the Issuer or a Guarantor is organized or any political subdivision or taxing authority or agency thereof or therein.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless the obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be promptly thereafter), if the Issuer will be obligated to pay Additional Amounts with respect to such payment, the Issuer will deliver to the Trustee an Officers' Certificate stating that Additional Amounts will be payable and the amounts so payable and such other information as is reasonably necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date.

Supply of Information

Each Holder shall be responsible for supplying to the Issuer or any Guarantors, in a timely manner, any information as may be required by the Issuer or any Guarantors in order for the Issuer or any Guarantors to comply with the identification and reporting obligations imposed by FATCA.

Redemption for Changes in Withholding Taxes

The Issuer may redeem the Notes, at its option, at any time as a whole but not in part, upon not less than ten nor more than 60 days' notice, at 100% of the principal amount thereof, plus accrued and unpaid interest (if any) to the date of redemption (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), in the event the Issuer or a Guarantor has become or would become obligated to pay, on the next date on which any amount would be payable with respect to such Notes or a related Guarantee, any Additional Amounts as a result of:

- a change in or an amendment to the laws (including any regulations or rulings promulgated thereunder) of, or any treaties applicable to, any Relevant Taxing Jurisdiction (or any political subdivision or taxing authority thereof or therein), which change or amendment (i) is publicly announced or formally proposed, and (ii) becomes effective, on or after the Issue Date (or, if the relevant Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction after the Issue Date, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction); or

- any change in or amendment to any official position regarding the application or interpretation of such laws, treaties, regulations or rulings (including a judgment by a court of competent jurisdiction) which change or amendment (i) is publicly announced or formally proposed, and (ii) becomes effective, on or after the Issue Date (or, if the relevant Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction after the Issue Date, the date on which such Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction), and the Issuer and any Guarantors cannot avoid such obligation by taking reasonable measures available to it or them.

Before the Issuer notifies the Holders of a redemption of the Notes as described above, the Issuer will deliver to the Trustee an Officers' Certificate to the effect that the Issuer and any Guarantors cannot avoid the obligation to pay Additional Amounts by taking reasonable measures available to them. The Issuer will also deliver an opinion of independent legal counsel of recognized standing and an Officers' Certificate, each stating that the Issuer or the relevant Guarantor would be obligated to pay Additional Amounts as a result of a change in tax laws or regulations or the application or interpretation of such laws or regulations. The Trustee shall accept the Officers' Certificates and such opinion as sufficient evidence of the satisfaction of the conditions precedent described above.

Change of Control

Upon the occurrence after the Issue Date of a Change of Control Triggering Event (as defined below), each Holder will have the right to require that the Issuer purchase all or any part of such Noteholder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Noteholders of record on the relevant record date to receive interest due on the relevant interest payment date).

The term "**Change of Control**" means:

- any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer; or

- (i) all or substantially all of the assets of the Issuer and the Subsidiaries, taken as a whole, are sold or otherwise transferred to any Person other than a Wholly Owned Subsidiary or (ii) the Issuer consolidates or merges with or into another Person or any Person consolidates or merges with or into the Issuer, in either case under this sub-clause, in one transaction or a series of related transactions in which immediately after the consummation thereof any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer or the surviving or transferee Person; or

- the Issuer shall adopt a plan of liquidation or dissolution or any such plan shall be approved by the stockholders of the Issuer (unless such plan is in connection with a transaction or series of related transactions permitted by the covenant described under "— Certain Covenants — Merger and Consolidation").

The term "**Change of Control Triggering Event**" means (i) the consummation of a Change of Control and (ii) a Ratings Decline.

The term "**Investment Grade Rating**" means a rating equal to or higher than Baa3 (or the equivalent), in the case of Moody's, BBB- (or the equivalent), in the case of S&P, or an equivalent rating, in the case of any other applicable Rating Agency.

The term "**Rating Agencies**" means Moody's and S&P or if any of Moody's or S&P shall not make a rating publicly available on the Notes, another nationally recognized statistical rating agency or agencies, as the case may be, selected by the Issuer (with prior notice to the Trustee) which shall be substituted for Moody's or S&P, as the case may be.

The term "**Rating Category**" means: (i) with respect to Moody's, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories); (ii) with respect to S&P, any of the following categories: BB, B, CCC, CC, C and D (or equivalent successor categories); and (iii) the equivalent of any such category of S&P or Moody's used by another Rating Agency.

The term "**Ratings Decline**" means the occurrence on any date during the period commencing on the first public announcement of any Change of Control and ending on the date that is 90 days following consummation of such Change of Control (the "**Trigger Period**"): (1) in the event the Notes are rated by both Rating Agencies on the first public announcement of any Change of Control as having an Investment Grade Rating, a decrease in the rating of the Notes by any such Rating Agency during the Trigger Period that had assigned an Investment Grade Rating to a rating that is below an Investment Grade Rating, or (2) in the event the Notes are rated by both Rating Agencies on the first public announcement of any Change of Control below an Investment Grade Rating, a decrease in the rating of the Notes by any

Rating Agency during the Trigger Period by one or more gradations. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (+ and - for S&P; 1, 2 and 3 for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from BB+ to BB, as well as from BB- to B+, will constitute a decrease of one gradation) but changes in outlook shall not.

Within 30 days following any Change of Control Triggering Event, the Issuer will notify each Holder in accordance with the provisions described under "— Notices" with a copy to the Trustee (the "**Change of Control Offer**") stating:

- that a Change of Control Triggering Event has occurred and that such Noteholder has the right to require the Issuer to purchase such Noteholder's Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest, if any, to the date of purchase (subject to the right of Noteholders of record on the relevant record date to receive interest on the relevant interest payment date);

- the circumstances and relevant facts regarding such Change of Control Triggering Event (including information with respect to *pro forma* historical income, cash flow and capitalization, in each case after giving effect to such Change of Control);

- the purchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is given); and

- the instructions, as determined by the Issuer, consistent with the "Change of Control" and other applicable provisions of the Indenture, that a Noteholder must follow in order to have its Notes purchased.

The occurrence of certain of the events that would constitute a Change of Control Triggering Event may result in a default under the Issuer's existing or future Credit Facilities and may cause a default under other Indebtedness of the Issuer and its Subsidiaries, and/or give the lenders thereunder the right to require the Issuer to repay obligations outstanding thereunder. Existing or future Credit Facilities and agreements governing other Indebtedness of the Issuer and its Subsidiaries may restrict the ability of the Issuer's Subsidiaries to provide funds to the Issuer necessary to enable it to repurchase the Notes. Moreover, the exercise by Noteholders of their right to require the Issuer to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of such repurchase on the Issuer. The Issuer's ability to repurchase Notes following a Change of Control Triggering Event also may be limited by the Issuer's then existing financial resources. Prior to complying with any of the provisions of the covenant described under this "— Change of Control" section, but in any event no later than the Change of Control purchase date, the Issuer will, if and to the extent necessary, either repay all outstanding Credit Facilities or obtain any requisite consents under all agreements governing outstanding Credit Facilities to permit the repurchase of Notes required by the covenant.

The Issuer will not be required to (i) make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) make a Change of Control Offer in respect of the Notes following a Change of Control if a notice of redemption for the redemption of the Notes in whole but not in part has been given as described under "— Optional Redemption," unless there has been a default in payment of the applicable redemption price.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the purchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

The provisions of this covenant relative to the obligations of the Issuer to make an offer to purchase the Notes as a result of a Change of Control Triggering Event may be waived or modified with the consent of the Holders of a majority in principal amount of the Notes for the time being outstanding.

A Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer. If we, or any third party making a Change of Control Offer in lieu of a Change of Control Offer made by us, purchase on or after the date of consummation of the Change of Control all of the Notes validly tendered and not withdrawn under such tender, we will have satisfied our obligations to make a Change of Control Offer regardless as to whether or not a Change of Control Triggering Event subsequently occurs.

If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and we, or any third party making a Change of Control Offer in lieu of a Change of Control Offer made by us, purchase all of the Notes validly tendered and not withdrawn by such Holders, we or such third party will have the right, upon not less than ten nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to such Change of Control Offer, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to but excluding the redemption date.

The definition of "Change of Control" includes a phrase relating to the sale or transfer of "all or substantially all" of the assets of the Issuer and its Subsidiaries, taken as a whole. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise definition of the phrase under applicable law. Accordingly, the ability of a Noteholder to require the Issuer to repurchase the Notes as a result of a sale or transfer of less than all of the assets of the Issuer and its Subsidiaries, taken as a whole, to another Person or group may be uncertain.

Suspension of Covenants During Achievement of Investment Grade Status

If during any period the Notes have achieved and continue to maintain Investment Grade Status and no Event of Default shall have occurred and be continuing (such period, an "Investment Grade Status Period"), upon written notice by the Issuer to the Trustee in an Officers' Certificate certifying such Investment Grade Status and the absence of any Event of Default, the covenants described under the following sections (collectively, the "**Suspended Covenants**") will be suspended and will not be applicable to the Issuer and the Subsidiaries during such period:

- "— Certain Covenants — Limitation on Indebtedness;"
- "— Certain Covenants — Limitations on Guarantees of Indebtedness by Subsidiaries;" and
- clause (3) of the second paragraph of the covenant described under "— Certain Covenants — Merger and Consolidation."

Covenants and other provisions of the Indenture that are suspended during an Investment Grade Status Period will be immediately reinstated and will continue to exist during any period in which the Notes do not have Investment Grade Status. Upon reinstatement, all Indebtedness Incurred during the continuance of the Investment Grade Status Period will be classified, at the Issuer's option, as having been Incurred pursuant to the first paragraph of the reinstated covenant described under "— Certain Covenants — Limitation on Indebtedness" or one of the sub-clauses set forth in the second paragraph of that covenant (in each case, to the extent such Indebtedness would be permitted to be Incurred thereunder immediately following such reinstatement, and, for the avoidance of doubt, after giving effect to any Indebtedness Incurred during such Investment Grade Status Period that remains outstanding at such reinstatement), and to the extent the Incurrence of such Indebtedness under the first two paragraphs of the covenant described under "— Certain Covenants — Limitation on Indebtedness" would not be so permitted, will be deemed incurred under sub-clause (5) of the second paragraph of such covenant. Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of any actions taken by the Issuer or any Subsidiary (including for the avoidance of doubt any failure to comply with the Suspended Covenants) during any Investment Grade Status Period in compliance with the covenants then applicable and the Issuer and any Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under the Indenture, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during an Investment Grade Status Period in compliance with the covenants then applicable following any such reinstatement and to consummate the transactions contemplated thereby. For the avoidance of doubt, an Investment Grade Status Period will not commence until the Issuer has provided written notice to the Trustee in accordance with the first paragraph of this "— Suspension of Covenants During Achievement of Investment Grade Status" section. Promptly upon becoming aware thereof, the Issuer will provide to the Trustee written notice when the Notes cease to have Investment Grade Status.

For purposes of the provisions described under this "— Suspension of Covenants During Achievement of Investment Grade Status" section, "**Investment Grade Status**" exists as of any time if at such time the Notes have been assigned the following ratings: (x) BBB- or higher by S&P; and (y) Baa3 or higher by Moody's.

Certain Covenants

The Indenture will contain covenants including, among others, the following:

Limitation on Indebtedness

The Issuer will not, and will not permit any Subsidiary to, Incur, directly or indirectly, any Indebtedness; provided, however, that the Issuer and the Subsidiaries will be entitled to Incur Indebtedness, if on the date of such Incurrence and after giving effect thereto on a *pro forma* basis the Consolidated Coverage Ratio exceeds 2.0 to 1.0; provided, further, that the amount of Indebtedness that may be Incurred pursuant to this paragraph by Subsidiaries that are not Guarantors shall not exceed €800 million in the aggregate at any one time outstanding.

Notwithstanding the foregoing paragraph, but subject to the next succeeding paragraph, the Issuer and any Subsidiary will be entitled to Incur any or all of the following Indebtedness ("**Permitted Indebtedness**"):

(1) Indebtedness Incurred by the Issuer and/or any Guarantor pursuant to the Credit Facilities in an aggregate principal amount outstanding at any time not exceeding (x) €1,870 million, plus (y) an amount equal to the fees, underwriting discounts, premiums and other costs and expenses incurred in connection with any Refinancing of the Credit Facilities, plus (z) the applicable Available Receivables Basket Amount (determined as of the date when the applicable Indebtedness is so Incurred); it being understood that Indebtedness incurred under this sub-clause (1) may, for the avoidance of doubt, assume the form (in whole or in part) of borrowings under one or more commercial paper facilities backed by Credit Facilities of the Issuer and/or any Guarantor;

(2) Indebtedness (including obligations under or in respect of related performance guarantees) arising in respect of Receivables Financings in an aggregate principal amount at any one time outstanding not to exceed the applicable Available Receivables Basket Amount (determined as of the date when the applicable Indebtedness is so incurred);

(3) Indebtedness owed and held by the Issuer or a Subsidiary; provided, however, that any subsequent issuance or transfer of any Capital Stock which results in any such Subsidiary (to which such Indebtedness is owed) ceasing to be a Subsidiary or any subsequent disposition, pledge or transfer of such Indebtedness (other than to the Issuer or a Subsidiary) will be deemed, in each case, to constitute the Incurrence of such Indebtedness by the obligor thereon not permitted by this sub-clause (3); and provided further that in the case of any such Indebtedness owed by the Issuer or a Guarantor to a Subsidiary that is not a Guarantor, such Indebtedness shall be unsecured;

(4) Indebtedness represented by the Notes (other than any Additional Notes) and any Guarantees;

(5) Indebtedness outstanding on the Issue Date (other than Indebtedness specified in sub-clauses (1), (2), (4), (14) and (19) of this paragraph);

(6) Indebtedness of any Person that is assumed by the Issuer or any Subsidiary in connection with its acquisition of assets from such Person or any Affiliate thereof or is issued and outstanding on or prior to the date on which such Person was acquired by the Issuer or any Subsidiary or merged or consolidated with or into the Issuer or any Subsidiary (including Indebtedness Incurred to finance, or otherwise Incurred in connection with, or in contemplation of, any such acquisition, merger or consolidation), provided that on the date of such acquisition, merger or consolidation, after giving *pro forma* effect thereto, (x) the Issuer could Incur at least €1.00 of additional Indebtedness pursuant to the first paragraph of this covenant or (y) the Consolidated Coverage Ratio of the Issuer would equal or exceed the Consolidated Coverage Ratio of the Issuer immediately prior to giving such *pro forma* effect thereto;

