

## APPOINTMENT OF RUDY PROVOOST AS CHAIRMAN AND CEO OF THE REXEL GROUP AND CATHERINE GUILLOUARD AS DEPUTY-CEO

*Remuneration –severance indemnity and the granting of performance shares to Rexel SA’s corporate officers*

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### RUDY PROVOOST – Chairman and CEO - Remuneration and severance package

At its meeting on May 22, 2014, the Board of Directors, upon recommendation of the Compensation Committee, determined the following compensation items for Rudy Provoost, for the financial year 2014, whilst renewing his remuneration and benefits contract, which entered into force upon his nomination to Chairman and CEO:

- fixed gross annual compensation, amounting to €875,500 per annum
- an annual variable target-based bonus amounting to 110% of his fixed gross annual compensation if 100% of the individual and financial set targets are reached. In 2014, if the financial results achieved exceed 100% of the financial set targets, the variable bonus may go up to a maximum of 151.25% of the fixed gross annual compensation. The calculation for the variable bonus is based on financial criteria, which account for 75% of the total and qualitative criteria, which account for the remaining 25%, as well as
- a housing allowance for a gross annual amount of €60,000.

The 2014 financial objectives have been determined as follows: volume of EBITA (45%), average operating Working Capital Requirement (35%) and increase in sales volume (20%).

Rudy Provoost does not hold a contract with any other company within the Rexel Group.

As agreed by the Board of Directors on May 22, 2014, in the event of termination of his corporate office, Rudy Provoost shall receive a gross severance indemnity of an amount equal to 24 months of monthly reference compensation. The monthly reference compensation is defined as fixed gross annual compensation increased by the average gross amount of the last two variable bonuses received, except for any exceptional bonuses, divided by 12 months.

Where necessary, the contractual severance indemnity will include the non-competition indemnity. The contractual severance indemnity does not apply in the event of gross negligence (*faute grave*), willful misconduct (*faute lourde*) nor on the basis of early or compulsory retirement leave. Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, this severance indemnity is subject to the achievement of certain performance objectives, which will be submitted for approval to the Annual General Meeting of Shareholders, to take place during the course of 2015. These performance objectives are the same as those detailed in the Group’s ‘Document de Référence’ – see page 331 (which

received approval at the Annual General Meeting of Shareholders on May 22, 2014, and form part of Rudy Provoost's previous mandate as Chairman of the Management Board).

The non-competition clause applies to a period lasting 12 months from the date of termination of his corporate office. In compensation, he would receive a monthly non-competition payment equal to one twelfth of his fixed gross annual compensation.

Rudy Provoost will not benefit from any additional retirement schemes.

#### **CATHERINE GUILLOUARD – Deputy-CEO - Remuneration and severance package**

At its meeting on May 22, 2014, the Board of Directors, upon recommendation of the Compensation Committee, determined the following compensation items for Catherine Guillouard, Deputy- CEO, which enter into force on June 1, 2014:

- fixed gross annual compensation, amounting to €475,000 per annum
- annual variable target-based bonus amounting to 70% of the fixed gross annual compensation if 100% if the individual and financial set targets are reached. In 2014, if the financial results achieved exceed 100% of the set financial targets, the variable bonus may go up to a maximum of 92.75% of the fixed gross annual compensation. The calculation for the variable bonus is based on financial criteria, which account for 65% of the total and qualitative criteria, which account for the remaining 35%

The 2014 financial objectives have been determined as follows: volume of EBITA (45%), average operating Working Capital Requirement (35%) and increase in sales volume (20%).

In the event the employment contract, currently dormant, is terminated by the company, Catherine Guillouard, upon relinquishing her duties as a corporate officer, will benefit from a gross contractual severance indemnity equal to 18 months of her monthly reference compensation.

The monthly reference compensation is defined as the fixed gross annual compensation applicable in the month prior to the effective redundancy date, plus the gross average of the last two bonus payments received, with the exception of any extraordinary bonus, divided by 12 months.

Where required, the gross contractual severance indemnity can include the non-competition severance indemnity as well as the statutory severance indemnity (*indemnité de licenciement légale*) or the severance indemnity pursuant to the collective bargaining agreement (*indemnité conventionnelle de licenciement*). The contractual severance indemnity does not apply in the event of gross negligence (*faute grave*), willful misconduct (*faute lourde*) nor on the basis of early or compulsory retirement leave.

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, this severance indemnity is subject to the achievement of certain performance objectives, which will be submitted for approval to the Annual General Meeting of Shareholders, to take place during the course of 2015. These performance objectives are the same as those detailed in the Group's 'Document de Référence' – see page 331 (which received approval at the Annual General Meeting of Shareholders on May 22, 2014, and form part of Catherine Guillouard's previous mandate as a member of the Management Board).

Where necessary, the non-competition clause applies to a period lasting 12 months from the date of termination of the employment contract. In compensation, she would receive a monthly non-competition payment equal to one twelfth of her fixed gross annual compensation.

Catherine Guillouard will continue to benefit from the current defined-benefit retirement scheme, as described in the 'Document de Référence', available on Rexel's website ([www.rexel.com](http://www.rexel.com)).

### **Allocation of performance shares to Rexel's corporate officers**

On the recommendation of the Compensation Committee, the Board of Directors agreed to allocate performance shares to 500 members of the Group's senior management, including corporate officers, following the approval of shareholders at the Annual General Meeting on May 22 2013, a decision which was reaffirmed at the shareholder AGM on May 22, 2014. The decision to allocate performance shares aligns management with the future performance of the company.

The Group's performance share allocation policy was reviewed in 2014 and in order to align Rexel with the market's best practices, from 2015, performance criteria will be measured over a three year period.

As a transitional year, during 2014, beneficiaries of performance shares, including corporate officers, will see 50% of their allocation subject to performance criteria measured over a period of two years, with 50% measured over a period of three years.

The following performance targets apply:

- EBITA margin increase (40%)
- Free Cash Flow before interest and tax/EBITDA (30%)
- TSR (Total Shareholder Return) vs. industry benchmark

Number of performance shares allocated to Mr. Rudy Provoost: 120,000

Number of performance shares allocated to Ms. Catherine Guillouard: 58,200