

REXEL

Company with limited liability (*société anonyme*)
with a Management Board and Supervisory Board
with a share capital of €1,301,064,980
Registered office: 189-193, boulevard Malesherbes
75017 Paris

479 973 513 R.C.S. PARIS

SPECIAL REPORT OF THE MANAGEMENT BOARD ON THE ALLOCATION OF FREE SHARES TO EMPLOYEES AND MANAGERS FOR 2010

In accordance with the provisions of article L.225-197-4 of the French commercial code, we hereby report on the transactions carried out pursuant to the provisions of articles L.225-197-1 *et seq.* of the French commercial code in relation to the allocations of free shares carried out by Rexel (the "**Company**" or "**Rexel**").

1. Free shares granted in the financial year ended December 31, 2007

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting of Rexel held on March 20, 2007 and by the Supervisory Board on April 4, 2007, the Management Board decided on April 11, 2007:

- to grant 5,022,190 free Rexel shares under the provisions of articles L.225-197-1 *et seq.* of the French commercial code;
- to determine (i) the criteria and conditions for granting the free shares, and in particular the conditions of performance, and (ii) the duration of the period of acquisition and, as the case may be, the retention period, as set out in the rules of the plans for granting free shares determined by the Management Board (the "**Plans**"). The regulations of the Plans are named based on their specific terms and conditions by the letters A, B, C, D, E, and F;
- to determine (i) the list of the names of the beneficiaries of the free share allocations (collectively, the "**Beneficiaries of Free Shares**"), (ii) the number of free shares granted to each of the Beneficiaries of Free Shares, and (iii) the conditions applicable to each of the Beneficiaries of Free Shares pursuant to the A, B, C, D, E and/or F Plans under which, they are granted free shares.

On April 4, 2007, in the context of the authorization granted to the Management Board to carry out the allocation of free shares, the Supervisory Board decided that the members of the Management Board who are allocated free shares shall retain 10% of such shares in registered form until the end of their term of office.

Following these allocations of free shares, certain Beneficiaries of Free Shares left the Rexel Group, thus liberating 45,949 shares that could be granted for free to new employees. Consequently, on October 5, 2007, the Supervisory Board authorized the Management Board to proceed with distributing the liberated shares to new employees who joined the Rexel Group between April 11, 2007 and October 29, 2007. On October 29, 2007, the Management Board decided:

- to grant 33,991 free Rexel shares under the provisions of articles L.225-197-1 *et seq.* of the French commercial code;

- to amend the E and F Plans that were involved in the granting of the liberated shares, named "Plan for Granting Free Shares 2+2 with conditions of performance 2007/2008" and "Plan for Granting Free Shares 4+0 with conditions of performance 2007/2008";

- to determine (i) the list of the names of the new beneficiaries of the allocations of free shares, (ii) the number of free shares granted to each of them, and (iii) the conditions applicable to each of the beneficiaries under the amended E and F plans under which they have been granted the free shares.

The table below summarizes the free shares allocations carried out in 2007:

Plan	A	B	C	D	E		F	
Shareholders' Meeting	March 20, 2007							
Management Board	April 11, 2007	October 29, 2007	April 11, 2007	October 29, 2007				
Number of beneficiaries	22	36	22	36	134	6	372	5
Initial number of free shares allocated	1,302,133	1,254,443	607,655	585,400	333,435	7,474	939,124	26,517
Corporate officers								
Jean-Charles Pauze	353,810	-	165,111	-	-	-	-	-
Nicolas Lwoff (1)	180,203	-	84,094	-	-	-	-	-
Pascal Martin	180,203	-	84,094	-	-	-	-	-
Jean-Dominique Perret	120,136	-	56,063	-	-	-	-	-
Ten first employees (2)	1,520,263							
Date of final allocation	April 11, 2009	April 11, 2011	April 11, 2009	April 11, 2011	April 11, 2009	October 29, 2009	April 11, 2011	October 29, 2011
Date of transferability of shares	April 12, 2011	October 30, 2011	April 12, 2011	October 30, 2011				
Number of free shares allocated and valid at December 31, 2009	-	1,254,443	-	542,099	-	-	800,712	24,467
Number of free shares irrevocably allocated as of December 31, 2010	-	-	-	-	-	-	-	-
Number of free shares that have been cancelled or lapsed	-	-	-	-	-	-	-	-
Number of free shares allocated and effective as of December 31, 2010	-	1,254,443	-	542,099	-	-	800,712	24,467

