

## **Renewal of the mandates of the members of the Management Board and severance packages**

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### **Renewal of the mandates of the Management Board members**

During its meeting of 19 May 2011, the Supervisory Board, following a recommendation issued by the Compensation Committee and the Appointments Committee, renewed the mandates as Management Board members of Jean-Charles Pauze, Michel Favre, Pascal Martin and Jean-Dominique Perret and specified the conditions under which these mandates will be renewed, including severance packages. Their 4-year mandates will end at the close of the 2015 General Meeting that will be convened to vote on the financial statements for the financial year ended 31 December 2014.

### **Michel Favre, Pascal Martin and Jean-Dominique Perret**

The mandates of Michel Favre, Pascal Martin and Jean-Dominique Perret are renewed under the same conditions as those from which they benefited until the General Meeting of 19 May 2011, in particular in terms of compensation, supplementary pension and severance packages. The compensations are those described in the press release of 16 May 2011 and the supplementary pension scheme is that described in the *2010 document de référence* that can be consulted on the Rexel website ([www.rexel.com](http://www.rexel.com)).

The conditions of departure are as follows:

In the event that the mandate ends, the employment contracts held by Michel Favre and Pascal Martin, which are currently suspended at Rexel Développement SAS, would enter back into effect with compensation conditions that are equivalent to those from which they benefited in the capacity of corporate officer.

Given Jean-Dominique Perret's salaried duties as Group Delegate for International Businesses, which he performs in addition to his mandate, his employment contract has not been suspended.

If Rexel takes the initiative to terminate an employment contract, once the duties of corporate officer have ended, regardless of the reason – except for gross or wilful misconduct or compulsory retirement – Michel Favre, Pascal Martin and Jean-Dominique Perret would benefit from a gross contractual severance package that corresponds to 18 months of a monthly reference compensation. The monthly reference compensation is defined as the gross, fixed annual compensation, plus the average gross amount of the last two variable compensation portions received, all of which is divided by 12 months.

This gross contractual severance package includes the dismissal indemnity provided for by the law or the collective agreement, as well as, where applicable, the non-compete indemnity.

This severance package does not apply in case of voluntary or compulsory retirement. In these two hypotheses, only the indemnity provided for by the collective bargaining agreement would be owed, as well as, where applicable, the non-compete indemnity.

Pursuant to the provisions of Article L 225-90-1 of the French Commercial Code, these severance packages would be contingent on meeting performance conditions. During its meeting of 19 May 2011, the Supervisory Board decided, subject to the approval of the next General Meeting, to maintain the same performance conditions as those previously applicable, which were linked to the level of EBITDA, to the average operating WCR and to the ROCE, as described in the company's *2010 document de référence* (see pages 195 to 199).

Rexel considers that it complies with the corporate governance principles, as defined by the AFEP—MEDEF Code, with the exception of the following items: the severance packages from which the Management Board members benefit, as described above, are not subject to the following cumulative conditions (1) forced dismissal and (2) change of control or of strategy. Moreover, in order to protect Rexel's interests, in case of voluntary or compulsory retirement, non-compete clauses may be applicable.

### **Jean-Charles Pauze**

The Supervisory Board has decided not to terminate Jean-Charles Pauze's employment contract with Rexel Développement SAS, which has been suspended since 1 March 2007, when his mandate is renewed. Insofar as Jean-Charles Pauze is due to step down from his position as Management Board member after the 2011 financial statements are closed off, his mandate will only be renewed for a limited period of time that is intended to ensure a smooth transition within the Group's Management structures.

Jean-Charles Pauze's mandate is renewed under the same conditions from which he benefited until the General Meeting of 19 May 2011, in particular in terms of compensation and supplementary pension.

His compensation is that described in the press release of 16 May 2011 and the supplementary pension scheme is that described in the *2010 document de référence* that can be consulted on the Rexel website ([www.rexel.com](http://www.rexel.com)).

When he steps down from his positions as member and Chairman of the Management Board, Jean-Charles Pauze's employment contract should enter back into effect, but under new conditions. It is expected that Jean-Charles Pauze should be entrusted with assignments in the field of client and supplier relations, as well as external growth. In this respect, he would no longer benefit from a hardship allowance, or from awards of free shares and/or stock options, and his variable on-target portion would be set at 100% of his gross annual fixed compensation (compared to 120% at present). He would continue to benefit from the supplementary pension scheme.

These assignments are due to end on 31 December 2012, at which time Jean-Charles Pauze would retire. In that case, Jean-Charles Pauze would not benefit from any severance package other than the pension indemnity specified in the collective bargaining agreement. However, in order to protect the company's interests, Jean-Charles Pauze would be subject to a 24-month non-compete obligation.

Rexel, a global leader in the distribution of electrical supplies, serves three main end markets: industrial, commercial and residential. The Group operates in 36 countries, with a network of some 2,200 branches, and employs 28,000 people. Rexel's sales were €12.0 billion in 2010. Its majority shareholders are an investor group led by Clayton, Dubilier & Rice, Eurazeo and BAML Capital Partners.

Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is integrated in the following indices: SBF 120, CAC Mid 100, SBF250, CAC AllTrade, CAC AllShares, FTSE EuroMid and FTSE4Good. *For more information, visit Rexel's web site at [www.rexel.com](http://www.rexel.com)*