

## **Compensation of Corporate Officers**

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(Catherine Guillouard)

The Board of Directors of Rexel, upon its meeting of February 20, 2017, decided to terminate the duties of Catherine Guillouard as Deputy Chief Executive Officer, effective February 20, 2017. This decision follows a divergence of views over the implementation of Rexel's new strategic direction that was presented at the Capital Markets Day on February 13, 2017.

The decisions made by the Board of Directors are listed below:

### **Termination of the duties of Catherine Guillouard, Deputy Chief Executive Officer<sup>1</sup>**

#### **Severance indemnity of Catherine Guillouard**

The Board of Directors:

- o having acknowledged that the conditions related to the payment of the severance indemnity of Catherine Guillouard, as determined by the Board of Directors of May 22, 2014, of February 11, 2015, of February 10, 2016 and of June 23, 2016<sup>2</sup> had been met (case of forced departure related to a change of control or strategy), and;
- o having acknowledged the achievement of the performance criteria associated with such severance indemnity (as determined by the Board of Directors on May 22, 2014 and approved by the shareholders' meeting of May 27, 2015, as amended by the Board of Directors on February 10, 2016 and approved by the shareholders' meeting of May 25, 2016, renewed by the Board of Directors on June 23, 2016<sup>3</sup>);
- o decided the payment of a gross severance indemnity equal to 24 months of the monthly reference compensation. In accordance with the Board of Directors' decision of February 10, 2016 and approved by the shareholders' meeting of May 25, 2016, renewed by the Board of Directors of June 23, 2016, the monthly reference compensation corresponds to the last fixed gross annual compensation plus the gross amount of the last variable compensation paid, excluding any additional or exceptional compensation, with this sum being divided by 12.

The Board of Directors also decided to implement the non-compete clause. This non-compete undertaking is limited to a period of 12 months as from the date of effective termination of the employment contract. As consideration, the monthly non-compete payment is equal to one twelfth of the gross fixed annual compensation.

Thus, the severance indemnity due to Catherine Guillouard, equal to 24 months of her monthly reference compensation, amounts to a gross amount of €1,627,076 (including any statutory severance indemnity or severance indemnity pursuant to the applicable collective bargaining agreement or non-compete indemnity)<sup>4</sup>.

<sup>1</sup> See press release dated February 21, 2017

<sup>2</sup> Renewal by the Board of Directors of the corporate office of Catherine Guillouard for 2 years, under the compensation terms effective at such date.

<sup>3</sup> On May 22, 2014, the Board of Directors determined the following performance conditions:

- the payment of 60 % of the indemnity depended on the level of EBITA of the Rexel Group. This payment was to be 100% if the level of EBITA, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate duties or employment contract (the reference period) reached on average a minimum of 60% of the amount budgeted for such two financial years; and
- the payment of 40% of the indemnity depended on the level of ATWC of the Rexel Group. This payment was equal to 100% if the level of ATWC, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate office or employment contract (the reference period) reached on average a maximum of 125% of the performance budgeted for such two financial years.

The Board of Directors of February 10, 2016 decided to suppress the option to review these performance conditions within the reference period.

<sup>4</sup> This calculation takes into account the last variable portion paid (2016 variable portion paid in 2017), as detailed below, and the last annual fixed compensation of €500,000, unamended for 2017.

**Calculation of the reference compensation for the purposes of the severance indemnity**

Annual fixed portion	500,000
Variable portion paid in respect of the last financial year (2016)	313,538
<b>Annual total</b>	<b>813,538</b>
Monthly reference compensation (/12)	67,795
<b>24 months of monthly reference compensation</b>	<b>1,627,076</b>

Compensation due for the 2017 financial year to Catherine Guillouard in respect of her corporate office

- The gross fixed compensation paid in respect of the corporate office, calculated on a pro rata basis for the period between January 1, 2017 and February 20, 2017 amounts to €70,833;
- The benefits available to Catherine Guillouard until February 20, 2017 include a company car, the contribution in relation to executive director's unemployment coverage (GSC), supplemental health insurance (*mutuelle*), a death and disability insurance (*contrat de prévoyance*), a basic and supplementary pension, a health check-up, compensation for tax and retirement advisors' fees, and a contribution to the mid-term savings scheme.

The annual variable portion payable in respect of 2017 for the period between January 1 and February 20, 2017, will be determined by the Board of Directors based on the financial statements as at June 30, 2017.

Catherine Guillouard's employment agreement, that had been suspended, was reactivated as at February 21, 2017.

Performance shares previously allotted to Catherine Guillouard.

The Board of Directors did not derogate to the service conditions required as at the date of final vesting of the performance shares. Thus, the shares that will not have been finally vested as at the departure of Catherine Guillouard from the Group Rexel, shall be canceled.

**ABOUT REXEL GROUP**

Rexel, a leader in the professional distribution of products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports 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. Rexel operates through a network of some 2,000 branches in 32 countries, with more than 27,000 employees. The Group's sales were €13.2 billion in 2016.

Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices : FTSE4Good, STOXX® (STOXX® Global ESG Impact, STOXX® Low Carbon indices Global, Europe et EURO), Ethibel Sustainability Index Excellence Europe and Dow Jones Sustainability Index Europe, in recognition of its performance in corporate social responsibility (CSR). For more information, visit Rexel's web site at [www.rexel.com](http://www.rexel.com)

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