(1) Nicolas Lwoff left the Group as of February 12, 2009.

(2) The first ten grants have been indicated, independently from the number of beneficiaries.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 15 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2010).

During the financial year ended December 31, 2010, no free share allocated to the corporate officers and to the ten first employees of the Rexel Group under these plans became available.

2. Free shares granted in the financial year ended December 31, 2008

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on March 20, 2008 and by the Supervisory Board on April 20, 2008, the Management Board decided on the principle of granting free shares, and, during its meeting of April 23, 2008 decided:

- to confirm and determine on a permanent basis the list of the beneficiaries of the allocation of free shares under the Plans of June 23, 2008;

- to determine on a permanent basis (i) the criteria and conditions for granting the free shares, and in particular the conditions of performance, and (ii) the duration of the period of acquisition and, as the case may be, the retention period, as included in the regulations of the plans of allocation of free shares decided by the Management Board (the "**Plans**"). The regulations of the Plans are named based on their specific terms and conditions by the titles "COMEX Rexel 4+0", "COMEX Rexel 2+2", "MANAGERS Rexel 4+0" and "MANAGERS Rexel 2+2";

- to grant 1,541,720 free Rexel shares under the provisions of articles L.225-197-1 *et seq.* of the French commercial code.

On May 20, 2008, in the context of the authorization granted to the Management Board to carry out the allocation of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allocation of free shares shall retain 10% of such shares in registered form until the end of their term of office.

Following these allocations of free shares, certain beneficiaries of free shares left the Rexel Group, thus liberating 21,784 shares.

Pursuant to the authorization granted by the 27th resolution of the Ordinary and Extraordinary Shareholders' Meeting of Rexel held on March 20, 2008, the Management Board decided on October 1, 2008, to carry out a second allocation of free shares and:

- to amend the dates of expiry of the acquisition and sale periods of the Plans, with the conditions of performance being identical to those determined upon the allocation carried out on June 23, 2008;

- to grant 66,241 free shares of Rexel under the provisions of articles L.225-197-1 *et seq.* of the French commercial code;

- to confirm and determine on a permanent basis the list of the beneficiaries of the allocation of free shares under the Plans.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2008:

Plan	COMEX Rexel 2+2	COMEX Rexel 4+0	MANAGE RS Rexel 2+2	MANAGERS Rexel 4+0	COMEX Rexel 2+2	COMEX Rexel 4+0	MANAGE RS Rexel 2+2	MANAGERS Rexel 4+0
Shareholders' Meeting	May 20, 2008							
Management Board	June 23, 2008				October 1, 2008			
Number of Beneficiaries	7	6	130	279	-	1	3	10
Initial number of free shares allocated	241,211	217,920	280,698	801,891	-	28,436	3,456	34,349
Corporate officers								
Jean-Charles Pauze	70,708	-	-	-	-	-	-	-
Nicolas Lwoff (1)	35,581	-	-	-	-	-	-	-
Pascal Martin	35,581	-	-	-	-	-	-	-
Jean-Dominique Perret	35,581	-	-	-	-	-	-	-
Ten first employees (2)	328 021							
Date of final allocation	June 23, 2010	June 23, 2012	June 23, 2010	June 23, 2012	October 1, 2010	October 1, 2012	October 1, 2010	October 1, 2012
Date of transferability of shares	June 24, 2012	June 24, 2012	June 24, 2012	June 24, 2012	October 2, 2012	October 2, 2012	October 2, 2012	October 2, 2012
Number of free shares allocated and valid at December 31, 2009	32,661	37,889	116,180	344,479	-	4,944	1,732	12,014
Number of free shares that have been cancelled or lapsed:	-	-	2,810	17,280	-	-	-	2,303
Number of free shares permanently acquired as of December 31, 2010	32,661	-	113,370	-	-	-	1,732	-
Number of free shares allocated and effective of December 31, 2010	-	37,889	-	327,199	-	4,944	-	9,711
(1) Nicolas Lwoff left the Group as of February 12, 2009.								
(2) The first ten grants have been indicated, independently from the number of beneficiaries.								