(7) the incurrence of Refinancing Indebtedness by (A) the Issuer or any Subsidiary in exchange for or the net proceeds of which are used to refund, replace, defease or refinance Indebtedness Incurred by the Issuer or any Subsidiary pursuant to the first paragraph of this covenant (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to the first paragraph of this covenant) and (B) the Issuer or any Subsidiary in exchange for or the net proceeds of which are used to refund, replace, defease or refinance Indebtedness Incurred by the Issuer or any Subsidiary pursuant to sub-clauses (4), (5), (6), (7) or (19) of this paragraph;

(8) Hedging Obligations of the Issuer or any Subsidiary, provided that such Hedging Obligations are entered into in the ordinary course of business and not for speculative purposes;

(9) Obligations in respect of worker's compensation claims, self-insurance obligations, performance, bid, surety bonds and similar bonds and completion guarantees provided by the Issuer or any Subsidiary in the ordinary course of business;

(10) Indebtedness arising from the honoring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of its Incurrence;

(11) Indebtedness arising from agreements of the Issuer or a Subsidiary providing for indemnification, adjustment of purchase price, earn-out or similar Obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Stock of the Issuer or any Subsidiary, provided that such Indebtedness is not reflected on the balance sheet of the Issuer or any Subsidiary (contingent Obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet shall not be deemed to be reflected on such balance sheet for purposes of this sub-clause (11));

(12) (x) any guarantee (A) by the Issuer or a Subsidiary that is (or, in accordance with the covenant described under "— Certain Covenants — Limitations on Guarantees of Indebtedness by Subsidiaries," becomes) a Guarantor, of Indebtedness of the Issuer or any Subsidiary permitted to be incurred by any other provision of this covenant; provided that any such guarantee by a Subsidiary is given in accordance with the covenant described under "— Certain Covenants —Limitations on Guarantees of Indebtedness by Subsidiaries" or (B) by the Issuer or a Subsidiary that is not a Guarantor, of Indebtedness of a Subsidiary that is not a Guarantor and that was permitted to be incurred by any other provision of this covenant; and (y) without limiting the covenant described under "— Certain Covenants — Limitation on Liens," Indebtedness of the Issuer or any Subsidiary arising by reason of any Lien granted by or applicable to such Issuer or Subsidiary securing Indebtedness of the Issuer or any Subsidiary, but excluding any Indebtedness Incurred by the Issuer or such Subsidiary, as the case may be, in violation of this covenant;

(13) Indebtedness of the Issuer or any Subsidiary in respect of (A) letters of credit, bankers' acceptances or other similar instruments or obligations issued, or relating to liabilities or obligations incurred, in the ordinary course of business (including those issued to governmental entities in connection with self-insurance under applicable workers' compensation statutes), or (B) completion guarantees, surety, judgment, appeal or performance bonds, or other similar bonds, instruments or obligations, provided, or relating to liabilities or obligations incurred, in the ordinary course of business;

(14) Purchase Money Indebtedness and Capitalized Lease Obligations and any Refinancing Indebtedness with respect thereto, in an aggregate principal amount at any time outstanding not exceeding an amount equal to the greater of (x) €250 million and (y) 5.0% of Consolidated Tangible Assets;

(15) Indebtedness consisting of accommodation guarantees incurred in the ordinary course of business for the benefit of trade creditors of the Issuer or any of its Subsidiaries;

(16) Indebtedness arising under any customary cash pooling, treasury or cash management arrangements or netting or setting-off arrangements in the ordinary course of business;

(17) Indebtedness under overdrafts in an aggregate principal amount at any time not to exceed €100 million, at any one time outstanding (provided that, in the case of any cash collateralized overdraft facility, the principal amount of overdrafts thereunder shall be determined net of any such cash collateral);

(18) customer deposits and advance payments received from customers for goods purchased in the ordinary course of business;

(19) Indebtedness represented by the 2.750% 2026 Notes and the 2.125% 2028 Notes; and

(20) additional Indebtedness of the Issuer or any Subsidiary (other than and in addition to Indebtedness permitted under sub-clauses (1) through (19) above) in an aggregate principal amount at any one time outstanding not to exceed an amount equal to the greater of (x) € 400 million and (y) 7.5% of Consolidated Tangible Assets.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with the first two paragraphs of this covenant:

- any Indebtedness outstanding under Senior Credit Facilities on the Issue Date will be treated as Incurred under sub-clause (1) of the immediately preceding paragraph and any Indebtedness in respect of any Receivables Financing will be treated as Incurred under sub-clause (2) of the immediately preceding paragraph;

- subject to the immediately preceding sub-clause, (x) in the event that an item of Indebtedness (or any portion thereof) meets the criteria of more than one of the types of Indebtedness described above, the Issuer, in its sole discretion, will classify such item of Indebtedness (or any portion thereof) at the time of Incurrence and may include the amount and type of such Indebtedness in one or more of the above sub-clauses (including in part under one sub-clause and in part under another such sub-clause) and (y) the Issuer will be entitled to divide and re-classify an item of Indebtedness in more than one of the types of Indebtedness described above;

- the outstanding principal amount of any particular Indebtedness shall be counted only once and any obligations arising under any guarantee, Lien or letter of credit, bankers' acceptance or other similar instrument or obligation supporting such Indebtedness shall not be double counted with such Indebtedness; and

- the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with IFRS.

For purposes of determining compliance with this covenant, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first drawn, in the case of Indebtedness Incurred under a revolving credit facility; provided that (i) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (ii) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (iii) if any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal, premium, if any, and interest on such Indebtedness, the amount of such Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Agreements. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer and the Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies.

Limitation on Liens

The Issuer will not, and will not permit any Subsidiary to, directly or indirectly, Incur or permit to exist any Lien on any of its properties (including Capital Stock of a Subsidiary), whether owned at the Issue Date or thereafter acquired, securing Indebtedness ("**Initial Liens**"), other than Permitted Liens, without effectively providing that the Notes (or if it is a Guarantor that Incurs such an Initial Lien, then the Guarantee by such Guarantor) shall be secured (i) if such Indebtedness is Senior Indebtedness of the Issuer or a Subsidiary, as the case may be, equally and rateably with the Senior Indebtedness so secured or (ii) if such Indebtedness is Subordinated Indebtedness or Guarantor Subordinated Obligations, as the case may be, prior to the Subordinated Indebtedness or Guarantor Subordinated Obligations so secured, in each case, for so long as such Indebtedness is so secured. Any Lien thereby created in favor of the Noteholders under this covenant will be automatically and unconditionally released and discharged upon (x) the release and discharge of the Initial Lien to which it relates, (y) in the case of any Lien Incurred by a Guarantor securing its Guarantee, upon the termination and discharge of such Guarantee in accordance with the terms of the Indenture or (z) any sale, exchange or transfer to any Person other than the Issuer or a Subsidiary of the Issuer of the property or assets to which the Initial Lien relates, or of all the Capital Stock of the entity holding such property or assets (or of a Person of which such entity is a Subsidiary), that is otherwise permitted by the Indenture (but only if all other Liens on the same property or assets that were required to be given under the terms of other Senior Indebtedness as a result of the Initial Lien having been given or having arisen have also been, or on such sale, exchange or transfer, would also be, unconditionally released and discharged).

Merger and Consolidation

The Issuer shall not in a single transaction or through a series of transactions consolidate with or merge with or into any other Person, or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the Issuer's properties and assets to any other Person or Persons if such transaction or series of transactions, in the aggregate, would result in the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the properties and assets of the Issuer and its Subsidiaries on a consolidated basis to any other Person or Persons.

The immediately preceding paragraph will not apply if:

(1) either at the time and immediately after giving effect to any such consolidation, merger, transaction or series of related transactions, (A) the Issuer shall be the continuing corporation or (B) the Person (if other than the Issuer) formed by or surviving any such consolidation or merger or to which such sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the Issuer's properties or all or substantially all of the properties and assets of the Issuer and of the Subsidiaries on a consolidated basis, has been made (the "**Surviving Entity**"):

(A) shall be a corporation duly organized and validly existing under the laws of France, any member state of the European Union, the United States of America, any state thereof or the District of Columbia; and

(B) expressly assumes the obligations of the Issuer under the Notes and the Indenture, pursuant to a supplemental indenture, in form reasonably satisfactory to the Trustee, and the Notes and the Indenture remain in full force and effect as so supplemented;

(2) immediately after giving effect to any such consolidation, merger, transaction or series of transactions on a *pro forma* basis (and treating any Obligation of the Issuer or any Subsidiary incurred in connection with or as a result of such transaction or series of transactions as having been incurred by the Issuer or any Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) immediately after giving effect to any such transaction or series of transactions on a *pro forma* basis (on the assumption that the transaction or series of transactions occurred on the first day of the four quarter period immediately prior to the consummation of such transaction or series of transactions for which financial statements of the Issuer are available, with the appropriate adjustments with respect to the transaction or series of transactions being included in such *pro forma* calculation):

(A) the Issuer (or the Surviving Entity if the Issuer is not a continuing obligor under the Indenture) could incur at least €1.00 of additional Indebtedness in accordance with the first paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness;" or

(B) the Consolidated Coverage Ratio of the Issuer (or if applicable, the Surviving Entity) would equal or exceed the Consolidated Coverage Ratio of the Issuer immediately prior to giving effect to such transaction;

(4) any Guarantor, unless it is the other party to the transactions described above or is released from its obligations under its Guarantee in connection with such transactions, will have confirmed that its Guarantee will apply to such Person's Obligations under the Indenture and the Notes; and

(5) the Issuer or the Surviving Entity will have delivered to the Trustee an Officers' Certificate (attaching the computations to demonstrate compliance with sub-clauses (2) and (3) above) and an opinion of independent counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture will, comply with the requirements of the Indenture and has been duly authorized, executed and delivered by the applicable Issuer and/or Surviving Entity and constitutes a legal, valid, binding and enforceable obligation of each such party thereto, provided that in giving such opinion such counsel may rely on an Officers' Certificate as to compliance with the foregoing sub-clauses (2) and (3) and as to matters of fact and such opinion may contain customary assumptions and qualifications. No Opinion of Counsel shall be required for a consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition described in the next succeeding paragraph.

The immediately preceding paragraph will not apply to any transaction in which any Subsidiary consolidates with, merges into or transfers all or part of its assets to the Issuer (with the Issuer as the Surviving Entity thereof) and sub-clauses (2) and (3) of the immediately preceding paragraph will not apply if the Issuer consolidates or merges with or into or transfers all or substantially all its properties and assets to (x) an Affiliate incorporated or organized for the purpose of reincorporating or reorganizing the Issuer in another jurisdiction or changing its legal structure to a corporation or other entity or (y) a Subsidiary of the Issuer so long as all assets of the Issuer, and the Subsidiaries of the Issuer or the Issuer, respectively, immediately prior to such transaction (other than Capital Stock of such Subsidiary) are owned by such Subsidiary and its Subsidiaries immediately after the consummation thereof.

In the case of any transaction complying with this covenant to which the Issuer is a party, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture; provided, that the predecessor Issuer shall not be relieved from its obligations to pay the principal and interest on the Notes in the case of a lease of all or substantially all of the assets of the Issuer and the Subsidiaries taken as a whole.

A Guarantor may consolidate with, merge with or into, or transfer all or substantially all its assets to any other Person and the Capital Stock of a Guarantor may be sold or otherwise disposed of to another Person; provided, however, that in the case of the consolidation, merger or transfer of all or substantially all the assets of such Guarantor, if such other Person is not the Issuer or a Guarantor, such Guarantor's obligations under its Guarantee must be expressly assumed by such other Person, except that such assumption will not be required in the case of:

(1) the sale or other disposition (including by way of consolidation or merger) of a Guarantor, including the sale or disposition of Capital Stock of such Guarantor or of the Capital Stock of a Person of which such Guarantor is a Subsidiary, following which such Guarantor is no longer a Subsidiary of the Issuer; or

(2) the sale or disposition of all or substantially all the assets of a Guarantor,

in each case other than to the Issuer or a Subsidiary of the Issuer.

This covenant includes a phrase relating to the sale, assignment, conveyance, transfer, lease or other disposition of "all or substantially all" of the properties or assets of the Issuer and its Subsidiaries. Although there is a developing body of case law interpreting the phrase "substantially all," there is no precise definition of the phrase under applicable law. Accordingly, the applicability of this covenant when there is a sale, assignment, conveyance, transfer, lease or other disposition of less than all of the assets of the Issuer and its Subsidiaries on a consolidated basis to another Person or Persons may be uncertain.

Limitations on Guarantees of Indebtedness by Subsidiaries

The Issuer will not permit any Subsidiary that is not a Guarantor to directly or indirectly guarantee, assume or in any other manner become liable for the payment of any of the Issuer's or any Guarantor's Indebtedness under the Credit Facilities, the 2.750% 2026 Notes or the 2.125% 2028 Notes, (including, in each case, guarantees in respect thereof) unless such Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture, delivered to the Trustee, providing for a Guarantee by such Subsidiary that is senior or *pari passu* in right of payment to such Subsidiary's guarantee of such Credit Facilities, the 2.750% 2026 Notes or the 2.125% 2028 Notes, as the case may be. Upon the execution and delivery of such supplemental indenture, such Subsidiary shall become a Guarantor.

The preceding paragraph shall not be applicable to any guarantees by any Subsidiary that existed at the time such Person became a Subsidiary if the guarantee was not Incurred in connection with, or in contemplation of, such Person becoming a Subsidiary.

Each Guarantee created for the benefit of the Holders of the Notes pursuant to this covenant will be provided to the fullest extent permitted by applicable law (including, for the avoidance of doubt, by the Issuer and its Subsidiaries having taken, in respect of each such Guarantee, measures no less effective to overcome any relevant legal prohibition or limitation in respect of such Guarantee as shall have been taken to overcome any substantially similar legal prohibitions or limitations in respect of the guarantee of such other Indebtedness, including any whitewash or similar procedures which are legally available to eliminate the relevant limit). Notwithstanding the foregoing, the Issuer shall not be obligated to cause such Subsidiary to Guarantee the Notes pursuant to this covenant (and any Guarantee that is given may be limited) to the extent that, in the good faith determination of the Issuer (which determination shall be conclusive), such Guarantee by such Subsidiary would reasonably be expected to give rise to or result in (i) a violation of applicable law which cannot be prevented or otherwise avoided through measures reasonably available to the Issuer or the Subsidiary or (ii) any personal liability for the officers, directors or shareholders of such Subsidiary.