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 15 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2010).

The following free shares were irrevocably acquired by the corporate officers and the ten first employees of the Rexel Group during the financial year ended December 31, 2010:

Beneficiaries	Number of shares irrevocably acquired (1)			
	COMEX Rexel 2+2 Plan	MANAGERS Rexel 2+2 Plan	COMEX Rexel 2+2 Plan	MANAGERS Rexel 2+2 Plan
Corporate officers				
Jean-Charles Pauze	12,293	-	-	-
Nicolas Lwoff (2)	-	-	-	-
Pascal Martin	6,187	-	-	-
Jean-Dominique Perret	6,187	-	-	-
Employees				
Patrick Bérard	6,187	-	-	-
Olivier Baldassari	-	4,024	-	-
Laurent Delabarre	-	4,024	-	-
Marie-Pierre Marchand	-	3,096	-	-
Jérôme Baniol	-	2,580	-	-
Franck Guyomard	-	2,580	-	-
Hélène Margat	-	2,580	-	-
Patrick Rayet	-	2,580	-	-
Patrice Thibaudon	-	2,580	-	-
Hervé Duret	-	1,985	-	-
Laurence Galand	-	1,985	-	-
Catherine Garzon	-	1,985	-	-
José Prétot	-	1,985	-	-
Christian Roche	-	1,985	-	-
<p>(1) Terms of acquisition of the shares of the COMEX Rexel 2+2 Plan: condition of attendance of two years and following performance conditions:</p> <ul style="list-style-type: none"> - the acquisition of 50 % of the free shares depends on the EBITDA margin variation between 2007 and 2009 - the acquisition of 25 % of the free shares depends on the 2008 EBITDA level - the acquisition of 25 % of the free shares depends on the 2009 Net Debt / 2009 EBITDA ratio <p>Terms of acquisition of the shares of the MANAGERS Rexel 2+2 Plan: condition of attendance of two years and following performance conditions:</p> <ul style="list-style-type: none"> - the acquisition of 40 % of the free shares depends on the EBITDA margin variation between 2007 and 2009 - the acquisition of 20 % of the free shares depends on the 2008 EBITDA level 				
(2) Nicolas Lwoff left the Group on February 12, 2009				

3. Free shares granted in the financial year ended December 31, 2009

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2008 and by the Supervisory Board on May 11, 2009, the Management Board decided on the principle of granting free shares, and, during its meeting of May 11, 2009 decided:

- to confirm and determine on a permanent basis the list of the beneficiaries of the allocation of free shares under the plans of May 11, 2009;
- to determine on a permanent basis (i) the criteria and conditions for granting the free shares, and in particular the conditions of performance, and (ii) the duration of the period of acquisition and, as the case may be, the retention period, as included in the regulations of the plans of allocation of free shares decided by the Management Board (the "**Plans**"). The regulations of the Plans are named based on their specific terms and conditions by the titles "COMEX Rexel 4+0", "COMEX Rexel 2+2", "MANAGERS Rexel 4+0" and "MANAGERS Rexel 2+2";
- to grant 1,372,166 free Rexel shares under the provisions of articles L.225-197-1 *et seq.* of the French commercial code.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2009:

Plan	COMEX Rexel 2+2	COMEX Rexel 4+0	MANAGERS Rexel 2+2	MANAGERS Rexel 4+0
Shareholders' meeting	May 20, 2008			
Management Board	May 11, 2009			
Number of beneficiaries	3	7	96	190
Initial number of free shares allocated	107,934	218,884	259,282	786,066
Corporate officers				
Michel Favre (1)	58,500	-	-	-
Eleven first employees (2)	310 754			
Date of final allocation	May 11, 2011	May 11, 2013	May 11, 2011	May 11, 2013
Date of transferability of shares	May 12, 2013	May 12, 2013	May 12, 2013	May 12, 2013
Number of free shares irrevocably allocated at December 31, 2010	-	-	-	-
Number of free shares allocated and valid at December 31, 2009	90,376	183,281	215,620	659,696
Initial number of free shares cancelled or having lapsed (3), including:	11,600	13,300	22,755	48,485
Number of free shares that have lapsed as a result of the condition of presence	11,600	13,300	22,755	48,485
Number of free shares that have lapsed as a result of the performance condition	-	-	-	-
Initial number of free shares as of December 31, 2010	78,776	169,981	192,865	611,211
<p>(1) Michel Favre was appointed as corporate officer further to the allocation of free shares and has received the free shares granted in his capacity as employee.</p> <p>(2) Given the number of shares allocated to the employees, the eleven first grants have been indicated.</p> <p>(3) Condition of presence which has not been satisfied or performance condition which has not been satisfied.</p>				

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 15 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2010).

During the financial year ended December 31, 2010, no free share allocated to the corporate officers and to the ten first employees of the Rexel Group under these plans became available.

4. Free shares granted in the financial year ended December 31, 2010

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2009 and by the Supervisory Board on May 11, 2010, the Management Board decided on the principle of granting free shares, and, during its meeting of May 11, 2010 decided:

- to confirm and determine on a permanent basis the list of the beneficiaries of the allocation of free shares under the plans of May 11, 2010;
- to determine on a permanent basis (i) the criteria and conditions for granting the free shares, and in particular the conditions of performance, and (ii) the duration of the period of acquisition and, as the case may be, the retention period, as included in the regulations of the plans of allocation of free shares decided by the Management Board (the "**Plans**"). The regulations of the Plans are named based on their specific terms and conditions by the titles "Leadership Rexel 4+0", "Leadership Rexel 2+2", "MANAGERS Rexel 4+0" and "MANAGERS Rexel 2+2";
- to grant 1,519,862 free Rexel shares under the provisions of articles L.225-197-1 *et seq.* of the French commercial code.

On May 11, 2010, in the context of the authorization granted to the Management Board to carry out the allocation of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allocation of free shares shall retain 20% of such shares in registered form until the end of their term of office.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2010:

Plan	Leadership Rexel 2+2	Leadership Rexel 4+0	MANAGERS Rexel 2+2	MANAGERS Rexel 4+0
Shareholders' meeting	May 20, 2009			
Management Board	May 11, 2010			
Number of beneficiaries	27	47	74	151
Initial number of free shares allocated	391,306	544,262	160,836	423,458
Corporate officers				
Jean-Charles Pauze	78,708	-	-	-
Michel Favre	35,581	-	-	-
Pascal Martin	46,255	-	-	-
Jean-Dominique Perret	39,910	-	-	-
Eleven first employees (1)	309,933			
Date of final allocation	May 11, 2012	May 11, 2014	May 11, 2012	May 11, 2014
Date of transferability of shares	May 12, 2014	May 12, 2014	May 12, 2014	May 12, 2014
Number of free shares irrevocably allocated at December 31, 2010	-	-	-	-
Number of free shares allocated and cancelled or expired, of which (2)	6,601	9,168	6,047	23,015
Number of shares expired pursuant to the condition of presence	-	-	3,874	17,314
Number of shares expired pursuant to the condition of performance	6,601	9,168	2,173	5,701
Number of free shares allocated and valid at December 31, 2010	384,705	535,094	154,789	400,443
(1)	Considering the number of shares allocated to employees, the first eleven allocations were selected.			
(2)	Condition of presence not met or condition of performance not achieved.			