Notwithstanding the foregoing, any Guarantee created pursuant to the provisions described in the first paragraph of this covenant may provide by its terms that it will be automatically and unconditionally released and discharged:

(1) subject to customary contingent reinstatement provisions, upon payment in full of the aggregate principal amount of all Notes then outstanding and all other applicable Obligations of such Guarantor then due and owing;

(2) upon a release of the guarantee or Indebtedness that resulted in the creation of the Guarantee under this covenant;

(3) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or immediately after giving effect to such transaction) the Issuer or a Subsidiary, if the sale or other disposition does not violate the "Merger and Consolidation" provisions of the Indenture;

(4) in connection with any sale or other disposition of Capital Stock of that Guarantor (or Capital Stock of a Person of which such Guarantor is a Subsidiary) to a Person that is not (either before or immediately after giving effect to such transaction) the Issuer or a Subsidiary, if the sale or other disposition does not violate the "Merger and Consolidation" provisions of the Indenture and the Guarantor ceases to be a Subsidiary of the Issuer as a result of the sale or other disposition;

(5) upon legal or covenant defeasance in accordance with the provisions described under "— Legal Defeasance and Covenant Defeasance," or satisfaction and discharge in accordance with the provisions described under "— Satisfaction and Discharge;" or

(6) as described under the section "— Amendments and Waivers."

The Issuer shall be permitted to add and remove Guarantors subject to and in accordance with the provisions of the Indenture. For the avoidance of doubt, the Issuer will be permitted after the Issue Date to cause additional Subsidiaries to become Guarantors under the Indenture even if such Subsidiaries are not required at such time to become Guarantors pursuant to the covenant described under "— Certain Covenants — Limitations on Guarantees of Indebtedness by Subsidiaries" (such Guarantors "**Optional Guarantors**"). The Issuer will be entitled to release any such Optional Guarantor from its Guarantee obligations provided (x) no Event of Default would result from such release and (y) such Optional Guarantor is not at the time of the proposed release otherwise required to be a Guarantor pursuant to the covenant under "— Certain Covenants — Limitations on Guarantees of Indebtedness by Subsidiaries."

Upon any release of a Guarantee contemplated under this "— Certain Covenants — Limitations on Guarantees of Indebtedness by Subsidiaries" section, the Trustee shall execute any documents required in order to evidence such release, discharge and termination in respect of such Guarantee.

Reports

As long as any Notes are outstanding, the Issuer will furnish to the Noteholders and the Trustee:

(1) within 120 days after the end of the Issuer's fiscal year, annual reports containing audited consolidated financial statements of the Issuer for the fiscal year then ended and comparative audited consolidated financial statements of the Issuer for the prior fiscal year, in each case prepared in accordance with IFRS together with reasonably detailed footnote disclosure, and also containing, with respect to the Issuer and its Subsidiaries, disclosure regarding the Issuer's business and management's analysis of the financial results in form and substance substantially equivalent to that contained in the Issuer's annual reference document (*Universal Registration Document*) with respect to the fiscal year ended December 31, 2020 *provided* that for so long as the ordinary shares of the Issuer are listed on Euronext Paris, any report that complies in all material respects with applicable annual report requirements resulting from such listing will be deemed to satisfy the Issuer's obligations under this clause (1);

(2) within 90 days following the end of the first half-year in each fiscal year of the Issuer, half-year reports containing the following information: (i) an unaudited condensed consolidated balance sheet as of the end of such period and unaudited condensed statements of income and cash flow for such period, and the comparable prior year period, each under IFRS, together with condensed footnote disclosure; and (ii) an operating and financial review of the audited and unaudited financial statements, including a discussion of the results of operations, financial condition, and liquidity and capital resources, and a discussion of material commitments and contingencies and changes in critical accounting policies;

provided that for so long as the ordinary shares of the Issuer are listed on Euronext Paris, any report that complies in all material respects with applicable half-yearly report requirements resulting from such listing will be deemed to satisfy the Issuer's obligations under this clause (2); and

(3) promptly after the occurrence of a material acquisition, disposition, restructuring of the Issuer and its Subsidiaries taken as a whole or change in auditors or any other material event of the Issuer and its Subsidiaries taken as a whole, a report containing a description of such event.

The Trustee shall have no obligation to read or analyze any information or report delivered to it under this covenant and shall have no obligation to determine whether any such information or report complies with the provisions of this covenant and shall not be deemed to have notice of anything disclosed therein and shall incur no liability by reason thereof.

The Issuer will also make available copies of all reports required by this covenant (i) on its website and (ii) if and so long as the Notes are listed on the Euro MTF and the rules of the Luxembourg Stock Exchange so require, at the specified office of the Paying Agent in Luxembourg.

Currency Indemnity

The euro is the sole currency of account and payment for all sums payable by the Issuer or any Guarantor under the Notes or in respect thereof under the Indenture. Any amount received or recovered in a currency other than euros in respect of the Notes, whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, its Subsidiaries or otherwise, by the Trustee or a Noteholder in respect of any sum expressed to be due to it from the Issuer or any Guarantor shall constitute a discharge of the Issuer or such Guarantor only to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in such other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient under any Note, the Issuer and each Guarantor, jointly and severally, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this indemnity, it will be sufficient for the Trustee or the Noteholder to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of euros been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of euros on such date had not been practicable, on the first date on which it would have been practicable).

The above indemnity, to the extent permitted by law:

- constitutes a separate and independent obligation from the other obligations of the Issuer and any Guarantor;
- shall give rise to a separate and independent cause of action;
- shall apply irrespective of any waiver granted by the Trustee or any Noteholder; and
- shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

The indemnity pursuant to the provisions described under this "— Currency Indemnity" section shall be a senior obligation with respect to the Issuer and any Guarantor on the same basis and to the same extent as all other payment obligations of the Issuer and such Guarantor hereunder.

Events of Default

Each of the following is an Event of Default with respect to the Notes (each, an "**Event of Default**"):

(1) (x) a default in the payment of interest on the Notes when due, continued for 30 days, or (y) a default in the payment of Additional Amounts for 30 days;

(2) a default in the payment of principal of, or premium, if any, on the Notes when due at its Stated Maturity, upon optional redemption, a repurchase required by the Indenture, acceleration or otherwise;

(3) failure by the Issuer to comply with its obligations under (x) the covenant described under "— Change of Control" for 30 days after notice from the Trustee (other than failure to purchase, with respect to which no 30 day notice period shall apply) or (y) the first paragraph of the covenant described under "— Certain Covenants — Merger and Consolidation;"

(4) failure by the Issuer to comply for 30 days after notice from the Trustee with any other covenant contained in the Indenture or in the Notes;

(5) the failure by the Issuer or any Subsidiary to pay any Indebtedness within any applicable grace period after final maturity (within the originally applicable express grace period and any extensions thereof) or the acceleration of any such Indebtedness by the holders thereof because of a default, if the total amount of such Indebtedness so unpaid or accelerated exceeds €100 million in the aggregate or its equivalent in a currency other than euros;

(6) the taking of any of the following actions by the Issuer or any Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law: (A) the commencement of a voluntary case (including, the appointment of a voluntary administrator); (B) the consent to the entry of an order for relief against it in an involuntary case; (C) the consent to the appointment of a Custodian of it or for any substantial part of its property (unless such appointment is done on a solvent basis or is in connection with a transaction or series of related transactions permitted by the covenant described under "— Certain Covenants — Merger and Consolidation"); or (D) the making of a general assignment for the benefit of its creditors;

(7) a court of competent jurisdiction enters an order, judgment or decree under any Bankruptcy Law that: (A) is for relief against the Issuer or any Significant Subsidiary in an involuntary case; (B) appoints a Custodian of the Issuer or any Significant Subsidiary or for any substantial part of any of their respective property; or (C) orders the winding-up or liquidation of the Issuer or any Significant Subsidiary (unless such winding up or liquidation is done on a solvent basis or is in connection with a transaction or series of related transactions permitted by the covenant described under "— Certain Covenants — Merger and Consolidation"); and in any of (A) through (C), the order or decree remains unstayed and in effect for 60 days;

(8) the rendering of any judgment or decree for the payment of money in an amount (net of any insurance or indemnity payments actually received in respect thereof prior to or within 60 days from the entry thereof, or to be received in respect thereof in the event any appeal thereof will be unsuccessful) in excess of €100 million or its equivalent in a currency other than euros against the Issuer or a Significant Subsidiary, or jointly and severally against other Subsidiaries that are not Significant Subsidiaries but would in the aggregate constitute a Significant Subsidiary if considered as a single Person, that is not discharged, or bonded or insured by a third Person, if such judgment or decree remains outstanding for a period of 60 days following such judgment or decree and is not discharged, waived or stayed;

(9) any Guarantee of a Guarantor that is a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the Indenture) or any Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Guarantee in writing (other than by reason of release of a Guarantor from or other termination of its Guarantee in accordance with the terms of the Indenture), if such default continues for ten days; or

For the avoidance of doubt, the failure by the Issuer to satisfy the Sustainability Performance Targets, or to provide reports with respect to its performance against the Sustainability Performance Targets, will not constitute an Event of Default and the sole recourse of holders of the Notes in such instance shall be the right to receive the applicable increase in interest rate, in the manner described under "—*Principal, Maturity and Interest*" and the associated change to the optional redemption prices under "—*Optional Redemption.*".

If an Event of Default (other than an Event of Default specified in sub-clause (6) or (7) of the preceding paragraph) occurs and is continuing, the Trustee (subject as provided below under this "— Events of Default" section) or the Holders of at least 25% in principal amount of the outstanding Notes may declare by notice in writing to the Issuer the Notes to be immediately due and repayable at their principal amount together with accrued interest and all other amounts due on all the Notes; provided, however, that, after such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of the outstanding Notes may rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal, premium, interest and other amounts due, have been cured or waived. Upon such a declaration, such principal and interest and all other amounts due shall be due and payable immediately. If an Event of Default relating to sub-clause (6) or (7) of the preceding paragraph occurs and is continuing, the Notes will automatically become and be immediately due and payable at such amount aforesaid without any declaration or other act on the part of the Trustee or any Noteholders.

Notwithstanding the immediately preceding paragraph, in the event of a declaration of acceleration in respect of the Notes because an Event of Default specified in sub-clause (5) of the first paragraph of this "— Events of Default" section shall have occurred and be continuing, such declaration of acceleration of the Notes and such Event of Default and all consequences thereof (including any acceleration or resulting payment default) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders, and be of no further effect, if the payment default or other default triggering such Event of Default has been remedied or cured by the Issuer or a Subsidiary or waived by the holders of the relevant Indebtedness within 60 days after the acceleration declaration with respect thereto and if (a) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (b) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

In case an Event of Default has occurred and is continuing, the Trustee will be required to exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of interest, Additional Amounts or premium, if any, on, or the principal of, the Notes or to enforce the performance of any provision of the Notes, any Guarantee or the Indenture.

The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee security or indemnity satisfactory to it against any loss, liability or expense. Subject to these provisions on the indemnification of the Trustee, the Holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of Holders not taking part in such direction or that would involve the Trustee in personal liability; provided, however, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such direction.

Except (subject to "— Amendments and Waiver") to enforce the right to receive payment of interest, Additional Amounts or premium, if any, on, or the principal of, the Notes, no Holder may pursue a remedy with respect to the Indenture or the Notes unless:

(1) such Noteholder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee in writing to pursue the remedy;

(3) such Holders have offered to the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and

(5) the Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The right of any Holder to receive payment of interest, Additional Amounts or premium, if any, on, or the principal of, such Holder's Notes on or after the respective due dates expressed in such Holder's Notes, or to institute suit for the enforcement of any such payment on or after such respective due dates, shall not, however, be impaired without the consent of such Holder, except to the extent of any waiver or amendment made pursuant to the second and third paragraphs of "— Amendments and Waivers."

The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Issuer is required to deliver to the Trustee a notice of such Default or Event of Default.

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or stockholder, as such, of the Issuer or any Subsidiary of any thereof shall have any liability for any obligation of the Issuer or any Guarantor under the Indenture, any Guarantee, the Notes and the Credit Facilities or for any claim based on, in respect of, or by reason of, any such obligation or its creation. Each Noteholder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the U.S. federal securities laws.

Amendments and Waivers

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes and any Guarantees may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a tender offer or exchange offer for Notes), and any existing or past Default or Event of Default (except a continuing Default or Event of Default in the payment of principal of or premium or interest on any Notes (other than a payment default resulting from an acceleration that has been rescinded)) or compliance with any provision of the Indenture, the Notes or any Guarantees may be waived with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a tender offer or exchange offer for Notes).

Unless consented to by the Holders of at least 90% of the aggregate principal amount of the then outstanding Notes affected (including, without limitation, consents obtained in connection with a tender offer or exchange offer for Notes), an amendment, supplement or waiver may not:

(1) reduce the amount of Notes whose Holders must consent to an amendment or a waiver;

(2) reduce the rate of or extend the time for payment of interest on the Notes;

(3) reduce the principal of or change the Stated Maturity of the Notes;

(4) reduce the premium payable upon the redemption of, or change the date for any redemption of, Notes as described under "— Optional Redemption" or "— Taxation — Redemption for Changes in Withholding Tax" (or, after a Change of Control has already occurred, as described under "— Change of Control");

(5) make any of the Notes payable in a currency other than euros;

(6) impair the right of any Holder of the Notes to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder's Notes;

(7) make any change in this list of matters which require consent of Holders of at least 90% of the aggregate principal amount of the Notes then outstanding;

(8) make any change in the ranking or priority of any of the Notes or any Guarantees that would adversely affect the Noteholders;

(9) release, other than in accordance with the Indenture, any Guarantee in a manner that would adversely affect the Noteholders;

(10) make any change in the provisions described under "— Taxation" that adversely affects the rights of the Noteholders or amend the terms of the Notes or the Indenture in each case in a manner that would result in the loss of an exemption from any of the Taxes described thereunder; or

(11) waive a default in the payment of principal of or premium or interest on any Notes (except a rescission of acceleration of the Notes by the Holders thereof as provided for in the Indenture and a waiver of the payment default that resulted from such acceleration).

Any amendment, waiver or supplement to the above matters consented to by at least 90% of the aggregate principal amount of the then outstanding Notes affected will be binding against any non-consenting Noteholders.

The Trustee may (but shall not be required to) agree, without the consent of any Holder, to the waiver or authorization of any breach or proposed breach of any of the provisions of the Indenture, or determine, without any such consent as aforesaid, that any Event of Default or Default shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders).

In addition, without the consent of any Holder, the Issuer, the Trustee and (as applicable) any Guarantor may amend or supplement the Indenture or the Notes to: cure any ambiguity, defect, manifest error or inconsistency; to provide for the assumption by a successor of the obligations of the Issuer or a Guarantor under the Indenture; to provide for uncertificated Notes in addition to or in place of certificated Notes; to add Guarantees with respect to the Notes; to secure the Notes; to evidence a successor Trustee; to confirm and evidence the release, termination or discharge of any Guarantee or Lien with respect to or securing the Notes when such release, termination or discharge is permitted under the Indenture; to add to the covenants of the Issuer for the benefit of the Holders or to surrender any right or power conferred upon the Issuer; to provide for or confirm the issuance of Additional Notes; to conform the text of the Indenture (including any supplemental indenture or other instrument pursuant to which Additional Notes are issued), the Notes (including any Additional Notes) or any Guarantee to any provision of this "Description of Notes;" or to make any change that is not materially prejudicial to the rights of the Noteholders.

The consent of the Noteholders is not necessary under the Indenture to approve the particular form of any proposed amendment, supplement or waiver. It is sufficient if such consent approves the substance thereof. Until an amendment, supplement or waiver becomes effective, a consent to it by a Noteholder is a continuing consent by such Noteholder and every subsequent Holder of all or part of the related Note. After an amendment, supplement or waiver that requires consent of Noteholders under the Indenture becomes effective, the Issuer is required to mail to Noteholders, with a copy to the Trustee, a notice briefly describing such amendment, supplement or waiver. However, the failure of the Issuer to mail such notice to all Noteholders, or any defect therein, will not impair or affect the validity of any supplemental indenture or the effectiveness of any amendment, supplement or waiver.

In formulating its opinion on the matters referred to in this section, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel and/or an Officers' Certificate.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option and at any time, elect to have all of its obligations discharged with respect to the Notes then outstanding and all obligations of any Guarantors discharged with respect to their Guarantees ("**Legal Defeasance**") except for:

(1) those relating to the rights of Holders of the Notes then outstanding to receive payments in respect of the principal of, or interest (including Additional Amounts, if any) or premium, if any, on, such Notes when such payments are due from the defeasance trust referred to below;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of transfer or exchange of the Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and any Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer and any Guarantors released with respect to certain covenants that are described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "— Events of Default" (except those relating to payments on the Notes or bankruptcy, receivership, rehabilitation or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in euros, non-callable euro-denominated European Government Securities or a combination thereof, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, and interest (including Additional Amounts and premium, if any) on the Notes then outstanding on the stated date for payment thereof or

on the applicable redemption date, as the case may be, and the Issuer must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer must deliver to the Trustee:

(a) an Opinion of Counsel in the United States confirming that (i) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the holders of the Notes then outstanding will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred; and

(b) an Opinion of Counsel in the jurisdiction of incorporation of the Issuer to the effect that the holders of the outstanding Notes will not recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Legal Defeasance and will be subject to tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer must deliver to the Trustee:

(a) an Opinion of Counsel in the United States confirming that the holders of the Notes then outstanding will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred; and

(b) an Opinion of Counsel in the jurisdiction of incorporation of the Issuer to the effect that the holders of the Notes then outstanding will not recognize income, gain or loss for tax purposes of such jurisdiction as a result of such Covenant Defeasance and will be subject to tax in such jurisdiction on the same amounts and in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than any such Default or Event of Default resulting from the borrowing of funds to be applied to make such deposit and any similar and simultaneous deposit relating to other Indebtedness, and, in each case, the granting of Liens in connection therewith);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any other material agreement or instrument (other than the Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound (other than any such breach, violation or default resulting from the borrowing of funds to be applied to make the deposit required to effect such Legal Defeasance or Covenant Defeasance and any similar and simultaneous deposit relating to other Indebtedness, and, in each case, the granting of Liens in connection therewith);

(6) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders of Notes over the other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

(7) the Issuer must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance, as the case may be, have been complied with.

If market conditions are such that negative interest applies to amounts deposited with the Trustee under this section (Legal Defeasance and Covenant Defeasance), the relevant charged interest will be billed to the Issuer and deducted from the account by the Trustee in accordance with the provisions of the Indenture.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated and delivered, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been cancelled or delivered to the Trustee for cancellation; or

(b) all Notes that have not been cancelled or delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in euros, non-callable euro-denominated European Government Securities or a combination thereof in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Amounts, if any, and accrued interest to the date of maturity or redemption;

(2) the Issuer or any Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(3) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Issuer must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee, each to the effect that all conditions precedent to satisfaction and discharge have been satisfied.

If market conditions are such that negative interest applies to amounts deposited with the Trustee under this section (Satisfaction and Discharge), the relevant charged interest will be billed to the Issuer and deducted from the account by the Trustee in accordance with the provisions of the Indenture.

Calculation of Euro-Denominated Restrictions

Except as provided for in the covenant described under "— Certain Covenants — Limitation on Indebtedness" or as otherwise specifically set forth herein, whenever it is necessary to determine whether the Issuer has complied with any covenant in the Indenture or a Default has occurred and an amount is expressed in a currency other than euros, such amount will be treated as the Euro Equivalent determined as of the date such amount is initially determined in such currency.

Listing

The Issuer will use its reasonable best efforts to list and to maintain the listing of the Notes on the Euro MTF of the Luxembourg Stock Exchange (the "**Euro MTF**"), for so long as the Notes are outstanding; provided that if at any time the Issuer determines that it is unable to list or it can no longer reasonably comply with the requirements for listing the Notes on the Euro MTF or if maintenance of such listing becomes unduly onerous, it will not be obliged to maintain a listing of the Notes on the Euro MTF and will use its reasonable best efforts to obtain and maintain a listing of such Notes on another recognized stock exchange in Europe.

Notices

All notices to the Noteholders regarding the Notes will be mailed to them at their respective addresses in the Register and will be deemed to have been given on the fourth Business Day after the date of mailing.

So long as the Notes are represented by a global certificate and such global certificate is held on behalf of a clearing system, notices to the Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders.

In addition, for so long as any Notes are listed on the Euro MTF, and to the extent that the rules of the Luxembourg Stock Exchange so require, notices to the Holders of the Notes shall be published in a newspaper having a general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, to the extent and in the manner permitted by the rules of the Luxembourg Stock Exchange, posted on the official website of the Luxembourg Stock Exchange.

Governing Law, Submission to Jurisdiction and Service of Process

The Indenture, the Notes and any Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Indenture will provide that the Issuer and each Guarantor will appoint an agent for service of process in any suit, action or proceeding with respect to the Indenture, the Notes and any Guarantees and for actions brought under US federal or state securities laws brought in any federal or state court located in the City of New York and will submit to such jurisdiction.

Because the assets of the Issuer are (and the assets of any Guarantor are expected to be) outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, interest, Additional Amounts and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, premium or Additional Amounts, if any, on the Notes or any Guarantees will be prescribed ten years after the applicable due dates for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest will be prescribed five years after the applicable due date for the payment of interest.

Certain Definitions

"**2.125% 2025 Notes**" means the 2.125% Senior Notes denominated in Euro due 2025 of the Issuer issued under an Indenture, dated November 20, 2017, among the Issuer and, *inter alios*, The Bank of New York Mellon, as trustee (the "**2.125% 2025 Notes Indenture**").

"**2.125% 2025 Notes Issue Date**" means November 20, 2017.

"**2.750% 2026 Notes**" means the 2.750% Senior Notes denominated in Euro due 2026 of the Issuer issued under an Indenture, dated March 12, 2019, among the Issuer and, *inter alios*, The Bank of New York Mellon, as trustee (the "**2.750% 2026 Notes Indenture**"), as are outstanding on the date hereof.

"**2.125% 2028 Notes**" means the 2.125% Senior Notes denominated in Euro due 2028 of the Issuer issued under a Principal Indenture, dated May 5, 2021, as supplemented by a first supplemental indenture dated May 18, 2021, among the Issuer and, *inter alios*, The Bank of New York Mellon, as trustee (the "**2.125% 2028 Notes Indenture**"), as are outstanding on the date hereof.

"**2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline**" means 116,829 of metric tons of carbon dioxide equivalent which are the Scope 1 and Scope 2 Greenhouse Gas Emissions for the year ended December 31, 2016 calculated based on the December 31, 2017 perimeter of the group formed by Rexel and its Subsidiaries.

"**2016 Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products Baseline**" means 2.92 metric tons of carbon dioxide equivalent per thousand of euro of sales which is the Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products for the year ended December 31, 2016.

"**Additional Notes**" has the meaning set forth in the fourth paragraph under "— Brief Description of the Notes — Principal, Maturity and Interest."

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Assurance Report**" refers to a limited assurance report from the External Verifier relating to the satisfaction of the Sustainability Performance Targets.

"**Attributable Indebtedness**" in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the Notes, compounded annually) of the total Obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended); provided, however, that if such Sale/Leaseback Transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capitalized Lease Obligation."

"**Available Receivables Basket Amount**" means, as of any date of determination:

(i) for purposes of sub-clause (1) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness," (x) the Receivables Basket Amount less (y) the Receivables Facilities Basket Outstanding Amount; and

(ii) for purposes of sub-clause (2) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness," (x) the Receivables Basket Amount less (y) the Credit Facilities Growth Basket Outstanding Amount.

For purposes of this definition:

(a) "**Credit Facilities Growth Basket Outstanding Amount**" means, as of any date of determination, the amount of Indebtedness then outstanding under sub-clause (1)(z) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness;"

(b) "**Receivables Basket Amount**" means, as of any date of determination, 66% of the consolidated trade accounts receivable of the Issuer and its Subsidiaries, as reflected on the consolidated balance sheet of the Issuer as of such date of determination prepared in accordance with IFRS; and

(c) "**Receivables Facilities Basket Outstanding Amount**" means, as of any date of determination, the amount of Indebtedness then outstanding under sub-clause (2) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness."

"**Average Life**" means, as of the date of determination, with respect to any Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of or redemption or similar payment with respect to such Indebtedness multiplied by the amount of such payment; by

(b) the sum of all such payments.

"**Bankruptcy Law**" means Title 11, U.S. Code, or any similar U.S. Federal, state or non-U.S. law for the relief of debtors, including any of the procedures referred to in Titles I to IV of Book VI of the French Commercial Code, and any analogous procedures in the jurisdiction of organization of any present or future Significant Subsidiary.

"**Board of Directors**" means, for any Person, the board of directors or other governing body of such Person or, in either case, any committee thereof duly authorized to act on behalf of such board or other governing body. With respect to the Issuer, the "Board of Directors" means the board of directors ("*conseil d'administration*") or any committee thereof, provided that if the Issuer's governance structure is modified to a two-tier structure, the Board of Directors shall refer to the supervisory board ("*conseil de surveillance*") or the management board ("*directoire*") or, in either case, any committee thereof.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banking institutions are authorized or required by law, regulation or executive order to close in New York City or Paris, and other than any other day on which the Trans European Automated Real Time Gross Settlement Express Transfer payment system is closed for settlement of payments in euros.

"**Capitalized Lease Obligation**" means an obligation that is required to be classified and accounted for as a capital or finance lease for financial reporting purposes in accordance with IFRS, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last scheduled payment of rent or any other amount due under such lease without payment of a penalty.

"**Capital Stock**" of any Person means any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"**Change of Control**" has the meaning set forth in the covenant described under "— Change of Control."

"**Commodities Agreement**" means, in respect of any Person, any commodity futures contract, forward contract, option or similar agreement or arrangement (including derivative agreements or arrangements), as to which such Person is a party or beneficiary.