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 15 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2010).

In the financial year ended December 31, 2010, the Management Board granted free shares to the corporate officers and to the eleven top employees of the Rexel Group as follows:

Beneficiary	N° and date of plan	Number of shares	Value of allocated shares	Date of acquisition	Date of transferability	Performance conditions (1)
Corporate officers						
Jean-Charles Pauze	Leadership 2+2 May 11, 2010	78,708	€897,271	May 11, 2012	May 12, 2014	Leadership Plan
Michel Favre	Leadership 2+2 May 11,	35,581	€405,623	May 11, 2012	May 12, 2014	Leadership

	2010					Plan
Pascal Martin	Leadership 2+2 May 11, 2010	46,255	€527,307	May 11, 2012	May 12, 2014	Leadership Plan
Jean-Dominique Perret	Leadership 2+2 May 11, 2010	39 910	€454,974	May 11, 2012	May 12, 2014	Leadership Plan
Employees						
Chris Hartmann	Leadership 4+0 May 11, 2010	55,900	€585,273	May 11, 2014	May 12, 2014	Leadership Plan
Mitch Williams	Leadership 4+0 May 11, 2010	39,910	€417,858	May 11, 2014	May 12, 2014	Leadership Plan
Henri-Paul Laschkar	Leadership 4+0 May 11, 2010	35,581	€372,533	May 11, 2014	May 12, 2014	Leadership Plan
Patrick Bérard	Leadership 2+2 May 11, 2010	35,581	€405,623	May 11, 2012	May 12, 2014	Leadership Plan
Michel Klein	Leadership 4+0 May 11, 2010	20,648	€216,185	May 11, 2014	May 12, 2014	Leadership Plan
Jeff Hall	Leadership 4+0 May 11, 2010	20,648	€216,185	May 11, 2014	May 12, 2014	Leadership Plan
Hubert Salmon	Leadership 4+0 May 11, 2010	20,648	€216,185	May 11, 2014	May 12, 2014	Leadership Plan
Jérémy de Brabant	Leadership 2+2 May 11, 2010	20,648	€235,387	May 11, 2012	May 12, 2014	Leadership Plan
Kerry Warren	Leadership 4+0 May 11, 2010	20,123	€210,688	May 11, 2014	May 12, 2014	Leadership Plan
Mark Hartman	Leadership 4+0 May 11, 2010	20,123	€210,688	May 11, 2014	May 12, 2014	Leadership Plan
Jim Clark	Leadership 4+0 May 11, 2010	20,123	€210,688	May 11, 2014	May 12, 2014	Leadership Plan

(1) Performance conditions

- Leadership Plans, condition of attendance of two years and following performance conditions:
 - the acquisition of 50% of the free shares depends on the EBITDA margin variation between 2009 and 2011
 - the acquisition of 25% of the free shares depends on the 2010 EBITDA level
 - the acquisition of 25% of the free shares depends on the 2010 Net Debt / 2010 EBITDA ratio.
- Managers Plans, condition of attendance of two years and following performance conditions:
 - the acquisition of 40% of the free shares depends on the EBITDA margin variation between 2009 and 2011
 - the acquisition of 20% of the free shares depends on the 2010 EBITDA level
 - the acquisition of 20% of the free shares depends on the 2010 Net Debt / 2010 EBITDA ratio.
 - the outstanding 20% are not subject to these performance conditions, but only to the condition of attendance

During the financial year ended December 31, 2009, no other free share was allocated to the corporate officers and to the ten first employees of Rexel or became available.

Signed in Paris
on February 1, 2011

THE MANAGEMENT BOARD