"**Consolidated Coverage Ratio**" as of any date of determination means the ratio of (i) the aggregate amount of Consolidated EBITDA of the Issuer and its Subsidiaries for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which consolidated financial statements of the Issuer are available to (ii) Consolidated Interest Expense for such four fiscal quarters; provided that:

(a) if since the beginning of such period the Issuer or any Subsidiary has Incurred any Indebtedness that remains outstanding on such date of determination or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio is an Incurrence of Indebtedness, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a *pro forma* basis to such Indebtedness as if such Indebtedness had been Incurred on the first day of such period (except that in making such computation, the amount of Indebtedness under any revolving credit facility incurred for working capital purposes outstanding on the date of such calculation shall be computed based on (A) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (B) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation);

(b) if since the beginning of such period the Issuer or any Subsidiary has repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged any Indebtedness that is no longer outstanding on such date of determination (each, a "**Discharge**") or if the transaction giving rise to the need to calculate the Consolidated Coverage Ratio involves a Discharge of Indebtedness (in each case other than Indebtedness Incurred under any working capital revolving credit facility unless such Indebtedness has been permanently repaid), Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving effect on a *pro forma* basis to such Discharge of such Indebtedness, including with the proceeds of such new Indebtedness, as if such Discharge had occurred on the first day of such period;

(c) if since the beginning of such period the Issuer or any Subsidiary shall have disposed of any company, any business or any group of assets constituting an operating unit of a business (any such disposition, a "**Sale**"), the Consolidated EBITDA for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the assets that are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such period and Consolidated Interest Expense for such period shall be reduced by an amount equal to (A) the Consolidated Interest Expense attributable to any Indebtedness of the Issuer or any Subsidiary repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged with respect to the Issuer and its continuing Subsidiaries in connection with such Sale for such period (including but not limited to through the assumption of such Indebtedness by another Person) plus (B) if the Capital Stock of any Subsidiary is sold, the Consolidated Interest Expense for such period attributable to the Indebtedness of such Subsidiary to the extent the Issuer and its continuing Subsidiaries are no longer liable for such Indebtedness after such Sale;

(d) if since the beginning of such period the Issuer or any Subsidiary (by merger, consolidation or otherwise) shall have made an Investment in any Person that thereby becomes a Subsidiary, or otherwise acquired any company, any business or any group of assets constituting an operating unit of a business, including any such Investment or acquisition occurring in connection with a transaction causing a calculation to be made hereunder (any such Investment or acquisition, a "**Purchase**"), Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto (including the Incurrence of any related Indebtedness) as if such Purchase occurred on the first day of such period; and

(e) if since the beginning of such period any Person became a Subsidiary or was merged or consolidated with or into the Issuer or any Subsidiary, and since the beginning of such period such Person shall have Discharged any Indebtedness or made any Sale or Purchase that would have required an adjustment pursuant to sub-clause (b), (c) or (d) above if made by the Issuer or a Subsidiary during such period, Consolidated EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto as if such Discharge, Sale or Purchase occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to any Sale, Purchase or other transaction, or the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness Incurred or repaid, repurchased, redeemed, defeased or otherwise acquired, retired or discharged in connection therewith, the *pro forma* calculations in respect thereof (including without limitation in respect of realized or anticipated cost savings or synergies relating to any such Sale, Purchase or other transaction) shall be as determined in good faith by the Chief Financial Officer of the Issuer (or, if at such time there is not a Chief Financial Officer, a responsible financial or accounting Officer of the Issuer). If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months). If any Indebtedness is incurred under a revolving credit facility and is being given *pro forma* effect, the interest on such Indebtedness shall be calculated based on the average daily balance of such Indebtedness for the four quarterly periods subject to the *pro forma* calculation to the extent that such Indebtedness was incurred solely for working capital purposes. Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate determined in good faith by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

"**Consolidated EBITDA**" means, for any period, the Consolidated Net Income for such period including, without duplication, any net payment or receipt paid or payable or received under any Commodity Agreement in such period, plus the following to the extent deducted in calculating such Consolidated Net Income, without duplication:

(i) provision for all taxes (whether or not paid, estimated, accrued or deferred) based on income, profits or capital, for the Issuer and the Subsidiaries, as determined on a consolidated basis in accordance with IFRS;

(ii) Consolidated Interest Expense and any Receivables Fees;

(iii) depreciation, impairment, amortization (including but not limited to amortization of goodwill and intangibles and amortization and write-off of financing costs but excluding any such amortization expense to the extent already included in Consolidated Interest Expense) and all other non-cash charges or non-cash losses, of the Issuer and the Subsidiaries, as determined on a consolidated basis in accordance with IFRS;

(iv) any expenses or charges of the Issuer and the Subsidiaries, as determined on a consolidated basis in accordance with IFRS, related to any equity offering or issuance or incurrence of Indebtedness permitted by the Indenture (whether or not consummated or incurred); and

(v) the amount of any expenses and charges related to minority interests, including losses and impairment of goodwill.

"**Consolidated Interest Expense**" means, for any period, the total interest expense of the Issuer and its Subsidiaries, net of any interest income of the Issuer and its Subsidiaries, and after taking into account the net payment or receipt paid or payable or received or receivable under any Interest Rate Agreement or Currency Agreement in respect of Indebtedness, and after excluding any foreign exchange differences that are treated as interest under IFRS and after excluding any fair value movements on any Indebtedness or Hedging Obligations for such period, plus (without duplication):

(i) imputed interest on Capitalized Lease Obligations and Attributable Indebtedness;

(ii) all amortization of debt issuance and other financing costs (including transaction costs related to financings);

(iii) commissions, discounts and other fees and charges owed with respect to letters of credit securing financial obligations, bankers' acceptance financing and receivables financings;

(iv) capitalized interest and interest paid in additional indebtedness;

(v) all other non-cash interest expense;

(vi) the product of (a) all dividend payments on any series of Disqualified Stock of the Issuer or any Preferred Stock of any Subsidiary (other than any such Disqualified Stock or any Preferred Stock held by the Issuer or a Subsidiary or dividends paid in Capital Stock, other than Disqualified Stock), multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current statutory tax rate of the issuer of such Disqualified Stock or Preferred Stock, expressed as a decimal; and

(vii) interest in respect of any Indebtedness of any other Person guaranteed by (or secured by the assets of) the Issuer or any Subsidiary, but only to the extent of interest actually paid by the Issuer or any Subsidiary;

provided that Consolidated Interest Expense excludes (i) any interest relating to employee benefit plans, including expected or accrued returns on employee benefit plan assets, and interest costs of employee benefit obligations and (ii) any write-offs of debt issuance and other financing costs.

"**Consolidated Net Income**" means, for any period, the profit (loss) after taxes of the Issuer and its Subsidiaries, determined on a consolidated basis in accordance with IFRS and before any reduction in respect of Preferred Stock dividends; provided that there shall not be included in such Consolidated Net Income:

(a) any net income (loss) of any Person if such Person is not the Issuer or a Subsidiary (including minority interests and share in net results of associates), except that (A) the Issuer's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount actually distributed by such Person during such period to the Issuer or a Subsidiary as a dividend or other distribution and (B) the Issuer's equity in the net loss of such Person shall be included to the extent of the aggregate Investment of the Issuer or any of its Subsidiaries in such Person;

(b) any gain or loss realized upon the sale or other disposition of any asset of the Issuer or any Subsidiary (including pursuant to any Sale/Leaseback Transaction) that is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors);

(c) any item classified as an extraordinary, unusual or nonrecurring gain, loss or charge (including fees, expenses and charges associated with any acquisition, merger or consolidation after the Issue Date);

(d) the cumulative effect of a change in accounting principles;

(e) all deferred financing costs written off and premiums paid in connection with any early extinguishment of Indebtedness;

(f) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings relating to qualifying hedging transactions or the fair values or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case in respect of Hedging Obligations;

(g) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person;

(h) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards to the extent otherwise included in Consolidated Net Income;

(i) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Subsidiary owing to the Issuer or any Subsidiary; and

(j) any non-cash charge, expense or other impact attributable to application of the purchase or recapitalization method of accounting (including the total amount of depreciation and amortization, cost of sales or other non-cash expense resulting from the write-up of assets to the extent resulting from such purchase or recapitalization accounting adjustments).

In the case of any unusual or nonrecurring gain, loss or charge not included in Consolidated Net Income pursuant to sub-clause (c) above in any determination thereof, the Issuer will deliver an Officers' Certificate to the

Trustee promptly after the date on which Consolidated Net Income is so determined, setting forth the nature and amount of such unusual or nonrecurring gain, loss or charge.

"**Consolidated Tangible Assets**" means, as of any date of determination, the total assets less the sum of the goodwill, net, and other intangible assets, net, in each case reflected on the consolidated balance sheet of the Issuer and its Subsidiaries as at the end of the most recently ended fiscal quarter of the Issuer for which such a balance sheet is available, determined on a consolidated basis in accordance with IFRS (and, in the case of any determination relating to any Incurrence of Indebtedness or any Investment, on a *pro forma* basis including any property or assets being acquired in connection therewith).

"**Credit Facilities**" means one or more of (i) the Senior Credit Facilities and (ii) other facilities or arrangements designated by the Issuer, in each case with one or more banks or other lenders or institutions providing for revolving credit loans, term loans, receivables financings (including, without limitation, through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables or the creation of any Liens in respect of such receivables in favor of such institutions), letters of credit or other Indebtedness, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with any of the foregoing, including but not limited to any notes and letters of credit issued pursuant thereto and any guarantee agreement, letter of credit applications and other guarantees, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured (including with respect to structural or contractual subordination), replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original banks, lenders or institutions or other banks, lenders or institutions or otherwise, and whether provided under any original Credit Facility or one or more other credit agreements, commercial paper programs or facilities, indentures, financing agreements or other Credit Facilities or otherwise). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"**Currency Agreement**" means, in respect of any Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangement (including derivative agreements or arrangements) as to which such Person is a party or beneficiary.

"**Custodian**" means any receiver, trustee, assignee, liquidator, custodian, voluntary administrator or similar official (including any "*administrateur judiciaire*," "*administrateur provisoire*," "*mandataire ad hoc*," "*conciliateur*" or "*mandataire liquidateur*") under any Bankruptcy Law.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**Disqualified Stock**" means, with respect to any Person, any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(a) matures or is mandatorily redeemable (other than redeemable only for Capital Stock of such Person which is not itself Disqualified Stock) pursuant to a sinking fund Obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder for Indebtedness or Disqualified Stock; or

(c) is mandatorily redeemable or must be purchased upon the occurrence of certain events or otherwise, in whole or in part;

in each case on or prior to 91 days after the Stated Maturity of the Notes; provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of a "change of control" or "asset sale" shall not constitute Disqualified Stock if:

(a) the "change of control" provisions applicable to such Capital Stock are not materially more favorable to the holders of such Capital Stock than the terms applicable to the Notes under the covenants described under "— Change of Control"; and

(b) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; provided, however, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than euros, at any date of determination thereof (or at the date as of which such determination is to be made) by the Issuer or the Trustee, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euro with the applicable foreign currency as published in The Financial Times in the "Currencies" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination (or at the date as of which such determination is to be made).

"**European Government Securities**" means direct obligations of, or obligations guaranteed by, a member state of the European Union, and the payment for which such member state pledges its full faith and credit.

"**Event of Default**" has the meaning set forth under the section "— Event of Default."

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**External Verifier**" refers to PricewaterhouseCoopers Audit or any other qualified provider of third-party assurance or attestation services appointed by the Issuer, in its sole discretion, to review the Sustainability Performance Targets and provide related limited assurance services.

"**Fair Market Value**" means, with respect to any asset or property, the fair market value of such asset or property as determined in good faith by the senior financial management of the Issuer or the Board of Directors, in each case whose determination will be conclusive.

"**GHG Protocol Standard**" means the document titled "the Greenhouse Gas Protocol, A corporate Accounting and Reporting Standard (revised Edition)" published by the World Business Council for Sustainable Development and the World Resources Institute (as amended, updated and supplemented from time to time).

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person; provided, however, that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning. The term "guarantor" shall mean any Person guaranteeing any Obligation.

"**Guarantee**" means a guarantee of the Issuer's obligations with respect to the Notes that may from time to time be given by a Subsidiary pursuant to the covenant described under "— Certain Covenants — Limitations on Guarantees of Indebtedness by Subsidiaries" or otherwise under the Indenture.

"**Guarantor**" means any Subsidiary that enters into a Guarantee, until such time as it is released in accordance with the provisions of the Indenture.

"**Guarantor Subordinated Obligations**" means, with respect to a Guarantor, any Indebtedness of such Guarantor that is expressly subordinated in right of payment to the obligations of such Guarantor under its Guarantee pursuant to a written agreement.

"**Hedging Obligations**" of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Commodities Agreement or Currency Agreement.

"**Holder**" or "**Noteholder**" means the Person in whose name a Note is registered on the Registrar's books.

"**IFRS**" means International Financial Reporting Standards in effect on the 2.125% 2025 Notes Issue Date, or, with respect to the reporting requirements described under "— Certain Covenants — Reports," as in effect from time to time.

"**Incur**" or "**incur**" means issue, assume, enter into a guarantee of, incur or otherwise become liable for; provided, however, that any Indebtedness of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a

Subsidiary. The term "Incurrence" when used as a noun shall have a correlative meaning. Solely for purposes of determining compliance with the covenant described under "— Certain Covenants — Limitation on Indebtedness," the following will not be deemed to be the Incurrence of Indebtedness:

(a) amortization of debt discount or the accretion of principal with respect to a non-interest bearing or other discount security;

(b) the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Capital Stock in the form of additional Capital Stock of the same class and with the same terms; and

(c) the Obligation to pay a premium in respect of Indebtedness arising in connection with the issuance of a notice of redemption or the making of a mandatory offer to purchase such Indebtedness.

"**Indebtedness**" means, with respect to any Person on any date of determination (without duplication):

(a) the principal of indebtedness of such Person for borrowed money;

(b) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) all reimbursement obligations of such Person in respect of letters of credit or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed);

(d) all obligations of such Person to pay the deferred and unpaid purchase price of property (except (x) trade payables and accrued expenses incurred by such Person in the ordinary course of business and not overdue by more than 90 days, (y) customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course and (z) deferred insurance premiums in the ordinary course), which purchase price is due more than one year after the date of placing such property in final service or taking final delivery and title thereto;

(e) all Capitalized Lease Obligations of such Person;

(f) the redemption, repayment or other repurchase amount of such Person with respect to any Disqualified Stock of such Person or (if such Person is a Subsidiary of the Issuer other than a Guarantor) any Preferred Stock of such Subsidiary, but excluding, in each case, any accrued dividends (the amount of such obligation to be equal at any time to the maximum fixed involuntary redemption, repayment or repurchase price for such Capital Stock, or if less (or if such Capital Stock has no such fixed price), to the involuntary redemption, repayment or repurchase price therefor calculated in accordance with the terms thereof as if then redeemed, repaid or repurchased, and if such price is based upon or measured by the fair market value of such Capital Stock, such fair market value shall be as determined in good faith by the Board of Directors or the board of directors or other governing body of the issuer of such Capital Stock);

(g) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of Indebtedness of such Person shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness of such other Persons;

(h) all guarantees by such Person of Indebtedness of other Persons, to the extent so guaranteed by such Person;

(i) to the extent not otherwise included in this definition, net Hedging Obligations of such Person (the amount of any such obligation to be equal at any time to the greater of (x) the termination value of such agreement or arrangement giving rise to such Hedging Obligation that would be payable by such Person at such time and (y) the amount required under IFRS to be reflected on the balance sheet of such Person at such time); and

(j) all Attributable Indebtedness of such Person.

The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture or otherwise shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared in accordance with IFRS.

"**Interest Rate Agreement**" means any interest rate swap agreement, interest rate cap agreement or other financial agreement or arrangement with respect to exposure to interest rates.

"**Investment**" in any Person by any other Person means any direct or indirect advance, loan or other extension of credit (other than to customers, dealers and suppliers of any Person in the ordinary course of business) or capital contribution (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) to, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such Person. Guarantees of the Notes shall not be deemed to be Investments. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment (for non-cash items, determined at Fair Market Value).

"**Issue Date**" means on or about November 10, 2021.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind securing any Obligation of any Person (including any title transfer or other title retention agreement having a similar effect).

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Obligations**" means, with respect to any Indebtedness, all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements and other amounts payable pursuant to the documentation governing such Indebtedness.

"**Officer**" means the Chairman of the Board, the President, any Vice President, the Treasurer or the Secretary of the Issuer, including any member of the board of directors ("*conseil d'administration*"), *the Directeur Général, the Directeur Général Délégué* Rexel Group Director of Financing and Treasury ("*Directeur Financement et Trésorerie du groupe Rexel*"), the General Secretary and Secretary of the Board of Directors or Rexel Group General Counsel ("*Directeur Juridique du groupe Rexel*").

"**Officers' Certificate**" means a certificate signed by two Officers.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or the Trustee.

"**Pari Passu Indebtedness**" means any Indebtedness of the Issuer or any Guarantor that ranks pari passu in right of payment with the Notes or any Guarantees, as applicable.

"**Permitted Indebtedness**" has the meaning set forth in the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness."

"**Permitted Liens**" means, with respect to any Person:

(a) pledges, deposits or Liens in connection with workers' compensation, unemployment insurance and other social security and other similar legislation or other insurance related obligations (including, without limitation, pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements);

(b) pledges, deposits or Liens to secure the performance of bids, tenders, trade, government or other contracts (other than for borrowed money), obligations for utilities, leases, licenses, statutory obligations, completion guarantees, surety, judgment, appeal or performance bonds, other similar bonds, instruments or obligations, and other obligations of a like nature incurred in the ordinary course of business;

(c) Liens imposed by law, such as carriers', warehousemen's mechanics', landlord's, material men's repair men's or other like Liens, in each case for sums not overdue for a period of more than 60 days or that are bonded or that are being contested in good faith by appropriate proceedings and to the extent required by IFRS, with respect to which appropriate reserve or other provisions have been made in respect thereof, or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with a good faith appeal or other proceedings for review and to the extent required by IFRS, with respect to which appropriate reserve or other provisions have been made in respect thereof, and Liens arising solely by virtue of any statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution;

(d) Liens for taxes, assessments or other governmental charges not yet delinquent or the nonpayment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Issuer and its Subsidiaries or that are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Issuer or a Subsidiary thereof, as the case may be, in accordance with IFRS;

(e) Liens in favor of issuers of surety bonds or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business; provided, however, that such letters of credit do not constitute Indebtedness for borrowed money;

(f) easements (including reciprocal easement agreements), rights-of-way, building, zoning and similar restrictions, utility agreements, covenants, reservations, restrictions, encroachments, charges, and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in the aggregate materially interfere with the ordinary conduct of the business of the Issuer and its Subsidiaries, taken as a whole;

(g) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Subsidiary of such Person; provided, however, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto);

(h) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; provided, however, that such Liens were not Incurred in contemplation of such acquisition and the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto);

(i) Liens securing Indebtedness of a Subsidiary of such Person owing to such Person or a Wholly Owned Subsidiary of such Person to the extent such Indebtedness is Incurred in compliance with sub-clause (3) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness;"

(j) Liens securing Hedging Obligations, Purchase Money Indebtedness, Capitalized Lease Obligations or treasury, cash pooling or other cash management arrangements or netting or setting-off arrangements, incurred in accordance with sub-clauses (8), (14) or (16) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness;"

(k) Liens existing on, or provided for under written arrangements existing on, the Issue Date, or securing any Refinancing Indebtedness in respect of Indebtedness outstanding on the Issue Date so long as the Lien securing such Refinancing Indebtedness is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or under such written arrangements could secure) the original Indebtedness;

(l) Liens arising out of judgments, decrees, orders or awards (not otherwise giving rise to a Default) in respect of which the Issuer shall in good faith be prosecuting an appeal or proceedings for review, which appeal or proceedings shall not have been finally terminated, or if the period within which such appeal or proceedings may be initiated shall not have expired;

(m) Liens created for the benefit of the Notes and/or any Guarantees;

(n) Liens securing Indebtedness or other obligations arising in respect of Receivables Financings Incurred pursuant to sub-clause (2) of the second paragraph of the covenant described under "— Certain Covenants — Limitation on Indebtedness;"

(p) any encumbrance or restriction (including, but not limited to, put and call agreements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(q) Liens securing Refinancing Indebtedness Incurred in respect of any Indebtedness secured by, or securing any refinancing, refunding, extension, renewal or replacement (in whole or in part) of any other obligation secured by, any other Permitted Liens, provided that any such new Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the obligations to which such Liens relate;

(r) Liens (1) on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets, (2) on receivables (including related rights), (3) on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent that such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose, (4) securing or arising by reason of any netting or set-off or cash pooling or management arrangement entered into in the ordinary course of banking or other trading activities, (5) in favor of the Issuer or any Subsidiary (other than Liens on property or assets of the Issuer in favor of any Subsidiary that is not a Guarantor), (6) arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business or (7) arising by operation of law (or by agreement to the same effect) in the ordinary course of business;

(s) Liens securing Indebtedness of Subsidiaries that are not Guarantors permitted to be incurred pursuant to the covenant described under "— Certain Covenants — Limitation on Indebtedness;"

(t) other Liens securing Indebtedness not to exceed an amount equal to the greater of (x) €350 million and (y) 7.0% of Consolidated Tangible Assets in the aggregate at any time outstanding;

(u) leases, subleases, licenses or sublicenses to third parties; and

(v) other Liens securing Obligations (other than Indebtedness) Incurred by the Issuer or any Subsidiary in the ordinary course of business which obligations do not exceed €25 million in the aggregate at any time outstanding.

For purposes of this definition, the term "Indebtedness" shall be deemed to include interest on such Indebtedness. For purposes of determining compliance with this definition, (x) a Lien need not be incurred solely by reference to one category of Permitted Liens described in this definition but may be incurred under any combination of such categories (including in part under one such category and in part under any other such category) and (y) in the event that a Lien (or any portion thereof) meets the criteria of one or more of such categories of Permitted Liens, the Issuer may, in its sole discretion, classify or reclassify such Lien (or any portion thereof) in any manner that complies with this definition.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"**Preferred Stock**," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated), including "*actions de préférence*" issued under French law, that by its terms is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"**Purchase Money Indebtedness**" means any Indebtedness (including Capitalized Lease Obligations) Incurred to finance the acquisition, leasing, construction, addition or improvement of property (real or personal) or assets, and whether acquired through the direct acquisition of such property or asset or the acquisition of the Capital Stock of any Person owning such property or assets or otherwise.

"**Receivable**" means a right to receive payment arising from a sale or lease of goods or services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, as determined in accordance with IFRS.

"**Receivables Fees**" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Subsidiary in connection with, any Receivables Financing.

"**Receivables Financing**" means any financing (whether or not reflected on the consolidated balance sheet of the Issuer) of Receivables of the Issuer or any Subsidiary, and, for the avoidance or doubt, may include obligations under or in respect of customary performance guarantees issued in connection therewith.

"**Refinance**" means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, purchase, redeem, substitute, supplement, reissue, restate, amend, defease or retire, or to issue other Indebtedness in exchange or replacement for, such Indebtedness. "Refinanced" and "Refinancing" shall have correlative meanings.

"**Refinancing Indebtedness**" means Indebtedness that is Incurred to refinance any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Subsidiary (to the extent permitted in the Indenture) and Indebtedness of any Subsidiary that refinances Indebtedness of another Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; provided that (1) if the Indebtedness being refinanced (the "**Refinanced Indebtedness**") is Subordinated Indebtedness or Guarantor Subordinated Obligations, then such Refinancing Indebtedness, by its terms, shall be subordinate in right of payment to the Notes and the Guarantees, as applicable, at least to the same extent as the Refinanced Indebtedness was so subordinate, (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of (x) the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Refinanced Indebtedness, plus (y) accrued and unpaid interest thereon plus (z) fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such Refinancing Indebtedness, (3) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is incurred that is equal to or greater than the Average Life of the Refinanced Indebtedness being repaid and (4) Refinancing Indebtedness shall not include Indebtedness of a Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor that could not have been initially Incurred by such Subsidiary pursuant to the covenant described under "— Certain Covenants — Limitation on Indebtedness".

"**S&P**" means Standard & Poor's Ratings Group and its successors.

"**Sale/Leaseback Transaction**" means a financing arrangement relating to property owned by the Issuer or a Subsidiary on the Issue Date or thereafter acquired by the Issuer or a Subsidiary whereby the Issuer or a Subsidiary transfers such property to a Person and the Issuer or a Subsidiary leases it from such Person.

"**Scope 1 and Scope 2 Greenhouse Gas Emissions**" means, in respect of a fiscal year, in metrics tons of carbon dioxide equivalent, the sum of:

(a) direct greenhouse gas emissions from sources owned or controlled by the Issuer and its Subsidiaries as defined by the GHG Protocol Standard; and

(b) indirect greenhouse gas emissions from electricity, steam and heat consumed by the Issuers' and its Subsidiaries' owned or controlled sites;

in each case as calculated in good faith by the Issuer in accordance with the methodology detailed in the latest annual universal registration document of the Issuer from time to time (which calculation shall be conclusive).

"**Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products**" means, in respect of a fiscal year, the ratio of (i) indirect greenhouse gas emissions in metrics tons of carbon dioxide equivalent relating to the use of the products sold during that fiscal year by the Issuer and its Subsidiaries using a specific methodology, developed from time to time by the Issuer and aligned on the recommendations of the GHG Protocol Standard, to (ii) consolidated sales of the Issuer and its Subsidiaries in thousand euros for that fiscal year; as calculated in good faith by the Issuer (which calculation shall be conclusive).

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" has the meaning set forth in the first paragraph of this "Description of Notes."

"**Senior Credit Facilities**" means the collective reference to the Senior Facilities Agreement, any Finance Document (as defined therein), any notes and letters of credit issued pursuant thereto and any guarantee agreement, letter of credit applications and other guarantees, and other instruments and documents, executed and delivered pursuant to or in connection with any of the foregoing, in each case as the same may be amended, supplemented, waived or otherwise modified from time to time, or refunded, refinanced, restructured (including with respect to structural or contractual subordination), replaced, renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Facilities Agreement or one or more other credit agreements, commercial paper programs or facilities, indentures or financing agreements or otherwise). Without limiting the generality of the foregoing, the term "Senior Credit Facilities" shall include any agreement (i) changing the maturity or interest rate or of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

"**Senior Facilities Agreement**" means the revolving credit facility agreement, as most recently amended on January 31, 2018, among, *inter alios*, the Issuer, the Mandated Lead Arrangers, and Bookrunners, the Mandated Lead Arranger and Arrangers (each, as defined therein), Crédit Agricole Corporate and Investment Bank as documentation agent, facility agent and swingline agent and the lenders party thereto from time to time, as such agreement may be amended, supplemented, waived or otherwise modified from time to time or refunded, refinanced, restructured, replaced renewed, repaid, increased or extended from time to time (whether in whole or in part, whether with the original facility agent and lenders or other agents and lenders or otherwise, and whether provided under the original Senior Facilities Agreement or other credit agreements or otherwise).

"**Senior Indebtedness**" means with respect to any Person:

(a) Indebtedness of such Person, whether outstanding on the Issue Date or thereafter Incurred; and

(b) all other Obligations of such Person (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person whether or not post-filing interest is allowed in such proceeding) in respect of Indebtedness described in sub-clause (a) above,

unless, in the case of sub-clauses (a) and (b), in the instrument creating or evidencing the same or pursuant to which the same is outstanding, it is expressly provided that such Indebtedness or other Obligations are subordinate in right of payment to the Notes or the Guarantee of such Person, as the case may be; provided, however, that Senior Indebtedness shall not include:

(i) any Obligation of such Person to the Issuer or any Subsidiary;

(ii) any liability for applicable federal, state, foreign, local or other taxes owed or owing by such Person;

(iii) any accounts payable or other liability to trade creditors arising in the ordinary course of business;

(iv) any Indebtedness or other Obligation of such Person which is expressly subordinated or junior in right of payment to any other Indebtedness or other Obligation of such Person; or

(v) that portion of any Indebtedness that at the time of Incurrence is Incurred in violation of the covenant described under "— Certain Covenants — Limitation on Indebtedness" (but no such violation shall be deemed to exist for purposes of this sub-clause (v) if any holder of such Indebtedness or such holder's representative shall have received an Officers' Certificate to the effect that such Incurrence of such Indebtedness does not (or that the Incurrence of the entire committed amount thereof at the date on which the initial borrowing thereunder is made would not) violate such covenant described under "— Certain Covenants — Limitation on Indebtedness").

"**Significant Subsidiary**" means:

(a) any Subsidiary of the Issuer which meets any of the following conditions:

  (i) the Issuer's and its other Subsidiaries' investments in and advances to the Subsidiary exceed 5% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year;

  (ii) the Issuer's and its other Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 5% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or

(iii) the Issuer's and its other Subsidiaries' share of the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the subsidiary exclusive of amounts attributable to any noncontrolling interests exceeds 5% of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year; and

(b) any Subsidiary of the Issuer, which, when aggregated with all other Subsidiaries of the Issuer that are not otherwise Significant Subsidiaries and as to which any event described in sub-clauses (6) and/or (7) of the first paragraph under "— Events of Default" has occurred and is continuing, would constitute a Significant Subsidiary in accordance with the criteria set forth in (a) above.

For the avoidance of doubt, "Significant Subsidiary" shall also include any direct or indirect Subsidiary of the Issuer that owns, directly or indirectly, more than 50% of the Capital Stock or the total voting power of any other Significant Subsidiary.

"**Stated Maturity**" means, with respect to any security or indebtedness, the date specified in such security or indebtedness as the fixed date on which the payment of principal of such security or indebtedness is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase or repayment of such security at the option of the holder thereof upon the happening of any contingency).

"**Subordinated Indebtedness**" means, any Indebtedness of the Issuer (whether outstanding on the Issue Date or thereafter Incurred) that is expressly subordinated in right of payment to Indebtedness under the Notes pursuant to a written agreement.

"**Sustainability Performance Target 1**" refers to a 23% reduction in Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products in respect of the fiscal year ending December 31, 2023, compared to 2016 Scope 3 Greenhouse Gas Emissions Intensity Usage Of Products Baseline.

"**Sustainability Performance Target 2**" refers to a 23.7% reduction in Scope 1 and Scope 2 Greenhouse Gas Emissions in respect of the fiscal year ending December 31, 2023, compared to 2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline; provided that (x) in order to take into account perimeter changes (including without limitation, as a result of acquisitions or divestments), the variation rate of the Scope 1 and Scope 2 Greenhouse Gas Emissions shall be calculated in good faith by the Issuer (which calculation shall be conclusive) at the end of each fiscal year compared to the previous year at a constant scope (on a pro forma basis to take into account the perimeter variation, but only once the necessary data is available), and (y) such variation rate shall be applied consecutively each year to the applicable figure from the previous year starting from basis 100 for the 2016 Scope 1 and Scope 2 Greenhouse Gas Emissions Baseline, in order to determine the overall variation of the Scope 1 and Scope 2 Greenhouse Gas Emissions since December 31, 2016.

''**Sustainability Performance Targets**'' means Sustainability Performance Target 1 and Sustainability Performance Target 2, referred to collectively.

"**Subsidiary**" means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other equity interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person or (ii) one or more Subsidiaries of such Person.

"**Taxes**" has the meaning set forth under the section "— Taxation."

"**Voting Stock**" of an entity means (x) if such entity is not managed by a single entity, all classes of Capital Stock of the first such entity then outstanding and normally entitled to vote in the election of members of the Board of Directors or other governing body of such entity or (y) if such entity is managed by a single entity, all classes of Capital Stock of the first such entity with the ability to control the management of such entity.

"**Wholly Owned Subsidiary**" means a Subsidiary all the Capital Stock of which (other than directors' qualifying shares and any de minimis number of shares held by other Persons to the extent required by applicable law to be held by a Person other than by its parent or a Subsidiary of its parent) is owned by the Issuer or one or more other Wholly Owned Subsidiaries.

DESCRIPTION OF SUSTAINIBILITY-LINKED NOTES FEATURES

We have established a framework to support the future issuance of sustainability-linked bonds (the "Sustainability-Linked Bond Framework") in order to support our commitment to limit the rise in global temperatures and contribute to the fight against climate change (see "*Summary – Sustainability-linked bond features*"). The Sustainability-Linked Bond Framework also includes key performance indicators, which were selected for the purposes of the Notes and may be used for supporting potential further sustainability-linked bonds in the future. The Sustainability-Linked Bond Framework has been developed in alignment with the Sustainability-Linked Bond Principles 2020, as developed and published by the International Capital Markets Association ("ICMA"), its members and further market participants and observers. For the Notes, we selected the greenhouse gas emissions, which quantification is based on the GHG Protocol (a partnership between the World Resources Institute and the Business Council for Sustainable Development).

Notwithstanding anything in this offering memorandum to the contrary, neither our sustainability reports (including our Sustainability-Linked Bond Framework) nor any other information on our website is incorporated by reference in this offering memorandum.

BOOK-ENTRY, DELIVERY AND FORM

The Notes will be issued only in registered form and in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are being sold in reliance on Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act") and will be represented on issue by an offshore global note that will represent the aggregate principal amount of the Notes. During the 40 day distribution compliance period as defined in Regulation S (the "Restricted Period"), the offshore global note will be represented exclusively by a temporary offshore global note (the "Global Notes"). After the Restricted Period, beneficial interests in the temporary offshore global note will be exchangeable for beneficial interests in a permanent offshore global note, subject to the certification requirements described under "— Exchange of Temporary Global Notes for Permanent Global Notes".

The Global Notes will be deposited with, and registered in the name of a nominee for the common depositary for, Euroclear Bank S.A./N.V., ("Euroclear") and Clearstream, Luxembourg ("Clearstream"). Beneficial interests in the Global Notes may be held only through Euroclear or Clearstream or their participants at any time. By acquisition of a beneficial interest in a Global Note, the purchaser will be required to certify that it is either (i) a non U.S. person (as such term is defined in Regulation S) or (ii) a U.S. person who purchased the Notes in a transaction not requiring registration under the Securities Act. See "Plan of Distribution".

Beneficial interests in the Global Notes will be subject to certain restrictions on transfer set out therein and under "Plan of Distribution" and in the Indenture.

Except in the limited circumstances described below (see "— Exchange of Global Notes for Definitive Notes"), owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes.

For so long as any of the Notes are represented by a Global Note, each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream (as the case may be) as the holder of a particular aggregate principal amount of such Notes (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear or Clearstream (as the case may be) as to the aggregate principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the expression "Noteholders" and references to "holding of Notes" and to "holder of Notes" shall be construed accordingly) for all purposes other than with respect to payments on such Notes, the right to which shall be vested solely in the nominee for the relevant clearing system (the "Relevant Nominee") in accordance with and subject to the terms of the applicable Global Note. Each Accountholder must look solely to Euroclear or Clearstream, as the case may be, for its share of each payment made to the Relevant Nominee.

The Notes will be subject to certain transfer restrictions and certification requirements as described under "Plan of Distribution".

Depository Procedures

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, or the Initial Purchasers takes any responsibility for the accuracy of this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer and any other party to the Indenture will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Registration and Form

Book-entry interests in the Notes held through Euroclear and Clearstream will be represented by one or more Global Notes registered in the name of a nominee of, and held by, a common depositary for Euroclear and Clearstream.

As necessary, the Registrars will adjust the amounts of Notes on the register for the accounts of Euroclear and Clearstream to reflect the amounts of Notes held through Euroclear and Clearstream, respectively. Beneficial ownership of book-entry interests in Notes will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream.

The aggregate holdings of book-entry interests in the Notes in Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. Euroclear or Clearstream, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrars will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a common nominee for Euroclear and Clearstream and/or, if individual Certificates are issued in the limited circumstances described herein, holders of Notes represented by those individual Certificates. Each Paying Agent will be responsible for ensuring that payments received by it from or on behalf of the Issuer for holders of book-entry interests in the Notes holding through Euroclear and Clearstream are credited to Euroclear or Clearstream, as the case may be.

The Issuer will not impose any fees in respect of holding the Notes; however, holders of book-entry interests in the Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear or Clearstream.

Clearing and Settlement Procedures

Initial Settlement

Upon their original issue, the Notes will be in global form represented by one or more Global Notes.

Interests in the Notes will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Notes will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the Issue Date against payment (value the Issue Date).

Secondary Market Trading

Secondary market trades in the Notes will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear or Clearstream, as the case may be, in accordance with their respective procedures. Book-entry interests in the Notes may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream.

General

None of Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time. None of the Issuer or any of its agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

Exchange of Temporary Global Notes for Permanent Global Notes

Upon the completion of the Restricted Period, beneficial interests in a temporary offshore global note will be exchangeable for beneficial interests in the respective permanent offshore global note only upon certification on behalf of the beneficial owner that such beneficial owner is either (i) a non U.S. person (as such term is defined in Regulation S) or (ii) a U.S. person who purchased the Notes in a transaction not requiring registration under the Securities Act.

Exchange of Global Notes for Definitive Notes

The Global Notes are exchangeable for Notes in registered definitive form ("Definitive Notes") if:

(a) Euroclear and/or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces that it is permanently to cease business or does in fact do so and no successor or alternative clearing system is available; or

(b) the relevant clearing system so requests following an Event of Default under the Indenture.

In all cases, Definitive Notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the relevant clearing system (in accordance with its customary procedures), as the case may be unless the Issuer determines otherwise in compliance with the requirements of the Indenture.

Definitive Notes delivered in exchange for Global Notes will be delivered to or upon the order of the relevant clearing system or an authorized representative of the relevant clearing system, and may be delivered to Noteholders at the office of the Paying Agent in Luxembourg.

Exchange of Definitive Notes for Global Notes

If issued, Definitive Notes may not be exchanged or transferred for beneficial interests in a Global Note.

Exchange of Definitive Notes for Definitive Notes

If issued, Definitive Notes may be exchanged or transferred by presenting or surrendering such Definitive Notes at the office of the Registrar with a written instrument of transfer in form satisfactory to such Registrar, duly executed by the holder of the Definitive Notes or by its attorney, duly authorized in writing. If the Definitive Notes being exchanged or transferred have restrictive legends, such holder must also provide a written certificate (in the form provided in the Indenture) to the effect that such exchange or transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Plan of Distribution".

In the case of a transfer in part of a Definitive Note, a new Definitive Note in respect of the balance of the principal amount of the Definitive Note not transferred will be delivered to the office of the relevant Registrar.

If a holder of a Definitive Note claims that such Definitive Note has been lost, destroyed or stolen, or if such Definitive Note is mutilated and is surrendered to the office of the relevant Registrar, the Issuer will issue, and the Registrar will authenticate, a replacement Definitive Note if the Issuer's requirements are met. The Issuer may require a holder requesting replacement of a Definitive Note to furnish such security or indemnity as may be required to protect them and any agent from any loss which they may suffer if a Definitive Note is replaced. The Issuer may charge for any expenses incurred by it in replacing a Definitive Note. In case any such mutilated, destroyed, lost or stolen Definitive Note has become or is about to become due and payable, the Issuer, in its discretion, may, instead of issuing a new Definitive Note, pay such Definitive Note.

Methods of Receiving Payments on the Notes

Payments of principal and interest in respect of Notes represented by a Global Note will be made upon presentation or, if no further payment falls to be made in respect of the Notes, against presentation and surrender of such Regulation S Global Certificate to or to the order of a Paying Agent (or such other agent as shall have been notified to the holders of the Global Notes for such purpose).

Distributions of amounts with respect to book-entry interests in the Global Notes held through Euroclear or Clearstream will be credited, to the extent received by a Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Principal of, premium, if any, and interest on any Definitive Notes will be payable at the office or agency of the Paying Agent in Luxembourg maintained for such purposes. In addition, interest on Definitive Notes may be paid by check mailed to the person entitled thereto as shown on the register for such Definitive Notes.

Action by Owners of Book Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of the Notes (including the presentation of the Notes for exchange as described above) only at the direction of one or more participants to whose account the book entry interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. However, if there is an Event of Default under the Notes, Euroclear and Clearstream reserve the right to exchange Global Notes for Definitive Notes in certificated form, and to distribute such Definitive Notes to their participants.

TAXATION

The statements herein regarding taxation are based on the laws in force in the Republic of France and the Grand Duchy of Luxembourg, as of the date of this offering memorandum and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective investor should consult its own tax advisor as to French and Luxembourg tax consequences of any investment in, or ownership and disposition of, the Notes.

French Taxation

The following is a summary of certain French tax consequences to potential holders of the Notes who are not French residents for French tax purposes, who are not concurrently shareholders of the Issuer and who do not hold the Notes in connection with a permanent establishment or a fixed base in France (the "**Non-French Holders**"). This summary is based on the tax laws and regulations of France, as currently in effect and applied by the French tax authorities, and all of which are subject to change or to different interpretation. This summary is for general information only and does not address all of the French tax considerations that may be relevant to specific holders in light of their particular circumstances.

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A, III of the *Code général des impôts* (French tax code) unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the *Code général des impôts* (a "**Non-Cooperative State**"), irrespective of the holder's residence for tax purposes or registered headquarters. If such payments under the Notes are made in a Non-Cooperative State, a 75% mandatory withholding tax will be due by virtue of Article 125 A, III *bis* of the *Code général des impôts* (subject to certain exceptions and to the more favorable provisions of an applicable double tax treaty). The list of Non-Cooperative States includes, in addition to the jurisdictions mentioned on the list published annually by the French minister for economy and finance (the "**French List**"), the jurisdictions mentioned on the list set out in Annex I to the conclusions adopted by the Council of the European Union on 5 December 2017, as updated from time to time, (the "**EU List**"). The 75 per cent. withholding tax set out under Article 125 A, III and Article 125 A, III *bis* of the *Code général des impôts* applies, in addition to the jurisdictions included in the French List, to certain jurisdictions included in the EU List (subject to certain exceptions and to the more favorable provisions of an applicable double tax treaty).

Furthermore, according to Article 238 A of the *Code général des impôts*, interest and other revenues will not be deductible from the taxable income of the Issuer if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in a Non-Cooperative State. The non-deductibility of interest and other revenues applies, in addition to the jurisdictions included in the French list, to the jurisdictions included in the EU List. Under certain conditions, any such non-deductible interest and other revenues may be recharacterized as constructive dividends pursuant to Articles 109 *et seq.* of the *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the *Code général des impôts*, at a rate of (i) 12.8 per cent. for payments benefiting individuals who are not French tax residents, (ii) 26.5 per cent. for fiscal years beginning as from 1 January 2021, and 25 per cent. for fiscal years beginning as from 1 January 2022, for payments benefiting legal persons who are not French tax residents or (iii) 75 per cent. for payments made outside France in a Non-Cooperative State, and, including in certain jurisdictions included in the EU List (subject to certain exceptions and to the more favorable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A, III *bis* of the *Code général des impôts,* nor the non-deductibility of the interest and other revenues, nor the withholding tax set out under Article 119 bis, 2 of the same Code that may be levied as a result of such non deductibility, to the extent the relevant interest and other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, will apply in respect of a particular issue of debt instruments if the issuer can prove that the main purpose and effect of such issue was not to enable payments of interest or other similar revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the guidelines of the French tax authorities published in the *Bulletin Officiel des Finances Publiques — Impôts* (BOI-INT-DG-20-50-30-20210224), an issue of debt instruments will be deemed not to have such a purpose and effect, and accordingly will be able to benefit from the Exception if such debt instruments are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the *Code monétaire et financier* (French financial code) for which the publication of a prospectus is mandatory or pursuant to an equivalent offer in a State which is not a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the *Code monétaire et financier*, or of one or more similar foreign depositaries or operators, provided that such depositary or operator is not located in a Non-Cooperative State.

The Notes, which will be admitted to listing on the official list of the Luxembourg Stock Exchange, admitted to trading on the Euro MTF market, and to the clearing operations of Euroclear and Clearstream, as the case may be, will fall under the Exception. Accordingly, payments of interest and other revenues with respect to the Notes will be exempt from the withholding tax set out under Article 125 A-III of the *Code général des impôts*. In addition, they will neither be subject to the non-deductibility set out under Article 238 A of the *Code général des impôts* nor to the withholding tax set out under Article 119 bis, 2 of the same Code solely on account of their being paid to a bank account opened in a financial institution located in a Non Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

A Non-French Holder of the Notes will generally not be subject to deduction or withholding of tax imposed by France in respect of gains realized on the sale, exchange or other disposition of the Notes. In addition, no transfer taxes or similar duties are payable in France in connection with the issuance or redemption of the Notes, as well as in connection with the transfer of the Notes, except in case of filing on a voluntary basis.

Luxembourg withholding tax

Under Luxembourg tax laws currently in effect and with the possible exception of interest paid to Luxembourg resident individuals or for the immediate benefit of an individual beneficial owner who is resident in Luxembourg (as described below), there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to Luxembourg resident individuals or for the immediate benefit of an individual beneficial owner who is resident in Luxembourg (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg residents

Under the Luxembourg law dated 23 December 2005, as amended (the "**Law**"), a twenty *per cent*. withholding tax is levied on interest or similar income payments made by Luxembourg paying agents to Luxembourg individual residents or for the immediate benefit of an individual beneficial owner who is resident in Luxembourg. This withholding tax also applies on accrued or capitalized interest received upon disposal, redemption or repurchase of the Notes. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of tax in application of the Law is assumed by the Luxembourg paying agent within the meaning of the Law.

In addition, pursuant to the Law, Luxembourg resident individuals acting in the course of the management of their private wealth, who are the beneficial owners of interest payments or other similar income made by a paying agent established outside Luxembourg in a Member State of the European Union or in a Member State of the EEA other than a Member State of the European Union can opt to self-declare and pay the twenty per cent. withholding tax on these payments. In such cases, the twenty *per cent*. withholding tax is calculated on the same amounts as for the payments made by a Luxembourg paying agent. The option for the twenty *per cent*. final withholding tax must cover all interest payments made by such paying agents to the beneficial owner over the full civil year.

Luxembourg non-residents

Under the Luxembourg tax law currently in effect, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to a Luxembourg non-resident Noteholder. There is also no Luxembourg withholding tax upon repayment of the principal, sale, refund or redemption of the Notes.

Corporations

There is no Luxembourg withholding tax for Luxembourg resident and non-resident corporations holders of the Notes on payments of interest (including accrued but unpaid interest).

PLAN OF DISTRIBUTION

Each of the Initial Purchasers (as defined below), in its capacity as an initial purchaser, pursuant to a purchase agreement, dated November 3, 2021 (the "Purchase Agreement"), has agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay for the Notes at the initial purchase price specified therein, less subscription and underwriting fees and certain expenses to be agreed between the Issuer and the Initial Purchasers. The Purchase Agreement entitles the Initial Purchasers to terminate the Purchase Agreement in certain circumstances prior to payment being made to the Issuer.

The Initial Purchasers are BNP Paribas, Crédit Industriel et Commercial S.A., ING Bank N.V., Bayerische Landesbank, Commerzbank Aktiengesellschaft, Banco Bilbao Vizcaya Argentaria, S.A., Natixis, Danske Bank A/S and Standard Chartered Bank AG (the "Initial Purchasers").

The Issuer has been advised by each Initial Purchaser that it proposes to resell the Notes outside the United States to persons that are not U.S. persons (as such term is defined by Regulation S) in offshore transactions in reliance on Regulation S and in accordance with applicable law.

Pursuant to the Purchase Agreement, the Issuer has agreed to indemnify the Initial Purchasers against certain liabilities.

The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

This offering memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S and for the admission of the Notes to listing on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF market. Each of the Issuer and the Initial Purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This offering memorandum does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this offering memorandum to any such U.S. person or to any person within the United States is unauthorized and any disclosure of any of its contents to such persons is prohibited.

The Initial Purchasers have advised the Issuer that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Initial Purchasers are not obligated, however, to make a market in the Notes and any such market making may be discontinued at any time at the sole discretion of the Initial Purchasers. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes. See "Risk Factors — Risks Related to the Notes — There currently exists no market for the Notes, and Rexel cannot assure you that such an active trading market for the Notes will develop."

The Notes will initially be offered at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice.

The Issuer has applied, through its listing agent, to have the Notes listed on the Official List of the Luxembourg Stock Exchange and to admit the Notes to trading on the Euro MTF market. Neither the Initial Purchasers nor the Issuer can assume that the Notes will be approved for admission to listing and trading, and will remain listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Euro MTF market.

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial investment banking, financial advising, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchasers or their respective affiliates from time to time have provided in the past and may provide in the future investment banking, financial advisory and commercial banking services to the Issuer and its affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its respective affiliates. The Initial Purchasers and their affiliates may receive allocations of the Notes. Certain of the Initial Purchasers (or their respective affiliates) are a lender and/or agent bank and/or security agent under the Senior Facility Agreement, in connection with which they will each receive customary fees and commissions for these roles. The Initial Purchasers and their respective affiliates may, in the future, act as hedge counterparties to the Issuer consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

General

No action has been or will be taken by Rexel or the Initial Purchasers in any jurisdiction by such Initial Purchaser that would permit a public offering of the Notes, or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer or the Notes, in any jurisdiction where action for such purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each Initial Purchaser has severally and not jointly represented, warranted and agreed that it will comply with the selling restrictions set forth below:

United States

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Initial Purchaser has agreed that, except as permitted by the Purchase Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Purchase Agreement) (the "Restricted Period") within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons substantially to the following effect:

> "The Notes covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Terms used in the three paragraphs above have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

Each of the Initial Purchasers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the offering memorandum to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement the Insurance Mediation Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each of the Initial Purchasers has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

EEA

Each of the Initial Purchasers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the offering memorandum to any retail investor in the European Economic Area. For the purposes of this provision: (a) a "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

France

Each of the Initial Purchasers has acknowledged that this offering memorandum has not been prepared and is not being distributed in the context of a public offering (other than to qualified investors) of securities in France within the meaning of Article L. 411-1 of the French *Code monétaire et financier* and, therefore, this offering memorandum or any other offering material relating to the Notes have not been and will not be filed with the French *Autorité des Marchés Financiers* (the "AMF") for prior approval or submitted for clearance to the AMF and, more generally, no prospectus has been prepared in connection with the offering of the Notes that has been approved by the AMF or by the competent authority of another state that is a contracting party to the Agreement on the European Economic Area and notified to the AMF; no Notes have been offered or sold nor will be offered or sold, directly or indirectly, to the public (other than to qualified investors) in France; this offering memorandum and any other offering material relating to the Notes have not been distributed or caused to be distributed and will not be distributed or caused to be distributed, directly or indirectly, to the public (other than to qualified investors) in France; offers, sales and distributions of the Notes have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) within the meaning of Article 2(e) of the Prospectus Regulation in accordance with Articles L. 411-1 and L. 411-2 of the French *Code monétaire et financier* and applicable regulations thereunder. The direct or indirect distribution to the public in France of any Notes so acquired may be made only as provided by Articles L. 411-1 to L. 411-4, L. 412-1 and L. 621-8 to L. 621-8-2 of the French *Code monétaire et financier* and applicable regulations thereunder.

Australia, Canada, Japan and South Africa

Each of the Initial Purchasers has acknowledged that the Notes may not be offered, sold or purchased in Australia, Canada, Japan or South Africa.

Other Relationships

Some of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In particular, certain of the Initial Purchasers or their affiliates are parties to the Senior Facility Agreement.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If the Initial Purchasers or their affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, the Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

LISTING AND GENERAL INFORMATION

Listing

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to listing on the Official List and to be admitted to trading on the Euro MTF market in accordance with the rules of that exchange. Notice of any optional redemption, change of control, or change in the rate of interest payable on the Notes will be published in a Luxembourg newspaper of general circulation (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange, at www.bourse.lu.

For so long as the Notes are listed on the Euro MTF market and the rules of the Luxembourg Stock Exchange require, copies of the following documents may be inspected and obtained at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- the organizational documents of Rexel;
- Rexel's most recent audited consolidated financial statements and any interim financial statements published by Rexel; and
- the indenture for the Notes.

The current paying and transfer agent is The Bank of New York Mellon SA/NV, Luxembourg Branch. Rexel reserves the right to vary such appointment and will publish notice of such change of appointment on the website of the Luxembourg Stock Exchange, at www.bourse.lu.

Clearing Information

The Notes have been accepted for clearance through the facilities of Euroclear and Clearstream, as applicable.

The International Securities Identification Number (ISIN) for the Notes is XS2403428472, and the Common Code for the Notes is 240342847.

Legal Information

The Issuer

Rexel, the Issuer, is a public company with limited liability (*société anonyme*), with a Board of directors (*Conseil d'administration*), incorporated under the laws of the Republic of France with a share capital of €1,528,582,455. Rexel was incorporated on December 16, 2004 for a term of 99 years expiring on December 16, 2103, except if the term is extended or if the company is subject to early dissolution. Rexel's ordinary shares are listed for trading on Euronext Paris.

Rexel's registered office is located at 13, boulevard du Fort de Vaux, 75017 Paris, France and it is registered with the *Registre du commerce et des sociétés* of Paris under number 479 973 513. Rexel's telephone number is +33 (0)1 42 85 85 00. Rexel's Legal Entity Identification number is 969500N6AVPA51648T62.

Rexel's corporate purpose is to engage in the following business activities, directly or indirectly, in France and abroad:

- to acquire, hold, manage and, if applicable, sell or assign shares, any other tradable securities and any other equity interests in any French or foreign company or group, whether publicly traded or privately held;
- to provide services to such companies or groups by detaching personnel or otherwise, in particular to provide all advice on, and assistance in, their respective organization, investments and financing, the coordination of their policies in terms of areas of development, product range, procurement and distribution;
- to acquire, hold, manage and, if applicable, sell or assign any industrial or intellectual property rights and all processes directly or indirectly related to the aforesaid purposes, and to secure or grant licenses for such rights; and

- more generally, to carry out any transactions, in particular industrial, business, financial, stock market, civil, real property and other property transactions that are directly or indirectly related to the purposes described above or to purposes that are similar or connected or likely to facilitate such purposes, in particular by way of lending or borrowing or granting guarantees and security interests covering its obligations or those of affiliated companies.

Rexel's financial year runs from January 1st to December 31.

The creation and issuance of the Notes was authorized by resolutions of the Issuer's Board of Directors adopted on October 20, 2021 and decisions of the *Directeur Général* dated as of November 2, 2021 and November 3, 2021.

For a description of Rexel's material indebtedness as of June 30, 2021, see the section entitled "Description of Certain Indebtedness" in this offering memorandum.

Litigation

Except as disclosed in this offering memorandum, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this offering memorandum which may have, or have had in the recent past, significant effects on the financial position, profitability or prospects of the Issuer and/or the Group.

Significant Change

Except as disclosed in this offering memorandum, there has been no significant change in the financial or trading position of the Issuer or the Group and there has been no material adverse change in the prospects of the Issuer or the Group since June 30, 2021.

Material Contracts

Except as disclosed in this offering memorandum, there are, at the date of this offering memorandum, no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to noteholders in respect of the Notes being issued.

Conflicts of Interest

Except as disclosed in this offering memorandum, there are, at the date of this offering memorandum, no conflicts of interest which are material to the issue of the Notes between the duties of the members of the Board of Directors of the Issuer and their private interests and/or their other duties.

Persons Having an Interest Material to the Issue

Save as disclosed in "Plan of Distribution", to the knowledge of the Issuer, no person involved in the issue of the Notes has an interest material to the issue.

Yield of the Notes

The yield of the Notes is 2.125% per year.

The yield is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yields.

Trustee

The Trustee under the Indenture is The Bank of New York Mellon acting through its London Branch. Further information on the Trustee is available in the Indenture.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Notes will be passed upon for Rexel by Debevoise & Plimpton LLP as to matters of U.S. and French law. Certain legal matters in connection with the offering of the Notes will be passed upon for the Initial Purchasers by Hogan Lovells International LLP as to matters of U.S. and French law.

INDEPENDENT AUDITORS

Our independent statutory auditors are KPMG S.A. and PricewaterhouseCoopers Audit. The address of KPMG S.A. is Tour Eqho, 2 avenue Gambetta, 92066 Paris-la-Défense. The address of PricewaterhouseCoopers Audit is 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France (both entities are members of the *Compagnie régionale des Commissaires aux Comptes de Versailles* and are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorized as *Commissaires aux Comptes*). Our consolidated financial statements as and for the years ended December 31, 2019 and December 31, 2020 prepared in accordance with IFRS as adopted by the European Union, which are included in the 2019 URD Extracts and the 2020 URD Extracts incorporated by reference in this offering memorandum, have been audited in accordance with professional standards applicable in France by KPMG S.A. and PricewaterhouseCoopers Audit, as stated in their unqualified audit reports, a free English translation of which is included respectively in chapter 5.2 "Consolidated Financial Statements" of the 2019 URD Extracts and in chapter 5.2 "Consolidated Financial Statements" of the 2020 URD Extracts, incorporated by reference in this offering memorandum. Our unaudited condensed consolidated interim financial statements as and for the six-month period ended June 30, 2021 prepared in accordance with IAS 34 the standard of the IFRS as adopted by the European Union applicable to interim financial statements, which are included in the Half-Year Activity Report, an English translation of which is incorporated by reference in this offering memorandum, have been subject to a limited review in accordance with professional standards applicable in France by KPMG S.A. and PricewaterhouseCoopers Audit, as stated in their review report, a free translation of which is included in the Half-Year Activity Report incorporated by reference in this offering memorandum.

THE ISSUER

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Joint Bookrunners

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Commerzbank Aktiengesellschaft
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Co-Lead Managers

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TRUSTEE	PRINCIPAL PAYING AGENT	LUXEMBOURG PAYING, TRANSFER, LISTING AGENT AND REGISTRAR
The Bank of New York Mellon One Canada Square Canary Wharf London E14 5AL United Kingdom	**The Bank of New York Mellon** One Canada Square Canary Wharf London E14 5AL United Kingdom	**The Bank of New York Mellon SA/NV, Luxembourg Branch** Vertigo Building – Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg