REXEL

a world of energy

DOCUMENT DE RÉFÉRENCE 2014

English version

Rexel, Company with limited liability *(société anonyme)*
with a Board of Directors
with a share capital of €1,416,862,255

Registered office:
13, boulevard du Fort de Vaux –
75017 Paris
479 973 513 R.C.S. Paris

2014
ANNUAL REPORT
DOCUMENT DE RÉFÉRENCE

This *Document de Référence* was filed with the *Autorité des marchés financiers* on March 25, 2015, in accordance with Article 212-13 of the General Regulations of the *Autorité des marchés financiers.* It may be used in connection with any financial transaction if completed by a *note d'opération* in respect of which the *Autorité des marchés financiers* has granted a visa. This *Document de Référence* has been prepared by the issuer and its signatories therefore assume responsibility for its contents.

Copies of this *Document de Référence* are available at no cost at the registered office of Rexel, 13, boulevard du Fort de Vaux, 75017 Paris – France. This *Document de Référence* is also available on the Internet site of Rexel (**www.rexel.com**) and on the Internet Site of the *Autorité des marchés financiers* (**www.amf-france.org**).

TABLE OF CONTENTS

GENERAL INFORMATION

This *Document de Référence* was prepared in connection with Rexel's disclosure obligations and for the purpose of the Rexel's ordinary and extraordinary shareholders' meeting convened for May 27, 2015 (the **"Shareholders' Meeting"**).

In this *Document de Référence*, **"Rexel"** refers to the company Rexel. References to **"Rexel Développement"** are to Rexel Développement S.A.S., a direct subsidiary of Rexel. References to **"Rexel Distribution"** are to Rexel Distribution, an indirect subsidiary of Rexel, which merged into Rexel Développement during the 2011 financial year. The **"Rexel Group"** and the **"Group"** refer to Rexel and its subsidiaries and, before 2005, to Rexel Distribution and its subsidiaries.

This *Document de Référence* contains information about the Rexel Group's markets and competitive position, including information relating to market size and market share. Unless otherwise stated, this information is based on the Rexel Group's estimates and is provided solely for indicative purposes. To the Rexel Group's knowledge, there are no authoritative external reports in relation to the market providing comprehensive coverage or analysis of the professional distribution of low and ultra-low voltage electrical products. Consequently, the Rexel Group 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 from operational subsidiaries. These various studies, which the Rexel Group considers reliable, have not been verified by independent experts. The Rexel Group does not guarantee that a third party using other methods to analyze or compile market data would obtain the same results. In addition, the Rexel Group's competitors may define their markets differently. The data relating to market share and market size included in this *Document de Référence* thus do not constitute official data.

This *Document de Référence* contains information on the intentions, objectives and prospects of development of the Rexel Group. Such information should not be interpreted as a warranty that the facts stated will occur. Such information is based on data, assumptions, and estimates that the Rexel Group considers reasonable. They are likely to change or be modified due to the uncertainties of the economic, financial, competitive or regulatory environment. In addition, such intentions, objectives and prospects of development may be affected by the materialization of one or more risk factors as described in chapter 2 of this *Document de Référence*.

The forward-looking statements provided in this *Document de Référence* are made as of the date of this *Document de Référence*. Excluding any applicable legal or regulatory requirements, the Rexel Group does not make any commitment to publish updates of the forward-looking statements provided to reflect any changes in its targets or events, conditions or circumstances on which such forward-looking statements are based. The Rexel Group operates in a competitive environment subject to rapid change. Therefore it is not able to anticipate all risks, uncertainties or other factors that may affect its activities, their potential impact on its activities or the extent to which the occurrence of a risk or combination of risks could have significantly different results from those set out in any forward-looking statements, it being noted that such forward-looking statements do not constitute a projection or guarantee of actual results. In addition, such forward-looking statements may be affected by the materialization of one or more risk factors as described in chapter 2 of this *Document de Référence*.

OVERVIEW
OF THE REXEL GROUP

1.1 SELECTED CONSOLIDATED FINANCIAL DATA

The selected financial data set forth below has been prepared on the basis of the consolidated financial statements of Rexel for the years ended December 31, 2014, 2013, and 2012. They are presented in euros and all numbers are rounded to the nearest tenth of a million, except where otherwise stated. Totals and sub-totals presented are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding.

Rexel's consolidated income statement highlights

(in millions of euros)	**2014**	**2013**	**2012**
Sales	13,081.2	13,011.6	13,449.2
Gross profit	3,174.9	3,188.5	3,315.0
As a % of sales	*24.3%*	*24.5%*	*24.6%*
EBITA(1)	646.8	686.9	767.4
Adjusted EBITA(1)	649.4	702.2	765.6
As a % of sales	*5.0%*	*5.4%*	*5.7%*
Operating income	495.8	521.0	647.4
Net income	200.0	211.0	318.6
Net income attributable to the Rexel Group	199.7	210.6	318.1

(1) EBITA (earnings before interest, taxes and amortization) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses. Adjusted EBITA (**"Adjusted EBITA"**) is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices (see paragraphs 2.1.4.1 "Risks relating to changes in prices of certain raw materials" and 4.1.3 "Effects of changes in copper price" of this *Document de Référence*). EBITA and Adjusted EBITA are not accepted accounting measures with standard and generally accepted definitions. They 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 EBITA and Adjusted EBITA differently than Rexel.

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

(in millions of euros)	**2014**	**2013**	**2012**
Operating income	495.8	521.0	647.4
(–) Other income(1)	(11.7)	(11.4)	(15.9)
(+) Other expenses(1)	146.5	157.6	122.6
(+) Amortization of intangible assets recognized on the occasion of purchase price allocations	16.1	19.7	13.3
= EBITA	**646.8**	**686.9**	**767.4**
(+) / (–) Non-recurring effect resulting from changes in copper-based cable prices(2)	2.6	15.3	(1.8)
= Adjusted EBITA	**649.4**	**702.2**	**765.6**
Adjusted EBITA margin	5.0%	5.4 %	5.7 %

(1) See note 7 to Rexel's consolidated financial statements for the year ended December 31, 2014, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.
(2) See paragraphs 2.1.4.1 "Risks relating to changes in prices of certain raw materials" and 4.1.3 "Effects of changes in copper price" of this *Document de Référence*.

Rexel's consolidated cash flow statement highlights

(in millions of euros)	2014	2013	2012
Operating cash flow(1)	647.5	674.0	748.5
Changes in working capital requirements	(34.1)	50.6	(37.2)
Cash generated from operating activities before net interest and income taxes	613.4	724.6	711.3
Net capital expenditure	(102.8)	(72.1)	(83.8)
Changes in working capital requirements adjusted for timing difference in supplier payments(2)	51.9	(51.9)	–
Free cash flow before net interest and income taxes(3)	562.4	600.6	627.5

(1) Before interest, taxes and changes in working capital requirements.
(2) Working capital adjustment to reflect timing difference in supplier payments scheduled on December 31, 2013 and executed on January 2, 2014.
(3) Free cash flow before net interest and income taxes is defined as the change in net cash flow from operating activities before net financial interest expense and income taxes paid, less net capital expenditure.

Rexel's consolidated balance sheet highlights

	DECEMBER 31,		
(in millions of euros)	2014	2013	2012
Non-current assets	5,815.0	5,642.2	5,910.2
Working capital requirements	1,369.8	1,273.9	1,433.5
Shareholders' equity	4,343.4	4,224.7	4,117.6
Net indebtedness	2,213.1	2,192.0	2,599.2
Other non-current liabilities	628.3	499.4	626.9

A description of the Rexel Group's indebtedness and credit ratings is provided in paragraph 4.4 "Sources of financing" of this *Document de Référence*.

1.2 HISTORY AND DEVELOPMENT

1.2.1 Company name

Rexel's company name is "Rexel".

1.2.2 Place of registration and registration number

Rexel is registered with the commercial registry *(Registre du commerce et des sociétés)* of Paris under number 479 973 513 RCS Paris.

1.2.3 Date and term of incorporation

Rexel was incorporated on December 16, 2004, as a simplified joint stock company *(société par actions simplifiée)* for a term of ninety-nine years expiring on December 16, 2103, except if the term is extended or if the company is subject to early dissolution.

Rexel was converted into a French *société anonyme* with a Management Board and a Supervisory Board by a resolution of the ordinary and extraordinary shareholders' meeting of February 13, 2007.

Rexel was converted into a French *société anonyme* with a Board of Directors by a resolution of the general shareholders' meeting of May 22, 2014.

1.2.4 Registered office, legal form and applicable law

Rexel registered office is at 13, boulevard du Fort de Vaux, 75017 Paris, France (tel: +33 (0)1 42 85 85 00).

Rexel is a *société anonyme* under French law with a Board of Directors, governed by the legal and regulatory provisions of Book II of the French Commercial Code.

1.2.5 Rexel Group history

Rexel Distribution was created in 1967 under the name of Compagnie de Distribution de Matériel Electrique (CDME), adopting the name Rexel in 1993 and then Rexel Distribution in 2007.

Rexel Distribution was first listed on the *Second Marché* of the Paris stock market on December 8, 1983 and was admitted to trading on the *Premier Marché* of the Paris stock market in 1990. In 1990, Pinault-Printemps-Redoute (**"PPR"**) became Rexel Distribution's majority shareholder following the acquisition of Compagnie Française de l'Afrique Occidentale (C.F.A.O.), of which CDME, renamed Rexel and then Rexel Distribution, was a subsidiary.

Pursuant to a purchase agreement signed on December 10, 2004, PPR, acting through its subsidiary Saprodis S.A.S., transferred a controlling stake of 73.45% of Rexel Distribution's share capital to a consortium of private equity funds comprising Clayton Dubilier & Rice, Eurazeo S.A. and Merrill Lynch Global Private Equity (renamed BAML Capital Partners). This sale was followed by a standing offer, a public buyout offer followed by a compulsory squeeze-out, following which Rexel Distribution's shares were delisted from the regulated market of Euronext in Paris on April 25, 2005. Rexel's shares were admitted for trading on the regulated market of Euronext in Paris market on April 4, 2007. As a result of the last disposals completed during the 2014 financial year, the consortium no longer holds any shares in Rexel.

The Rexel Group first developed its business of the professional distribution of low and ultra-low voltage electrical products in France. It then began to expand internationally through acquisitions.

Further to the implementation of these restructuring and reorganization measures between 2002 and 2003, in 2004 the Rexel Group focused on stepping up its organic growth, with the main aim of developing its services offering – which became one of Rexel Group's priorities – and increasing the number of local sales and marketing initiatives. The Rexel Group also continued to optimize its operating structure in terms of both its sales and marketing networks and support functions, particularly logistics and IT.

Organic growth has been coupled with a selective acquisitions strategy. The Rexel Group has acquired companies with a regional, national or international presence, allowing it to strengthen its position in targeted regions, as well as companies established in emerging markets offering strong growth potential. Between 2006 and 2014, the Rexel Group carried out 58 consolidating acquisitions, representing approximately €2.1 billion in sales, as well as two transforming acquisitions: the acquisition of GE Supply in 2006 and the acquisition of the Hagemeyer group in 2008.

1.3 RECENT ACQUISITIONS AND DISPOSALS

The acquisitions and divestitures carried out during the financial years ended December 31, 2013 and December 31, 2012 are described in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 21, 2014 under number D.14-0181 and in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 13, 2013 under number D.13-0130, respectively.

The acquisitions and divestures carried out during the financial year ended December 31, 2014 are described in note 3.1 of the Notes to Rexel's consolidated financial statements for the financial year ended on December 31, 2014 set forth in chapter 5 "Consolidated financial statements" of this *Document de Référence*.

1.4 BUSINESS AND STRATEGY

The Rexel Group believes that it is one of the leading low- and ultra-low voltage electrical products distributors worldwide based on its 2014 sales and number of branches. At December 31, 2014, the Rexel Group had operations in 38 countries across four areas: Europe, North America, Asia-Pacific and Latin America.

The consolidated sales of the Rexel Group for 2014 amounted to €13,081.2 million, 55% of which were generated in Europe, 34% in North America, 9% in Asia-Pacific and 2% in Latin America. Based on 2014 sales, the Rexel Group believes that it is the number two distributor in Europe, in North America and in Asia-Pacific. The Rexel Group recorded an Adjusted EBITA in 2014 of €649.4 million representing 5.0% of the 2014 consolidated sales.

The Rexel Group serves a wide range of contractors and of end-users, which it divides into four customer categories: contractors (58% of its 2014 sales), industrial companies (22% of its 2014 sales), commercial market companies, including municipalities and public entities (9% of its 2014 sales), as well as an "other customers" category, which includes resellers and large do-it-yourself stores (11% of its 2014 sales). The Rexel Group's customers install the electrical products that it distributes in three end-markets: the industrial, commercial building and residential building markets. Its products are used in new installations and construction, as well as in the maintenance or renovation of existing installations and buildings.

The Rexel Group distributes a broad range of technical solutions and services aimed at responding to all of the needs of electrical contractors, as well as direct industrial and commercial customers. The Rexel Group's product offering is composed of seven product families indicated below with their respective percentage of 2014 sales: electrical installation equipment (39% of sales); cables and conduits (21% of sales); lighting (18% of sales); security and communication (5% of sales); climate control (4% of sales); tools (2% of sales); white and brown products (1% of sales); and other products (10% of sales, including services). The Rexel Group adds value to its product offering by providing related services, including logistics, technical assistance and training services.

As of December 31, 2014, the Rexel Group's branch network consisted of 2,235 branches organized around various commercial brands and had 29,933 employees.

The operating sectors on which the consolidated financial statements of the Rexel Group are based are presented in note 4 to the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

1.4.1 The Rexel Group's markets

1.4.1.1 The professional distribution of low and ultra-low voltage electrical products market

Characteristics of the professional distribution market

Significant market size

Based on its estimates, the Rexel Group believes that the market for professional distribution of low and ultra-low voltage electrical products amounted to approximately €174 billion worldwide in 2014. This market is slightly up as compared to 2013, at constant foreign exchange rates.

In addition to the products sold by professional distributors of electrical products, there are at least four other distribution channels for low and ultra-low voltage electrical products:

- manufacturers who directly sell products to industrial and commercial customers. These sales are essentially made in connection with large infrastructure projects or large contracts (industrial construction sites, for example) where size and technical specifications justify a direct relationship between the manufacturer and the end-user;
- large do-it-yourself stores that distribute products directly to end-users through general purpose commercial areas. These stores are characterized by a limited offering of electrical products and generally target the residential market;
- distributors that specialize in e-commerce and that sell electrical equipment; and
- distributors that specialize in certain adjacent segments (ventilation / air-conditioning equipment, sanitary or plumbing, etc.) that sell electrical equipment in addition to their core products.

The valuation of this market does not include various services that go beyond the mere distribution of electrical products, such as including the conduct of energy audits or complementary logistical services such as inventory management.

A growing market

The Rexel Group believes that its market will grow over the long term, in line with increasing energy consumption. Overall, this expected upward trend is due to a combination of a number of macroeconomic factors, including:

- the development of access to electricity linked to demographic growth and distribution;
- energy issues awareness; and
- increased demand for comfort and safety.

In addition to macroeconomic factors, the Rexel Group believes that the market for the professional distribution of low and ultra-low voltage electrical products is supported by a combination of other factors, including:

- continuous technological innovation (*e.g.*, home automation or the Light Emitting Diode) and a modernization of existing materials. Customers are looking for products with high added value that offer increased functionality, in particular with regard to security, comfort and energy saving, which leads to a high rate of renewal of product references;
- a regulatory environment that is evolving and different from country to country. Changes in security standards and energy consumption are notable factors in the replacement of equipment;
- the development of technical assistance and maintenance services, as a result of the technological evolution of products and a growing demand for value added products from customers;
- the development of solutions aiming at reducing energy consumption or launching the production of new energy solutions;
- the consolidation of global players customers looking for identical services across all their markets; and
- the emergence of growing market sub-segments requiring comprehensive solutions with strong added value, such as the oil & gas and mining markets.

A generally more mature market in countries with developed economies

The characteristics of the professional distribution of low and ultra-low voltage electrical products sector vary with regard to the maturity of the market. In emerging market countries, depending on their development stage, the market, with a more substantial part of large infrastructure projects, is served by manufacturers which sell their products directly to the end user. Developed economy countries present a more favorable environment to the professional distribution model, the preferred interface between manufacturers and end users, primarily because of the more diffused needs of industry and construction, a higher comfort level linked to higher purchasing power and more stringent regulation.

The development of new markets

The worldwide market for the professional distribution of low and ultra-low voltage electrical products could benefit from the development of certain emerging markets where distribution markets still represent a relatively small portion of end-consumption. Economic development could enable distributors to participate in the distribution of their products and the development of value-added services.

Finally, the Rexel Group believes that the role of professional distributors is strengthened by the development of customer expectations, as customers are increasingly focused on the improvement of service levels in terms of procurement capacities, availability of products and reduction of energy consumption.

Renewal of product offering that supports price increases

The continuous development and renewal of the Rexel Group's product offering to include products with higher added value tends to support the steady growth of average prices. This trend is particularly noticeable in the more technical product families, such as industrial automation, lighting, security and communication products. Price increases also occur as a result of changes in product safety and energy savings standards, which tend to lead to product renewals and more sophisticated product ranges.

A fragmented market

At the worldwide level, the market for the professional distribution of low and ultra-low voltage electrical products is characterized by a large number of distributors. The Rexel Group believes that, worldwide, through its network of 2,235 branches it held a market share of approximately 8% in 2014.

The level of market consolidation is extremely varied from country to country. More specifically, in the United States, the market can be divided into two categories: 7 distributors with a multi-regional scope (including the Rexel Group), which the Rexel Group believes represent approximately 24% of all sales made in 2014; and an extremely fragmented group of distributors with a regional scope, as the top 200 distributors, including the 7 largest, represent only approximately 66% of the market. This results, in particular, from the geographic breadth of the market and the historical presence of distributors active only in specific local markets. By contrast, in certain countries such as Autralia, Canada, France, The Netherlands, the United Kingdom, Scandinavia and Switzerland, a large portion of the market is occupied by a limited number of distributors, due to the strong historical presence of distributors who have consolidated and structured these markets.

The Rexel Group estimates that, in 2014, approximately 25% of worldwide sales in the market for the professional distribution of low and ultra-low voltage electrical products were made by 8 major distributors: Rexel, Sonepar and Consolidated Electrical Distributors, acting on the principal world markets, Graybar Electric Company, W.W. Grainger and WESCO International, which principally operate in North America, and Solar and Ahlsell, which principally operate in Northern continental Europe.

The remaining approximately 75% of worldwide sales on the market for the professional distribution of low and ultra-low voltage electrical products is generated by a large number of medium-sized businesses that operate on a national, regional or local level. This market fragmentation in certain countries, combined with the quest for productivity gains and economies of scale, favors the consolidation of distributors.

Meanwhile, in certain countries, small electrical products distributors are seeking to increase their power by creating purchasing associations. These purchasing associations include national distribution networks as well as independent distributors that manage one or more branches.

Risks related to acquisitions are described in paragraph 2.1.1.2 “Risks relating to acquisitions” of this *Document de Référence*.

Breakdown of the professional distribution market

Geographic breakdown of the professional distribution market

Based on the Rexel Group’s estimates, North America constitutes the largest market for professional distribution of low and ultra-low voltage electrical products worldwide, representing approximately 44% of the market in 2014 (€76 billion). In 2014, Europe represented approximately 24% of the market (€41 billion) and the Asia-Pacific region represented approximately 22% of the market (€38 billion, of which Japan represented €10 billion). The other geographic zones (Latin America, Africa and the Middle-East) represented approximately €18 billion.

Breakdown of the market for professional distribution of electrical products by major country(1)

COUNTRY	UNITED STATES	CANADA	GERMANY	FRANCE	ITALY	UNITED KINGDOM	CHINA
Size (billions of euros)	71	5	8	7	6	4	15
Exchange rate (€1)	1.3	1.5	1.0	1.0	1.0	0.8	8.2

(1) Source: Rexel estimates. In 2014, Rexel carried out an exhaustive country-by-country review of the distributed electrical market.

End-markets for the installation of electrical products

The professional distribution of electrical products encompasses three end-markets in which customers of distributors of electrical products operate:

- the commercial building market, referred to as the "commercial market", which covers the use of electrical products in the construction, expansion, maintenance, renovation and compliance upgrades of stores, schools, office buildings, hotels, community buildings as well as energy production facilities, public networks and transportation infrastructure;
- the industrial market, which covers the use of electrical products in the construction, expansion, maintenance, renovation and compliance upgrades of factories and other industrial sites; and
- the residential building market, referred to as the "residential market", which essentially covers the use of electrical products in the construction, expansion, renovation and standardization of houses, housing developments, apartment buildings and public housing.

Rexel believes that the breakdown of Rexel Group sales in 2014 by end-markets was as follows:

END-MARKET	REPORTED
Commercial	44%
Industrial	35%
Residential	21%

1.4.1.2 The Rexel Group's customers and their markets

The Rexel Group offers solutions and services to a large variety of customers, including contractors, end-users with internal installation departments, parts manufacturers and panel builders. The diversity of the Rexel Group's customer base allows it to not be dependent on a given customer, although the concentration of the Rexel Group's customers can be higher in certain countries or for certain product ranges. The ten most important customers of the Rexel Group represent less than 10% of the Rexel Group sales for 2014.

The Rexel Group's customers are classified into four categories: contractors, industrial companies, commercial companies and other customers.

Contractors

General and specialty contractors represented 58% of the Rexel Group's 2014 sales (22% were generated through large contractors and 36% by small- and medium-sized contractors). The Rexel Group's customer base includes, depending on the type and size of a given project, electricians and small contractors, medium-sized contractors and large contracting companies. These customers are present in each of the Rexel Group's three markets: industrial, commercial and residential.

Industrial companies

Industrial companies, which are the end-users in the industrial market, accounted for 22% of the Rexel Group's 2014 sales. These customers include manufacturers, parts manufacturers, panel builders, the professionals who provide maintenance services for such machines and industrial end-users.

Commercial companies

Commercial companies consist of end-users in the commercial market, including municipalities and public entities, and represented 9% of the Rexel Group's 2014 sales. These customers include companies that operate in the commercial and retail industry, commercial services, public services and housing and transportation infrastructures.

Other customers

The Rexel Group also sells its products to other categories of clients, including resellers and large do-it-yourself stores. These customers generated 11% of the Rexel Group's 2014 sales.

1.4.1.3 Geographic breakdown of the Rexel Group's markets

The Rexel Group's operations are organized around four principal geographic areas (Europe, North America, Asia-Pacific and Latin America). The Rexel Group's 2014 sales amounted to €13,081.2 million, broken down among the various regions as follows:

	IN MILLIONS OF EUROS	IN PERCENTAGE
Europe	**7,145.5**	**55**
• France	2,376.4	18
• United Kingdom	1,005.2	8
• Germany	803.2	6
• Scandinavia	906.5	7
• Benelux	541.2	4
• Others	1,512.9	12
North America	**4,477.9**	**34**
• United States	3,315.4	25
• Canada	1,162.6	9
Asia-Pacific	**1,200.9**	**9**
Latin America	**256.8**	**2**
Total	**13,081.2**	**100**

Europe

Based on its estimates, the Rexel Group was the number two player in the market for the professional distribution of low and ultra-low voltage electrical products in Europe and held a market share of approximately 18% in 2014. The Rexel Group believes that the industrial, commercial and residential markets, respectively, represented 25%, 43% and 32% of its 2014 sales in Europe.

As of December 31, 2014, the Rexel Group had operations in 21 European countries. The Rexel Group believes that it is the number one or number two player in 14 of these countries.

North America

According to its estimates and based on its 2014 sales, the Rexel Group's market share in 2014 amounted to approximately 6% of the North American market for the professional distribution of low and ultra-low voltage electrical products. The Rexel Group believes that it is number two in this area, with market shares of approximately 5% in the United States and 25% in Canada.

In North America, the Rexel Group operates essentially in the industrial and commercial markets, and to a lesser extent in the residential market. The Rexel Group believes that the industrial, commercial and residential markets respectively represented 46%, 50% and 4% of its 2014 sales in North America.

Asia-Pacific

Based on its estimates and 2014 sales, the Rexel Group believes that it is the number two in the Asia-Pacific region.

The Rexel Group has increased its operations in China in the last few years, and is now one of the main international distributors with operations in China, with €383.4 million in sales in 2014, in a country where the portion of products distributed by structured groups is still low due to the level of maturity of the market. With its early 2011 acquisitions, the Rexel Group now has branches in India. The acquisitions of Quality Trading and of 4 Knights International at the end of 2013 and the end of 2014, respectively, allowed the Rexel Group to become the number 3 player in Thailand, one of the more dynamic markets in Asia. Lastly, the Rexel Group also operates in Indonesia, Malaysia, Singapore and Vietnam.

Based on its estimates, the industrial, commercial and residential markets respectively represented 50%, 31% and 19% of the Rexel Group's 2014 sales in the Asia-Pacific region.

Latin America

The Latin America region accounts for 2% of Rexel's 2014 sales. It includes distribution of electrical equipment in Chile and, since 2011, Brazil and Peru.

Based on its estimates, the industrial, commercial and residential markets respectively represented 69%, 18% and 13% of the Rexel Group's 2014 sales in the Latin America region.

The risks related to the general economic environment are described in paragraph 2.1.1.1 "Risks relating to the general economic environment" of this *Document de Référence*.

1.4.2 Professional distribution of low- and ultra-low voltage products

1.4.2.1 A distributor of services and technical solutions

The Rexel Group offers a broad range of products and services that aim to respond to all of the needs of contractors, as well as those of industrial and commercial customers (industrial and commercial companies, municipalities, public entities, parts manufacturers and panel builders). The Rexel Group's service offerings allow its customers to master technological advancements inherent in the product families it distributes and accompanies them over the course of their projects.

Broad product and technical solutions offering

The Rexel Group's product offering, which is classified into seven product families, aims to cover all of the needs of electrical contractors and industrial and commercial customers:

- **electrical installation equipment** (39% of 2014 sales), which includes coupling and circuit protection equipment (such as switches, circuit breakers, meters and fuses); energy conversion and storage equipment (such as transformers, storage batteries, chargers and generators); control equipment (such as industrial automated devices and network control devices); sensors, actuators and consumption devices (such as pumps, fans, ventilators and compressors) as well as solar panels. All of these equipments are key in the electric power consumption control and optimization;
- **cables and conduits** (21% of 2014 sales), which allow for the distribution of electricity and include raceways, moldings and cable trays;
- **lighting** (18% of 2014 sales), which includes lighting sources, such as incandescent or halogen bulbs, low

energy consumption light bulbs and fluorescent bulbs, and LED on the one hand, and lighting equipment on the other hand, such as interior and exterior lighting systems, sensors as well as decorative accessories;

- **security and communication** (5% of 2014 sales), which principally includes voice, data and image (VDI) transmission equipment, intruder and fire detection equipment, and monitoring and access control equipment;
- **climate control** (4% of 2014 sales), which includes ventilation, air conditioning, heating equipment (in particular those relying on renewable energy);
- **tools** (2% of 2014 sales), which include hand tools, electrical tools and measuring instruments; and
- **white and brown products** (1% of 2014 sales), which include household appliances and consumer electronics products.

The product families and percentages above solely relate to the professional distribution of low and ultra-low voltage electrical products. These product offerings not include the specific services provided by certain specialized entities of the Rexel Group, such as Gexpro Services in the United States. These other businesses generated approximately 10% of the Rexel Group's sales in 2014.

In general, each of these product families has represented a relatively stable percentage of the Rexel Group's sales over the past three years.

The Rexel Group offers a wide range of technical solutions, which allows it to adapt its product offerings to local consumption habits and applicable technical standards as well as technological innovations. As a result, the products portfolio may be increased, especially as part of the MRO (Maintenance, Repair and Operation) contracts. The Rexel Group's product offering is generally marketed under their brands, whose national or, depending on the market, local reputation is a significant criterion in contractors' purchasing decisions. Changes in the Rexel Group's product offering are the result of a dynamic and continuous process that takes into account customers' expectations.

In limited market segments identified as well-suited to such products, the Rexel Group also distributes its own-brand products, where it achieves, on average, margins above those for equivalent product categories distributed under suppliers' brands. Rexel's own-brand strategy is organized around three principal own brands:

- Newlec, which focuses on residential and commercial equipment as well as climate control engineering and electrical control and lighting equipment, mainly in the United Kingdom and Germany;
- BizLine, for tools and other convenience products (consumables, etc.), and
- Gigamedia, for VDI products (voice, data, image).

In addition to these three international brands, Rexel offers various brands that focus on a single country and that have value on their local market.

In addition, Rexel's Conectis entity allows it to better structure the product offering in the multimedia sector, due to the specific technical nature of the products and the potential for growth of business in these sectors. Initially developed in France, the Conectis offering is being rolled out in other European countries.

Product innovations developed by manufacturers in each product category to respond to changes in customer needs or applicable standards (including energy savings and fire security) allow the Rexel Group to improve the value of its product offering. The most significant technological evolutions that have occurred over the past several years include:

- improvements in cabling systems to support increases in computer networking bandwidth allowed by the introduction of new categories of cable;
- developments in Light Emitting Diode ("LED") technology to apply to lighting. LED technology was previously solely used in signaling systems. This change promotes energy savings, dependability and product life-span;
- developments in biometric control systems in the communication and security sector (fingerprint recognition, voice recognition, etc.);
- developments of instruments for the operation and monitoring of household electrical appliances and the management of energy consumption (home automation technologies);
- migration from analogue to digital transmission, which allows for the installation of a single cable network for all residential needs; and
- products relating to renewable energies (solar panels, heat pumps, etc.).

A service offering adapted to customers' needs

The Rexel Group offers its customers:

- services directly linked to the provision of technical solutions allowing for the promotion of the electrical equipment product offering;
- additional services in the fields of logistics and distribution allowing for greater proximity to end-customers and for the satisfaction of all of their needs through a broader

offering range as compared to the traditional electrical equipment offering; and

- electrical installations designing services.

Technical solutions services

The Rexel Group has positioned itself as a technical solutions provider for its customers. The Rexel Group enhances its product offerings by providing a number of associated services, including with respect to logistics, technical assistance, training and assistance in project management, especially at the international level. These services are provided by qualified personnel who benefit from continuous training so as to master and stay apprised of technological developments.

The Rexel Group's services include:

- **Technical assistance:** The Rexel Group assists its customers in choosing solutions best adapted to them from the large range of products and services offered. The Rexel Group also prepares technical bids and offers assistance, designing electrical installations and cabling schematics and drafting specifications. The Rexel Group also provides electrical product inventory management for certain of its industrial and commercial customers. These services enhance the Rexel Group's knowledge of its customers' businesses, notably by allowing it to anticipate their needs. The Rexel Group provides these services through teams of experts that are based in its branches and who help sales personnel promote high value-added product families (such as VDI, security, lighting and industrial automation). In some situations, these teams work directly on the customers' premises.
- **The provision of turnkey solutions:** Beyond technical assistance, the Rexel Group brings its customers turnkey solutions and services, in particular in the energy-efficient field, including energy audits, return on investment calculations, financing and insurance solutions as well as support for administrative tasks involved in these projects. The Rexel Group then works in partnership with products and services suppliers and with contractors. In addition, the Rexel Group provides services to its clients in relation to budgetary monitoring and the project organization.
- **Support to large projects:** In the context of large projects, the Rexel Group may provide to its customers certain specific services such as the provision of temporary premises near the project sites or transportation solutions adapted to the timing of the project.
- **Training:** In most of its branches, the Rexel Group regularly schedules training sessions led by its employees, manufacturers and third parties in order to familiarize its customers with innovative or complex products. The Rexel Group has also offered continuous broadcasting of programs in its French branches presenting new products and training through its "Inexel TV" channel.

The Rexel Group's service offerings are generally included in the price of its products and, thus, are not separately billed, which enhances the Rexel Group's role as a distributor. In addition, the Rexel Group's services are provided in the context of a customer loyalty and customer base development policy, especially through the enhancement of the customers' know-how relating to products with recent technical improvements.

Complementary logistics and distribution services

Thanks to its organizational structure, the Rexel Group offers its customers logistics services, such as the quick retrieval of products in its branches (including during off-hours) or rapid on-site delivery.

In addition, the Rexel Group, *inter alia* through its U.S. Services platform, has a high value-added dedicated logistic services offering in the United States in the field of electrical and mechanical products (fittings, bolts, etc.) intended for industrial customers. The Rexel Group now offers its industrial customers in the United States two ranges of logistics services relating to spare parts supply and parts assembly. These services are provided by dedicated entities that combine the following activities:

- inventory management and provision of products on customers' production assembly lines (Production Services); and
- distribution services and spare parts in the field of electrical equipment (Parts Super Center).

These services are provided in the context of long-term contractual joint-development programs with the Rexel Group's customers and allow the Rexel Group to build customer loyalty.

1.4.2.2 The Rexel Group's commercial and marketing organization

A multi-network organization

In certain countries, in particular in most of the countries in which it has a significant market share, the Rexel Group relies on its various commercial networks, such as in Canada, the United Kingdom, Australia, New Zealand, The Netherlands, Spain, Austria and the United States. These different networks generally reflect distinct features that are adapted for suppliers or products in a given end-market. This approach allows the Rexel Group to address a broader customer base and offer a broader range of products, while benefiting from economies of scale by sharing common logistics and information technology platforms.

Sales force

In order to better respond to customer needs, the Rexel Group's sales activities are organized as follows:

- sales counter representatives, who sell products to customers, principally contractors, who come directly to the Rexel Group's branches;
- telephone representatives, who are responsible for advising customers (*e.g.*, installation schematics) and telephone orders;
- traveling sales representatives, who visit customers in a designated, assigned zone;
- technical/commercial sales representatives, organized in competence centers, who provide technical support for traveling sales personnel and customers and who are specialized by product family or customer type; and
- specialized sales representatives who are essentially dedicated to "key accounts".

The Rexel Group's sales personnel compensation generally includes fixed and variable components, depending on commercial performance. The variable portion of employees' compensation depends on their geographic area. In the United States, commissions based on gross profit constitute the majority of the compensation paid to employees.

Pricing and terms of sale

The Rexel Group's pricing policy is based on the rates charged by its suppliers in each country. The Rexel Group offers its customers rebates based on certain criteria, such as volume purchased by the customer, the competitive environment and special promotions. In each country, general terms of sale set out the customary framework of the Rexel Group's relationships with its customers. These include the main terms of sale of the products such as the rates and payment terms, as well as termination clauses, transfer of ownership clauses and warranties.

Furthermore, the Rexel Group has entered into framework agreements with "key account" customers, including companies operating in the industrial or commercial markets. The Rexel Group defines "key accounts" as those customers that operate multiple sites on a national or international level and that generate potential annual sales of at least €1 million per customer. The framework agreements entered into with "key accounts" provide for specific sales conditions based on volumes purchased, product availability and delivery timeframes. These agreements are generally entered into in the context of bids and last for two to three years.

Marketing functions

Rexel Group companies' marketing services operate on two levels: on downstream, to analyze customer needs and ensure commercial promotion, and upstream, to manage supplier relationships.

Their role includes:

- regional market analysis;
- the analysis of their markets in order to ensure that product ranges evolve in partnership with suppliers;
- the preparation of competition studies, which allows them to adapt their choice of suppliers and products accordingly;
- the definition and setting-up of the services and solutions based on client typology;
- the development of products and customers nomenclatures;
- assistance and advice to sales personnel;
- assistance in the drafting and design of catalogues;
- the implementation of customer loyalty programs; and
- the design and launch of advertising campaigns at the branch level in partnership with suppliers and consistent with national or international product promotions.

Furthermore, the Rexel Group develops and implements marketing tools adapted to its customers' requirements.

E-commerce

E-commerce, or online commerce, is an access medium for customers that may represent a material part of the Rexel Group's sales in some countries and thus contributes to improving its operating efficiency. E-commerce covers two distinct areas:

- Web portals, through which customers of the Rexel Group, contractors in particular, have access to technical information as well as information on stock availability and prices, and are able to prepare their quotes, place orders, check the status of their orders and access their invoices. Mobile versions of these portals are made increasingly available; and
- Electronic Data Interchange (EDI) and e-procurement services, through which larger customers (principally industrial and commercial customers) may connect their purchase information systems directly to Rexel's

system enabling them to place orders, receive delivery confirmation and electronic invoices. These services are often tailored for each customer.

Most countries in which the Rexel Group is active, including in Latin America and Eastern Europe, already offer one or both of these services.

1.4.2.3 Logistic organization of the Rexel Group

Purchases and supply

In order to adapt its purchasing structure to the particularities of each country or to a given geographic zone and to optimize its purchasing terms, the Rexel Group has implemented partnerships with its suppliers on a number of levels:

- at a worldwide level, approximately thirty international suppliers are viewed by the Rexel Group as "strategic suppliers". These suppliers operate in different countries on one or more continents and have joined with the Rexel Group in international development programs;
- in each country, the Rexel Group's subsidiaries negotiate specific purchasing terms with national suppliers; and
- locally, the Rexel Group's branches may also negotiate specific commercial terms with individual suppliers.

In addition, the Rexel Group has a policy of reducing the number of its suppliers with the goal of rationalizing its purchasing policy and strengthening its relationships with its most significant suppliers.

In 2014, the Rexel Group made over 50% of its purchases from its 25 leading suppliers.

The Rexel Group favors the development of sustainable relationships with its strategic suppliers that have the capacity to contribute to the Rexel Group's business growth both globally and locally. The Rexel Group believes that this approach also allows it to benefit from attractive volume pricing, make economies of scale for support services such as marketing and logistics, adapt its product offering to the specificities of each market and improve its gross margin.

The Rexel Group's relationships with its suppliers are governed by short- or medium-term contracts. Product liability is the subject of paragraph 1.8.1 "Product liability" of this *Document de Référence*.

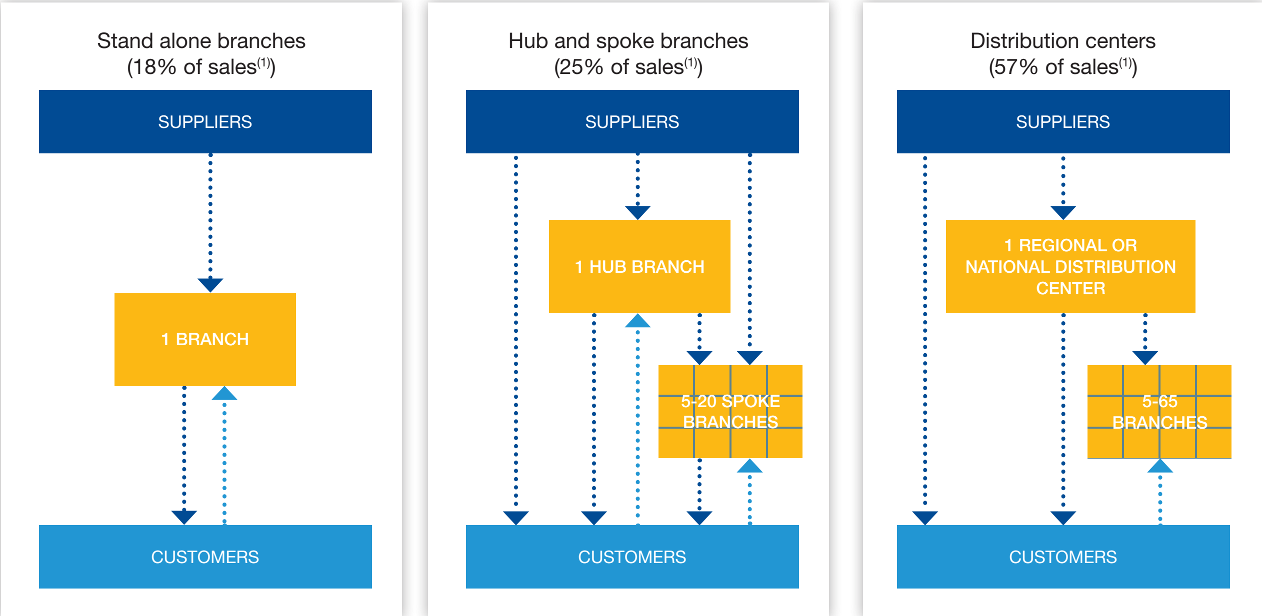
Risks related to commercial dependence are described in paragraph 2.1.1.6 "Risks relating to supplier dependence" of this *Document de Référence*.

Distribution network

The Rexel Group structures its logistics activities around three distribution models: (i) regional or national distribution centers; (ii) "hub and spoke" branches; and (iii) stand-alone branches. The choice of which of these models to use in any given area mainly depends on the characteristics of the region, the concentration of the Rexel Group's customers, the size of the market, the density of its branch network, its product offering, competition and the nature and breadth of services to be provided within the region. The Rexel Group believes that these three distribution models allow it to adapt its services to its customers' needs permitting it to offer a larger range of products. In addition, this logistical organization offers the Rexel Group the ability to adapt its means of distribution to local market characteristics in a cost-effective manner and to better manage its inventory.

Since 2010, the Rexel Group has continued to streamline its logistics network, such as in Brazil where the São Paulo area is now centralized from the Campinas Distribution Center. In the United States, the large centralization plan is progressing as initially planned, with 5 additional distribution centers responsible for the Gexpro and Rexel Inc brands.

The following diagrams summarize the Rexel Group's logistics model and its principal characteristics:



	STAND-ALONE BRANCHES	HUB BRANCHES	DISTRIBUTION CENTERS
Number of references (in thousands of units)	2 to 10	5 to 15	20 to 50
Inventory turnover	Approximately 60 days	Approximately 55 days	Less than 50 days
Logistics costs as a percentage of sales(2)	>7.0%	6.0 to 7.0%	5.0 to 6.0%

(1) Sales excluding direct sales.
(2) Logistics costs include personnel, inventory and transportation expenses.

In each of these three models, the Rexel Group makes sales through two distribution types: Rexel Group network sales and direct sales which represented approximately 80% and 20%, respectively, of the Rexel Group's sales in 2014. Direct sales are not significant except in North America, where they represented approximately 40% of the Rexel Group's 2014 sales.

Regional or national distribution centers

Distribution centers are typically located in regions in which the Rexel Group's customer base is highly concentrated. These centers focus exclusively on logistics functions and warehouse a large number of products, which are provided directly by the Rexel Group's suppliers. Sales activities are conducted by branches associated with these regional or national distribution centers. The Rexel Group's regional distribution centers deliver products directly to customers as well as to the associated branches, as needed in order to replenish their stocks for same-day delivery.

The Rexel Group created distribution centers primarily in order to improve service to customers through a wider product offering and a range of tailored services, thus allowing a significant reduction in inventory and costs with strong service commitments: orders may be placed until late in the afternoon for delivery at 7:00 a.m. the next morning.

Warehousing areas are located in regional distribution centers (storage, preparation of customer deliveries and stocking of branches) as well as in branches. The size of a distribution center mainly depends on the number of branches associated with it and the volume of sales and number of product references it handles.

As of December 31, 2014, the Rexel Group had 34 distribution centers in Europe. These centers were located in Austria, Belgium, Estonia, Finland, France, Germany, Italy, The Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden and the United Kingdom. The 10 distribution centers in France are on average 17,000 square meters in size and each supplies between 25 and 65 branches. The 25 distribution centers in the rest of Europe are on average 10,000 square meters in size and each supplies between 5 and 45 branches.

In North America, the Rexel Group has 9 regional distribution centers in the United States with each supplying between 5 and 45 branches. In Asia-Pacific, the

Rexel Group has one regional distribution center in New Zealand, supplying approximately 50 branches. There is one regional distribution center in Australia, principally dedicated to imports. A new distribution center opened in November 2014 in China. The Rexel Group also has 4 national distribution centers in Brazil, Chile and Peru.

Hub and spoke distribution model

In areas with lower customer concentration (notably in North America), the Rexel Group has developed through the implementation of a hub and spoke distribution model. In this model, each hub branch supplies logistics support to satellite branches in addition to carrying out its own commercial activities. The Rexel Group has 77 hub branches worldwide (of which 35 were located in North America, 27 in Europe, 10 in Asia-Pacific and 5 in Latin America) which serve generally between 4 and 20 satellite branches. In North America, the Rexel Group had as of December 31, 2014, 16 hub branches in the United States and 19 in Canada.

Stand-alone branches

Stand-alone branches are generally located in areas of low customer concentration or where the use of distribution centers or hub branches would not be economically efficient. Stand-alone branches are thus located in certain regions of North America, as well as in Switzerland and Australia. These branches receive their products directly from the Rexel Group's suppliers and warehouse them on location.

Extensive branch network

As of December 31, 2014, the Rexel Group had 2,235 branches. The following table sets forth the change in the number of the Rexel Group branches between December 31, 2012 and December 31, 2014 by geographic area:

	AS OF DECEMBER 31,		
(number of branches)	**2014**	**2013**	**2012**
Europe	**1,280**	**1,306**	**1,359**
• France	447	469	461
• Outside of France	833	837	898
North America	**605**	**617**	**619**
• United States	398	401	401
• Canada	207	216	218
Asia-Pacific	**260**	**259**	**261**
Latin America	**90**	**90**	**96**
Total	**2,235**	**2,272**	**2,335**

The Rexel Group regularly monitors the appropriateness of its branch network with respect to market demand, which can lead to branch openings, transfers, consolidations or closures.

Transportation

The transportation of the products distributed by the Rexel Group is organized with the aim of improving the quality of customer service while controlling upstream and downstream transportation costs. The development of the use of express transportation was one of the priorities in 2014. In addition to its flexibility, this transportation method guarantees short delivery periods and a high service rate for the end customer.

In upstream product transportation, products are directly delivered to regional or national distribution centers, hub branches and stand-alone branches by the Rexel Group's suppliers. In downstream product transportation to its branches or customers, the Rexel Group generally uses external service providers. In certain countries, such as in the United States, Australia, New Zealand, Switzerland and in the United Kingdom, it also owns its own transportation means, which only account for a portion of the distribution.

Risks related to the logistical structure of the Rexel Group are described in paragraph 2.1.1.5 "Risks relating to the Rexel Group's logistical structure" of this *Document de Référence*.

1.4.3 The Rexel Group's competitive advantages

1.4.3.1 A world leadership position

The Rexel Group recorded 2014 sales of €13,081.2 million. As of December 31, 2014, it had 2,235 branches, 29,933 employees and operations in 38 countries.

Based on its estimates, the Rexel Group is one of the leaders in the market for the professional distribution of low and ultra-low voltage electrical products in terms of both sales and number of branches. Based on 2014 sales, the Rexel Group also believes that it is the number two player in its three main geographic areas: North America, Europe and Asia-Pacific. Also, the countries in which the Rexel Group believes that it holds a market share exceeding 10% account for close to 67% of its sales.

The Rexel Group also estimates that it holds a worldwide market share of approximately 8%, which leaves it room to continue developing its market share, including by external growth, thus becoming one of the main actors in the consolidation of the market for the professional distribution of low and ultra-low voltage electrical products.

The Rexel Group's position allows it to:

- respond to customers operating in several different regions and offer a consistent standard of advice and service worldwide;
- identify and apply best practices relating to management and development within the Rexel Group's network, due to the implementation of a lateral communication process covering the Rexel Group's most important business functions (purchasing, logistics, sales and training);
- benefit from a common logistics model and, at the regional level, IT systems that are shared by several operational platforms;
- take advantage of purchasing conditions that are equal to or better than those of its smaller competitors through the implementation of partnership agreements with its strategic suppliers; and
- better identify external growth opportunities in the countries targeted by the Rexel Group and integrate acquired businesses using a defined process based on its experience.

These strengths contribute to the Rexel Group's competitive advantage compared to smaller or differently organized distributors.

1.4.3.2 Diversified geographic and end-market presence

The Rexel Group estimates its 2013 sales breakdown by end-market and principal geographic area as follows:

	NORTH AMERICA	EUROPE	ASIA-PACIFIC	LATIN AMERICA	REXEL GROUP
Commercial	50%	43%	31%	18%	44%
Industrial	46%	25%	50%	69%	35%
Residential	4%	32%	19%	13%	21%

The Rexel Group's presence in a range of different countries on several continents limits its exposure to local economic cycles. Europe, North America, Asia-Pacific and Latin America accounted for approximately 55%, 34%, 9% and 2% of 2014 sales, respectively.

In addition, the balanced breakdown of the Rexel Group's operations among its three end-market segments (industrial, commercial and residential) allows the Rexel Group to limit the impact of a downturn in any given end-market within a given country or region.

1.4.3.3 A strong local leadership

The Rexel Group believes that it holds a market share exceeding 20% in 15 out of the 38 countries in which it operated in 2014. This strong local presence tends to support growth in profitability, in so far as the Rexel Group estimates that its operating margins are generally higher in those countries where it holds significant market shares.

The Rexel Group's local leadership is principally based on the following factors:

- its ability to offer customers a range of products and services that is adapted to local needs and that is broader than that offered by other independent distributors;
- extensive branch coverage, which permits it to meet its customers' needs where they operate;
- the development of networks comprised of several different brands tends to support an increase in the Rexel Group's market share where it already has a relatively significant share of the market;
- a tailored logistics structure, which is adapted to meet its customers' needs and the density of its markets;
- its capacity to employ qualified personnel who have strong knowledge of their local markets and its ability to provide continuous training to such personnel; and
- its attractiveness to suppliers as a distributor of reference that can promote their products.

1.4.3.4 An offering of high value-added products and services

The Rexel Group offers a very wide range of products. The Rexel Group associates high value-added services to such products, such as support services, product availability, project management or installation design. In particular, the Rexel Group assists its customers in the choice and mastery of installation techniques for the products it distributes, and provides adapted delivery services. These services include:

- logistics chain outsourcing, including in the area of inventory management, assembly, distribution of replacement parts and the outsourcing of logistic services; and

- training, automatic machine programming assistance and help preparing cabling schematics.

The Rexel Group thus distributes an array of products and services that provide installation solutions designed to function in an integrated manner and to satisfy all of its customers' electrical product needs, through:

- the supply of turnkey solutions and the calculation of potential savings, in particular in energy efficiency areas; and
- large project support, in particular with regards to logistical needs.

To this end, the Rexel Group constantly develops and adapts its product offering in order to take into account innovations suggested by suppliers, technological advancements and customer demand for new products arising from increased needs for comfort, security, ergonomics, home automation, automation and energy performance.

The Rexel Group has acquired a technical mastery of its product families that tracks the needs of electrical contractors. The close relationships of the Rexel Group with its principal suppliers have enabled it to become the favored interface between contractors and suppliers.

The Rexel Group thus offers a comprehensive range of products and services which is core to the value chain, and which responds to all of its customers' (professional contractors or end-users in the commercial, industrial or residential sectors) and suppliers' (manufacturers) needs.

1.4.3.5 Experienced and skilled personnel

Due to the technical nature of its business, the Rexel Group employs experienced personnel with strong knowledge of its product specifications, local needs and applicable regulations. This know-how and the training offered to its customers allow the Rexel Group to direct its personnel towards higher added-value systems for the end-customer. The Rexel Group is therefore able to act as a prescriber of technical solutions.

The Rexel Group's employees benefit from an active training policy in the technical and commercial fields, which is performance-oriented. In addition, the Rexel Group seeks to improve the productivity of its support functions, particularly in the administrative services areas, in order to optimize operating costs.

The Rexel Group also seeks to build customer loyalty and to develop its market share.

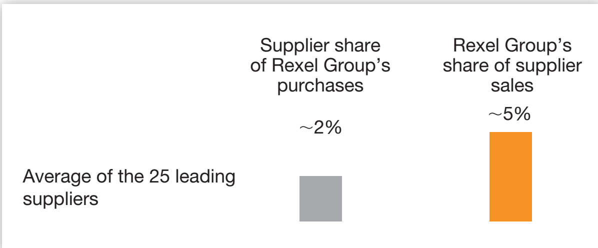
Furthermore, the Rexel Group's management team has broad experience in professional distribution, as well as operational, financial, and mergers and acquisition expertise.

1.4.3.6 Privileged relationships with suppliers

The Rexel Group has organized its supplier relationships around a limited number of strategic suppliers, who are global players in the low and ultra-low voltage electrical products industry, and a certain number of regional and national suppliers.

These privileged relationships allow the Rexel Group to negotiate better commercial terms, to increase productivity, to achieve economies of scale for its logistics operations and to benefit from its suppliers' marketing resources. The Rexel Group's active management of its supplier portfolio has resulted in the gradual concentration of its purchases.

The Rexel Group believes that it has generally favorable interdependent relationships with most of its significant suppliers, thereby limiting the risks inherent in dealing with a limited number of suppliers, as shown by the table below:



Risks related to commercial dependence on suppliers are described in paragraph 2.1.1.6 "Risks relating to supplier dependence" of this *Document de Référence*.

1.4.3.7 An efficient logistical model

The Rexel Group's distribution operations are based on a logistic model that includes distribution centers, "hub and spoke" branches and stand-alone branches. The choice of one of these methods of distribution in a given region depends on a number of factors. As soon as the commercial density allows it, the objective will be the centralization of flows through logistic centers.

The Rexel Group believes that the most centralized logistic model allows it to adapt as much as possible its services to its customers' needs by offering them a broader range of products. It also enables the Rexel Group to adapt its distribution system to its local markets at reduced cost.

Risks related to the logistical structure of the Rexel Group are described in paragraph 2.1.1.5 “Risks relating to the Rexel Group’s logistical structure” of this *Document de Référence*.

1.4.3.8 An economic model generating high cash flow

The operating profitability of the Rexel Group, together with the strict management of working capital requirements and the low capital intensity of its activities, allows the Rexel Group to generate significant cash flow.

Management’s variable compensation depends in part on the optimization of working capital needs, with a view to reducing inventories and customer payment terms through the continuous optimization of logistics and credit management. The launch of a Rexel Group logistic model based on a hub and spoke system of satellite branches and regional distribution centers, as well as the implementation of receivables tracking and prompting software, are examples of initiatives that have reduced the Rexel Group’s working capital requirements relative to its overall sales.

The Rexel Group has also maintained gross capital expenditures over the last three years at an annual level between 0.7% and 0.8% of consolidated sales. This investment strategy illustrates the low capital intensity of the professional distribution of low and ultra-low voltage electrical products.

1.4.3.9 A flexible cost structure

The Rexel Group believes that its adaptability allows it to limit adverse effects on its operating margins arising from a reduction in sales. Moreover, this capacity results in a profitability structure that delivers improvements in operating margins during periods of growth, since the fixed elements of its cost base may grow more slowly than its sales.

Based on 2014 financial information, the Rexel Group estimates that its operating cost structure before depreciation comprises:

- variable costs based on the activity level amounting to 24% (transportation, commissions, etc.);
- fixed costs that are flexible in the very short-term amounting to 56% (wages in certain countries, advertising, various fees, etc.); and
- fixed costs that are flexible in the short or medium-term amounting to 21% (wages, rents, IT system costs, etc.).

1.4.3.10 The ability to integrate acquisitions

In the context of a fragmented market with significant acquisition opportunities, the Rexel Group believes that its size and its strong local market shares as well as its experience with acquisitions and integration, give it an advantage over its smaller or less experienced competitors in identifying and acquiring potential targets and implementing the synergies identified at the moment of the acquisitions.

Thus, between 2006 and 2014, the Rexel Group carried out 56 consolidating acquisitions, including 24 acquisitions in Europe, 9 in North America, 18 in Asia-Pacific and 5 in Latin America, as well as the acquisitions of GE Supply (renamed Gexpro) and the Hagemeyer group.

Risks related to acquisitions are described in paragraph 2.1.1.2 “Risks relating to acquisitions” of this *Document de Référence*.

1.4.4 The Rexel Group’s strategy

The Rexel Group’s strategy is based on five major trends which will have a structural impact on its business in the medium term:

- global electricity demand is expected to be multiplied by 1.5 to 2 within the next twenty years due to population growth, increased urbanization in emerging countries as well as increased demand for comfort in mature countries, partly linked to an ageing population;
- an increase in the price of electricity and fossil energies over the long-term and increased environmental awareness opens new markets, driven by innovation and high added-value services making it possible to reduce electricity consumption or to turn to renewable energies;
- the emergence of increasingly sophisticated products (home automation, climate control, connection, security), the dematerialization of transactions, the immediate access to information, and the need to work in networks, changes the core business structure of the Rexel Group’s customers, who show an increasing demand for specific services and targeted solutions to support them in the creation of value;
- exchanges will continue to globalize, giving a competitive advantage to the Rexel Group, which thanks to its leadership and coverage of the various markets, has demonstrated the capacity to offer a “global” response while keeping, through its branch network, targeted and innovative local services; and

- the emergence of growing market sub-segments (such as oil & gas and mining) that require comprehensive solutions with a strong added value, in which Rexel has strong legitimacy owing to its status as a global leader.

In this context, Rexel's mission is to assist its customers worldwide to create value and to optimize their businesses, by offering them a range of sustainable and innovative products and services in the area of automation, technical expertise and energy management.

Taking into account the above, the Rexel Group has set up a corporate project, *Energy in Motion*, orienting its strategy on four major points of focus:

- accelerate the profitable growth of the business by combining organic growth and acquisitions;
- optimize the use of assets and the allocation of resources in order to increase return on investment;
- mobilize all skills present in the organization around a common mission, and capitalize on the diversity of experience to promote innovative practices; and
- aim for operational "excellence" in order to optimize commercial efficiency and the performance of our businesses to best meet our clients' needs.

1.4.4.1 Profitable growth

Organic growth

The organic growth of the Rexel Group's traditional business relies mainly on market growth, as explained in paragraph 1.4.1.1 "The professional distribution of low and ultra-low voltage electrical products market" of this *Document de Référence*, and gain in market share. To such end, the Rexel Group constantly improves its development model, in particular in respect of its marketing aspects (through the adaptation of the location of the branches and the development of call centers and E-commerce), of the definition of the product and service offering (products and services increasingly innovative and development of own brands), and of its logistics and information systems.

Through the *Energy in Motion* project, the Rexel Group also intends to ramp up its growth by relying on market segments that are expected to be become lead markets in the medium- or long-term. These segments are grouped into three distinct categories:

- high potential categories: energy efficiency, renewable energies and home automation systems;
- international projects and clients: large infrastructure projects, major international client accounts; and
- vertical markets: in particular "mining" and "oil & gas".

In 2014, these three areas of focus represented €2.7 billion of sales, up by 9% compared to 2013 (at constant foreign exchange rates), with growth varying from one segment to another and which is expected to gain momentum in the coming years.

The high potential categories are supported by structural growth trends in the markets: need for energy consumption efficiency and reduction, development of renewable energies and of sophisticated home automation systems.

The Rexel Group has in recent years successfully developed its energy-efficient products and services offering: replacement of lighting sources, active promotion of low-energy equipments, energy audit proposals, setting up of energy measurement and control tools, energy-saving certification.

Although promising in the medium- or long-term, the renewable energies business in the short term remains subject to the volatility of the policies implemented by local governments to support the development of such energies. Rexel is consolidating its position on the photovoltaic market and intends to take part in the growth of this activity country by country. In the wind energy market, the Rexel Group proposes targeted solutions for each customer, ranging from simple cable deliveries to a fully-integrated services offering (from the supply to the provision of products on the assembly lines, as well as inventory management). In the high-growth home automation systems market, the Rexel Group has segmented its approach with offers that focus on residential buildings and are suited to commercial buildings.

The Rexel Group, a global player in the electrical equipment market, is involved in developing its clients on an international level. It offers a response that is suited to the geographic footprint of its major international accounts and develops global service offerings allowing large engineering and construction companies to externalize electrical product and other additional product or services management on large construction projects.

The mining and oil & gas infrastructure segments, which are major consumers of electrical products, are expected to develop in the coming years, driven by increasing demand for commodities and energy in emerging countries. Due in particular to its dedicated organization, its global presence and the quality of its supply chain, the Rexel Group participates in the development and construction of these projects.

External growth

On the local level, the professional distribution of low and ultra-low voltage electrical products takes place in the context of close and recurring relationships with customers. The Rexel Group has historically observed a correlation between local market share and local operating profitability, which it attributes, in part, to the optimized use of logistics infrastructures.

The Rexel Group therefore intends to continue to pursue bolt-on acquisitions of regional distributors in order to strengthen its market share in regions where it is already present.

Moreover, the Rexel Group intends to increase its presence in high value added market niches, specifically on the energy efficiency and renewable energy markets. After having acquired in 2011 a 70% stake in Inoveha, a French company specializing in energy audits, in October 2012 Rexel acquired Munro, a US company that specializes in innovative energy efficiency solutions and that has developed strong partnerships with energy services companies (ESCOs) and the utilities sector.

Finally, if the opportunity arises, the Rexel Group may also undertake larger acquisitions.

1.4.4.2 Active resources management

Organization, training and development

The Rexel group bases its organization on 4 different levels:

- The Group: Rexel takes advantage of its size and its global presence to develop teams and expertises across different zones. Certain administrative activities, such as finance and human resources are concentrated at the headquarters;
- The zones: Rexel groups the countries of a same geographic zone, generally around an important country of the zone;
- The country: given the national particularities of markets, the country level allows the Rexel Group to adapt and develop its strategy depending on local constraints; and
- The trade names: the development of different trade names, in a given country, allows the Rexel Group to increase its market share by different positioning of its offerings.

Moreover, since 2012, Rexel has decided to strengthen its sales and marketing structure, by putting in place dedicated teams for high potential categories, international clients and vertical markets.

Lastly, each year, Rexel proposes to it employees numerous training programmes on various aspects of their activities: management, sales, commercial skills, logistic, e-commerce, etc.

In addition to these continuous trainings, numerous trainings are organized to accompany the strategy of the Rexel Group based on the axis of the *Energy in Motion* project: trainings relating to energy efficiency, LED, etc. (for more information, please see chapter 3 “Corporate responsibility” of this *Document de Référence*).

Brand architecture and structure of the commercial network

In the countries in which it has significant market share, the Rexel Group believes that the coexistence of different commercial networks, and thus of different brands, for product and service offerings allows for gains in market share that are greater than those that can be achieved using a single network. A multi-network commercial structure offers a distributor the following advantages:

- with respect to its customers, multiple networks allow a distributor to provide offerings that cover a broader portion of market demand and better target the demands of different customer segments; and
- with respect to its suppliers, multiple networks allow to enhance the products specifications in differentiated networks and with a specialized technical support.

However, the Rexel Group encourages its various brands to refer to the fact that they belong to the Group. This is expected to increase the visibility of the Rexel brand, and guaranties added value by showing that the brand belongs to a global leader.

1.4.4.3 Culture of cooperation

Cooperative culture lies at the heart of the *Energy in Motion* strategic project. Close cooperation is essential to the shared success of the Rexel Group’s stakeholders, by fostering team work, developing a high quality client-relationship, managing strategic partnerships with key suppliers, and delivering on its commitments to its shareholders.

Rexel has defined six key values, which define the Rexel Group’s core principles of action and interaction with its stakeholders. Rexel is committed to:

- providing the best client experience: the Group’s employees are attentive to its clients’ needs to help better serve them and are constantly striving to find the best way to help them create value;

- bringing together its strengths to succeed: the Group's employees team up with the Group's stakeholders in a mutuallybeneficial spirit of cooperation;
- encouraging innovation: the Group's employees develop new business models and inventive methods to create more value;
- involving employees in order to develop their skills: managers develop the skills of their teams while providing the stakeholders with the most experienced, expert and qualified employees;
- developing mutual confidence: the Group's employees are collectively bound by their commitments and responsibilities; and
- flourishing by making a difference: the Group's employees surpass themselves to make and promote Rexel as a partner of choice.

1.4.4.4 Excellence in operations

Information systems management

In 2013, the Rexel Group continued to streamline and standardize the diverse applications portfolio that it has come to hold as a result of its numerous acquisitions. The rationalization of the applications environment is progressing on two key aspects of the information system: the ERP on one hand, and the front-office application on the other hand, with an emphasis on the multi-channel relationship between Rexel and its customers.

The Rexel Group's objective is to ensure optimal combination between central and regional means so as to address the specific needs of the Rexel Group's markets and customers. The emphasis was put on the renegotiation of external services contracts offering greater flexibility and agility while maintaining an optimal availability level.

Expressed as a percentage of sales, information services costs have fallen from 1.45% to 1.41% in 2014, while preserving a virtuous principle of investing savings in strategic projects.

Part of the savings are used to finance strategic investments in information systems in the area of e-commerce, customer relationships and intimacy management as well as global collaborative platforms.

Risks related to the information technology systems of the Rexel Group are described in paragraph 2.1.1.4 "Risks relating to information technology systems" of this *Document de Référence*.

Logistics optimization

The supply chain is one of the Rexel Group's key assets, valued by its customers.

Operational excellence is the Rexel Group's guiding principle, and is articulated around 4 cornerstones:

1. procurement;
2. warehouses;
3. transport; and
4. customer service.

Customer satisfaction is measured daily in order to approve action plans.

The evolution of the logistical structures improves the quality of services offered to customers, in particular due to a greater number of products available within shorter timeframes, and allows the Rexel Group to reduce its inventories and its costs.

Risks related to the logistical structure of the Rexel Group are described in paragraph 2.1.1.5 "Risks relating to the Rexel Group's logistical structure" of this *Document de Référence*.

Productivity enhancement plan

Beyond the optimization of its supply chain, the Rexel Group's operational excellence strategy entails the regular implementation of productivity enhancement plans. The purpose of these plans is, *inter alia*, to optimize the front and back office functions, to optimize the commercial network and to enhance the productivity of the logistics hubs.

Lean is a pillar of continous enhancement. In 2014, a deployment maturity assessment grid was created for the Lean programmes. It is consistent with the standards suggested by Gartner and comprises 5 levels:

0. Non systemic state
1. Lean model line
2. DC Lean
3. Advanced Lean
4. Extended Lean
5. Integrated Lean

The first level is based on the establishment of a vision and its deployment in cooperation with the country. In 2014, France, England, Sweden, Norway and Finland constituted the first wave of countries to use this method. In 2015, the second wave will include North America and Asia-Pacific.

E-commerce

Electronic commerce continues to be a sales enhancement vector thanks to tailored solutions and specific services such as order monitoring, technical information and availability in stock. Orders are delivered either on the worksite or at the client's premises or made available for pick up at the branch. Electronic commerce also enables Rexel Group customers to order 24 hours a day, 7 days a week. Finally, electronic commerce is a significant cost reduction tool.

In 2014, e-commerce increased by 10% compared to 2013, totalling over €1.7 billion in 2014, *i.e.* 13% of the total sales.

Optimize relationships with suppliers

With purchase volumes of €10.5 billion in 2014, the Rexel Group has structured its relationships with its suppliers around a limited number of strategic partners of global scale, along with several national suppliers and local suppliers that allow it to shape its product offering to fit local needs and to perpetuate its profitable growth.

With respect to the Rexel Group's strategic suppliers, its relationships are formalized through the implementation of Rexel Group-wide framework agreements that are both international and local in scope.

The Rexel Group intends to continue to optimize its supplier portfolio with the objective of improving its gross margin. In 2014, the Rexel Group made over 50% of its purchases from its 25 leading suppliers. The optimization of logistics structures and the EDI (Electronic Data Interchange) should also contribute to the improvement of the Rexel Group's profitability.

Risks related to supplier concentration are described in paragraph 2.1.1.6 "Risks relating to supplier dependence" of this *Document de Référence*.

Develop the Rexel Group's own brands

Based on a study of its product portfolio, the Rexel Group has identified certain segments that are appropriate for the development of own brands. These segments have the following characteristics:

- less importance accorded to well-known supplier brand names by customers;
- product functionality that is increased by packaging adapted to customer needs; and
- high fragmentation of manufacturers.

This is particularly the case for tools, certain installation accessories, and certain communications and security products.

Rexel's own-brand strategy is organized around 3 principal own brands:

- Newlec, which focuses on residential and commercial equipment as well as climate control engineering and electrical control and lighting equipment, mainly in the United Kingdom and Germany;
- BizLine, for tools and other convenience products (consumables etc.); and
- Gigamedia, for VDI products (voice, data, image).

In addition to these 3 international brands, Rexel offers various brands that focus on a single country and that have value on their local market.

Sales of own-brand products accounted for slightly more than 3% of Rexel Group sales in 2014, stable compared to 2013. The Rexel Group intends to continue a targeted development of its own brands.

Optimize sales prices

The Rexel Group distributes tens of thousands of product references to tens of thousands of customers in each country. The Rexel Group continuously seeks to optimize its sales prices to its customers' purchase profile, in order to maximize its gross margin in a sustainable manner, while remaining competitive.

In light of the complexity inherent in professional distribution activities (large number of products and customers), optimal product pricing requires mastery of a number of areas, including:

- customer and product segmentation;
- analysis of competition and of purchasing habits of its customers; and
- valuation of the services that are not billed separately by the Rexel Group.

For projects, the Rexel Group negotiates favorable specific pricing conditions from certain suppliers that it passes on to its customers. These negotiations are also an important part of the process of optimizing sales prices.

1.4.5 Research and development, patents and licenses

Due to the nature of its business, the Rexel Group does not carry out any research and development activities.

The Rexel Group's intellectual property policy is centered on protecting its brand names (mainly the Rexel brand and own brands such as BizLine, Sector, Newlec and Gigamedia) and domain names (mainly rexel.com). As a result of this policy, the Rexel Group either applies or registers for local trademark protection, or for brands and domains intended for wider use, it applies or registers for trademark protection in all of the countries in which it operates.

The Rexel Group's strategy is to protect the brands that it uses for certain products by registering such brands on sales territories and in the classes of registration of the products sold.

The Rexel Group also uses intellectual property rights (in particular names, brands, logos, designs, models and creations) that are not necessarily registered, either because they are used only temporarily, for example for a promotional campaign, or because they are difficult to protect. However, this second category is marginal. To the Rexel Group's knowledge, the use of these rights does not infringe any third-party rights.

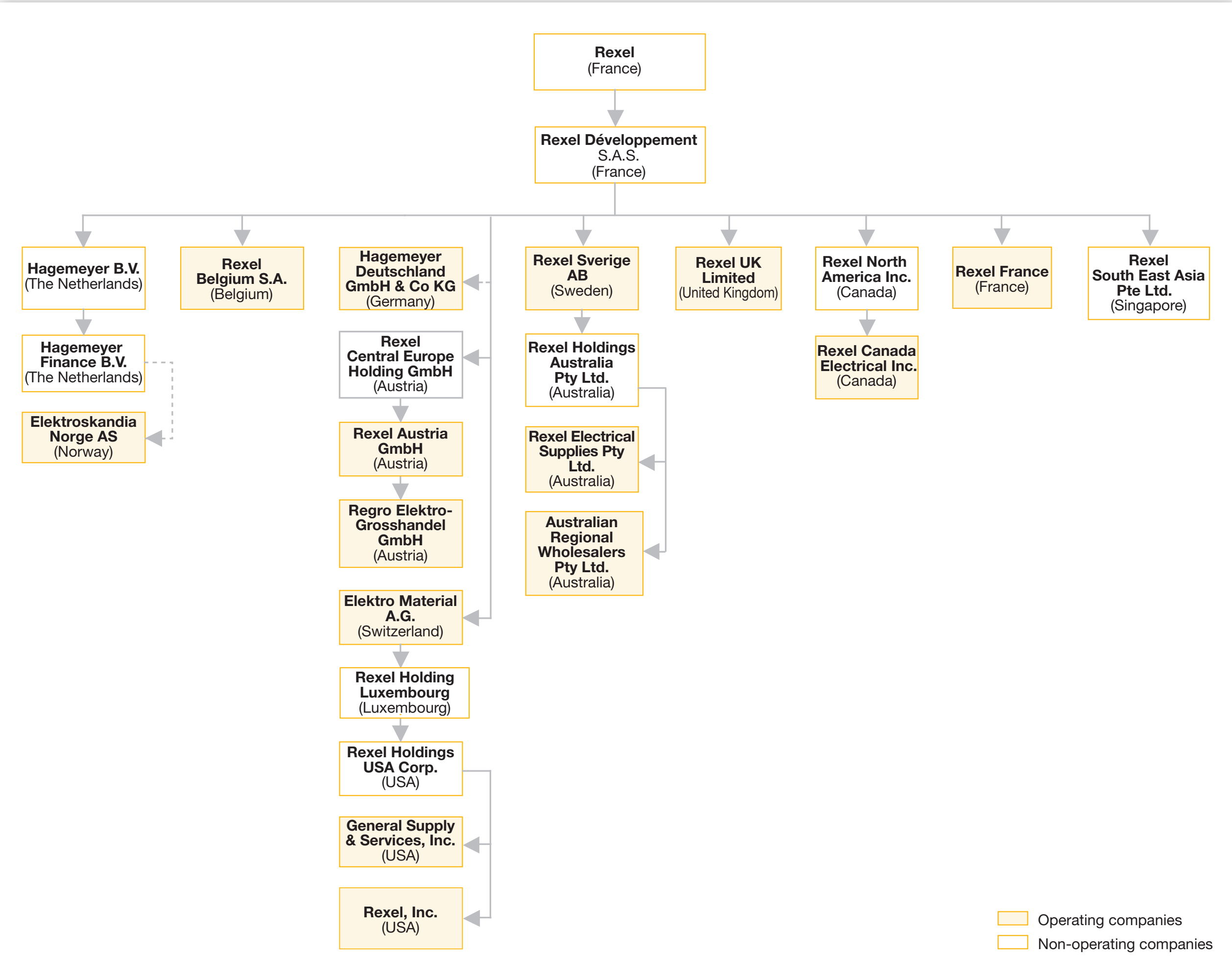
In April 1998, Rexel Distribution signed an agreement relating to the co-existence and use of the "Rexel" name around the world with a company operating in a different sector that had already registered the same trade name. Under the terms of this agreement, both of the companies are authorized to use the "Rexel" name for products and services that are not related to the activities of the other company.

1.5 ORGANIZATION

1.5.1 Organizational chart

The organizational chart below is a simplified organizational chart of the Rexel Group as of December 31, 2014.

As at December 31, 2014, the Rexel Group comprised 152 companies. The list of the companies consolidated by Rexel as of December 31, 2014 and their geographical location is detailed in note 26 of the Notes to Rexel's consolidated financial statements for the year ended December 31, 2014 which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.



* The dotted lines designate the indirect subsidiaries. With the exception of Rexel Belgium, which is 99.99% held by Rexel Développement, all the companies mentioned in the simplified organizational chart hereabove are 100% held by the Rexel Group.

1.5.2 Principal subsidiaries as of December 31, 2014

The Rexel Group comprises Rexel and its subsidiaries.

Rexel is the parent company of the Rexel Group and the head of the tax consolidation group implemented as of January 1, 2005. Rexel determines the orientation and strategy of the Rexel Group. Rexel has entered into loan agreements with Rexel Développement and certain of its subsidiaries within the terms set out in paragraph 7.5 "Related party transactions" of this *Document de Référence*.

Rexel Développement is an operational holding company (holding d'animation). It centralizes the functional and operating management teams of the Rexel Group. It employs the staff dedicated to the management of the Rexel Group. It holds the Rexel Group operational companies, directly or indirectly.

Rexel Développement has entered into service agreements with certain of its subsidiaries in the financial, cash management, legal, accounting, human resources, activities (purchases, logistics) or IT systems fields.

Rexel Développement has entered into cash management agreements and / or loan agreements with certain of its subsidiaries in order to allow for their financing.

Rexel's principal direct and indirect subsidiaries are described below. With the exception of the equity securities of the Rexel Group's companies and certain intellectual property rights, held, *inter alia*, by Rexel Développement, such subsidiaries do not hold any strategic economic assets.

Rexel Développement SAS is a simplified joint stock company *(société par actions simplifiée)* governed by the laws of France with a share capital of €2,098,654,090. Its registered office is at 13, boulevard du Fort de Vaux, 75017 Paris, France. The company is registered under number 480 172 840 R.C.S. Paris. Rexel holds 100% of its share capital and acts as chairman of Rexel Développement. Rexel Développement provides services (management, strategic planning, finance, human resources, IT/Telecoms and legal) to the Group companies. Furthermore, Rexel Développement directly or indirectly holds Rexel Group operating investments and, among other things, provides cash management services for certain Rexel Group operating subsidiaries in France and abroad.

Europe

Regro Elektro-Grosshandel GmbH is a company governed by the laws of Austria with a share capital of €1,400,000. Its registered office is at 10, Richard Strauss Strasse, Vienna, Austria. It is registered with the registry of commerce and companies of Vienna under number FN 196359s. Its main activity is the distribution of electrical products. It is indirectly wholly owned by Rexel Central Europe Holding GmbH.

Hagemeyer Deutschland GmbH & Co KG is a limited partnership with a share capital governed by the laws of Germany *(Kommanditeinlage)* with a share capital of €13,000,000. Its registered office is at Landsberger Str. 312, 806837, Munich, Germany. It is registered with the registry of commerce and companies under number HRA 48737. Its main activity is the supply and distribution of electrical products as well as the acquisition and management of equity investments in other companies. It is indirectly wholly owned by Rexel Développement.

Rexel Belgium SA is a company governed by the laws of Belgium, with a share capital of €30,000,000, having its registered office at Zuiderlaan 91, 1731 Zellik, Belgium. It is registered with the registry of commerce and companies under number 0437.237.396. Its main activity is the supply and distribution of electrical products. Rexel Belgium is owned at 99.99% by Rexel Développement.

Rexel Sverige AB is a company governed by the laws of Sweden with a share capital of SKR 80,000,000 paid-up at SKR 46,500,000. Its registered office is at Prästgårdsgränd 4, 125 44 Älvsjö, Stockholm, Sweden. It is registered with the registry of commerce and companies under number 556062-0220. Its main activity is the distribution of electrical products as well as holding equity investments in companies in the electrical products distribution business. It is wholly owned by Rexel Développement.

Elektroskandia Norge AS is a company governed by the laws of Norway with a share capital of NOK 82,150,000. Its registered office is in Alfasetveien 11, N-0668, Oslo, Norway. It is registered with the registry of commerce and companies under number 977 454 700. Its main activity is the supply and distribution of electrical products. Elektroskandia Norge AS is indirectly wholly owned by Hagemeyer Finance B.V.

Elektro-Material A.G. is a joint stock company *(Aktiengesellschaft)* under Swiss law with a share capital of CHF 135,000,000. Its registered office is at Heinrichstrasse 200, 8005 Zurich, Switzerland. It is registered with the registry of commerce and companies under number CH-626.3.005.380-6. Its main activity is the distribution of electrical products, the management of shareholdings and the provision of services. It is owned at 100% by Rexel Développement.

Rexel France is a simplified joint stock company *(société par actions simplifiée)* under French law with a share capital of €41,940,672. Its registered office is at 13 boulevard du Fort de Vaux, 75017 Paris, France. The company is registered with the registry of commerce and companies under number 309 304 616 R.C.S. Paris. Its purpose is to distribute all electrical and electronic products, household appliances, IT equipment and derivative products, and more generally the supply of all materials and products for the construction and manufacturing industries, local authorities and individuals. In addition, its purpose is also to hold and manage shareholdings in other companies. Rexel France is wholly owned by Rexel Développement.

Rexel UK Limited is a limited company under English law with a share capital of 319,879,885 pounds sterling. Its registered office is at 5th Floor, Maple House – Mutton Lane, Potters Bar – EN6 5 BS Hertfordshire, United Kingdom. It is registered with the Companies House under number 434724. Its main activity is the sale of electrical products and the holding and the management of equity investments in other companies. Rexel UK Limited is indirectly wholly owned by Rexel Développement.

North America

Rexel Holdings USA Corp. is a corporation governed by the laws of the Delaware with a share capital of US $1,001 registered under number 20-5021845. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, USA. Its main activity is the acquisition and management of equity investments in other companies and the provision of services. Rexel Holdings USA Corp. is wholly owned by Rexel Holding Luxembourg.

Rexel, Inc. (previously named Summers Group, Inc.) is a corporation governed by the laws of the Delaware with a share capital of US $10,000, registered under number 75-2304244. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, USA. Its main activity is the distribution of electrical products. Rexel, Inc. is wholly owned by Rexel Holdings USA Corp.

General Supply & Services, Inc. is a corporation governed by the laws of the Connecticut with a share capital of US $1,000, registered under number 20-5021902. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, United States. Its main activity is the distribution of electrical equipment, the provision of services and ownership of equity investments in companies in the electrical product distribution business. General Supply & Services Inc. is wholly owned by Rexel Holdings USA Corp.

Rexel North America, Inc. is a Canadian corporation with a share capital of CAD 108,904,500, registered under number 381380-1. Its registered office is at 505 Locke, suite 200, Saint Laurent, Quebec H4T, 1X7 Canada. Its main purpose is the acquisition and management of equity investments in other companies and the provision of services. It is wholly owned by Rexel Développement.

Rexel Canada Electrical Inc. is a Canadian corporation with a share capital of CAD 1,829,744, registered under number 428874 2. Its registered office is at 5600 Keaton Crescent, L5R 3G3 Mississauga, Canada. Its main activity is the distribution of electrical equipment. It is wholly owned by Rexel North America Inc.

Asia-Pacific

Rexel Electrical Supplies Pty Ltd is a New South Wales corporation with a share capital of AUD 39,000,000, registered under number ACN 000 437 475 NSW. Its registered office is at First Floor - Building B, 12 Julius Avenue - North Ryde, 2113 NSW, Australia. Its main activity is the distribution of electrical equipment. It is indirectly wholly-owned by Rexel Sverige AB.

Rexel Holdings Australia Pty Ltd is a New South Wales corporation with a share capital of AUD 169,598,471, registered under number ACN 081 022 068 NSW. Its registered office is at First Floor - Building B, 12 Julius Avenue - North Ryde, 2113 NSW, Australia. Its main activity is the holding and management of interests in other companies. It is indirectly wholly-owned by Rexel Sverige AB.

Rexel South East Asia Pte. Ltd. is a Singapore corporation with a share capital of SGD 108,780,000, registered under number 201112534M. Its registered office is at No. 1 Boon Leat Terrace #08-03, Harbourside Building 1, 119843 Singapore. Its main activity is the holding and management of interests in other companies. It is directly owned by Rexel Développement.

Contributions from subsidiaries or significant sub-groups as of December 31, 2014 are as follows.

CONSOLIDATION VALUE (EXCLUDING DIVIDENDS) *(in millions of euros)*	FIXED ASSETS (INCLUDING GOODWILL)	GROSS DEBT (NON-REXEL GROUP)	CASH AND CASH EQUIVALENTS	CASH FROM OPERATIONS	DIVIDENDS PAID AND DUE TO REXEL
Rexel (France)	0.4	2,048.8	976.0	51.2	–
Rexel Développement SAS (France)	16.1	(267.3)	26.2	(71.9)	211.5
Rexel France (France)	1,198.2	443.0	16.7	112.7	–
Rexel Holdings USA Corp. (USA)	1,135.6	267.2	23.0	60.6	–
Elektro-Material A.G. (Switzerland)	853.4	–	0.7	70.4	–
Rexel North America Inc. (Canada)	569.6	128.6	1.0	42.3	–
Rexel UK Limited (United Kingdom)	280.5	242.2	6.6	20.9	–
Hagemeyer Deutschland GmbH & Co KG (Germany)	243.2	132.3	5.3	(6.1)	–
Rexel Sverige AB (Sweden)	222.2	0.6	–	11.6	–
Rexel Holdings Australia Pty Ltd (Australia)	206.7	106.3	0.1	1.0	–
Elektroskandia Norge AS (Norway)	183.3	1.2	0.2	24.3	–
Regro Elektro-Grosshandel GmbH (Austria)	84.7	–	–	3.6	–
Rexel Belgium SA (Belgium)	77.6	63.6	0.2	13.0	–
Other	543.5	200.9	104.5	39.5	–
Total consolidated	**5,615.0**	**3,367.1**	**1,160.5**	**373.2**	**–**

The Rexel Group analyzes its sales based on geographic areas, to which the legal entities referred to above belong based on their localization. Therefore, an analyzis of sales with a breakdown by legal entity would not be relevant.

Breakdown of sales by geographic area is detailed in chapter 4 “Results of Operations and Financial Position of the Rexel Group” of this *Document de Référence*.

1.6 PROPERTY AND EQUIPMENT

The Rexel Group’s real estate strategy consists in giving priority to ordinary rental as its main method of occupation of its commercial and logistic premises, in order to benefit from increased operational flexibility allowing to permanently adapt to market evolutions. The Rexel Group therefore sold or transferred the lease of most of its real estate assets within the last fifteen years.

As of December 31, 2014, the properties used by the Rexel Group mainly included:

- The registered office of Rexel, located in Paris (France), which is leased and has a surface area of 10,200 sq. meters, and the administrative buildings of the operational entities, located in Europe, North America and Asia-Pacific, which are mainly leased. The registered office of Rexel and the administrative buildings of the operational entities house the management and operational functions of the Rexel Group;
- 50 distribution centers located in Europe (Estonia, France, Germany, Austria, Belgium, Italy, Poland, Spain, Finland, Norway, The Netherlands, Portugal, the United Kingdom, Slovenia and Sweden), North America (United States), Asia-Pacific (Australia, China and New Zealand) and Latin America (Brazil, Chile and Peru). Distribution centers are mainly leased and have an average surface area which varies from 10,000 sq. meters for those located in Europe (excluding France) to 17,000 sq. meters for those located in France (see paragraph 1.4.2.3 “Logistic organization of the Rexel Group” of this *Document de Référence*); and
- 2,235 branches (including hub branches) located in Europe, North America, Asia-Pacific and in Latin America. Branches are mixed-usage selling and storage premises located in areas of handicraft or industrial activity, with an average surface area of approximately 1,000 sq. meters. Branches are mainly leased (see paragraph 1.4.2.3 “Logistic organization of the Rexel Group” of this *Document de Référence*).

No single real estate asset of the Rexel Group is deemed significant to the Rexel Group as a whole and no significant investment in real estate assets is currently being considered. These assets are not subject to any encumbrance which would affect their current use or value.

1.7 INVESTMENTS

1.7.1 Completed investments

The table below provides details by line item at the Rexel Group level of capital expenditures, acquisitions and disposals for each of the financial years ended December 31, 2014, 2013 and 2012.

(in millions of euros)	2014	2013	2012	2012-2014 Total
Capital expenditure				
IT systems	54.5	44.7	45.5	144.7
Branch renovations and openings	20.8	22.5	24.8	68.1
Logistics	11.4	14.9	17.0	43.3
Others	19.1	20.2	3.3	42.6
Total gross capital expenditure	**105.9**	**102.3**	**90.6**	**298.7**
Change in fixed assets suppliers payable	1.6	(7.3)	0.3	(5.4)
Disposals of fixed assets	(4.8)	(22.9)	(7.1)	(34.8)
Total net capital expenditure	**102.8**	**72.1**	**83.8**	**258.5**
Acquisitions and disposals of subsidiaries				
Acquisitions	36.7	12.7	595.6	645.0
Disposals	–	(10.4)	–	(10.4)
Total acquisitions and disposals of subsidiaries	**36.7**	**2.3**	**595.6**	**634.6**

Gross capital expenditure in 2014, 2013 and 2012 represented 0.8%, 0.8% and 0.7% of Rexel Group's consolidated sales, respectively.

Capital expenditures carried out in 2014 are described in paragraph 4.3 "Cash flow" of this *Document de Référence* and were financed by the Rexel Group in cash.

1.7.2 Principal investments in progress

New e-commerce and client relationship development solutions are in the process of being rolled out in Europe and North America.

The establishment of a streamlined information systems solution on most of the United States continued in 2014, together with a rationalization of the branch network and common logistics.

In a number of other European countries, particularly Sweden, The Netherlands and Germany, a consolidation plan of the logistics tools was completed in 2014.

In Australia, new commercial and logistics platforms are in the process of being rolled out.

1.7.3 Principal planned investments

At the date of this *Document de Référence*, there was no firm commitment to third parties concerning material financial investments, other than those described in paragraph 1.3 "Recent Acquisitions and Disposals" of this *Document de Référence*.

The Rexel Group's operating investments, which are mainly linked to its IT systems, logistical resources and branch network, generally account for between 0.7% and 0.9% of its sales, on a yearly basis.

1.8 REGULATIONS

The professional distribution of low and ultra-low voltage electrical products is not, as such, subject to any specific regulations. However, certain regulations may impact the Rexel Group's activities.

1.8.1 Product liability

As a distributor, the Rexel Group has potential products liability for products that it distributes.

The products and equipment distributed by the Rexel Group benefit from manufacturer's product guarantees. The product guarantee granted by the Rexel Group is comparable to the guarantee granted by the manufacturer. In some circumstances, the warranties granted by the Rexel Group may exceed those granted by the manufacturer. In those circumstances, the Rexel Group may be solely liable for any non-compliance with the warranty during the time period during which only the Rexel Group's warranty is in effect.

In addition, agreements entered into between the Rexel Group and its customers generally contain clauses providing for compliance with applicable standards and regulations, indemnification rights as well as guarantees concerning the supplier's qualification (reputation, financial solidity, adequate insurance policies and compliance with applicable standards and regulations), clauses for the return of products under which the supplier undertakes to take the products back in the event of product defects in certain circumstances, changes in applicable regulations or obsolescence of such products. Also, to the extent possible and subject to applicable legal provisions, the Rexel Group may also be covered by insurance policies entered into by the suppliers.

In most of the territories where the Rexel Group operates as an importer, the Rexel Group may be held liable for any defects of the products that it imports and distributes. In all cases of import, the Rexel Group negotiates with its partners on the basis of its contractual strategy in relation to product liability.

1.8.2 Environmental regulations

The Group's activities are subject to, *inter alia*, EU and Canadian environmental regulations. However, other countries may have adopted environmental regulations that could impact the Group's activities in such countries.

The "RoHS" Directive

Directive 2002/95/EC of the European Parliament and of the Council of January 27, 2003, known as the "RoHS" Directive (Restriction of Hazardous Substances), prohibits the use of certain hazardous substances in electrical and electronic equipment.

Directive 2011/65/EU of July 1, 2011 has extended the reach of this Directive, specifically with regards to its scope, and imposed new obligations on the economic players. The scope of the new Directive includes an increased number of electrical and electronic appliances, in particular cables and spare parts.

The Rexel Group strives to set up adequate measures in order to conform to the Directive.

The "WEEE" Directive

Directive 2002/96/EC of the European Parliament and of the Council of January 27, 2003, known as the "WEEE" Directive, on waste electrical and electronic equipment from private households, *i.e.* targeting the end consumer, calls for selective collection of electrical and electronic equipment waste, selective treatment of certain components and waste recovery through recycling (material and energy recovery). The WEEE Directive also calls for European Union member states to set up recycling programs for electrical and electronic equipment waste. These programs are financed by an "eco-contribution" borne by the end consumer. The WEEE Directive also requires manufacturers to label equipment with reference to EU standards (*e.g.* NF EN 50149 standard in particular), with a symbol on all household electrical and electronic equipment indicating that these products must be collected separately. In this context, the Rexel Group offers, for each product sold, the recovery of a similar product with a view to its collection by the eco-organizations managing the recycling program concerned. The Rexel Group believes that the impact of this system will be limited and that it complies with this regulation in the countries in which it has been implemented.

Directive 2002/96/EC was repealed effective as of February 15, 2014. The EU Member States were required to transpose Directive 2012/19/EU by February 14, 2014.

The "REACH" regulations

Regulation 1907/2006 of the European Parliament and of the Council of December 18, 2006 known as the "REACH" (Registration Evaluation and Authorization of Chemicals) regulation relates to the registration, evaluation and authorization of chemical products as well as the restrictions applicable to these products. As a distributor on the European market of products that may contain chemical substances concerned by these regulations, the Rexel Group is bound to provide its customers with the information received from its suppliers and relating to the health and environment impacts of these substances. The main entity liable is the manufacturer of chemical products. The Rexel Group may, as the case may be, no longer receive certain products if a supplier was required to stop using certain substances. The Rexel Group has implemented a process aiming at collecting and providing the information in accordance with the REACH regulation.

The Canadian "WEEE" regulations

Since 2010, a number of provincial authorities in Canada have adopted regulations on waste electrical and electronic equipment, financed by an "eco-tax" (fixed tax on product sales). Only a few products distributed by the Rexel Group are concerned. Because the full cost of this tax is passed on to the customers, the impact of the regulations for the Rexel Group is very limited.

[This page is intentionally left blank]

RISK FACTORS AND INTERNAL CONTROL

Investors are urged to carefully review the risks described in this chapter, as well as all of the other information set forth in this Document de Référence*. Such risks are, on the date hereof, the risks that Rexel believes may have a material adverse effect on its financial condition or its results of operations, should they occur. Rexel conducted a review of these risk factors and considers that there are no other significant risks than the ones described in this section. Note that there may, however, be other risks that have not yet been identified as of the date of this* Document de Référence*, or whose occurrence as of the date hereof is not considered likely to have a material adverse effect. This chapter includes a description of the risk factors of the Rexel Group, as well as the risk management measures taken for each of them. Moreover, the risk management process implemented within the Rexel Group is described in paragraph 2.3 "Internal control and risk management procedures" of this* Document de Référence.

2.1 RISK FACTORS

2.1.1 Risks relating to the Rexel Group's industry

2.1.1.1 Risks relating to the general economic environment

The Rexel Group's end markets are the industrial market, the commercial building market and the residential building market. These markets can be further subdivided into investment and construction, on the one hand, and maintenance and renovation, on the other hand. The Rexel Group's business is sensitive to changes in general macroeconomic conditions and, more particularly, those affecting industrial investments and the construction, renovation and maintenance of residential and commercial buildings. In addition, the demand for the products distributed by the Rexel Group, the prices of such products and the Rexel Group's margins depend on many factors, such as inflation, interest rates, bank credit availability, or changes in economic and monetary policy.

The impact of changes in macroeconomic conditions varies depending on the end-markets and geographic areas in which the Rexel Group operates. Europe, North America, Asia-Pacific and Latin America accounted for approximately 55%, 34%, 9%, and 2% of the Rexel Group's 2014 sales respectively. In addition, the Rexel Group estimates that the industrial, commercial and residential markets, respectively, represented 35%, 44% and 21% of its 2014 sales from the distribution of electrical equipment. However, this distribution varies by region and by country (see paragraph 1.4.1 "The Rexel Group's markets" of this *Document de Référence*). For example, the industrial market accounts for approximately 46% of 2014 sales of the Rexel Group in North America while it is close to 85% of 2014 sales of the Rexel Group in China, and circa 27% in France. In each geographical area, construction, renovation, and maintenance activities evolve differently.

An economic downturn in one or more of the Rexel Group's markets, or across all of its markets, may have an adverse effect on its financial condition, results of operations or its ability to implement its strategic decisions.

Similarly, political or economic instability in one of the countries where the Rexel Group is established may have an adverse impact on the results of operations in such country and of the Rexel Group.

Although the Rexel Group cannot control the occurrence of external risks, the Rexel Group has implemented tools to monitor and assess the risk level and impact. For this purpose, summaries consisting of financial data and macroeconomic indicators are drawn up by the country and regional management teams as well as by the investor relations department of the Rexel Group. The summaries are delivered on a regular basis to the management of the Rexel Group.

These indicators are taken into account in the budget process and may lead to measures aimed to adapt the Rexel Group's strategy to the economic and political context.

2.1.1.2 Risks relating to acquisitions

In the last few years, the Rexel Group has carried out bolt-on acquisitions to increase its market shares (see paragraphs 1.2 "History and development" and 1.3 "Recent Acquisitions and Disposals" of this *Document de Référence*).

However, the Rexel Group may be unable to identify appropriate targets, complete acquisitions under satisfactory terms or ensure compliance with the terms of the relevant sale/purchase agreement. In addition, while the Rexel Group seeks the successful integration of acquired entities and businesses, it cannot guarantee that this integration will occur within the planned timeframes. Moreover, the Rexel Group may have difficulties in retaining the key employees identified during the acquisition process, or achieving expected synergies within planned timeframes. The Rexel Group may also bear charges or liabilities undisclosed in its acquisition and due diligence processes and integration costs may be higher than initially anticipated. Lastly, in certain cases, minority shareholders may retain interests in the share capital of the companies that the Rexel Group takes control of, including in order to ensure continuity, which implies increased complexity in decision-making processes.

The occurrence of one of the above risks may have an adverse effect on the Rexel Group's financial condition or results of operations.

In order to limit risks relating to acquisitions and integration processes of the acquired companies, the Rexel Group has improved the implementation and monitoring of acquisition projects. Any material acquisition or disposal (*i.e.*, with an enterprise value in excess of €50 million) is submitted for approval to the Board of Directors of Rexel upon recommendation of the Strategic Committee. Moreover, the appropriateness of each acquisition, in accordance with the Rexel Group's internal process, is considered by an Investment Committee, which meets at several stages of the acquisition process and reviews all of the issues in relation to the project. Lastly, throughout the entire acquisition process, the Rexel Group employs specialized advisors.

In relation to the post-acquisition stage, a dedicated team implements an integration plan and uses synergy follow-up tools for the larger acquisitions. Moreover a procedure for monitoring compliance with contractual undertakings in acquisitions has been established and distributed throughout the Rexel Group.

In addition, acquisitions carried out by the Rexel Group are reflected in its consolidated financial statements through the recognition of goodwill representing the expected future economic benefits from the purchased assets. Downward revisions of these expected benefits, including due to changes in macroeconomic conditions, may lead to goodwill impairments, which would then have an adverse impact on the financial position and results of the Rexel Group. At December 31, 2014, the amount of goodwill recognized in the Rexel Group's assets totaled €4,243.9 million and the depreciations recognized in the consolidated income statement for 2014 totaled €48.5 million (see note 10.1 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2014 included in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

2.1.1.3 Risks relating to competition

The market for professional distribution of low and ultra-low voltage electrical products is characterized by robust competition, as the products distributed by the Rexel Group are generally available from other distributors. At the international level, the Rexel Group competes with several large professional electrical distributors, such as Ahlsell, Consolidated Electrical Distributors, W.W. Grainger, Graybar Electric Company, Solar, Sonepar, and WESCO International.

The Rexel Group also competes with smaller independent distributors that operate on the national, regional or local level which are part of, or may occasionally create, cooperative purchasing organizations.

The Rexel Group believes that, based on 2014 sales, it is the number two distributor in the Asia-Pacific region, in Europe and in North America.

Furthermore, the Rexel Group may compete with:

- manufacturers that sell their products directly to certain clients in the industrial and services markets, essentially in connection with large projects;
- large do-it-yourself stores that distribute products directly to residential end-users;
- general building trade distributors, who could continue to develop their electrical product offerings or acquire companies that are already present in the electrical product distribution sector and thereby create increased competition for the acquisition of market share;
- specialists in e-commerce, distributing electrical material to professionals or end-users;
- specialized distributors on certain market segments, as for example low voltage electrical material; and
- service providers specialized in building maintenance or energy efficiency.

Lastly, regional competitors and new market entrants could attempt to hire the Rexel Group's employees, particularly sales and branch management personnel, which may have an adverse effect on the Rexel Group's operations.

The competitive pressure that the Rexel Group faces may therefore have an adverse effect on its financial condition or results of operations.

In order to limit the competition risks inherent in its business, the Rexel Group relies on its dense network of branches and sales personnel, the efficiency of its logistical systems as well as the quality of its services. In addition to its branch network, Rexel is developing a multichannel offer, with, in particular, e-commerce functionalities in most countries, thereby responding to clients' expectations most notably by simplifying administrative tasks and giving them technical advice.

Moreover, dealing directly with a professional distributor allows customers to have access to a larger product offering than when dealing with a manufacturer and to benefit from a higher quality of service and advice than that proposed by large do-it-yourself stores or e-commerce sites.

Each year, the Rexel Group reviews its branch network and makes strategic decisions in relation to the establishment (opening/closing) of its branches and subsidiaries, taking into account market growth opportunities as well as its competitors' presence and market shares.

Lastly, in order to limit the risk of its key employees joining the competition, Rexel Group entities ensure that their remuneration policies are competitive and include non-compete clauses in employment agreements when such provision makes sense in the local market.

2.1.1.4 Risks relating to information technology systems

The attention of Rexel is highly focused on the protection and maintenance of the operational capacity and availability of its information systems.

Given the decentralized IT architecture and the recourse to several IT hosting providers located in various countries, the risk that a major malfunction affects operations globally is limited. Moreover, internal control procedures define a periodic validation of disaster recovery plans. In addition, the compliance with rules related to change management, planning and execution of complex projects as well as access rights management is verified through regular audits.

In 2014, Rexel assessed the level of protection of its critical systems and redefined an organization, governance principles and technologies required to increase their protection against intrusion and hacking attempts. As new practices emerge around mobility at work, Rexel reinforces its practices regarding data management and protection on employees' laptops.

The Rexel Group cannot, however, provide assurances that all systems will continue to support permanently all activities under satisfactory conditions. A major malfunction or interruption could have a negative effect on the activity, the financial condition or results of operations of the Rexel Group. The Rexel Group may also be required to make unforeseen expenditures or may experience temporary or extended disruptions with respect to its personnel, operations or information flow.

2.1.1.5 Risks relating to the Rexel Group's logistical structure

The evolution of the Rexel Group's logistical structures or malfunction of one or several of such structures may result in temporary or long-lasting disruptions of its business and have a negative impact on its reputation and results of operations.

The Rexel Group's logistical organization, which is determined at the local level, as opposed to the international level, and with similar processes supported by warehouse management systems common between several countries, limits the impact of such a risk. Should a malfunction occur in a distribution center, the disruptions may be limited through the use of another distribution center or through inter-branch transfers.

Moreover, performance indicators and logistical platform security data are shared within countries and within the Rexel Group. Regular monitoring of this information serves to alert Rexel to problems and implement necessary corrective action.

2.1.1.6 Risks relating to supplier dependence

While rationalizing its purchasing policy, the Rexel Group is reducing the number of its suppliers in order to strengthen its relationships with a smaller number of manufacturers. In 2014, the Rexel Group's purchases from its 25 leading suppliers accounted for more than 50% of its total purchases; more than 75% of its total purchases were from its 200 leading suppliers.

Overall, the Rexel Group believes that it is not dependent on any single supplier.

In general, the Rexel Group's distribution business involves entering into short and medium-term agreements with suppliers. The renegotiation of these agreements may lead to the suppliers' refusal to renew agreements or insistence to renew on terms that are less favorable to the Rexel Group. In addition, in certain contracts, the contractual provisions requiring the prior consent of the supplier in the event of a change of control may give rise to the supplier terminating such agreements or seeking an amendment on terms less favorable to the Rexel Group. Finally, the Rexel Group may face the inability of one or more of its suppliers to meet its contractual obligations, which may affect sales volume realized with the Rexel Group's customers.

In certain geographical areas, the Rexel Group may be dependent on certain suppliers due to, for example, exclusive or quasi-exclusive relationships, or a high concentration of suppliers in the purchases made. In the event it loses one or more such suppliers or that such a supplier reduces its product offering, the Rexel Group cannot guarantee that it will be able to offer a satisfactory alternative to its customers, as a result of which they may turn to one or more competitors to obtain products. In addition, the Rexel Group's suppliers could, in certain countries, change their product distribution channels by reducing the role of distributors, which would temporarily affect sales and corresponding gross profit.

The occurrence of any of these events may have an adverse effect on the Rexel Group's financial condition or results of operations.

In addition to purchase agreements, supply agreements are set up on a country level with certain suppliers. These agreements are determined in the scope of a partnership approach including shared indicators and action plans.

Moreover, in order to improve supervision of the main suppliers and to monitor the proper implementation of the Rexel Group's strategy, international coordination of the offer managers at the local level is organized on a regular basis, as part of a proactive approach to manage the offer by products categories.

In addition, while constantly seeking for innovation, Rexel Group companies regularly identify new suppliers for the key products categories that they offer. Lastly, the relative importance of the Rexel Group to its main suppliers limits the risks relating to the termination of contracts or a material change in the product offers.

2.1.1.7 Risks relating to the Rexel Group's reputation

Considering its international presence and visibility, the Rexel Group is exposed to attacks of various natures against its reputation, in particular through communication means such as the Internet and the social media. These communication means are characterized by real time reactions and an exponential diffusion of information, which may have an impact on the Rexel Group's reputation, financial situation or results of operations in case a crisis or negative event occurs.

In order to limit such risk and to reduce its impact, the Rexel Group, in the context of its communication strategy, ensures a proactive monitoring of Internet tools, organizes information and education campaigns to the attention of its employees, raises its employees' awareness through the distribution of its Ethics Guide, implementation of stringent communication rules, and a crisis management process which is updated on a regular basis.

2.1.1.8 Risks relating to operations in emerging or non mature countries

Rexel develops its activities notably in emerging or non mature countries, where its exposure to operational risks might be higher than generally accepted standards, due to inefficient or insufficiently controlled processes, and/or due to a potentially changing economic, political, legal or tax environment. In order to limit its exposure, risk assessment, integration and monitoring processes of these entities or activities have been defined to eventually ensure an adequate level of internal control on operational risks.

2.1.1.9 Risks relating to human resources

Attract, develop and retain talents is a priority to the Rexel Group, in order to support its growth and strategy, and develop innovative solutions. The Group's strategy to become a market reference with regards to human resources management and development, is oriented both internally and externally, and is built around 4 axes: managers and change management, culture of performance, employer brand, and organizational effectiveness.

Internally, different programs have been launched to strengthen the performance-oriented corporate culture (corporate university, top 100 development program, high potentials identification and development based on key management and technical skills…).

Externally, the recruitment of experienced profiles enables acceleration in competency gaining in key domains.

However, this dual investment is performed in difficult local contexts: local employment market evolutions, and in particular an increased competitive pressure in the recruitment of expertise, could have a negative impact on the profitability of operations.

2.1.2 Legal and regulatory risks

2.1.2.1 Risks relating to pending litigation

Risks related to pending litigation are described in detail in note 24 of the Notes to the consolidated financial statements of Rexel for the year ended December 31, 2014, which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*. These litigations have been analyzed by the management who concluded that, as of closing date, they should be subject to no additional provision, other than those already booked.

Considering the status of pending tax claims and ongoing tax proceedings, Rexel believes that no material effect is to be expected with regards to its financial condition or its results of operations but cannot predict the outcome of these cases with certainty or assess potential tax adjustments.

There are no other governmental, judicial or arbitration proceedings (including any outstanding or threatened proceedings of which Rexel is aware of) that might have or that had during the last twelve months a material impact on the financial situation or profitability of Rexel or the Rexel Group.

The Rexel Group cannot rule out the possibility that new claims or lawsuits may arise as a result of facts or circumstances that are not known and the risks of which cannot, therefore, be ascertained or quantified at the date of this *Document de Référence*. Such claims may have an adverse effect on its financial condition or results of operations.

2.1.2.2 Risks relating to legal and tax regulations

Like any international group operating in multiple jurisdictions, the Rexel Group has structured its commercial and financial activities in a manner which takes into consideration various legal and tax requirements, derived from internal laws of countries where the Group is set up, as well as international treaties between these countries.

The application of tax regimes to the Rexel Group's operations, intra-Group transactions or reorganizations may require reasoned interpretations. Rexel cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect its financial condition or results of operations.

In order to limit the risks related to legal and tax rules applicable in the various countries where the Rexel Group is established, the legal and tax management of the Rexel Group, as well as tax experts assist local management in their transactions in respect of local or international applicable laws.

Furthermore, the Rexel Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from its entities. The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and on the expected future results of the relevant entities. Any reduction in the ability to use these assets due to changes in local laws and regulations, potential tax reassessments or lower-than-expected results could have a negative impact on the Rexel Group's financial position or results. As at December 31, 2014, the Rexel Group's deferred tax assets linked to tax loss carry-forwards totaled €318.4 million, depreciated in an amount of €127.7 million (see note 9.2 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014, which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

In addition, the Rexel Group is committed to continue to implement and enforce policies and procedures aiming at ensuring compliance with applicable local and international laws, such as but not limited to anti-corruption, export control, anti-money-laundering, data protection, or competition law. However, Rexel cannot guarantee that none of the employees or partners of the Rexel Group will ever violate these laws and regulations or procedures, which may impact its reputation or financial situation. In order to mitigate these risks, the Rexel Group constantly enhances its compliance program and tools for its implementation. As an example, in order to prevent corruption risks and increase the awareness of its employees, Rexel launched in 2014 an e-learning module on this topic.

2.1.2.3 Risks relating to regulatory matters, including environmental regulations

In light of the sectors in which it operates, the Rexel Group must ensure, *inter alia*, that its suppliers comply with applicable standards and directives in relation to products, the environment and safety.

The products that the Rexel Group distributes are subject to numerous legal and regulatory requirements applicable in each of the jurisdictions in which the Rexel Group operates. These products are also subject to quality and safety regulations and inspections resulting from national and international standards. In particular, these regulations involve European Union directives and standards adopted by international organizations, such as the European Committee for Electrotechnical Standardization and the International Electrotechnical Commission. Changes in such laws and regulations and their implementation may necessitate a change in the product offering or cause an increase in its distribution expenses.

The risk management mechanism implemented by the Rexel Group with respect to product liability is described in detail in paragraph 1.8.1 "Product liability" of this *Document de Référence*.

The Rexel Group must also endeavor to comply with local environmental regulations. The environmental risk prevention and management mechanisms are described in paragraph 3.3 "Environmental information" of this *Document de Référence*.

2.1.2.4 Risks relating to pension plans

Risks relating to pension plans and the corresponding risk management tool are described in note 18 to the consolidated financial statements of the Rexel Group for the year ended December 31, 2014, as set out in chapter 5 “Consolidated Financial Statements” of this *Document de Référence*.

2.1.3 Risks relating to the Rexel Group’s financing

2.1.3.1 Risks relating to indebtedness

As at December 31, 2014, the Rexel Group’s gross indebtedness amounted to €3,367.1 million and its net indebtedness amounted to €2,213.1 million. Moreover, in 2011, 2012 and 2013, Rexel issued bonds for a total amount of €1,962.5 million.

Subject to certain conditions, Rexel and it subsidiaries may also incur or guarantee new borrowings.

Rexel Group’s level of indebtedness may affect its financing capacity as well as the financial costs thereof.

The Rexel Group may be required to devote a significant portion of its cash flow to meet its debt service obligations, which may result in a reduction of funds available to finance its operations, capital expenditures, organic growth initiatives or acquisitions. In particular, the Rexel Group’s financial expenses may increase in the event of a material increase in interest rates, *inter alia* in relation to the unhedged portion of its debt.

The Rexel Group may thus be at a disadvantage compared to competitors that do not have a similar level of indebtedness.

Furthermore, the Rexel Group’s ability to meet its obligations, in particular complying with the restrictions and contractual obligations, contained in certain of its credit agreements (in particular those in connection with the Senior Credit Agreement, the 2011 Bonds, the 2012 Bonds, the 2013 Bonds and the securitization programs, as described in note 19.1 to the Rexel Group’s consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 “Consolidated Financial Statements” of this *Document de Référence*), or to pay interest on its loans or to refinance or repay its loans in accordance with the terms of its debt agreements will depend on the Rexel Group’s future operating performance, which may be affected by a number of factors (general economic conditions, conditions in the debt market, legal and regulatory changes, etc.), some of which are beyond the Rexel Group’s control.

If at any time the Rexel Group has insufficient cash to service its debt, it may be forced to reduce or delay acquisitions or capital expenditures, sell assets, refinance its debt or seek additional funding, which may adversely affect its business or financial condition. The Rexel Group may not be able to refinance its debt or obtain additional financing on acceptable terms.

The measures implemented to manage these risks are described in paragraph 2.1.3.2 “Risks relating to bank and bond financing (excluding securitizations)” and 2.1.3.3 “Risks related to securitization programs” of this *Document de Référence*. In addition, this debt exposes the Rexel Group to interest rate risk, which is described in paragraph 2.1.4.2 “Interest rate risk” of this *Document de Référence*.

2.1.3.2 Risks relating to bank and bond financing (excluding securitizations)

Certain bank loans and bond financings, including the Senior Credit Agreement and the 2011 Bonds, the 2012 Bonds and the 2013 Bonds (as described in note 19.1 to the Rexel Group’s consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 “Consolidated Financial Statements” of this *Document de Référence*), contain customary restrictions limiting the Rexel Group’s operations. In particular, these restrictions limit its capacity to grant guarantees on assets, to dispose of certain assets, carry out acquisitions, merger or restructuring transactions, borrow or lend money, provide collateral and make certain investments, set up joint ventures, or change the business operations of the Rexel Group.

The Senior Credit Agreement and the 2011 Bonds, 2012 Bonds and 2013 Bonds also contain provisions under which the Rexel Group’s creditors could demand full or partial early repayment of borrowings, particularly in the event of the disposal of certain assets or changes of control. These restrictions may impact the Rexel Group’s ability to respond to competitive pressures, downturns in its markets or, in general, overall economic conditions.

The Rexel Group’s borrowings include various financial commitments described in note 19.1 to the Rexel Group’s consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 “Consolidated Financial Statements” of this *Document de Référence*. As of December 31, 2014, the Rexel Group was in compliance with all of its applicable financial commitments. The Rexel Group must provide, for each financial commitment, a certificate of compliance with the relevant undertakings and of calculation of the items based on which compliance with such undertakings is assessed, including the *pro forma* indebtedness ratio (*i.e.*, adjusted consolidated net debt compared to adjusted consolidated EBITDA). This certificate is the subject of a confirmation provided by Rexel's statutory auditors.

Rexel's ability to meet these commitments will depend on the financial and operating performance of the Rexel Group as well as on various factors, some of which are beyond the Rexel Group's control. Non-compliance by the Rexel Group with its financial covenants, in particular with the financial ratios set out in the Senior Credit Agreement and the 2011 Bonds, the 2012 Bonds and the 2013 Bonds may result in early termination by the borrowers of the agreements entered into with the Rexel Group, and such borrowers may under such agreements require early repayment of any amounts of principal or interest, that are due.

In such cases, the Rexel Group may not be in a position to refinance its indebtedness under similar terms, which may have a material adverse effect on the financial condition or results of operations of the Rexel Group.

As the group holding company without business operations of its own, Rexel relies on distributions from its subsidiaries. Rexel's inability to obtain sufficient funds from its subsidiaries could have an adverse effect on its capacity to meet its obligations under its indebtedness or to distribute dividends.

In order to monitor compliance with its financing agreements, the Rexel Group's management regularly reviews the current and forecasted situation and the implementation of corrective action is proposed to the Board of Directors if needed. The Audit Committee follows-up on these situations on a regular basis.

2.1.3.3 Risks relating to securitization programs

Certain Rexel Group companies are engaged in securitization programs. Such programs are subject to customary terms and impose certain obligations with respect to service levels and collection of assigned accounts receivable (within the terms described in note 19.1.3 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

As at December 31, 2014, the Rexel Group was in compliance with all of its financial commitments under these securitization programs.

If Rexel Group companies do not comply with their obligations as established by the credit institutions or the investors, such programs could be terminated. Furthermore, the quality of the receivables assigned has an impact on the cost and amount of the financing obtained, which could affect the Rexel Group's financial position in the event of deterioration of the quality of the receivables. In addition, the Rexel Group's receivables are transferred to special purpose entities that are financed through the issuance of short-term debt instruments subscribed by investors. In exceptional circumstances, the Rexel Group cannot guarantee that the special purpose entities could continue to issue such instruments, or to do so under similar terms. In such circumstances, the Rexel Group may be forced to refinance all or part of the programs affected by such events under less favorable terms.

The securitization programs are a material source of financing of the Rexel Group. In the cases described in the paragraph above, Rexel cannot provide assurances that the Rexel Group may refinance itself under similar terms, if at all. The implementation of refinancing under less favorable terms may have a material adverse effect on the financial condition or results of operations of the Rexel Group.

A monthly follow-up of the contractual obligations to be complied with is carried out by the Finance-Treasury department. For pan-European plans, a simulation of the various ratios' sensitivity to the evolution of sales forecasts (which determines the amount of liabilities) and the evolution of certain parts of the aged trial balance, is carried out on a monthly basis by the Finance-Treasury department of the Rexel Group with the help of the financial management of the relevant countries. For the other programs, subject to lower risk, a monthly review of the ratios is carried out.

The accounting treatment of the securitization programs is described in note 19.1.3 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2014, which are set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

2.1.4 Market risks

2.1.4.1 Risks relating to changes in prices of certain raw materials

In connection with the distribution of cable products, which account for approximately 14% of its sales, the Rexel Group is exposed to fluctuations in cable prices. As copper accounts for 60% of the composition of cables, cable prices change in accordance with copper prices. 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 suppliers' commercial policies, the competitive environment of the

Rexel Group and exchange rates. The Rexel Group's exposure to copper price variations is therefore indirect, and the Rexel Group is unable to provide a relevant sensitivity analysis in connection with copper-based cable price variations.

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; 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.

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

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.

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). In practice, the non-recurring effect on gross profit is determined by comparing the historical purchase price and the supplier's price effective at the date of the sale of the cables by the Rexel Group. Moreover, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit less, as the case may be, the non-recurring part of the change in administrative and commercial expenses (essentially, the variable part of compensation of sales forces, which absorbs approximately 10% of the change in gross profit).

These two effects are assessed, where possible, on all of the cable sales of the period, with the countries in this situation representing over two-thirds of the Rexel Group's consolidated sales (excluding activities other than the distribution of electrical products). The Rexel Group's internal procedures provide, in addition, that entities without information systems allowing them to carry out these calculations on an exhaustive basis must assess these effects based on a sample representing at least 70% of sales of the period, with the results being then extrapolated to all of the cable sales of the period. Taking into account the sales covered, the Rexel Group believes that the effects so measured represent a reasonable estimation.

In 2014, the Rexel Group estimates that variations in cable prices have contributed to reduce, on a recurring basis, its sales by approximately 0.6% on a constant basis and same number of days (as defined in chapter 4 "Results of Operations and Financial Position of the Rexel Group" of this *Document de Référence*). Furthermore, the change in cable prices in 2014 resulted in a negative non-recurring impact on EBITA estimated at €2.6 million.

By comparison, in 2013, the Rexel Group had estimated that variations in cable prices had contributed to reduce, on a recurring basis, its sales by approximately 0.8% on a constant basis and same number of days (as defined in chapter 4 "Results of Operations and Financial Position of the Rexel Group" of this *Document de Référence*). Furthermore, the change in cable prices in 2013 had resulted in a positive non-recurring impact on EBITA estimated at €15.3 million.

Although the occurrence of external risks cannot be managed, the Rexel Group has implemented tools to monitor and assess the risk level and impact. A specific monthly reporting process has been developed and is analyzed by the central teams. Furthermore, the Rexel Group discloses results adjusted to exclude the non-recurring effects of copper price variations.

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. Oil also impacts transportation costs for products distributed by the Rexel Group. In 2014, transportation costs accounted for 2.7% of the Rexel Group's sales. Most of the entities of the Rexel Group have entered into transport outsourcing agreement, which allow the impact of changes in oil prices to be managed.

Changes in prices of certain commodities may have an adverse effect on the financial situation or the results of the Rexel Group.

2.1.4.2 Risk relating to interest rate

The interest rate risk and the system in place to manage this risk are detailed in note 20.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

The applicable margin to the Senior Credit Agreement (as described in note 19.1.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*) is determined based on the Indebtedness Ratio (as defined in the Senior Credit Agreement), in accordance with the mechanism described in note 19.1.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*. Thus, depending on the Indebtedness Ratio, the margin applicable to the Senior Credit Agreement may vary between 0.85% and 2.50% (*i.e.*, a range of 165 basis points), which may result in an increase in the financial expenses. Based on the Indebtedness Ratio as at December 31, 2014, it amounts to 1.25%.

2.1.4.3 Risk relating to exchange rate

The exchange rate risk and the system in place to manage this risk are detailed in note 20.2 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

2.1.4.4 Risk relating to liquidity

The liquidity risk and the system in place to manage this risk are detailed in note 20.3 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

A description of the Rexel Group's indebtedness is provided in paragraph 4.4 "Sources of financing" of this *Document de Référence*.

A quarterly review of the Group's liquidity level is performed during Audit committees. Corrective measures would be taken if the level of liquidity became lower than adequate.

2.1.4.5 Risk relating to counterparty

The counterparty risk and the system in place to manage this risk are detailed in note 20.4 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014, set forth in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

2.1.4.6 Risk relating to equity instruments

With the exception of Rexel's treasury shares, the Rexel Group does not hold, as of the date of this *Document de Référence*, any interests in listed companies.

As at December 31, 2014, Rexel held 1,737,761 of its own shares, as detailed in paragraph 8.2.3 "Treasury shares and purchase by Rexel of its own shares" of this *Document de Référence*.

Therefore, the Rexel Group believes that it is not subject to any risk in relation to shares of listed companies, other than the risk relating to the hedging assets of the pension obligations referred to in paragraph 2.1.2.4 "Risks relating to pension plans" of this *Document de Référence*.

2.2 INSURANCE

The Rexel Group's insurance policy focuses on the coverage of insurable risks likely to significantly affect or endanger its operations. Accordingly, the Rexel Group has implemented insurance programs that cover its activity, distribution centers and branches against damages (property damage and related operating losses) arising from unforeseeable and hard to control events, as well as civil liability. These programs cover all the risks relating to the professional distribution of electrical products and the locations of the Rexel Group.

As concerns the risk management procedure described above, the Rexel Group implements a policy of prevention and site protection in order to limit the risk of the occurrence of accidents and the extent of damages in particular: training of branch managers, audit of main sites, follow-up of guidelines from security professionals.

In addition, the Rexel Group believes that the impact of potential accidents on its financial situation may be reduced given the level of the deductibles and the density of its branch network which limits the impact of accidents on one or more of its branches.

The insurance programs of the Rexel Group underwritten by insurance companies of international stature cover in particular the following risks:

- property damage in connection with the assets of the Rexel Group due to an external fortuitous event, including fire, explosion, water damage, lightning, storm, flooding, natural hazards, as well as resulting operating losses; and
- civil liability: bodily injury, property damage and related financial damage resulting from property damage caused to third parties by the Rexel Group in connection with its activities for the operating and post-product delivery risks.

Given the Rexel Group's international presence and applicable regulations, the Rexel Group has taken out local insurance policies in order to take into account local practice and/or obligations in the relevant countries.

These policies are regularly analyzed (based on Rexel Group's experiences, exchanges with the market, industry practices, and the advice of brokers) in order to check the adequacy of coverage with regards to potential risks. Guarantees limites widely exceed the amount of losses experienced in the past.

In addition, risks of payment default for receivables are covered by local credit insurance policies that have been implemented in countries where such insurance is available and where the Rexel Group can obtain favorable conditions. The contractual terms of this insurance are negotiated at the Rexel Group level through credit insurance companies of international renown. Resulting coverage is obtained subject to certain conditions, on an individual basis for each customer.

2.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The methods adopted by the Rexel Group are based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard as well as on the reference framework suggested by the *Autorité des marchés financiers* (AMF), as completed by its application guide.

Risk management is a lever for managing the Rexel Group that helps:

- Creating and preserving the Rexel Group's value, assets and reputation;
- Securing the decision-making and the Rexel Group's processes to attain its objectives;
- Promoting the consistency of the Rexel Group's actions with its values; and
- Bringing the Rexel Group's employees together behind a shared vision of the main risks.

The risk management process aims at identifying and analyzing the main risks that the Rexel Group may face.

The risks that are beyond the acceptable limits set by Rexel, are dealt with and, as the case may be, are the subject of action plans. These action plans may include the implementation of controls, the transfer of financial consequences (through the setting up of an insurance coverage or an equivalent mechanism) or changes in the organization. Controls to be implemented are part of the internal control system.

The Rexel Group considers internal control as an ongoing process, which aims to ensure that:

- Laws and regulations are complied with;
- The instructions and directional guidelines set by the general management are implemented;
- The Group's internal control processes, are functioning correctly, particularly those related to the security of its assets; and
- Financial information is reliable.

As such, internal control contributes to risk management, fraud prevention and monitoring, transactional efficiency and the efficient use of Rexel Group's resources. However, as well conceived and applied as they may be, these measures cannot absolutely guarantee the achievement of the Rexel Group's objectives.

The Group is organized around geographic zones (the "Zones") regrouping one or several countries or entities (the Entities, which do not always match a country). Each Zone is represented on the Rexel Group's Executive Committee by its Managing Director.

At the headquarters level, the functional departments participate in defining and updating the internal control standards as well as in documenting and managing identified risks. The implementation of efficient and adequate internal controls is among their objectives.

The internal control system described below constitutes a common standard, which must be implemented by the Management of the respective Entities. They are responsible for supplementing it by setting up local procedures. This internal control system applies to all consolidated Entities.

2.3.1 Control environment

The control environment is the keystone of the internal control system. Responsibility and the sense of responsibility are thus key principles in the definition of roles and responsibilities.

The role of management in promoting ethical conduct of the Rexel Group is essential to the control environment, which relies, since 2007, on an Ethics Guide, which is available in the local languages of the countries where the Group operates. In 2013, the Ethics Guide was updated in order to reflect the values promoted through the Group's enterprise project launched in 2012, *Energy in Motion*. This approach is detailed in paragraph 3.1.6 "Ethical commitment of the Rexel Group" of this *Document de Référence*.

In addition, on May 22, 2014, the Board of Directors approved the new version of the Market Ethics Charter. This charter was initillay approved in 2007, in accordance with the recommendations of the AMF, and is updated on a regular basis since then. This charter reiterates the applicable regulations relative to the risks of having, disclosing or potentially using inside information (it being specified that inside information is a "precise non-public information relating, directly or indirectly, to one or several issuers of financial instruments, or one or several financial instruments, which would be likely to have a significant influence on the price of such financial instruments or on the price of related financial instruments if it were to be made public"). This approach is complemented by the monitoring of a list of inside information holders, who are reminded of their obligations on a regular basis.

2.3.2 Risk management system

In 2013, the Rexel Group appointed a Risk Manager and Chief Compliance Officer, thus complementing the existing system (including in particular the functions of the previous Risk Manager). He is in charge of:

- Defining, deploying and coordinating the Rexel Risk Management approach, under the oversight of the Risk Committee, and especially identifying and prioritizing operational and non-compliance risks,
- Coordinating the Rexel compliance program in its definition, implementation and maintenance,
- Providing support to risk owners in risks analysis, definitions of recommendations, and action plans follow-up,
- Enhancing the Group's Risk Management and compliance culture through trainings and communication activities.

The risk management system also relies on the Risk Committee reporting to the Executive Committee, whose duties include, in particular:

- Piloting the annual update of the Group's risk mapping and the on-going identification of risks;
- The identification of "risk owners", the determination of the related action plans and the follow-up on the implementation of these plans;

- The review of the existing procedures and identification of the procedures to be set up with respect to the general remit of the Committee to identify the risks incurred and the implementation of procedures to control such risks within the Group;
- To ensure the coordination and coherence of the aforesaid procedures and the aforesaid plans;
- More specifically, to ensure the implementation of the "Risk Management Policy"; and
- To ensure the application of the procedures and to monitor the effectiveness of risk management organization and the procedures set up.

The Risk Committee met on four occasions in 2014. The Risk Committee reported on its work and made recommendations to the Management Board once and to the Executive Committee on a second occasion during this financial year.

2.3.2.1 Risk identification and assessment

The Audit and Risk Committee has an overall view on Rexel Group risks through the risk mapping set by the Executive Committee upon the recommendations of the Risk Committee. It is kept informed by the Director of Internal Audit, the Chairman of the Risk Committee and by the functional Directors on various risks that are specific to their field. The major risks identified are presented regularly to the Audit and Risk Committee.

Under the supervision of the Risk Committee, the Risk Manager and Chief Compliance Officer carries out annually the process of updating this mapping based on interviews with members of the Risk Committee and with certain members of the Rexel Group's Executive Committee. Risk mapping is also carried out every year on selected Entities in order to deploy the approach locally and to enrich, if needed, risk mapping at the Rexel Group level. In 2014, this process included four Entities.

The risk identification and evaluation processes which allows the updating of the risk mapping begins with the updating of the risk universe which identifies and prioritizes all the potential risks identified for the Rexel Group based on their nature and impact.

This risk analysis covers the three following areas:

- Strategic risks related to the environment in which the Group operates as well as transformations in progress within the Group, such as external growth projects or innovations;
- Operational risks, resulting from the inadequation or inefficiency of processes, organization and systems, or from external events impacting the operations; and
- Legal and compliance risks, related to the organization's obligations with regards to applicable local or international laws and regulations, as well as internal guidelines and procedures (incluing the compliance program), the Ethics Guide, contracts or industry standards and best practices.

Used both as an identification and follow-up tool, this mapping also allows the vision of risks to be shared among the Rexel Group and to update risk factors disclosed in paragraph 2.1 "Risk Factors" of this *Document de Référence*. The Risk Management Committee annually reviews the consistency between the risks mapping and the risk factors.

2.3.2.2 Risk Management

The updating of the risk mapping within the Rexel Group, carried out in 2013 under the supervision of the Risk Committee allowed the Executive Committee to update the list of top-priority risks and to identify risks of lesser priority, for which a specific follow-up has nevertheless been suggested.

With respect to the top-priority risks, the Rexel Group's approach, managed by the Risk Committee, consists in proposing a sponsor for each risk, then designated by the Executive Committee. This sponsor is in charge of the risk assessment, presents the potential impacts, the indicators and the actions implemented to limit the said risk, as well as action plans aiming at reducing the risk to an acceptable level, as appropriate. The sponsor may set up a working group with relevant contributors in order to support the risk assessment and build the action plans. These action plans are presented to the Executive Committee by the Chairman of the Risk Committee for approval. The Risk Committee then monitors the effective implementation of such action plans, with the support of the Internal Audit and Internal Control Departments of the Rexel Group.

Certain risks do not directly fit in the scope of works of the Risk Committee. Thus, risks related to the Group's governance and certain transversal risks are monitored by the Rexel Group's Executive Committee which is assisted by appropriate working groups which provide it with a detailed analysis of each risk and identify measures to be taken to manage these risks. Financial market risks and compliance risks are monitored mainly by the functional Departments of the Rexel Group. They define action plans to be implemented by Entities based on procedures which they establish.

The internal control system and the action plans defined by the Entities allow the management of operational risks. Internal control teams are responsible for monitoring the implementation of these action plans.

Therefore, the risk management policy implemented within the Rexel Group, relying on the Risk Committee, the Board of Directors, the Audit and Risk Committee, the Internal Control and the Internal Audit Departments of the Rexel Group ensures an acceptable level of risk considering its activity and structure.

Although the risk identification, assessment and management procedures are deemed acceptable by the Rexel Group, assessments are regularly conducted in order to identify the areas in which improvements are necessary or desirable. Once these areas are identified, improvement actions are implemented.

The Rexel Group insurance policy (one of the risk management measures) is set out in paragraph 2.2 "Insurance" of this *Document de Référence*.

2.3.3 Control activities

The Rexel Group and its branch network is a decentralized structure that rests on the sense of responsibility throughout line management.

Relying on the control environment described in paragraph 2.3.1 "Control environment" of this *Document de Référence*, the Rexel Group has designed a Book of Guidelines which is regularly updated and communicated to the management of its Entities. For each of the main processes, the Book presents the risks, the control objectives, and the related controls. Some of these controls must be strictly integrated in the operating processes of the Entities while others are only guidelines, the implementation of which is subject to the assessment of the Entities' Management, based, in particular, on local conditions.

The Book contains, for an operational entity, approximately 650 controls divided into the following activities:

- strategic processes: external growth and development, governance and communication,
- operating processes: sales, purchasing and supply chain,
- support processes: information systems, human resources, financial and accounting information, treasury, tax, legal, real estate and insurance.

This Book is completed by additional procedures set up by the functional departments and that must be implemented by the Rexel Group's Entities.

When it comes to management reporting and the preparation of financial statements, the Financial and Administrative Department of the Rexel Group has defined a set of procedures, tools and guidelines that give it the means to ensure the quality and consistency of the information transmitted. These guidelines are discussed in paragraph 2.3.6 "Internal control procedures relating to the preparation and treatment of accounting and financial information" of this *Document de Référence*.

2.3.4 Internal communication of relevant and reliable information

The organization of the internal control system requires the mobilization of appropriate expertise (so that it is used to reduce risk through the creation of adequate controls) and communication adapted to ensure improved dissemination of the Rexel Group's objectives. This communication allows the Rexel Group's General Management to share with local management teams not only the measures and objectives of risk reduction, but also the information necessary to allow the alignment of their decisions and activities with defined objectives.

On the one hand, communication with the Rexel Group's management bodies is made on a regular basis during the meetings of the Audit and Risk Committee and of the Risk Committee. In particular, each quarterly Audit and Risk Committee meeting is used to summarize internal control and audit activities performed during the period. The Executive Committee meetings and the meetings regularly organized within the various functions of the Rexel Group also serve as occasions to mobilize the headquarters' and subsidiaries' main managers with respect to the importance of conforming the activities of the Rexel Group to the standards the Group has established.

On the other hand, communications with the subsidiaries includes regular exchanges, notably on the occasion of the annual self-assessment (see paragraph 2.3.5 "Steering and monitoring of the internal control system" of this *Document de Référence*) and of the monitoring of action plans. Since 2012, a formal meeting is organized at least once a year with the General Manager of each Zone, its Financial Controller and the Group Financial Direction, in order to monitor the various matters related to internal control. In 2014, the schedule of these meetings was revised in order to reinforce the consistency of the overall internal control system.

Finally, the Rexel Group develops through its Intranet a knowledge sharing system which is organized, in respect of the internal control, around the Book of Guidelines and the complementing procedures. In addition, various communities specific to each function ensure the diffusion of their own instructions, procedures and best practices.

2.3.5 Steering and monitoring of the internal control system

The internal control system is steered and monitored under the control of Rexel's Audit and Risk Committee. The Audit and Risk Committee reviews the organization and application of the internal control framework within the Group and reviews the risk identification and management processes. It controls internal audit work, which, together with the self-assessment process, forms the basis of the monitoring system. Other teams, from the functional departments in the headquarters, as well as the external auditors, are also involved.

2.3.5.1 Internal control self-assessment

The Rexel Group is engaged in a process to permanently improve its internal control system. To carry out this task, the Internal Control Department coordinates on an annual basis a self-assessment exercise, measuring compliance with the Book of Guidelines, through a questionnaire sent to the management of the Entities. The results of this self-assessment are shared with the Executive Committee, management of the Entities, the functional departments in the headquarters and the Audit and Risk Committee. As such, it is a tool to promote awareness on internal control as well as a measuring stick.

The last self-assessment was carried out in the third quarter of 2014, in accordance with the new schedule implemented during the year, and covered all processes of the Rexel Group framework (see paragraph 2.3.3 "Control activities" of this *Document de Référence*).

Action plans associated with these self-assessments are defined and implemented under the responsibility of the Management of the Entities. The goal of these action plans is to bring each Entity up to the level of control of its processes recommended by the Rexel Group and, by doing so, to control risks.

These self-assessments also allow more general areas of progress to be identified, that are the subject of internal control improvement action plans at the level of the functional directions at the headquarters. These plans include the definition and dissemination of good practices and assistance to local management teams.

Certain Entities are less mature in their internal control system, in particular, entities which recently entered the Rexel Group following external growth transactions. The continuous improvement plan of internal control is intended to bring these Entities to the required level.

As the self-assessment approach cannot, by its nature, guarantee that the internal control system is applied in an effective manner, the Rexel Group supplements this initiative with carrying out internal audits during which certain key controls, which are the subject of the self-assessment by the Entities, are tested. External auditors also review internal control systems within the Rexel Group on a regular basis and inform the Rexel Group's management and administration bodies of the findings of such reviews.

2.3.5.2 The internal audit role

The Internal Audit Department has been assigned by the General Management the task of ensuring compliance with the Rexel Group's rules within its Entities, and more generally evaluating the risks associated with the subjects of their audits, notably operational, financial or related to safety.

The role, the scope and the responsibilities of internal audit have been defined in an Internal Audit Charter, the updating of which has been officially approved by the Audit Committee in February 2011.

At the end of 2014, internal audit included 24 people, including 10 in the headquarters and 14 in the main subsidiaries of the Rexel Group (located in Australia, Austria, Brazil, France, the United States and the United Kingdom), each of the main Zones thus having at least one auditor.

Based on an audit plan approved by the Audit Committee in early 2014, the internal audit teams performed in 2014, 34 audits of accounting, financial and operating procedures. About more than 425 audits on the network of branches were also carried out or supervised by this team.

Following each audit and based on recommandations by the auditors, action plans are prepared by the relevant Entities to address the weaknesses identified in the audit report. The Internal Audit Department has established a process aiming to follow-up on the implementation of the action plans in order to ensure that the weaknesses detected are corrected.

In addition, these assignments allow for better control of the results of the self-assessments conducted by the Entities, about half of the controls in respect of which self-assessments have been conducted being reviewed in the context of a standard accounting and financial processes audit assignment.

Finally, each quarter, the Director of Internal Audit presents to the Audit and Risk Committee of Rexel a summary of the activity of the teams and the main conclusions of the assignments carried out as well as a monitoring of the implementation of the related actions plans.

2.3.5.3 The external audit role

External auditors contribute to the internal control system monitoring process. In addition to the reviews conducted in the context of the certification of accounts, they verify each year the reliability of the results of the self-assessment campaign in respect of a portion of the framework, which varies from one year to another. Although the scope of this review is limited, this verification which applies to all of the Entities of the Rexel Group, associated with the more complete verifications conducted by the Internal Audit teams in respect of a more restricted number of Entities, allows the Rexel Group to strengthen the reliability of the self-assessments and harmonize practices.

2.3.5.4 Headquarters functional directions

The role of the functional directions concerning the actions implemented to manage risks is integrated in the internal control and risk management system. They rely on the answers to the self-assessment questionnaires and the audit reports prepared by Internal Audit teams to identify the need for transversal action in the Rexel Group. Each functional direction supports subsidiaries in the setting-up of action plans aiming at decreasing identified risks on subjects of their competence.

2.3.6 Internal control procedures relating to the preparation and treatment of accounting and financial information

2.3.6.1 Planning, steering and reporting activities

The planning, steering and reporting processes are organized by Entities, which may be countries, holdings or commercial entities whose activities are not related to the distribution of electrical equipment. The countries are grouped by geographic Zones. The Entities and geographic Zones each have their own general management, operating management, and financial teams.

For each financial year, a budget is established at the Entity level and approved by the Entities and the related Zones operating Management, then subject to an open review with General Management, the Financial Control Department and Zones' Management. The budget, consolidated at the level of the Rexel Group, is submitted for approval to the Board of Directors of Rexel after review by the Strategic Committee. This process allows focusing the responsibility of the whole organization around the objectives of the Rexel Group and applies to all of the Entities included in the scope of consolidation of the Rexel Group.

The monthly business reviews, which bring together the members of the General Management, the Group Financial Control Department, and the Management of the Zones, allows for the understanding of financial and economic changes with respect to activities, the assessment of operational decisions to be taken, the analysis of gaps between targets and performance, the steering of the financial structure and the monitoring of the implementation of action plans. The General Management relies on monthly reporting, comments on observed changes and indicators of operational and financial performance. At the level of the Entities, Zones and Rexel Group, teams of financial controllers are responsible for monitoring the achievement of targets and for the analysis of accounting and financial information.

Three times a year, forecasts for the current year are prepared and compared with budget targets in order to implement the necessary corrective actions. These forecasts include the usual items for the monitoring of the financial structure and of the Rexel Group activity, including the forecasting of key ratios defined in the financing agreements ("covenants").

A summary of business reviews and forecasts is communicated monthly to the members of the Board of Directors.

Each year, a three-year strategic plan is prepared at the Entity level, validated by the relevant Zones' management teams and subject to an open review with General Management, the Financial Control Department and Zones' Management. Together, this is consolidated and reviewed at the Rexel Group level and is submitted to the approval of the Board of Directors after review by the Strategic Committee.

The yearly, half-year and quarterly financial statements are presented to the Audit and Risk Committee.

2.3.6.2 Shared guidelines and procedures for the approval of financial statements

Rexel Group's financial statements are prepared in accordance with the IFRSs as adopted by the European Union and are based on information provided by the Financial Departments of the Entities. The latter are responsible for ensuring that this information complies with the Rexel Group standards (especially accounting methods and accounts structure, included in a Reporting Manual) and observance of the detailed instructions issued by the Financial and Administrative Department.

This data is transmitted by the Financial Departments of the Entities in a set format using a single consolidation tool that is used in preparing monthly reports and external financial information at each stage of consolidation:

monthly reporting, budget, forecasting and three-year strategic plan. This single format guarantees consistency between the different data used for internal steering and external communication.

The Rexel Group's Financial and Administrative Department ensures the consistency of the inflow of information from Entities before aggregating the results and consolidation entries. It prepares detailed and documented analyses of such data, explaining, in particular, changes in the scope of consolidation, exchange rate impacts and non-recurring operations.

As mentioned in paragraph 2.3.3 "Control activities" of this *Document de Référence*, internal controls relating to accounting and financial information are part of the general internal control system.

CORPORATE RESPONSIBILITY

Relying on its leadership and its closeness to all stakeholders, the Rexel Group has always favored a sustainable and responsible business approach.

In 2014, the Rexel Group reinforced its “sustainable development & corporate responsibility” programme by launching a workstream related to its suppliers. This programme is now composed of 5 main work areas: growth of energy efficiency & renewable energy solutions sales, reduction of the environmental footprint, consolidation of the commitment to employees, reinforcement of solidarity actions in favor of the communities in which the Rexel Group is present, including through the Rexel Foundation, and the roll-out of a responsible purchasing approach. All of the associated initiatives are one of the drivers for Rexel Group’s growth and innovation, thereby contributing to the implementation of the *Energy in Motion* corporate plan.

Since 2011, the Rexel Group is a member of the United Nations Global Compact and is therefore committed to advance the ten universally accepted principles relating to human rights, labor standards, environment and the fight against corruption. As specified in its Ethics Guide, the Rexel Group complies with and promotes the provisions of the core conventions of the International Labor Organization in relation to the respect of freedom of association and the right of collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor.

3.1 SOCIAL INFORMATION

Scope of Reporting: the scope of reporting covers the legally existing companies to which the Rexel Group’s employees belong. Accordingly, any entity that holds Rexel Group employees shall be included in the annual reporting. Acquisitions integrated after the launch of the reporting (November 1, 2014) are excluded from the reporting exercice.

The success of the Rexel Group’s strategy is attributable to the implication and motivation of the men and women who work at Rexel. This is why employee working conditions and commitment are at the heart of the human resources policies of the Rexel Group and its subsidiaries. On commitment, five factors were identified as key in the latest employee opinion survey conducted in 2013, Satisfaxion13:

- Strategy,
- Career development and recognition,
- Management,
- The company’s image, values, ethics and integrity and
- Cooperation and team work.

For the year 2014, Rexel adopted 3 key indicator groups that constitute substantial challenges for the Rexel Group. These key indicators, which were subject to external review, are the following:

- Health, safety and working conditions,
- Employee training, and
- The retention of employees through the number of resignations.

3.1.1 Headcount

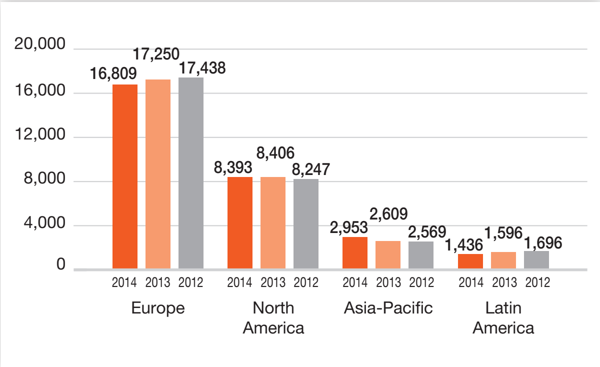
Total number of employees (number of persons registered at December 31, 2014)

At December 31, 2014, the Rexel Group employed 29,591 persons, compared to 29,861 on December 31, 2013 and 29,950 on December 31, 2012.

The breakdown of employees by geographic zones as defined in paragraph 4.1 “General overview” of this *Document de Référence* is as follows:

	REGISTERED EMPLOYEES (NUMBER OF PERSONS) AS OF DECEMBER 31		
NUMBER OF EMPLOYEES	2014	2013	2012*
Total number of employees	29,591	29,861	29,950
BY GEOGRAPHIC ZONE			
Europe	16,809	17,250	17,438
North America	8,393	8,406	8,247
Asia-Pacific	2,953	2,609	2,569
Latin America	1,436	1,596	1,696

* The total number of registered employees including external growth operations is considered as the total number of employees for all of the calculations.



Headcount by type of contract and by position

The Rexel Group employs few fixed-term contracts and temporary employees. These types of contracts are mainly used to the extent made necessary by intermittent needs.

In 2014, the average monthly number of temporary workers in full-time equivalent was 1,053, *i.e.*, 3.6% of the average monthly total number of employees. This percentage was identical in 2013.

As of December 31, 2014, 28,865 persons had open-ended contracts and 726 had fixed-term contracts (2.5% of the number of employees compared to 2.6% in 2013).

Finally, as of December 31, 2014, the Rexel Group had 5,146 managers (defined as persons having at least one employee under their responsibility, or all employees with "executive" status for France), *i.e.*, 17.4% of the total number of employees. This rate is stable compared to 2013 (17.4%).

Headcount by age range (registered employees under open-ended contracts)

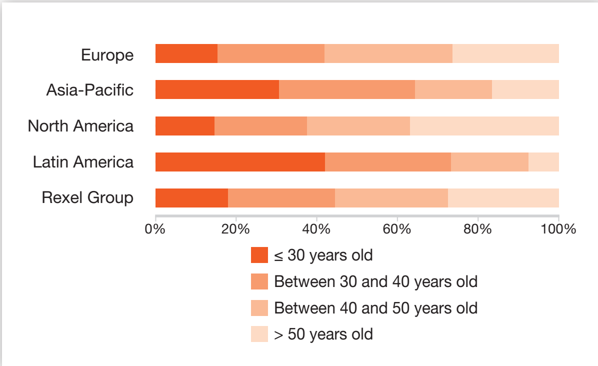
As of December 31, 2014, the average age of all of the employees of the Rexel Group was 42.3 years old, against 42.1 years old as of December 31, 2013 and 40.4 years old as of December 31, 2012.

The most represented age range is the 40-50 year-old range (8,281 persons), after which comes the over 50 year-old range (8,163 persons).

Seniors (defined as the employees over 50 years of age) represented 27.6% of the total number of employees, and employees under 30 years of age represented 17.9%.

The Rexel Group analyzes the employee data according to the following local platforms:

- Latin America: Chile, Brazil, Peru;
- North America: Canada and the United States of America;
- Asia-Pacific: Australia, New Zealand, India, Saudi Arabia, United Arab Emirates, China and other countries of South East Asia;
- Europe: Germany, Austria, Belgium, Spain, Finland, France, Hungary, Ireland, Italy, Luxembourg, Norway, the Baltic States, The Netherlands, Poland, United Kingdom, Russia, Slovakia, Slovenia, Sweden and Switzerland.



Headcount by gender

The Rexel Group is committed, especially pursuant to its Ethics Guide (see paragraph 3.1.6 "Ethical commitment" of this *Document de Référence*), to ensuring equal treatment among employees (men or women) during each step of their professional career.

As of December 31, 2014, women represented 23.3% of the total number of employees (*i.e.*, 6,886 female employees), compared to 22.6% in 2013.

Among the 6,886 female employees of the Rexel Group, 912 occupied managerial positions, representing 17.7% of all managers. This proportion is up (17% in 2013 and 17% in 2012).

Headcount by gender as of December 31, 2014

	MANAGERS		NON-MANAGERS	
	FEMALE	MALE	FEMALE	MALE
Rexel Group	**912 (17.7%)***	**4,234 (82.3%)***	**5,974 (24.4%)****	**18,471 (75.6%)****
Latin America	31 (22%)*	110 (78%)*	366 (28.3%)**	929 (71.7%)**
North America	329 (21.5%)*	1,198 (78.5%)*	1,671 (24.3%)**	5,195 (75.7%)**
Asia-Pacific	127 (21.2%)*	471 (78.8%)*	777 (33%)**	1,578 (67%)**
Europe	425 (14.8%)*	2,455 (85.2%)*	3,160 (22.7%)**	10,769 (77.3%)**

* In % of managers.
** In % of non-managers.

3.1.2 Employment and integration dynamics

3.1.2.1 Hires

During 2014, the Rexel Group hired 4,614 employees, irrespective of their type of contract and status.

The number of hires in 2014 is up (4,394 hires in 2013 and 4,003 hires in 2012).

The total number of hires represented 15.6% of the Rexel Group's total number of employees (compared to 14.7% in 2013).

Number and characteristics of recruitments

	2014
Number of recruitments	**4,614**
Including:	
– Open-ended contracts	3,937 (85.3%)
– Fixed-term contracts	677 (14.7%)
– Managers	461 (10%)
– Non-managers	4,153 (90%)

Similarly to previous financial years, newly hired employees have been in majority non-managers, hired on an open-ended basis.

Of all recruitments under open-ended contracts, irrespective of gender or position:

- 7.2% of the hires were young graduate employees just out of school;
- 10.2% of the hires were senior employees;
- 0.1% of the hires were employees reporting a handicap.

The Rexel Group sets up numerous measures in its various countries in order to improve the integration of new employees and reduce turnover within such staff category (depending on the country: presentation of the company, distribution of a welcome booklet, setting-up of tutorial systems, regular follow-up interviews, technical, product or organization training, rotation between departments, dedicated web site, integration seminar, etc.).

3.1.2.2 Departures

In 2014, 4,624 employees with open-ended contracts left the Rexel Group (compared to 4,648 in 2012).

The reasons for their departure is set forth below.

Reasons for departures of employees (with open-ended contracts) in 2014

	NUMBER	PERCENTAGE
Number of departures	**4,624**	**16% of the staff with open-ended contracts**
Including:		
– Resignations	2,652	57.4%
– Redundancies (Economic layoffs)	624	13.5%
– Layoffs for other reasons	814	17.6%
– Departures by retirement or pre-retirement	235	5.1%
– Cessation and/or sale of activity	9	0.2%
– Other departures	290	6.3%

Collective Procedures

In 2014, redundancies within the Rexel Group involved 624 employees compared to 641 in 2013.

The major reorganizations took place in Brazil, Italy and in the United Kingdom. A reorganization was initiated at the end of 2014 in The Netherlands.

Alternatives to layoffs were set up such as short-time working arrangements in Italy and internal reclassifications in the United Kingdom.

These measures allowed to partly limit the number of employee departures.

In addition, and to the extent possible, reorganizations were discussed with staff representatives, providing the employees concerned with supporting measures, including outplacements and financial compensation.

Employee turnover

Upon the request of the representatives of the European Works Council, a specific monitoring of resignations has been carried out. In 2014, most of the subsidiaries of the Rexel Group conducted departure interviews with the resigning employees.

The turnover rate is defined as the average of the entry rate and the departure rate:

- The entry rate: defined as the total number of hires with open-ended contracts divided by the total number of employees with open-ended contracts;
- The departure rate: defined as the total number of departures of employees with open-ended contracts divided by the total number of employees with open-ended contracts.

In 2014, the entry rate within the Rexel Group was 13.6%.

In 2014, the departure rate of the employees of the Rexel Group was 16%.

Thus, for 2014, the Rexel Group's turnover was 14.8%.

Rexel Group turnover at December 31,

	2014	2013
Rexel Group turnover	14.8%	14.4%

The Rexel Group's turnover has slightly increased.

Aware of the importance of its employee turnover, the Rexel Group analyzes the reasons for the departures of its employees and the evolution of the rate of integration of new hires. In addition, most Rexel Group subsidiaries organize departure interviews with resigning employees in order to understand the reasons for their resignation.

3.1.2.3 Staff retention capacity

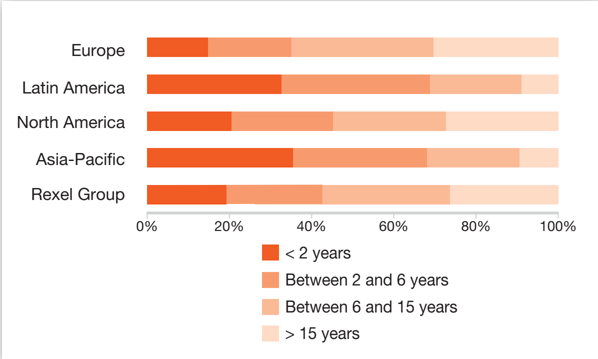
Integration rate

The rate of integration of new hires (defined as the rate of employees newly hired who are still in the Rexel Group three months after their recruitment) stood at 89.2% in 2014 compared to 89.2% in 2013, *i.e.* stable.

The medium-term rate of integration (defined as the rate of employees newly hired who are still with the Rexel Group one year after their recruitment) stood at 76.4% in 2014 compared to 74.5% in 2013 and 72.1 in 2012.

Headcount with open-ended contracts by seniority

As of December 31, 2014, the average seniority of the Rexel Group's employees with an open-ended contract was 11 years.



Traditionally, substantial variations are noted, with respect to seniority, based on geographic zones: the renewal of employees is much faster in the Asia-Pacific region (68.1% of the employees have less than 6 years of seniority) whereas in Europe, employees with more than 15 years of seniority represent 30.3% of the total number of employees in this zone.

3.1.3 Attractiveness of the company for employees

3.1.3.1 Compensation

Compensation policy

The policy for compensation is based on the business's performance and income. The levels of compensation are set for each country in order to satisfy two requirements: competitiveness of proposed compensation and internal equality. 55.6% of Rexel Group employees with open-ended contracts are eligible for individual variable compensation. The primary positions covered are sales positions and employees with supervisory responsibilities.

Finally, half of the employees of the Rexel Group are eligible for an incentive plan based on collective results.

Employee shareholding

At the time of the initial public offering of the Rexel Group, its employees were offered the opportunity to purchase shares in the company as part of a reserved offering, on preferred terms: 18.33% of eligible employees had subscribed during this plan carried out in 2007.

As the intention of management is to continue associating the employees to the performance of the Rexel Group, three new employee shareholding plan were offered in 2010, 2012 and 2013. The 2010 employee shareholding plan was proposed in 12 countries, *i.e.*, 80% of employees and recorded a 13.20% participation rate. The 2012 employee shareholding plan was proposed in 16 countries, *i.e.* 90% of employees, and recorded a 14.36% participation rate. The 2013 shareholding plan was proposed in 15 countries, *i.e.*, 80% of employees, and recorded a 14.47% global participation rate and higher rates in respect of Canada, China and France.

As at December 31, 2014, the number of shares held by employees and former employees in connection with employee shareholding plans amounted to 0.48% of the share capital and voting rights of Rexel.

Benefits

With respect to welfare coverage, there is no practice common to all of the countries.

In the majority of the countries in which the Rexel Group operates, supplementary health and life insurance benefits are offered to employees in addition to mandatory coverage provided by law. Subscribing to these complementary plans is voluntary or obligatory depending on the country, and in most cases concerns all of the employees.

In addition, and depending on local legislations, certain Rexel Group entities set up additional retirement schemes in favor of their employees.

Lastly, the Rexel Group has established minimum coverage for accidents in the business activity, through the “Rexel +” scheme.

This scheme provides for an indemnification equal to one or two years of annual base compensation in the event of death or severe permanent disability.

This scheme, which was launched on July 1, 2010 and which is managed on a local level, reflects Rexel’s continued commitment in terms of corporate social responsibility. At December 31, 2014, the scheme was applied in 9 countries, allowing for almost 4,200 employees to be covered.

Other benefits

Moreover, some benefits or services are often granted to employees, in addition to mandatory benefits. They are either negotiated as part of collective agreements or granted unilaterally and concern in particular housing allowances, meal and/or transportation indemnities, concierge services, participation in child care, family leave, medical or legal assistance services.

3.1.3.2 Organization of working hours

Length and allocation of working hours

The working time length varies depending on the regulations applicable in the countries in which the Rexel Group operates.

On average in the Rexel Group, employees work 39.5 hours per week, *i.e.*, almost 8 hours per day.

Use of part-timers

	2014	2013	2012
% of part-time employees	3.5%	3.5%	3.6%

Use of part time labour

The number of persons employed on a part-time basis with the Rexel Group was 1,038 as of December 31, 2014, *i.e.*, 3.5% of the total number of employees.

Overtime

In its management of its employees’ working hours, the Rexel Group makes little use of overtime: 528,749 overtime hours were worked during 2014 by all of the employees of the Rexel Group, *i.e.*, 1% of the annual number of hours worked (compared to 570,010 overtime hours in 2013, *i.e.*, 1% of the total number of hours worked for the year).

3.1.3.3 Working conditions

Health and safety

The Rexel Group has always paid particular attention to the safety conditions of its employees and assets in every country and for every business.

As workplace hygiene, health and safety themes are specific to local environments, each country independently manages the risks inherent in their activities at their own scale. At the Rexel Group level, the results of the internal audit of the dedicated safety organization performed in 2013 led to the setting up, in 2014, of actions plans to reinforce the security management systems at the level of the Rexel Group. In 2015, these actions plans will have in particular the following objectifs: defining a security policy for the Rexel Group, establishing security standards for the Rexel Group, rolling-out a global communication and awareness campaign and sharing good practices within the Rexel Group through the creation of a security community.

Number of work related accidents

At the Rexel Group level, numerous indicators are tracked and analyzed in order to define adapted action plans.

	2014	2013	2012
Number of accidents resulting in death	1	0	–
Number of accidents resulting in medical leave	325	312	379
Number of accidents not resulting in medical leave	506	529	535

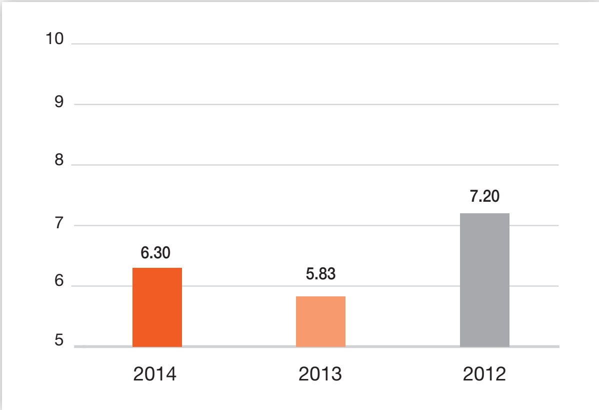
In 2014, 832 work related accidents have been identified within the Rexel Group: one resulted in the death of an employee, 325 resulted in medical leave and 506 did not result in medical leave.

The number of working days lost as a result of work related accidents was 8,142 in 2014.

Work related accidents which resulted in medical leave mainly related to the logistical function (60.6%) as well as the commercial/sale function (26.15%).

With respect to health and safety conditions, in addition to the measures taken for several years (risk identification (for the Rexel Group, the main risks relate to road traffic, falls, machinery operation, handling, handling of cables and computer work), regular medical check-ups for employees and frequently renewed awareness actions), additional initiatives are gradually put in place: quantitative monitoring of incidents with a systematic enquiry, use of external advisers' services, regular renewal of certifications, internal audits, creation of a function dedicated to these issues, etc.

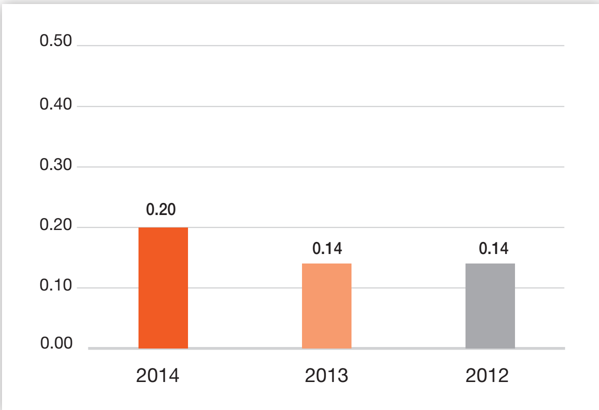
Frequency rate



The frequency rate of work related accidents within the Rexel Group, calculated as the number of work related accidents which resulted in a medical leave per one million working hours, was 6.3 in 2014.

This rate is up compared to 2013 (5.83%).

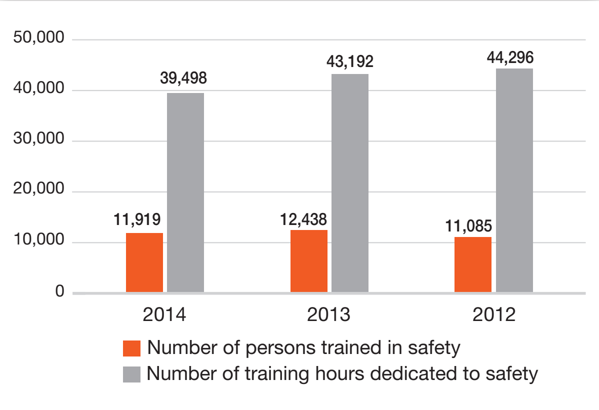
Severity rate



The severity rate of work related accidents within the Rexel Group, defined as the number of working days lost as a result of a temporary work incapacity, for 1,000 working hours, was of 0.2 in 2014 compared to 0.14 in 2013.

The Rexel Group will carefully consider the entities which show increasing frequency and severity rates.

Safety training



The number of persons trained in safety stood at 40.3% of the total headcount in 2014 (*i.e.*, 11,919 employees).

In 2014, there were 92 Hygiene, Safety and Working Conditions Committees ("CHSCT") within the Rexel Group. 486 employees were involved, representing 1.7% of the total workforce with open-ended contracts.

Occupational diseases

In 2014, 9 cases of occupational diseases were reported and 6 were recognized.

3.1.3.4 Diversity / Equal opportunities

The Ethics Guide defines the principles that the Rexel Group defends and respects in term of economic, environmental and social commitments. It is made up of seven general principles and twenty practices, including the "dignity and respect of people" practice.

One of the basic principles of the Ethics Guide is the exclusion of discrimination of any kind, as well as the equality of opportunities for all.

Male-female equality

Especially as set forth in its Ethics Guide, the Rexel Group is committed to ensuring the equal treatment of men and women in every respect: hiring, compensation, career opportunities, training, etc.

As of December 31, 2014, women represented 23.3% of the total headcount compared to 22.6% in 2013. This percentage is in line with the reality of the market and the low level of female workforces in the specialized distribution sector.

2014 labor indicators show non-material differences in relation to the following aspects:

- Promotion

  In 2014, 4.7% of female employees were promoted, compared to 5.1% of male employees.

  60 non-manager female employees were promoted to manager (*i.e.*, 1% of non-manager female employees). In the male employee population, the rate was slightly higher (243 men, *i.e.*, 1.3% of non-manager male employees).

- Salary increases

  55.8% of male Rexel Group employees had their base salary increased in 2014, compared to 63.9% of female Rexel Group employees.

- Training

  In 2014, 22.1% of employees receiving training were female whereas they represented 23.3% of the total workforce, and 77.9% were male whereas they represented 76.7% of the total workforce of the Rexel Group.

Handicapped employees

In 2014, the Rexel Group employed 268 people reporting a handicap, *i.e.*, approximately 0.9% of its total headcount, *i.e.* identical to 2013.

Handicapped employees accounted for 0.1% of total hires with open-ended contracts as of December 31, 2014.

Senior employees

Within the Rexel Group, "senior" employees (as defined in paragraph 3.1.1 "Number of employees and analysis of workforce" of this *Document de Référence*):

- represented 27.6% of the total headcount in 2014;
- represented 10.2% of new open-ended hires in 2014;
- benefited, in 2014, for 59.2% of them, from a base salary increase in 2104, compared to an average for the Rexel Group of 56.2%.

3.1.4 Training and skills management

In the current context of rapid change in the industry, training is critical in order to acquire new expertises, to control technologies and increase skills in the energy efficiency field.

In 2014, the overall number of people trained increased slightly, amounting to 17,495 compared to 17,251 in 2013. The number of training hours fell from 281,658 hours as at December 31, 2013 to 233,435 hours as at December 31, 2014. 58,921 training hours were provided online in 2104, *i.e.* one-fourth of the total number of training hours.

Lastly, the average number of training hours per employee trained in 2014 amounted to 13.34 hours.

Total number of training hours and training expenses

	2014		2013	
	TOTAL NUMBER OF PERSONS TRAINED	TOTAL NUMBER OF TRAINING HOURS	TOTAL NUMBER OF PERSONS TRAINED	TOTAL NUMBER OF TRAINING HOURS
Rexel Group	17,495	233,435	17,251	281,658
Europe	8,389	112,877	8,072	152,531
North America	7,001	89,842	7,309	100,343
Latin America	851	6,320	822	11,490
Asia-Pacific	1,254	24,396	1,048	17,294

Training programs offered to employees are thus adapted based on the position, skills, development outlook, local requirements as well as personal and collective goals.

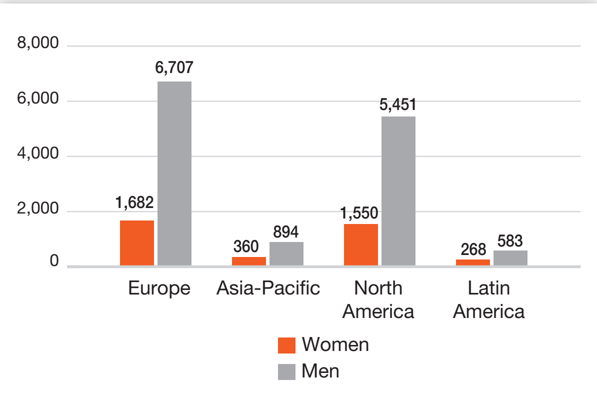
In 2014, the Rexel employees followed numerous training programs in relation to various aspects of their activities: health and safety, management, sales, commercial skills, logistics, administration, IT, personal development, e-commerce, project management, etc.

In addition to these recurrent sessions, numerous training sessions are organized in order to support the Rexel Group's strategy and the development of its employees towards additional services, new technologies, all with a view to achieving energy efficiency. The following programs can be cited for 2014: multi-energy, online selling, industrial automation, home automation, KNX, customer service, Rexel values, etc.

Training by position (headcount)

In 2014, 17.9% out of the 17,495 people trained were managers and 82.1% were non-managerial employees.

Training by gender (headcount)



In 2014, 22.1% out of the people trained were women and 77.9% were men.

Performance evaluation

For several years, the Rexel Group has implemented a strong policy in order to standardize the practice of an annual and formalized performance evaluation for all of its employees.

In 2014, most of the entities organized an annual session of formalized individual performance evaluations, conducted in favor of 61.9% employees in total.

	2014	2013	2012
Number of employees having received a performance assessment	18,264	18,750	18,886
% of employees assessed as compared to total workforce	61.9%	62.2%	65.6%

Promotions

In 2014, 1,582 employees with open-ended contracts had been promoted to a higher position, *i.e.*, approximately 5.5% of the Rexel Group's employees with open-ended contracts. This percentage is up compared to 2013, when 4.3% of employees under open-ended contracts had been promoted.

Of these 1,582 employees, 19.2% were non-managers who became managers.

3.1.5 Employee engagement

3.1.5.1 Satisfaxion13 employee opinion survey

In 2013, the Rexel Group completed its fourth opinion survey of more than 29,500 employees of the Rexel Group, *i.e.* 99% of the staff as of December 31, 2012. The survey participation rate stood at 62%.

The results of this survey show an increasing degree of engagement compared to the previous survey, which was completed in 2011. The engagement index of the

Rexel Group employees stands at 62% in 2013. This index is established on the basis of specific questions in relation to three topic categories addressed by the survey: engagement, enablement and well-being.

The results show, *inter alia*:

- that 80% of participants consider their work gives them a sense of personal accomplishment,
- that 89% of the participants fully apply their skills and abilities in their work, and
- that 73% of participants have the necessary equipment/ resources/tools to do their job effectively.

Employee adherence to the Energy in Motion corporate project

In 2012, the Rexel Group set up a new corporate project, *Energy in Motion* (see paragraph 1.4.4 "Strategy of the Rexel Group" of this *Document de Référence*). Satisfaxion13 also provided an opportunity to measure the employees' knowledge, understanding of and adherence to this strategy.

The results of this survey show that 76% of participants have a clear understanding of the objectives defined in the *Energy in Motion* strategy. In addition, 90% of participants declare that they fully support the ambitions and objectives of their company.

3.1.5.2 Absenteeism

	2014	2013	2012
Absenteeism rate	2.8%	2.9%	2.6%

The average absenteeism rate of the Rexel Group was 2.8% in 2104, *i.e.* down slightly compared to the 2013 rate (2.9%).

The average per employee number of days lost due to illness stands at 6.6 for 2014.

In 2014, this absenteeism rate was structurally variable depending on geographic zones: higher in Europe (3.7%) and lower in Asia-Pacific and North America (3% and 1.8%, respectively).

The Rexel Group implements specific measures to reduce the absenteeism. These actions include in particular a specific monitoring by dedicated human resources managers, the setting-up of regular reporting, consultation and training, regular medical check-ups and awareness campaigns, the indexing of bonuses to employee presence, improvement of work positions or hours and return to work assessments.

3.1.5.3 Labor relations

Employee representation

The Rexel Group attaches great importance to the freedom of expression and representation of its employees. This principle is included in the Ethics Guide which is applicable in every country in which the Rexel Group is established.

The Rexel Group maintains an ongoing dialog with the employee representative organizations.

Employee representation at the Rexel Group is such that:

- 838 employees are involved with representative bodies, *i.e.* 2.8% of the Rexel Group's total workforce with open-ended contracts;
- 137 employees have been appointed as representatives to a trade union, *i.e.* approximately 0.5% of the Rexel Group's total workforce with open-ended contracts.

European Works Council

Created in December 2005, the European Works Council is a platform for exchange and information which represents the Rexel Group's employees within the European Union.

In 2014, the Council continued to be regularly informed of the various projects and reorganizations conducted locally. In particular, it was informed of Rexel's decision to discontinue its activities in the Czech Republic.

Furthermore, in addition to the publication of the Rexel Group's financial results, the Council was also informed of other matters relating to the Rexel Group such as the adoption of the new governance structure and the Rexel Group initiative on safety at the workplace.

At these work meetings, the Council discussed three matters in relation to commitment: the ethics initiative, the annual review and employee involvement in the Rexel Foundation for a better energy future. Its contributions were communicated to all of the subsidiaries.

Collective bargaining agreements

In 2014, 139 collective agreements were negotiated and entered into between employee representatives and the Rexel Group's entities.

These agreements were for the most part entered into in France, Spain and Brazil and related to changes in jobs and qualifications, professional elections and electronic voting wages and profit-sharing.

Profit-sharing and incentive agreements in France

As at December 31, 2014, the employees of Rexel France, Rexel Développement, Conectis and Dismo benefit from an incentive agreement the calculation criteria of which are specific to each of these subsidiaries.

Profit-sharing agreements applicable at the level of the relevant French subsidiaries apply the provisions of the French Labor Code.

Industrial actions

In 2014, the total number of hours of strike amounted to 952 hours, the relevant countries being Belgium (938 hours, national strike) and France.

3.1.6 Ethical commitment of the Rexel Group

Since 2007, the Rexel Group has been committed to an ethics approach based on the development of behaviors and actions that conform to its ethical principles.

This initiative has resulted in the creation of an Ethics Guide which was distributed to all Rexel Group employees. This Guide is applicable in every country in which the Rexel Group operates. It concerns every employee and was created to become a reference for everyone in the Rexel Group in the context of potentially delicate professional situations by clearly establishing shared customs. It was updated in 2009 and in 2013 in order to reflect the Rexel Group's growing commitment to ethics, notably with the signing of the Global Compact in 2011 and the *Energy in Motion* corporate strategy. In 2014, an awareness-raising campaign on data protection (data protection program) was launched among all employees, enhancing precautions regarding the use of social media in particular.

The Guide sets forth the principles that the Rexel Group defends and respects with regard to the economy, the environment and the human being. It is made up of seven general principles and twenty Rexel practices.

To guide the Rexel Group ethics approach, a network of "ethics correspondents" was created. These correspondents are appointed by the General Manager of each country and carry out these duties in addition to their usual duties. They ensure the dissemination of the Ethics Guide to all employees, take any required initiatives to implement the Rexel Group's ethics principles and practices and answer questions which may be sent to them. They may be contacted on an anonymous basis by e-mail by any person, whether or not they are employees, wishing to ask a question or highlight a specific issue.

The table below summarizes the requests received in 2014 by all of the ethics correspondents based on their type, author, subject and geographical area where the requests were made.

		NUMBER OF REQUESTS MADE TO THE ETHICS CORRESPONDENT
Type of request	Information	24
	Complaint	27
	Dispute	0
	Others	5
Author of request	Customers	5
	Rexel employees	44
	Suppliers	1
	Local authorities	4
	Employee representatives, unions	0
	Anonymous	0
	Others	2
Subject matter of the request	Customer relations	4
	Supplier relations	1
	Relations between employees	14
	Discrimination	2
	Work conditions	11
	Anti-corruption action	2
	Action against fraud and theft	22
	Environmental protection	0
Type of action taken	Preventive	13
	Corrective	37
Geographic area	Europe	5
	North America	30
	Latin America	4
	Asia-Pacific	17

56 ethics cases were thus brought to the attention of a Rexel Group ethics correspondent in 2014. The majority of the cases was identified in North America and 25% related to relationships between employees.

All cases were processed, verified (by audits or investigations undertaken by Management in the country in question) and treated with preventative action (13 cases) and/or corrective action (37 cases) depending on the situation. The remaining cases are still in the process of being investigated or settled.

3.1.7 Methodology Note

The social reporting perimeter includes all the legal entities which are consolidated in the financial perimeter under the global integration method and whose number of employees is not null. In case of acquisition or creation of new entities, the inclusion in the reporting perimeter is effective:

- As from the year of acquisition, if the creation or the acquisition occurs prior to November 1 (inclusive), or
- As from January 1 of the following year, if the creation or the acquisition occurs after November 1.

In case of sale of entities or businesses, the exit of the perimeter is immediately effective.

Exceptions to these rules have been applied by the Rexel Group in respect of the 2014 reporting: Busbroek in The Netherlands, which has 12 employees, *i.e.* 0.04% of the Rexel Group's total headcount, was not able to provide reliable data in due time and was excluded from the perimeter. In addition, Rexel CZ authorized on December 31, 2014 the launch of a liquidation process in January 2015, the Czech Republic has thus not been included in the reporting (see note 7 to the Rexel Group's consolidated financial statements for the year ended December 31, 2014 set forth in chapter 5 of this *Document de Référence*).

The collection and consolidation of social indicators are made through the "Enablon" software, to which all the reporting entities have access.

It is to be noted that:

- Recorded headcount is defined as the number of employees that have an employment contract with the company (open-ended or fixed term), that are recorded in the payroll as at 31/12, regardless of their rate of activity (full-time, part-time). Employees whose contract has been suspended pending their return to work (parental leave, sabbatical leave, start-up leave, etc.) are included in the reported headcount,

  The following are not included:
  - Trainees, whether or not remunerated;
  - Temporary staff;
  - Sub-contractors;
  - End-of-service employees (pre-retired or prepensioned employees or employees on anticipated departure leave, with ongoing employment contracts until their actual retirement);
  - International Volunteers Abroad (VIE);
- Staff entries are reported according to the reason for their entry:
  - External hires (under open-ended or fixed-term contracts), regardless of the rate of activity (full-time, part-time);
  - Entries further to acquisitions of new entities;
  - Other entries, such as group mobility (internal reassignments of staff with open-ended contracts, from one entity/company to another within the Rexel Group);

  The following are not included:
  - Promotions;
  - Changes of position or status (executive/non-executive) within a given entity;
  - Hires of trainees and temporary staff;
  - Hires of International Volunteers Abroad (VIE).
- In countries where the open-ended contracts are not a standard practice (for instance, in the United States of America and China), the definition of open-ended contracts includes any employee who has not been hired for a specific project with a pre-determined ending date;
- The calculation method of the absenteeism rate has been updated in 2014: this rate is calculated by reference to the number of calendar days in accordance with the protocol on the basis of the total number of days of absence (irrespective of the reasons for the absence) and the annual number of days. In the interests of consistency with this definition, 2012 and 2013 data have been updated according to this calculation method;
- The frequency rate, as calculated, only takes into account workplace accidents resulting in at least one working day lost (excluding the day of the workplace accident);
- The severity rate calculation is based on days lost with sick leave and on the number of worked hours. The number of worked hours corresponds to the actual work duration during which employees are exposed to a risk of accident;
- Calculation rules of the number of working days lost as a result of workplace accidents take into account local laws, which are different and which may vary from that defined in the HR reporting system.

3.2 INFORMATION REGARDING COMMUNITY AND SOCIAL COMMITMENT

The Rexel Group's model is based on shared value creation with all of its stakeholders, customers, business partners, public authorities, communities, employees and shareholders. Due to the specific nature of its business, the wideness of its network and the cultural diversity of its employees, the Rexel Group has to take into account society issues in the definition and implementation of its development strategy.

3.2.1 Relationships with the stakeholders

Rexel believes that the exercise of its corporate responsibility implies giving consideration to the expectations of its ecosystem. In order to ensure its long-term development and its local licence to operate, Rexel has identified and prioritized its stakeholders depending on their relationships with its business, and set up a dialogue with the stakeholders both at Rexel Group and at the level of its subsidiaries' levels:

Employees and their representative bodies

The satisfaction and well being of its employees is a major concern for the Rexel Group. To this effect, it develops dedicated listening and dialogue mechanisms with all of its employees. For example, in 2014, the European works' council was involved in defining the Rexel Group's "Employee value proposition", and contributed to various topics: ethics, employee involvement in the Foundation and the annual review. In addition, 139 new collective agreements were signed in 2014 within the Rexel Group entities worldwide. (See paragraph 3.1 "Social information" of this *Document de Référence*).

Customers

Rexel's mission is to support customers around the globe, wherever they are, to create value and run their business better. To this end, the Rexel Group has set up various information, dialogue and listening mechanisms for its customers, such as commercial initiatives, satisfaction surveys and training sessions in the area of public aid for energy efficiency, new home automation technologies, renewable energies, etc. (See paragraph 1.4.2 "Professional distribution of low voltage and low current electrical equipment" of this *Document de Référence*).

Suppliers and sub-contractors

The Rexel Group maintains mutually beneficial relationships with its suppliers and sub-contractors: they are essential partners of its business and of its growth, and the Rexel Group supports their performance by accompanying their international development and supporting their business (including local companies such as installers, transporters, etc.) development. Rexel therefore strives to create a constructive dialogue with its suppliers and sub-contractors and to establish long-term and balanced relationships, in accordance with social and environmental challenges.

The Rexel Group requires all of its suppliers and sub-contractors to comply with the principles presented in its Ethics Guide and, from a contractual standpoint, to comply with its general purchase conditions which contain, in particular, clauses requiring compliance with the core conventions of the International Labor Organization and local legislation, in particular with regards to minimum wages, working hours, environment, health and safety.

In 2014, in order to ensure that these principles and the ethics and environmental contractual provisions were effectively applied, audits were carried out on the suppliers' sites by Rexel Group entities and simultaneously the Rexel Group finalized the pilot project that was aimed at appreciating the CSR (Corporate Social Responsibility) performance of its suppliers through a shared assessment platform. The results of this pilot project were very positive:

- the technical solution is appropriate to the Rexel Group's needs;
- the project allowed to build momentum around CSR issues in the purchasing processes of the Rexel Group; and
- a very active participation of the suppliers of the Rexel Group.

The Rexel Group accordingly decided to roll out the Ecovadis platform globally over an initial period of 2 years.

Beyond commercial relationships, the Rexel Group sets up solidarity initiatives with some of its suppliers in order to promote access to energy efficiency for all. These initiatives are promoted by the Rexel Foundation for a better energy future launched in June 2013 (see paragraph 3.2.3 "Charity and patronage").

Trade associations and universities

Rexel participates in trade associations such as FIEEC *(Fédération des Industries Electriques, Electroniques et de Communication)*, FGME *(Fédération des Grossistes en Matériel Electrique)*, NEAD (National Association of Electrical Distributors), EUEW (European Union of Electrical Wholesalers), in order to discuss, share and promote changes to the practices of the trade. In order to achieve transparency and progress, the Rexel Group is also involved in various research projects and publications so as to interact with its stakeholders and also to facilitate the sharing of experience, such as, for example with the EpE *(association Entreprises pour l'Environnement)* or Agrion, the international network for professionals active in the areas of sustainable development and energy. In addition, the Rexel Foundation devotes part of its resources to supporting academic research programs by granting scholarships to students at the beginning of their professional career who work on the expected behavioral changes in order to foster energy efficiency, on the barriers to the development of renewable energies as well as on innovative equipments in the area of home appliances, heating, ventilation etc. (see paragraph 3.2.3 "Charity and patronage" of this *Document de Référence*).

Shareholders, investors and rating agencies

The Rexel Group provides transparent information on its results, initiatives and priorities in relation to sustainable development to the various players (shareholders, investors, rating agencies). These communications may be occasional or recurring, depending on the players involved and the events affecting the life of the Group.

Rexel is part of the following socially responsible investment indexes (SRI): FTSE4Good Europe & Global, STOXX Europe Sustainability, EURO STOXX Sustainability, Euronext Vigeo Europe 120, ESI Excellence Europe and, since September 2013, Dow Jones Sustainability Index Europe. The company is also listed in the Ethibel EXCELLENCE Investment Register.

In addition, since 2011, the Rexel Group reports on its greenhouse gas emissions to the Carbon Disclosure Project (CDP), an independent, not-for-profit organization which assesses the carbon performance of large companies and their climate change strategy on behalf of more than 700 institutional investors.

3.2.2 Impact on the social and economic development of the territories

As one of the global leaders in the professional distribution market, the Rexel Group contributes to structuring and developing its business sector in all regions where it operates in order to always bring higher value to its stakeholders. This approach relies on the consideration of regional particularities in the definition of its strategy, the constant pursuit of operational efficiency, the resource optimization and the dissemination of innovative energy management and renewable energy solutions.

Thanks to its global presence and local roots (a network of approximately 2,200 branches in 38 countries), the Rexel Group largely contributes to the development and the economic activity in the regions where it operates, in particular by:

- directly supporting its professional customers' growth worldwide,
- spreading innovation through its services, its solutions and the constant renewal of its product offering,
- contributing to the financing of local public policies through taxes paid,
- employing almost entirely local labor (the Rexel Group employs 29,591 employees in total),
- securing new outlets and access to new markets for its partners, international suppliers as well as local SMEs (installers, transporters, etc.), and
- participating in the training of professionals and students in partnership with schools and universities.

The activity and the profitability of the Group benefit to all of the stakeholders. The major part of the value created is directly transferred to its employees, to the public authorities and local governments of the areas where the Rexel Group is present.

The economic relationship of the Rexel Group with its principal stakeholders

In 2014, the Rexel Group purchased products from its suppliers for an amount of €10,521 million and generated associated sales with its clients in an amount of €13,081 million. Employees payroll and contributions accounted for €1,533 million. The Rexel Group paid a total of €884 million to its lessors, its sub-contractors and its other suppliers for the purchase of services and consumables. Its financial partners (banks and bonds investors) received €189 million. Dividends paid to its shareholders in 2014, in respect of 2013, totaled to €212 million. Finally, the Rexel Group recognized a €107 million expense as corporate taxes.

3.2.3 Charity and patronage

In line with its corporate mission, the Rexel Group is developing a community involvement program, which involves various initiatives to fight fuel poverty.

To structure this action, the Rexel Group published a community involvement Charter and a Guide, in 2012 with a specific area of commitment: "promoting access to energy efficiency for all". Through this, the intention of the Rexel Group is to act in favor of a better usage and an optimized consumption of energy, by making its skills, tools and structures in the field of energy management available to society. Since 2013, thanks to the Rexel Foundation, the Rexel Group accelerated and boosted community initiatives through a threefold intervention plan:

- Improve knowledge and raise awareness on the topic of energy efficiency.
- Encourage innovation through research programs and educational projects.
- Support community-based public interest projects with NGOs, social entrepreneurs or foundations that contribute to the development of electrified business sectors and stand-alone and sustainable economic models that are independent of traditonal energy sources.

In 2014, the Foundation conducted close to 20 initiatives to promote energy efficiency access for all, in partnership with Rexel Group subsidiaries as well as various organizations:

- Further the "Impact" programme conducted in 2013 with Ashoka, which aimed at identifying and promoting social entrepreneurship initiatives in the area of energy efficiency in France and in Belgium, the Rexel Foundation decided to create a support platform for social entrepreneurs in order to bring together the various actors involved in energy progress, to facilitate the sharing of skills, means and expertise, to allocate material and/or financial support to projects conducted by social organisations or entrepreneurs and lastly to create reflexion and action synergies between those players.
- The Rexel Foundation supported the Microsol association for the review of the conditions for adapting the voluntary carbon credit market in order to develop and sustain access to energy for disadvantaged populations in Latin America.
- In China, the Rexel Group subsidiary (Rexel China) and the Rexel Foundation have teamed with Faurecia and the social enterprise Maverlinn on a solar energy plant to provide students of the San Xing Elementary School, located in the Hebei region, an access to new information technologies. The school now has the benefits of a IT class as well as a free energy sources guaranteeing the long-term viability of the installation, energy consumption cost control and, above all, a more environmentally-friendly power supply.
- In cooperation with the University of Utrecht in The Netherlands, the Rexel Foundation has supported a research project aimed at identifying, mapping and understanding the obstacles to the implementation of energy renovation strategies for buildings in Europe.

To complete and strengthen this global approach, the subsidiaries and employees of the Rexel Group developed numerous local patronage and charity initiatives, including through employee mobilization in the areas of health (fight against cancer) and education and children support.

Numerous Rexel Group entities have also supported collective and solidarity initiatives by offering products and equipment, free of charge.

The overall amount of donations by the Rexel Group, including funds provided by the Rexel Foundation, amounted to €527,000 in 2013 and €756,100 in 2014.

3.3 ENVIRONMENTAL INFORMATION

3.3.1 Environmental policy of the Rexel Group

3.3.1.1 Environmental responsibility

Due to its geographical presence and activity, the Rexel Group has a double environmental responsibility:

- on the one hand, as an international company with operations in numerous territories, that manages infrastructures and creates logistical flows, the Rexel Group has a diffuse environmental footprint on the ecosystems in which it operates (consumption of resources, generation of waste, direct and indirect emissions);
- on the other hand, by developing and selling energy management solutions, the Rexel Group plays a substantial prescriber role and therefore contributes to improving the environmental performance of buildings and industrial facilities throughout the world.

The Rexel Group's environmental policy, defined by the Sustainable Development Department, is thus built around two main lines of action:

The environmental performance of operations

This work stream aims at reducing the environmental impact of the activities and of the infrastructures of the Rexel Group, while maintaining, if not improving, the organization's operational efficiency. It covers, on the one hand, the impacts related to the core distributor business (selecting products, transporting them and, where necessary, taking them back) and, on the other hand, the impacts generated by the operation of the sites (energy, water, etc.).

Although these impacts are relatively low compared to those of industrial producers, the Rexel Group subsidiaries strive to reduce them by acting on:

- controlling the consumption of natural resources, particularly energy, water, paper and packaging material;
- collecting and recycling the waste generated by its operations as well as its customers' specific waste; and
- reducing greenhouse gas emissions by, *inter alia*, taking action on transportation and on the energy performance of its premises (administrative headquarters, branches, logistics hubs, etc.), in order to address climate change.

The development of the energy efficiency and renewable energy solutions offer

This line of policy aims at supporting the development and the spread of eco-efficient electrical solutions and renewable energy solutions on the industrial, residential and commercial markets. This commitment is a major pillar of sustainable growth in the *Energy in Motion* company plan launched in June 2012.

Thus, the Rexel Group banners develop a broad range of innovative and efficient products and services that are suited to their customers' energy challenges.

To promote these solutions and encourage installers and industrial customers to adopt them, they have developed awareness, information and marketing actions on various communications channels (catalogues, dedicated space and websites), in association with the manufacturers (see paragraph 3.3.4 "The energy efficiency and renewable energy solutions offer" of this *Document de Référence*)

3.3.1.2 Organization and steering of the approach

The conduct of this policy and its operational implementation are steered by the Rexel Group's Sustainable Development Department, in coordination with the functional departments at the headquarters and the local operational teams.

To implement this approach, the Rexel Group uses several tools:

- the Rexel Environmental Charter;
- an annual environmental reporting;
- the deployment of procedures to control environmental impact and of management systems based on the ISO 14001 standard;
- the "Ecodays", an awareness-raising campaign in relation to environmental and social issues designed for all employees.

The Environmental Charter

To support the operational implementation of its policy, the Rexel Group has for several years rolled out its Environmental Charter, which was redrafted in cooperation with the subsidiaries in 2012 in order to reflect the progress made and the *Energy in Motion* corporate project. The charter is published in 23 languages and is circulated to all Rexel Group subsidiaries.

It presents the 3 Rexel Group commitments to the environment:

1. Improve the environmental performance of buildings

– by modernizing the premises with low energy consumption lighting, heating, air conditional equipment, etc.,

– by managing and sorting waste with a view to recycling or other appropriate processing,

2. Reduce the environmental footprint of operations

– by reducing the paper and packaging consumption,

– by optimizing transportation flows, thereby limiting the fuel consumption and carbon emissions,

3. Develop and promote energy efficiency solutions

– by commercializing a broad range of innovative energy control and renewable energy products and services,

– by providing commercial teams with training on new technologies and by providing specific information support and marketing tools.

At the end of 2014, the new version of the environmental Charter was posted in 96% of the Rexel Group's sites.

The environmental reporting

The Rexel Group's environmental reporting is a key management tool by enabling to identify and quantify the environmental aspects of its activities, and by providing the global vision required to implement improvement programs.

In 2014, the Rexel Group's environmental reporting continued to evolve towards increased reliability and relevance, thanks in particular to a work aiming at further detailing or simplifying a number of indicators (wood, outsourced transportation), the stabilization of the scope of environmental impacts reported, the strengthening of the data collection processes and the continued training of all correspondents within the Rexel Group subsidiaries to the reporting tools and methods.

In line with the regulatory requirements set forth in article 225 of the French "Grenelle 2" law, the Rexel Group's reporting framework also relies on recognized international reporting guidelines and standards:

- the sustainability reporting guidelines of the GRI (Global Reporting Initiative) version 4, an internationally-recognized framework, is used to define performance indicators and reporting procedures; and
- the Greenhouse Gas Protocol is used to quantify and report on its greenhouse gas emissions in a transparent manner (see paragraph 3.3.5 "Methodology note & summary table" of this *Document de Référence*).

The Rexel Group's reporting relies on a global network of more than 70 correspondents, located in the subsidiaries. In April 2014, as is the case every year, these correspondents where invited to attend the international seminar on sustainable development in order to exchange views on the reporting methods, to share approaches, good practices and action plans and to receive training in relation to the Rexel Group's environmental challenges.

There has thus been a further improvement in the quality and representativity of the responses from 2013 to 2014, which makes it possible to better appreciate the challenges and efforts achieved, but may demand cautious interpretation of some of the variations between these two years.

Environmental management procedures and systems

The Rexel Group pursues the implementation of environmental management systems (EMS) aimed at defining and documenting the procedures used to control the environmental aspects of its activities and to allow for the steering of improvement plans. Since 2013, the Rexel Group has edited its own environmental management standard aimed at streamlining, supporting and accelerating the roll out of EMS in its subsidiaries.

Thus, several subsidiaries have taken steps to obtain ISO 14001 certification, which certifies that an EMS has been implemented and attests to their commitment in favor of the continuous improvement of their environmental approach. On the date of this *Document de Référence*, the number of Rexel Group sites that apply an EMS has risen to reach close to 42% of the Group's sites, and 8 subsidiaries have obtained the ISO 14001 certification.

Awareness-raising and training on environmental and social issues for all employees

In addition to the existing tools and processes, the Sustainable Development Department, supported by the Communications Department, raises employee awareness in relation to environmental and social issues through an annual event called "Ecodays".

The 2014 Ecodays campaign had to be postponed to early 2015 for internal organization reasons but will be conducted on the basis of the successful format established in 2013. There will again be a website dedicated to the event, accessible in 7 languages, where employees will be able to seek information on issues relating to the protection of the environment and on the various initiatives of the Rexel

Group and of its subsidiaries in this area as well as on the gestures to be adopted to contribute to reduce the Rexel Group's environmental footprint.

From an operational standpoint, events will be organized by the subsidiaries, in the logistics hubs and branches, on the procedures and conduct to be adopted in terms of health, safety and environment, in order to manage the environmental aspects of the activities and to provide information on the Rexel Group's global approach to sustainable development.

3.3.1.3 2014 objectives and achievements

In 2014, the Rexel Group made significant progress in connection with its environmental approach. A number of actions were undertaken, which enabled the Rexel Group to reach its objectives:

- continue to structure its environmental management approach by circulating the Environmental Charter and supporting the Rexel Group subsidiaries with the implementation of the standard EMS;
- enhance environmental performance monitoring by providing each subsidiary's management team with a full report of their impact, evolutions and associated costs;
- strengthen the knowledge and management of the main environmental impacts: energy, packaging, waste and greenhouse gas emissions thanks to the setting up of multi-disciplinary teams (country operations division, sustainable development team at the Rexel Group level and continuous improvement experts) for each topic;
- finalize the pilot project aimed at assessing, *inter alia*, the Rexel Group suppliers' environmental performance, using a shared assessment platform;
- increase client awareness in relation to eco-efficient electrical products and develop the sales of these products.

The results and main initiatives are detailed in paragraph 3.3.3 "Environmental aspects of the Rexel Group's activities" of this *Document de Référence*.

3.3.2 Risk management and regulatory compliance

3.3.2.1 Assessment and compliance framework

Compliance with environmental regulatory requirements is a crucial component of the definition of the environmental policy on a global as well as local level.

The main regulations that are likely to have an impact on the activities of the Rexel Group are described in paragraph 1.8.2 "Environmental regulations" of this *Document de Référence*.

The Rexel Group's activities are in particular subject to environmental regulations derived from European Directives and Regulations:

- Directive 2011/65/EU of the European Parliament and of the Council of June 8, 2011, known as "RoHS" Directive (Restriction of Hazardous Substances) relating to the restriction of use of certain substances in electrical and electronic equipment;
- Directive 2012/19/EU of the European Parliament and of the Council of July 4, 2012 relating to Electric and Electronic Equipment Waste (the "WEEE" directive);
- Regulation 1907/2006 of the European Parliament and of the Council of December 18, 2006, known as "REACH" (Registration, Evaluation and Authorization of Chemicals) relating to the registration, the evaluation and the authorization of chemical substances;
- Directive 2012/27/EU of the European Parliament and of the Council of October 25, 2012 which imposes mandatory energy audits on large enterprises of the European Union. This Directive was transposed into French law by article 40 of the law of July 16, 2013.

The Rexel Group is further subject to specific local regulations in the various countries in which it operates, in relation to the environment, health and the safety of its activities and facilities.

As such, certain facilities are subject to declaration or registration with the administrative authorities, to the obtention of environmental permits and operational permits, and to regulatory controls. In France for example, the Rexel Group is subject to the legislation concerning classified installations for environmental protection (*Installations Classées pour la Protection de l'Environnement* (ICPE)). In this regard, some facilities, particularly among distribution centers and hubs, are subject to declaration or registration, depending on the size and level of danger or inconveniencies that they present: closed warehouse with storage of combust materials, storage of plastic material, storage of paper, cardboard and wood, battery charging facilities. If applicable, the obtention and renewal of these declarations and administrative authorizations are subject to local follow-up.

3.3.2.2 Environmental risk management and prevention

As a non-manufacturing distributor, the Rexel Group has not identified any significant environmental risks associated with its operations. The identification of risks and the occurrence of environmental accidents are nevertheless monitored through the annual environmental reporting. In 2014, no Group entity reported any such accident.

On the date of this *Document de Référence*, the Rexel Group is not aware of any environmental risks likely to have a significant impact on its business or financial position. It can however not guarantee that it has always complied, or will in all circumstances comply, with such standards and regulations, or that it will not incur any significant costs in order to become compliant with such standards and regulations, which could adversely affect the Rexel Group's reputation and financial results.

3.3.2.3 Expenses incurred to avert the consequences of its activity on the environment

The sites in respect of which certain environmental risks have been identified (particularly those that have fuel storage point(s)) apply the various regulations to which they are subject and implement operational procedures, quality systems as well as a number of safety measures. The expenses incurred by the Rexel Group to avert the consequences of its activities on the environment are included in the Rexel Group's usual investment process and have not been separately identified.

3.3.2.4 Means devoted to reducing environmental risks

Given the profile of the Rexel Group, the environmental risk is low. The costs of assessing, preventing and addressing environmental risks therefore represent small amounts which are included in the Rexel Group's investment processes and have not been separately identified.

3.3.2.5 Adaptation to climate change

Given its activities, the Rexel Group believes that it is not directly exposed to the inherent risks related to climate change and therefore did not implement specific adaptation policy.

3.3.2.6 Amount of reserves and guarantees set aside for risks

On the date of this *Document de Référence*, the Rexel Group is not aware:

- of any disputes other than those described in Chapter 5 "Consolidated financial statements" of this *Document de Référence*;
- of any environment-related facts or situations likely to have a significant impact on Rexel's assets and liabilities or results; or
- of any particular environmental matters likely to have an impact on its use of its tangible fixed assets.

In 2014, no significant reserves for environmental risks were recorded in the Rexel Group's financial statements.

3.3.2.7 Indemnities paid pursuant to a court decision

In 2014, no significant indemnity has been paid pursuant to a court decision in relation to the environment or to actions taken to remedy environmental damage.

3.3.3 Environmental aspects of the Rexel Group's activities

The Rexel Group's sustainable development approach places as its first priority the reduction of the environmental impact of its activity throughout its entire distribution network.

Various initiatives are taken within the Rexel Group, at international or local scale, to manage the environmental impact of its operations. These impacts are in particular linked to the infrastructures (waste, use of energy resources, water, etc.), to the commercial activity (travels for supplier and client visits, paper consumption, consumables, etc.) and logistics (deliveries, packaging, etc.).

3.3.3.1 Energy consumption

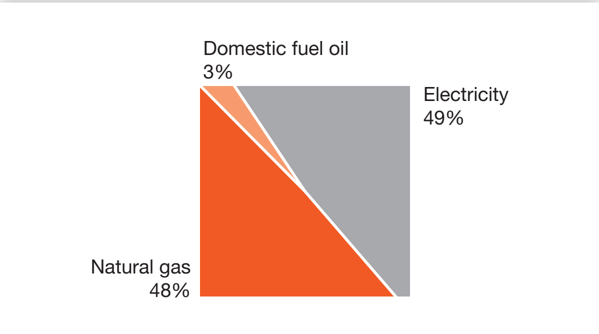
For the Rexel Group, energy consumption is a major environmental challenge with regard to the preservation of resources and the fight against climate change. In addition, energy consumption is also an economic issue for the Rexel Group as the depletion of fossil fuel resources (oil, gas, etc.) theoretically leads to higher prices in the long run. As a consequence, cost control implies the reduction of the energy intensity of its operations.

In this context, voluntary steps towards the optimization of consumption at the level of each entity have been undertaken, to reduce on-site energy consumption as well as energy consumption due to people and product transportation.

Onsite energy consumption

In 2014, total energy consumption stood at more than 333,307 MWh, allocated as follows:

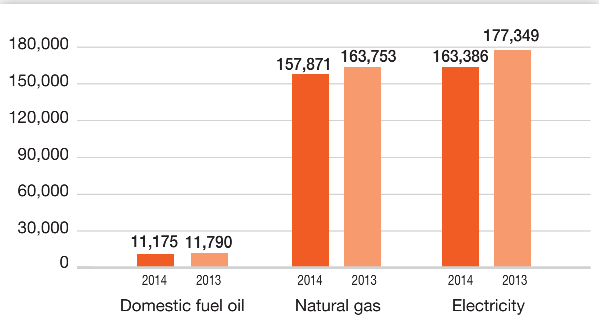
Breakdown of primary energy consumption per type of energy in 2014



This data has been calculated based on a perimeter representing 99.7% of the Rexel Group's sales.

Using a constant perimeter for 2013 and 2014, energy consumption was down 5.8%, principally due to the combined effects of the implementation of energy efficiency measures and of milder weather conditions, particularly in the United Kingdom, The Netherlands, France and Germany.

Energy consumption evolution (MWh)



Measures taken to improve the facilities' energy efficiency

When sites are renovated, opened or transferred to another location, buildings' and facilities' energy efficiency is given specific consideration, in particular:

- The improvement of the lighting appliances, the use of low consumption technologies (LED in particular) and of control and automation systems (building automation, presence and light detection, etc.);
- The modernization of heating systems, air conditioning and ventilation and improvement of monitoring systems (lower room temperature setpoint, etc.);
- The monitoring of energy consumption *via* the Enablon environmental reporting or specific monitoring measurements and tools in certain subsidiaries. For example, since 2013, Rexel UK has set up its energy monitoring system, marketed under the name "Rexel Energy Monitoring System", in 58 branches. Sites equipped with this system saw a 19% drop in their consumption, while non-equipped sites saw a 1.4% increase in the first quarter of 2013, compared to the same period in 2012;
- The use of renewable energies with the installation of solar panels or the connection to heating networks produced by biomass-fuelled power stations. An increasing number of Rexel Group subsidiaires sign electricity contracts certified from renewable energy sources (hydraulic, biomass, etc.).

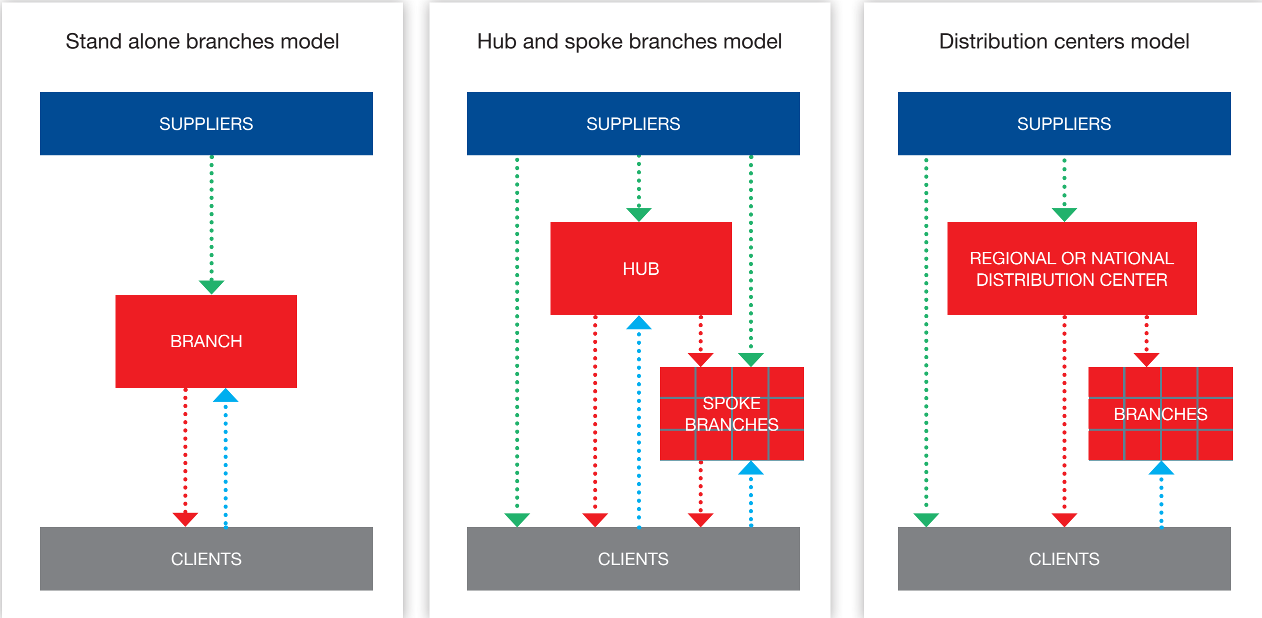
Fuel consumption for the transportation of goods

The Rexel Group's activities imply the transportation of equipment and goods from the suppliers to the clients.

The chart below presents the logistical organization of the Rexel Group (see paragraph 1.4.2.3 "Logistical organization of the Rexel Group" of this *Document de Référence*) and sets forth the main goods transportation flows in connection with its activity:

- in **green**, the upstream transports, *i.e.* the flows from the suppliers towards Rexel Group's distribution centers, hubs, branches and customers. These flows are managed by the suppliers themselves,
- in **blue**, the flows from the customers using their own transportation means, to and from Rexel's branches,
- in **red**, transports initiated and managed by the Rexel Group: on the one hand the internal flows between its distribution centers / hubs and its branches, and on the other hand the downstream flows from its warehouses towards the customers. These flows may be carried out by the Rexel Group's internal fleet or by sub-contractors.

Chart: Representation of the transport flows, depending on the logistics model in place.



In relation to environmental reporting, the Rexel Group focuses on the assessment of the transport that it initiates and manages (red flows) in order to continue to improve data collection and to support the implementation of improvement programs.

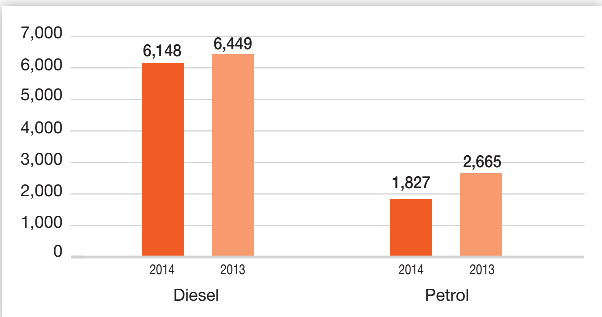
In addition, the client and supplier flows were reviewed at the time of the Rexel Group's carbon footprint assessment carried out in 2013.

The Rexel Group's internal fleet for the transportation of goods comprised, in 2014, approximately 685 trucks and 1,163 vans in total, *i.e.*, a lower number of vehicles compared to 2013.

In 2014, this internal fleet consumed close to 6.16 million liters of diesel and 1.83 million liters of petrol (these figures have been calculated based on a perimeter representing 99.7% of the Rexel Group's total sales).

On the basis of a constant perimeter between 2013 and 2014, these consumptions decreased by 4.7% and 31%, respectively.

Evolution of fuels consumption for products deliveries by internal fleet (cubic meters)



Measures taken to optimize transportation of goods

In 2014, the Supply Chain Department of the Rexel Group continued rolling out its transport optimization plan aimed at optimizing costs, increasing flexibility and service while reducing mileage, fuel consumption and associated greenhouse gas emissions.

This strategy is built around two major focus points.

On the one hand, the Rexel Group gives preference to shared transportation, which consists in sub-contracting transportation to service providers that pool the flows of the Rexel Group with those of their other customers, thereby reducing the environmental impact of the logistics operations.

On the other hand, when freight pooling cannot be implemented, the Rexel Group progressively conducts optimization programs of transportation flows made by its internal fleet or dedicated external logistics, through the rationalization of the delivery routes, the optimization of the vehicle loads, the use of GPS systems to measure the various performance indicators (fuel consumption, CO_2 emissions, distances travelled, load rates, etc.), or the introduction of electrical and hybrid vehicles.

In addition, when selecting its sub-contracting carriers, the Rexel Group strives to develop the consideration of environmental criteria such as the environmental performance of the vehicles, their maintenance, the implementation of environmental action plans and the reporting on fuel consumptions and GHG emissions.

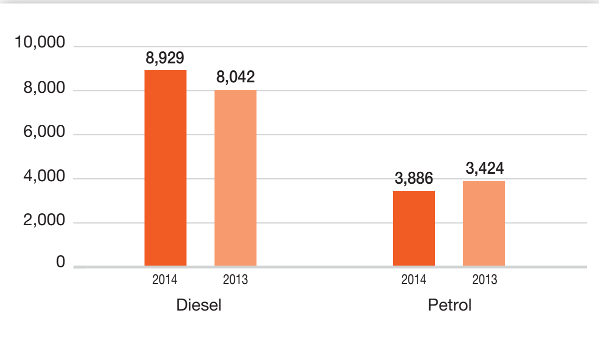
Fuel consumption for business travels

The activities of the Rexel Group also imply staff business travels, particularly of sales representatives travelling to the customers' premises. To that effect, most of the subsidiaries lease on a long-term basis or own a car fleet.

In 2014, the Rexel Group fleet comprised approximately 5,514 cars (excluding vans and trucks) and consumed close to 3.4 million liters of petrol and 8.9 million liters of diesel.

On the basis of a constant perimeter, these consumptions respectively decreased by 11.9% and increased by 11.0% as compared to 2013.

Evolution of fuels consumption for travels by company cars (cubic meters)



Optimization measures of the fleet of vehicles

The Indirect Purchases Department of the Rexel Group has, over several years, been rolling out framework agreements in order to rationalize the fleet of vehicles (cars, vans and trucks) and improve its environmental performance. Thanks to partnerships entered into with 2 long-term leasing companies and 5 car manufacturers, the Rexel Group supports its subsidiaries in the implementation of this rationalization policy and encourages the measurement of performance indicators (fuel consumption, CO_2 emission per kilometer rate).

In 2014, 24% of the European fleet was renewed with two long-term leasing companies, using vehicles with an average emission rate of 105 g CO_2 e/km. As a reminder, in 2013, this average emission rate was 114 g CO_2 e/km. In addition, Rexel's fleet now includes hybrid vehicles.

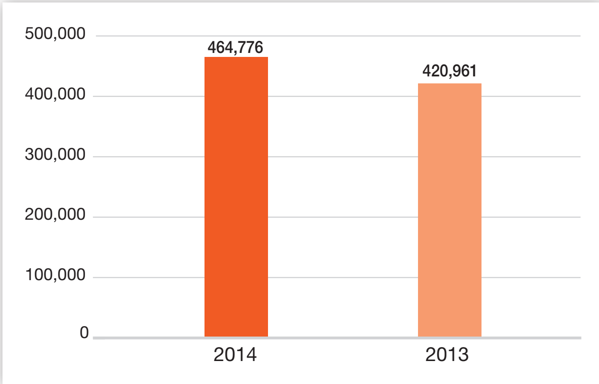
3.3.3.2 Water consumption

Water consumption within the Rexel Group essentially corresponds to water used in the commercial (branches, warehouses) and administrative buildings, particularly in the air conditioning systems and toilet facilities, for the maintenance of the premises and during mandatory fire protection draining operations. This therefore relates to water coming from the municipal water networks only.

The Rexel Group's total water consumption stood at approximately 464,776 m³ in 2014, based on a perimeter representing 99.5% of the Rexel Group sales.

Using a constant perimeter, water consumption is up by 10.4% compared to 2013, but only as a result of a leak which occurred on our French sites and remained undetected for a whole year. Leaving aside France, water consumption within the rest of the Group dropped by 5.1%.

Evolution of consumption of water (cubic meters)

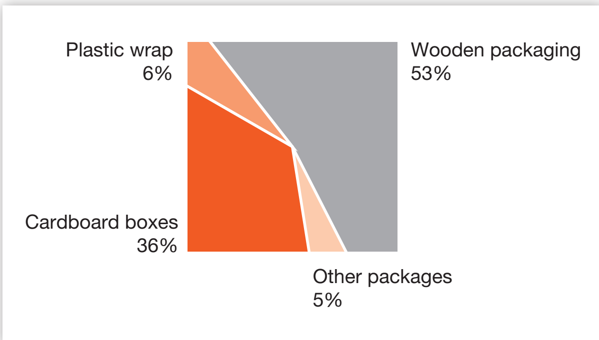


3.3.3.3 Packaging material and paper consumption

Packaging

The total amount of packaging (cardboard, plastic, wood, other packaging) used by the Rexel Group in 2014 is estimated, based on a perimeter representing 94.4% of the Rexel Group's sales, to be 12,258 tons, allocated as follows:

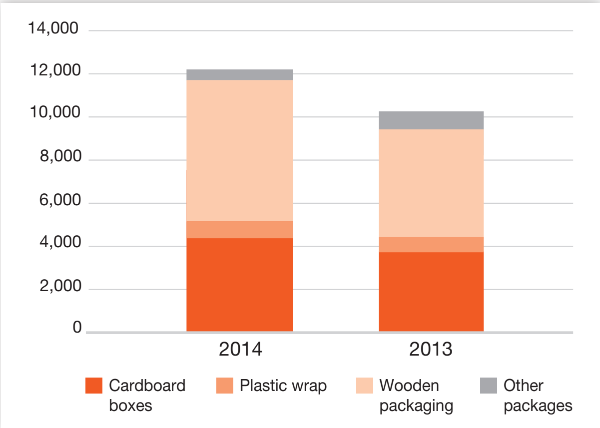
Breakdown of consumtion per type of packaging in 2014



An effort to re-use packaging is carried out within the Rexel Group: many countries have set up a system of re-use of suppliers' wood pallets, reels and cardboard for customers deliveries or use reusable plastic boxes for small equipment deliveries between hubs and branches.

However, further to the opening of new distribution centers and changes in the logistics models and product ranges in several countries, the consumption of packaging material increased by 19%, on a constant perimeter basis compared to 2013. These figures must be put in perspective as the monitoring of these consumptions is also improved year after year (as a result of the implementation of a separated accounting for other consumables) and is therefore more exhaustive, particularly in 2014 as regards wood packaging.

Evolution of packaging material consumption (tons)



Note: the packaging quantities shown above only account for the packaging material purchased and used by the Rexel Group, and do not take into account the supplier's packaging material that is re-used by the Rexel Group.

Paper

For the printing of its commercial brochures, booklets and catalogues, the Rexel Group consumed approximately 1,650 tons of paper in 2014. The Rexel Group's consumption of other papers stood at close to 1,458 tons. 60.2% of this total quantity was certified (made with recycled fiber or sustainably managed forests). These figures have been computed based on a perimeter representing 99.6% of the Rexel Group's sales.

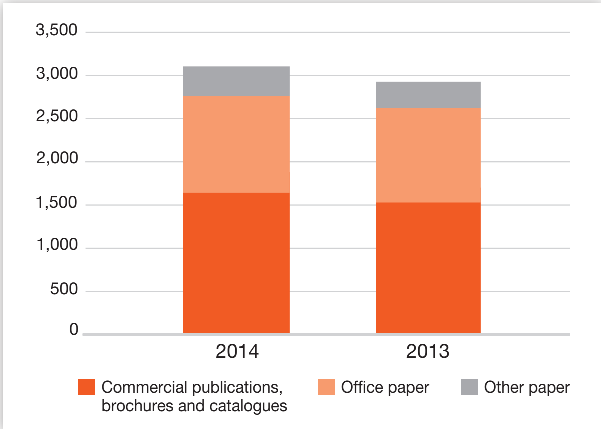
The international scale of the Rexel Group is a strong lever allowing for the optimization and standardization of its indirect purchasing policy, while integrating responsible steps to reduce environmental impact.

In 2014, the Rexel Group continued its collaboration with the referenced suppliers of office supplies, paper and printing, in order to reduce the consumed volumes of paper.

Since several years, the partnership with a printing services provider, which is now close to 80% implemented within Rexel, confirms Rexel's capacity to monitor its paper consumption with a view to setting up improvement action plans.

However, a strong commercial activity and the product ranges evolution, in particular in respect of the own brands of the Group, resulted in the edition of new catalogues distributed globally to the clients. As a consequence, using a constant perimeter, total paper consumption increased by 6% between 2013 and 2014.

Evolution of paper consumption (tons)



3.3.3.4 Waste management

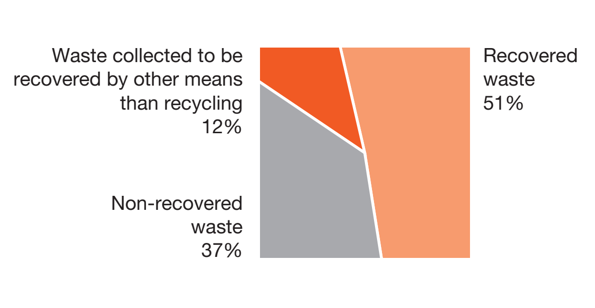
As part of its environmental policy, the Rexel Group seeks to reduce the quantity of waste generated by its activities and encourages its recovery. Thus, especially through its Environmental Charter, the Rexel Group encourages all of its branches to:

- implement a sorting process for waste such as paper, cardboard, plastic and wood, in order to allow for waste recycling or recovery,
- ensure that hazardous waste (such as batteries, computer and electrical equipment) is sent to being processed and recycled in an environmentally-friendly way, and
- contribute, within the framework of local regulations, to the collection and recovery of certain specific waste generated by the customers, such as waste of electrical and electronic equipment known as "WEEE" (see paragraph 3.3.2.1 "Assessment and compliance framework" of this *Document de Référence*).

Total quantity of waste

The tonnage of waste generated by the Rexel Group is estimated to be 25,596 tons in 2014, all materials combined (excluding WEEE and batteries). These figures were calculated on the basis of a perimeter representing 94.4% of the Rexel Group's sales.

Waste produced by destination (2014)

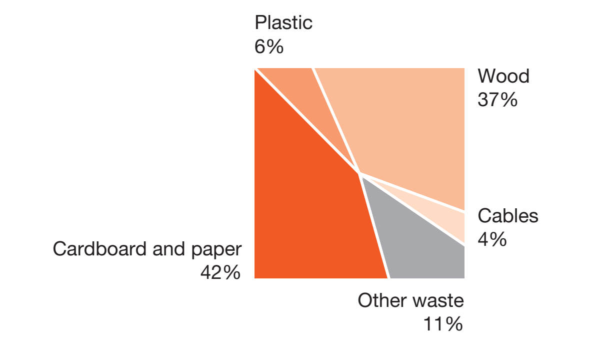


On the basis of a constant perimeter, the total volume of waste generated dropped by 13.6% compared to 2013, partly due to the re-use of supplier packaging, the optimization of the distribution model and the changes in the local service provider's calculation method in the United States.

Collection and recovery of ordinary waste

Wherever possible, the branches of the Rexel Group use an ordinary waste sorting process (including cardboard, plastic and wood) for recycling or other recovery treatment. The total volume of waste recovered by the Rexel Group, all materials combined (excluding WEEE and batteries), stood at approximately 16,201 tons in 2014. These figures were calculated on the basis of a perimeter representing 94.4% of the Rexel Group's sales.

Breakdown of recycled waste per type of material in 2014



On a constant perimeter, the volumes of recovered waste decreased between 2013 and 2014 (10.4%), in particular as a result of a lesser quantity of generated waste. The waste recovery rate rose slightly, from 61% in 2013 to 63% in 2014.

Collection and recovery of specific waste

In most European countries, the implementation of the European Directive on Waste of Electrical and Electronic Equipment (WEEE) has led the Rexel Group to collect the WEEE from its customers for recycling. In other countries, some subsidiaries of the Rexel Group went beyond the applicable legal requirements and offer this additional service to their customers. Thus, in 17 countries, the Rexel Group has established a process for the management and recovery of WEEE; 1,388 tons of this waste – of which approximately 1,045 tons of fluorescent tubes and light bulbs – were sent to recycling.

In 2014, the Rexel Group also contributed to the recycling of more than 65 tons of batteries. These figures were calculated on the basis of a perimeter representing 94.4% of the Rexel Group's sales.

3.3.3.5 Pollution and nuisances

Discharges to water and to soil

Given the Rexel Group's activity, the risk of discharge of pollutant substances into water or soil is low.

The potential pollution risks associated with the presence of underground fuel tanks are managed locally, in accordance with local regulations, through the implementation of operational procedures, quality systems and safety measures (see paragraph 3.3.2 "Risk management and regulatory compliance" of this *Document de Référence*).

Emissions to air

For greenhouse gas (GHG) emissions, see paragraph 3.3.3.6 "Emissions of greenhouse gas and fight against climate change" of this *Document de Référence*.

Other than GHG emissions, the Rexel Group does not generate significant amounts of discharges to air.

Noise pollution

The Rexel Group considers that its impact in terms of noise pollution is not material considering its service activity.

Olfactory nuisances

The Rexel Group considers that this information is irrelevant considering its service activity.

Land use and impact on biodiversity

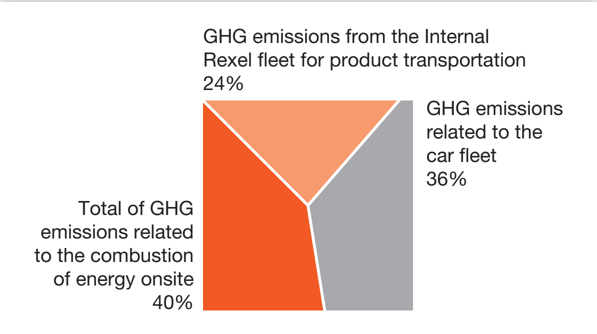
The Rexel Group considers that its impact on land use and biodiversity is not material considering its service activity.

3.3.3.6 Emissions of greenhouse gas and fight against climate change

As a distributor, the Rexel Group's direct carbon footprint (scope 1 under the GHG Protocol) is limited. In 2014, it represented 83,058 tons of CO_2 equivalent, based on a perimeter representing 99.7% of the Rexel Group's sales.

These direct emissions (please see paragraph 3.3.5.1 "Methodology note" of this *Document de Référence*) include emissions associated with the consumption of primary energy (mainly natural gas and domestic fuel oil) and fuels used for transportation by company vehicles.

Breadown of scope 1 emissions by source in 2014



Scope 2 indirect emissions (please see paragraph 3.3.5.1 "Methodology note" of this *Document de Référence*) comprise emissions associated with the production of electricity and heat consumed by the sites of the Rexel Group. They stood at 46,528 tons of CO_2 equivalent in 2014.

GHG emissions related to energy consumption

Direct GHG emissions associated with onsite primary energy combustion were estimated at 33,275 tons of CO_2 equivalent in 2014.

Indirect GHG emissions associated with the production of electricity purchased by the Rexel Group totaled close to 43,700 tons of CO_2 equivalent in 2014. Indirect GHG emissions associated with the production of heat totaled 2,828 tons of CO_2 equivalent.

Using a constant perimeter compared to 2013, total (direct and indirect) emissions due to energy consumption decreased (6.9%).

GHG emissions related to the transportation of goods by the internal fleet

Some Rexel Group subsidiaries have an internal fleet of vehicles for the transportation of goods between Rexel sites or to the customers' premises.

In 2014, GHG emissions associated with the transportation of goods by this fleet stood at 19,588 tons of CO_2 equivalent. Using a constant perimeter, these emissions decreased by 18% compared to 2013, particularly as a result of the rationalization of the internal fleet.

GHG emissions related to business travels by company car

These emissions relate to business travels using the Rexel Group subsidiaries' fleet of owned and leased cars.

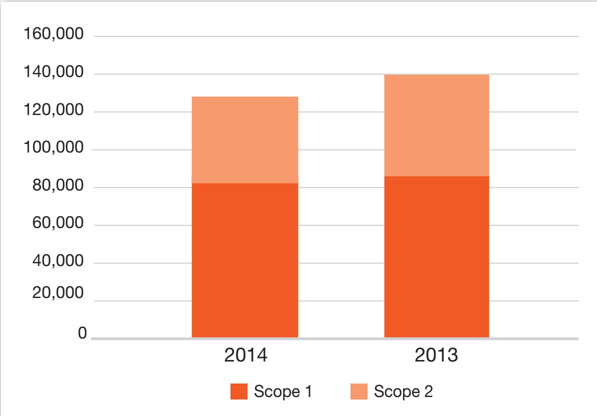
In 2014, these emissions represented 30,195 tons of CO_2 equivalent. Using a constant perimeter, these emissions decreased by 3.6% compared to 2013.

Measures taken to fight against climate change

While its impact on climate change is relatively low, the Rexel Group strives to reduce its GHG emissions through the implementation of initiatives to decrease its sites energy consumption, to optimize its logistic and to modernize its fleet of vehicles (see paragraph 3.3.3.1 "Energy consumption" of this *Document de Référence*).

Using a constant perimeter between 2013 and 2014, scope 1 and scope 2 total emissions thus fell by 8.1%.

Evolution of scope 1 and 2 GHG emissions (tons of CO_2 e.)



3.3.4 The energy efficiency and renewable energy solutions offer

As previously presented in paragraph 1.4.4 "Strategy of the Rexel Group" of this *Document de Référence*, the Rexel Group's intention, through the *Energy in Motion* company plan, is *inter alia* to accelerate its growth by investing on high potential categories, namely energy efficiency, renewable energy and home automation.

The Rexel Group has thus developed a range of innovative products and services that respond to the structural trends in its market: the need for electrical efficiency in order to reduce energy consumption, and the necessary development of renewable energies.

In the area of energy efficiency, the Rexel Group offers a broad range of products and solutions for the construction, refurbishment or maintenance of housing, commercial and industrial buildings: replacement of lighting sources (lamps and fluorescent tubes, low-energy halogens, and LED), setting up of monitoring and control systems (sensors, detectors, smart meters, dimmers, etc.) as well as energy surveys and energy-saving certificates. In 2014, these activities generated total sales of €863 million, up by 18.9% compared to 2013.

In the area of renewable energies, the Rexel Group develops a tailored offer for each country, market and customer. On the photovoltaic market, it provides various pieces of equipment, such as solar panels and assembly accessories. On the wind power market, the Rexel Group offers targeted solutions to its customers in this area, ranging from simple delivery to a fully-integrated services offer (from the sourcing to the provision of the products on the assembly lines, as well as inventory management). The product range includes electrical components, cables and other products required for the manufacturing of turbines or the operation of wind farms.

In 2014, the photovoltaic market generated a turnover of €211 million, up 13.9% compared to 2013. Sales to the wind energy sector generated a turnover of €100 million, up 18.6% compared to 2013.

3.3.5 Methodology note & summary table

3.3.5.1 Methodology note

Reporting protocol

The main objectives of the environmental reporting process is to provide data to the Sustainable Development Department, in order to steer the implementation of its policy thanks to dashboarding, to facilitate the sharing of information and the tracking of best practices within the Rexel Group, to comply with external reporting requirements, in particular the regulatory obligations of the law known as the *"Grenelle 2"* law and article R.225-105-1 of the French Commercial Code, and also to reply to the requests of stakeholders (customers, investors, ratings agencies, etc.).

The Rexel Group therefore endeavors to ensure that its environmental reporting meets the following standards: consistency (ensure that the information is comparable and drawn up in accordance with identical sets of rules), exhaustiveness and accuracy (the reported data fairly reflects reality), materiality (the data reflects the most significant issues), transparency and control (the data sources, calculation and assessment methods are available and readily accessible).

In terms of organization, a contributor is in charge within each entity of collecting all data which is then controlled by a validator.

Over the last six years, a dedicated reporting software in the form of a secure Internet platform has allowed the Rexel Group to increase the reliability of data collection.

In 2014, the Sustainable Development Department continued its efforts to increase the reliability of the collection processes and to ensure that the rules defined in its reporting protocol, available in 4 languages, are properly applied.

This environmental reporting protocol defines:

- the objectives of the environmental reporting;
- the reporting scope;
- the procedures in relation to data collection and reporting;
- the indicators used and their definition, so as to ensure correct and homogeneous understanding by all contributors; and
- the formulas used for the calculation of certain indicators, such as conversion factors.

External verification

All significant environmental information, whether qualitative or quantitative in nature, has been verified externally by one of the assigned statutory auditors and in compliance with the provisions of the law known as *"Grenelle 2"* and of its implementing decree, so as to increase stakeholder confidence in this information.

Scope of reporting

The scope of the environmental reporting process is intended to be identical to that used to draw up the consolidated financial statements, as defined by the Rexel Group's Finance Department. Only the recently-acquired entities (*i.e.*, entities acquired during the financial year or late in the previous financial year) were not included in the scope, owing to difficulties in obtaining certain information during the year of acquisition.

In 2014, with the exception of the exclusions described in the "Restatement of data" paragraph below, the scope of the environmental reporting thus represented 100% of the Rexel Group's total sales.

Calculation of the indicators' coverage rates

Exceptionnally, where their reliability is not deemed satisfactory, certain data in respect of certain entities may be excluded from the reporting. These exclusions are taken into account in the calculation of the coverage rates. These coverage rates are stated for each indicator, as presented in the text and in the summary table set forth in paragraph 3.3.5.2 "Summary table" of this *Document de Référence*. They correspond to the ratio of total sales of the entities that reported the indicator to total Group sales, excluding entities acquired during the financial year.

Restatement of 2013 data

Some of the 2013 data gave rise to a number of significant corrections, which were applied retroactively.

INDICATOR	RESTATEMENT
Packaging consumption	The total quantity of packaging material consumed in 2013 was revised downwards, further to certain changes in the data reported by the German, UK, US, Italian, Norwegian and Peruvian entities, which were applied retrospectively.
Water consumption	The 2013 data was revised downwards further to corrections of the data reported by the Australian and Canadian entities.
Paper consumption	The 2013 data was revised upwards further to corrections of the data reported by the German, Australian, French and Peruvian entities.

Calculation of the constant perimeter

In order to analyses changes from one year to another, environmental indicators are also presented on the basis of a constant perimeter. The data is restated as follows:

- the data relating to year N-1 does not include: entities that left the perimeter (owing to a divestment) as well as entities which figures have been partially excluded in year N;
- the data relating to year N does not include: entities that are newly integrated to the reporting (owing to an acquisition or an extension of the perimeter) as well as entities which figures have been partially excluded in year N-1.

These restatements do not correct variations resulting from business growth or decrease within these entities.

Greenhouse gas emission accounting

Method and references

The method used by the Rexel Group for the purpose of quantifying its greenhouse gas emissions (noted "GHG" in this note) relies on the GHG Protocol standard.

Scope 1 accounts for direct GHG emissions from sources owned or controlled by the Rexel Group. Accordingly, the Rexel Group has chosen to include emissions associated with vehicles held under long term leases and over which it has operational control.

Scope 2, as defined by the Rexel Group, accounts for indirect GHG emissions associated with the production of electricity and heat purchased by the Rexel Group.

Scope 3 accounts for other indirect GHG emissions resulting from the Rexel Group's activities, but generated by sources that do not belong to the Group or over which it has only very limited operational control or influence.

Emission factors used

The emission factors associated with electricity production used in the reporting software are the factors published by the IEA (International Energy Agency). In 2014, the factors that have been applied are the 2012 factors while 2013 data has been computed by using the 2011 factors.

Where specific supply agreements have been signed (including for imitance a high a portion of renewable electricity), emissions factors that are applied are those indicated by the suppliers.

The other emission factors are those published by the ADEME's resource center on greenhouse gas balances (*Centre de ressources sur les bilans de gaz à effet de serre* (*Bilans* GES)).

Calculation of emissions associated with transportation

To obtain the most reliable data possible, on the basis of the business information which is available, emissions generated by transportation are calculated as follows:

- On the basis of fuel consumption, by applying an average emission factor to each different type of fuel (diesel, petrol or LPG),
- Alternatively, when fuel consumption is not available, on the basis of the distances traveled, by applying an average emission factor per kilometer, and distinguishing between three categories of vehicles: cars (weighing under 1.5 ton), light utility vehicles such as vans (weighing 3.5 tons or less) and heavy vehicles (weighing over 3.5 tons).

Revenues from sales of energy efficient and renewable energy solutions

Further to the launch of the *Energy in Motion* company plan, the definition of sales related to energy efficiency and renewable energy categories has been reviewed:

The energy efficiency category covers products and services that allow for a measurable, direct or indirect, reduction of energy consumption. This includes eco-efficient lighting (sources and accessories), control systems (such as sensors and detectors), measurement systems (smart meters etc.) and eco-efficient power systems.

The renewable energy category covers photovoltaic solutions (all products, accessories and services related to photovoltaic systems, off-grid or grid-connected) and sales of products and services to the wind power market (components and accessories provided to the various players in this market).

2013 and 2014 sales are presented on the basis of comparable exchange rates and perimeter.

3.3.5.2 Summary table

INDICATOR	UNITY	2014	PERIMETER	CONSTANT PERIMETER 2014	CONSTANT PERIMETER 2013	VARIATION	PERIMETER
CONSUMPTION OF RESOURCES							
Consumption of energy							
Consumption of electricity	MWh	164,248	99.7%	163,386	177,349	-7.9%	98.5%
Consumption of natural gas	MWh	157,871	99.7%	157,871	163,753	-3.6%	98.5%
Consumption of domestic fuel oil	MWh	11,187	99.7%	11,175	11,790	-5.2%	98.5%
Consumption of water	**m^3**	**464,776**	**99.5%**	**464,776**	**420,961**	**+10.4%**	**98.5%**
Consumption of packaging material including:	**Tons**	**12,258**	**94.4%**	**12,244**	**10,306**	**+18.8%**	**93.1%**
Cardboard	*Tons*	*4,411*	*94.4%*	*4,410*	*3,773*	*+16.9%*	*93.1%*
Plastic films	*Tons*	*777*	*94.4%*	*775*	*682*	*+13.7%*	*93.1%*
Wood packaging	*Tons*	*6,535*	*94.4%*	*6,524*	*4,997*	*+30.5%*	*93.1%*
Consumption of paper	**Tons**	**3,108**	**99.6%**	**3,100**	**2,908**	**+6.6%**	**98.4%**
Including commercial paper	*Tons*	*1,650*	*99.6%*	*1,650*	*1,530*	*+7.9%*	*98.4%*
WASTE							
Total quantity of waste generated	Tons	25,596	94.4%	25,529	29,554	-14.6%	91.7%
Including total quantity of waste recovered	*Tons*	*16,201*	*94.4%*	*16,135*	*18,016*	*-10.4%*	*91.7%*
Recovery rate	%	63.3	94.4%	63.2	61.0	–	91.7%
GREENHOUSE GAS EMISSIONS							
Scope 1 direct emissions	**Tons CO_2e.**	**83,058**	**99.7%**	**81,821**	**87,286**	**-6.3%**	**98.5%**
Emissions related to on-site energy combustion	Tons CO_2e.	33,275	99.7%	32,096	32,154	-0.2%	98.5%
Emissions related to the transportation of products by the internal fleet	Tons CO_2e.	19,588	99.7%	19,561	23,857	-18.0%	98.5%
Emissions related to business travels by company cars	Tons CO_2e.	30,195	99.7%	30,163	31,275	-3.6%	98.5%
Scope 2 indirect emissions	**Tons CO_2e.**	**46,528**	**99.7%**	**46,371**	**52,150**	**-11.1%**	**98.5%**
Emissions related to the production of purchased and consumed electricity	Tons CO_2e.	43,700	99.7%	43,544	49,128	-11.4%	98.5%
Emissions related to the production of purchased and consumed heat	Tons CO_2e.	2,828	99.7%	2,828	3,022	-6.4%	98.5%
SALES OF ENERGY EFFICIENCY AND RENEWABLE ENERGY SOLUTIONS							
Sales from energy efficiency solutions	€ millions	–	–	863	725	+18.9%	100%
Sales from photovoltaic solutions	€ millions	–	–	211	185	+13.9%	100%
Sales from wind market	€ millions	–	–	100	85	+18.6%	100%

3.4 REPORT OF THE INDEPENDENT THIRD PARTY

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Rexel

Year ended on December 31, 2014

Independent verifier's report on consolidated social, environmental and societal information presented in the management report

To the shareholders,

In our quality as an independent third-party organization accredited by the COFRAC [(1)], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Rexel, we present our report on the consolidated social, environmental and societal information presented in chapter 3 of the registration document, hereafter referred to as the "CSR Information," established for the year ending on December 31, 2014, pursuant to the provisions of the article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Management Board to establish a management report including CSR Information referred to in the article R.225-105-1 of the French Commercial Code (*Code de commerce*), in accordance with the Company's internal reporting standards (hereafter referred to as the "Criteria"), and of which a summary is included on paragraph 3.1.7 and paragraph 3.5.5 of the registration document.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (*Code de déontologie*) as well as the provisions in the article L.822-11 of the French Commercial Code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the Independent Verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, an appropriate explanation has been provided, in accordance with the third paragraph of R.225-105 of the French Commercial Code (*Code de commerce*) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, based on the fact that the CSR Information, overall, is presented, in all material aspects, in accordance with the Criteria (Assurance statement on CSR information).

Our verification work was undertaken by a team of five people and took place over the period October 2014 to February 2015 for an estimated duration of eight weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000 [(2)].

1. Attestation of presence of CSR information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R.225-105-1 of the French Commercial Code (*Code de commerce*).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R.225-105-1, paragraph 3, of the French Commercial Code (*Code de commerce*).

(1) Scope available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial Code (*Code de commerce*), with the limitations specified in the Methodological Note on paragraph 3.1.7 and paragraph 3.5.5 of the registration document.

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR Information.

2. Assurance statement

Nature and scope of the work

We undertook five interviews with the people responsible for the preparation of CSR Information in the different departments Sustainability and Human Resources, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to :

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important [(1)]:

- at the level of the consolidating entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- at the level of the representative selection of sites that we selected [(2)], based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on a basis of samples, consisting in verifying the calculations made and linking them supporting documentation. The sample selected represented on average 17% of the total workforce and on average 18.4% of the quantitative environmental information.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, March 20, 2015

Independent verifier
ERNST & YOUNG et Associés
French original signed by:

Eric Mugnier	Bruno Perrin
Partner, Sustainable Development	Partner

(1) **Environmental and societal information:** actions taken in support for the prevention, recycling and waste disposal (total tonnage of waste collected for recycling), consumption of raw materials (total tonnage of packaging), energy consumption and GHG emissions (scope 1 and 2); consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors.
Social information: total number of employees, hirings and dismissals, occupational accidents, including the frequency and severity rates, total number of training hours.
(2) Rexel Australia, Rexel Canada, Rexel Nederland, Elektroskandia Norge and ABM Rexel.

[This page is intentionally left blank]

RESULTS OF OPERATIONS AND FINANCIAL POSITION OF THE REXEL GROUP

Pursuant to article 28 of the Commission Regulation (EC) N° 809/2004 of April 29, 2004, the following information is incorporated by reference in this *Document de Référence*:

- the operating and financial review of the Rexel Group for the year ended December 31, 2013, the consolidated financial statements (as well as the related report of the statutory auditors) and the annual financial statements (as well as the related report of the statutory auditors) which are included in pages 89 to 109, 110 to 178 and 181 to 204, respectively, of the *Document de Référence* filed with the *Autorité des marchés financiers* on March 21, 2014, under number D.14-0181; and
- the operating and financial review of the Rexel Group for the year ended December 31, 2012, the consolidated financial statements (as well as the related report of the statutory auditors) and the annual financial statements (as well as the related report of the statutory auditors) which are included in pages 79 to 96, 97 to 162 and 163 to 184, respectively, of the *Document de Référence* filed with the *Autorité des marchés financiers* on March 13, 2013, under number D.13-0130.

The information in these documents that is not incorporated by reference is either irrelevant for the investor or is covered in another section of this *Document de Référence*.

4.1 GENERAL OVERVIEW

The activity report is presented in euros and all numbers are rounded to the nearest tenth of a million, except where otherwise stated. Totals and sub-totals presented in the activity report are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding.

4.1.1 Rexel Group overview

The Group is a worldwide leader in the professional distribution of low and ultra-low voltage electrical products, based on sales and number of branches. The Group principally operates in four geographic areas: Europe, North America, Asia-Pacific and Latin America. This geographic segmentation is based on the Group's financial reporting structure.

In 2014, the Group recorded consolidated sales of €13,081.2 million, of which €7,145.2 million were generated in Europe (55% of sales), €4,477.9 million in North America (34% of sales), €1,200.9 million in Asia-Pacific (9% of sales) and €256.8 million in Latin America (2% of sales).

The Group's activities in Europe (55% of Group sales) are in France (which accounts for 33% of Group sales in this region), Germany, the United Kingdom, Ireland, Austria, Switzerland, The Netherlands, Belgium, Luxembourg, Sweden, Finland, Norway, Italy, Spain and Portugal, as well as several other Central and Northern European countries (Slovenia, Slovakia, the Czech Republic, Poland, Russia and the Baltic States).

The Group's activities in North America (34% of Group sales) are in the United States and Canada. The United States account for 74% of Group sales in this region, and Canada for 26%.

The Group's activities in Asia-Pacific (9% of Group sales) are in Australia, New Zealand, China and India, as well as certain countries in South-East Asia (Indonesia, Malaysia, Singapore, South Korea, Thailand and Vietnam). Australia accounts for 44% of Group sales in this region and China for 32%.

The Group's activities in Latin America (2% of Group sales) are in Brazil, Chile and Peru. Brazil accounts for 58% of Group sales in this region.

This activity report analyzes the Group's sales, gross profit, distribution and administrative expenses, and operating income before amortization of intangible assets recognized on purchase price allocations and other income and other expenses (EBITA) separately for each of the four geographic segments, as well as for the Other operations segment.

4.1.2 Seasonality

Despite the low impact of seasonality on sales, changes in the Group's working capital requirements lead to variations in cash flows over the course of the year. As a general rule, the Group's cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters, because of higher working capital requirements in those periods.

4.1.3 Impact of changes in copper price

The Group is indirectly exposed to fluctuations in copper price in connection with its distribution of cable products. Cables represent approximately 14% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect suppliers' commercial policies and the competitive environment of markets in which the Group operates. Changes in copper price have an estimated "recurring" and "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

- **The recurring** effect related to the change in copper-based cable prices corresponds to the change in the value of the copper included in the sales price of cables from one period to another. This effect mainly relates to sales.
- **The non-recurring** effect related to the change in copper-based cable prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until such inventory has been rebuilt (direct effect on gross profit). In practice, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, where appropriate, by the non-recurring portion of changes in distribution and administrative expenses (principally the variable portion of compensation of sales personnel, which accounts for approximately 10% of the change in gross profit).

The impact of these two effects is assessed for as much of the Group's total cable sales as possible over each period, and in any case covering at least a majority of sales. Group procedures require entities that do not have information systems capable of such comprehensive calculation to estimate these effects based on a sample representing at least 70% of sales during the period. The results are then extrapolated to all cables sold during the period for that entity. On the basis of the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

4.1.4 Comparability of the Group's operating results and adjusted EBITA

The Group undertakes acquisitions and disposals that may alter its scope of consolidation from one period to another. Second, currency exchange rates may also fluctuate significantly. In addition, the number of working days in each period also has an impact on the Group's consolidated sales. Lastly, the Group is exposed to fluctuations in copper price. For these reasons, a comparison of the Group's reported operating results over different periods may not provide a meaningful comparison of its underlying business performance. Therefore, in the analysis of the Group's consolidated results presented below, financial information is also restated to give effect to the following adjustments.

Excluding the effects of acquisitions and disposals

The Group adjusts its results to exclude the effects of acquisitions and disposals. Generally, the Group includes the results of an acquired company in its consolidated financial statements at the date of the acquisition and ceases to include the results of a divested company at the date of its disposal. To neutralize the effects of acquisitions and disposals on the analysis of its operations, the Group compares the results of the current year against the results of the preceding financial year, as if the preceding financial year had the same scope of consolidation for the same periods as the current year.

Excluding the effects of exchange rate fluctuations

Fluctuations in currency rates against the euro affect the value of the Group's sales, expenses and other balance sheet items as well as the income statement. By contrast, the Group has relatively low exposure to currency transaction risk, as cross-border transactions are limited. To neutralize the currency translation effect on the comparability of its results, the Group restates its comparative period results at the current year's exchange rates.

Excluding the non-recurring effect related to changes in copper price

To analyze the financial performance on a constant adjusted basis, the estimated non-recurring effect related to changes in copper-based cable prices, as described in paragraph 4.1.3 above, is excluded from the information presented for both the current and the previous periods. Such information is referred to as "adjusted" throughout this activity report.

Excluding the effects of different numbers of working days in each period on sales

The Group's sales in a given period compared with another period are affected by the number of working days, which changes from one period to another. In the analysis of its consolidated sales, the Group neutralizes this effect by proportionally adjusting the comparative sales number of the comparative period to match with the current period's number of working days. No attempt is made to adjust any line items other than sales for this effect, as it is not considered relevant.

Accordingly, in the following discussion of the Group's consolidated results, some or all of the following information is provided for comparison purposes:

- **On a constant basis,** which means excluding the effect of acquisitions and disposals and the effect of fluctuations in exchange rates. Such information is used for comparison of sales;
- **On a constant and same-day basis,** which means on a constant basis (as described above) and restated for the effect of different numbers of working days in each period. Such information is used only for comparisons related to sales; and
- **On a constant basis, adjusted,** which means on a constant basis (as described above) and adjusted for the estimated non-recurring effect related to changes in copper-based cable prices. Such information is used for comparisons of gross profit, distribution and administrative expenses, and EBITA. This information is not generated directly by the Group's accounting systems but is an estimate of comparable data in accordance with the principles explained above.

Changes in accounting policies: IFRIC Interpretation 21 "Levies"

Rexel elected to adopt IFRIC Interpretation 21 "Levies", issued by the IFRIC Interpretation Committee in 2013, as of January 1, 2014 with retrospective application as of January 1, 2013. IFRIC Interpretation 21 "Levies" clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. In addition, IFRIC Interpretation 21 prohibits the progressive recognition of a liability for tax levies over the fiscal year and rather requires the one-time recognition of the liability when the obligating event for the payment of the levy is met. The impact of the adoption of IFRIC Interpretation 21 on shareholders' equity as of January 1, 2013 was an increase of €2.5 million after tax (€3.9 million before tax). The impact on the operating income and net income for the period ended December 31, 2014 was not significant. Prior year comparative information was restated accordingly.

The Group uses the "EBITA" and "Adjusted EBITA" measures to monitor its performance. Neither EBITA nor Adjusted EBITA is an accepted accounting measure under IFRS. The table below reconciles reported operating income before other income and other expenses to Adjusted EBITA on a constant basis.

	YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**(1)
Operating income before other income and other expenses	**630.6**	**667.1**
Changes in scope of consolidation	–	2.5
Foreign exchange effects	–	(7.1)
Non-recurring effect related to copper	2.6	15.3
Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions	16.1	19.7
Adjusted EBITA on a constant basis	**649.4**	**697.5**

(1) Restated for changes in accounting policies following the adoption of IFRIC 21.

4.2 CONSOLIDATED RESULTS

4.2.1 Rexel's consolidated financial results

The following table sets out Rexel's consolidated income statement for 2014 and 2013, in millions of euros and as a percentage of sales.

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013[1]**	**Change in %**
REPORTED			
Sales	**13,081.2**	**13,011.6**	**0.5%**
Gross profit	3,174.9	3,188.5	(0.4)%
Distribution and administrative expenses [2]	(2,528.1)	(2,501.7)	1.1%
EBITA	**646.8**	**686.8**	**(5.8)%**
Amortization [3]	(16.1)	(19.7)	(18.0)%
Operating income before other income and expenses	**630.6**	**667.1**	**(5.5)%**
Other income and expenses	(134.8)	(146.2)	(7.8)%
Operating income	495.8	520.9	(4.8)%
Net financial expenses	(188.9)	(213.5)	(11.5)%
Share of profit of associates	0.0	0.4	n.s.
Income taxes	(106.9)	(96.9)	10.4%
Net income	**200.0**	**210.9**	**(5.2)%**
as a % of sales	*1.5%*	*1.6%*	
(1) Restated for changes in accounting policies following the adoption of IFRIC 21.			
(2) Of which depreciation and amortization.	(80.7)	(77.0)	4.8%
(3) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.			

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**13,081.2**	**12,934.7**	**1.1%**
Same-day basis			*1.1%*
Gross profit	3,177.8	3,202.9	(0.8)%
as a % of sales	*24.3%*	*24.8%*	
Distribution and administrative expenses	(2,528.4)	(2,505.4)	0.9%
as a % of sales	*(19.3)%*	*(19.4)%*	
EBITA	**649.4**	**697.5**	**(6.9)%**
as a % of sales	***5.0%***	***5.4%***	

Sales

In 2014, Rexel's consolidated sales amounted to €13,081.2 million, as compared to €13,011.6 million in 2013.

On a reported basis, sales were up 0.5% year-on-year, including a negative currency impact of 1.1% and a positive effect from acquisitions of 0.5%.

- The negative impact of currency amounted to €138.2 million, mainly due to the depreciation of the Canadian and Australian dollars against the euro, offset by the appreciation of the British Pound.
- The positive net effect from acquisitions amounted to €61.4 million and reflects mainly acquisitions made in Asia-Pacific and in Europe.

On a constant and same-day basis, sales increased by 1.1%. By geography, Europe was up by 0.5%, North America increased by 2.9%, Asia-Pacific decreased by 1.0%, and Latin America decreased by 3.5%. Excluding the 0.6 percentage point negative impact due to lower copper-based cable prices, sales increased by 1.7% as compared to 2013.

The table below summarizes the impact on sales evolution of the number of working days, changes in scope and in currency effects:

	Q1	Q2	Q3	Q4	YEAR-TO-DATE
Growth on a constant and same-day basis	0.4%	0.6%	2.2%	1.1%	1.1%
Number of working days effect	0.0%	(0.5)%	(0.4)%	1.0%	0.0%
Growth on a constant and actual-day basis	***0.4%***	***0.1%***	***1.8%***	***2.1%***	***1.1%***
Changes in scope effect	0.4%	0.4%	0.4%	0.7%	0.5%
Foreign exchange effect	(3.6)%	(3.3)%	(0.1)%	2.6%	(1.1)%
Total scope and currency effects	***(3.2)%***	***(2.9)%***	***0.3%***	***3.3%***	***(0.6)%***
Growth on a reported basis [(1)]	**(2.7)%**	**(2.9)%**	**2.2%**	**5.5%**	**0.5%**

(1) Growth on a constant basis and actual number of working days compounded by the scope and currency effects.

Gross profit

In 2014, gross profit amounted to €3,174.9 million, down 0.4%, on a reported basis, as compared to €3,188.5 million in 2013.

On a constant basis, adjusted gross profit decreased by 0.8% and adjusted gross margin decreased by 45 basis points to 24.3% of sales, reflecting an unfavorable geographic mix, due to cumulative effects of (i) the reduced weight of countries whose gross margin is above Group average and (ii) the increased weight of countries whose gross margin is below Group average, combined with the increased share in the Group sales of large projects whose gross margin is below Group average.

Distribution & administrative expenses

In 2014, distribution and administrative expenses amounted to €2,528.1 million, up 1.1%, on a reported basis, as compared to €2,501.7 million in 2013.

On a constant basis, adjusted distribution and administrative expenses increased by 0.9% and a 5 basis points improvement, representing 19.3% of sales in 2014 as compared to 19.4% in 2013, those reflecting cost control over the year.

EBITA

In 2014, EBITA stood at €646.8 million, down 5.8%, on a reported basis, as compared to €686.8 million in 2013.

On a constant basis, adjusted EBITA decreased by 6.9% to €649.4 million and adjusted EBITA margin stood at 5.0% of sales, down 40 basis points year-on-year.

Other income and expenses

In 2014, other income and expenses represented a net expense of €134.8 million, mainly consisting of:

- €58.9 million restructuring costs mainly related to logistics reorganization and branch network optimization in Europe (mainly in Germany, The Netherlands, the United Kingdom and France) and North America (mainly in the United-States);
- €48.5 million goodwill impairment mainly related to Brazil for €27.8 million, The Netherlands for €12.0 million and Slovakia for €3.4 million, reflecting weak industrial and construction end-markets;
- €9.4 million expenses related to the shut-down of Czech Republic operations;
- €8.2 million acquisition related costs and professional fees associated with some investment projects.

In 2013, other income and expenses represented a net expense of €146.2 million, consisting mainly of:

- €67.3 million goodwill impairment mainly related to The Netherlands for €42.8 million and Brazil for €21.1 million;
- €63.6 million restructuring costs incurred in connection with logistic reorganizations and branch closures related to Europe (mainly in the United Kingdom, France, Sweden, Germany, Spain and The Netherlands), North America and Asia-Pacific.

Net financial expenses

In 2014, net financial expenses stood at €188.9 million, as compared to €213.5 million in 2013. In 2013, net financial expenses included a €23.5 million non-recurring expense incurred in connection with the refinancing occurred in April 2013 of the 8.25% senior notes due 2016 by the €650 million 5.125% senior notes due 2020. Excluding the impact of the 2013 refinancing non-recurring expense, net financial expenses were slightly down from €190.0 million in 2013 to €188.9 million in 2014. This was primarily due to the 50 basis-point decrease of the effective interest rate on gross debt (from 5.4% in 2013 to 4.9% in 2014) and the decrease of the average net indebtedness impacted by an increased amount of cash, compensated by the negative impact of change in fair value of interest rate derivatives.

Tax expense

In 2014, income tax expense was €106.9 million, a 10.4% increase as compared to €96.9 million in 2013. This increase is due to the rise in the effective tax rate from 31.5% in 2013 to 34.8% in 2014, mainly reflecting unrecognized tax losses in Spain and Brazil, the impact of goodwill impairment and the increasing tax pressure in France.

Net income

As a result of the items above, net income stood at €200.0 million in 2014, a 5.2% decrease as compared to €210.9 million in 2013.

4.2.2 Europe (55% of Group sales)

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
REPORTED			
Sales	**7,145.2**	**7,078.6**	**0.9%**
Gross profit	1,919.7	1,897.4	1.2%
Distribution and administrative expenses	(1,466.8)	(1,442.1)	1.7%
EBITA	**452.9**	**455.4**	**(0.5)%**
as a % of sales	*6.3%*	*6.4%*	

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**7,145.2**	**7,098.5**	**0.7%**
Same-day basis			*0.5%*
Gross profit	1,920.5	1,928.9	(0.4)%
as a % of sales	*26.9%*	*27.2%*	
Distribution and administrative expenses	(1,466.8)	(1,460.9)	0.4%
as a % of sales	*(20.5)%*	*(20.6)%*	
EBITA	**453.7**	**467.9**	**(3.0)%**
as a % of sales	***6.3%***	***6.6%***	

Sales

In 2014, sales in Europe amounted to €7,145.2 million, an increase of 0.9%, on a reported basis, as compared to €7,078.6 million in 2013.

Exchange rate variations accounted for an increase of €10.9 million, mainly due to the depreciation of the Norwegian and Swedish Krona against the euro, offset by the appreciation of the British Pound.

Acquisition contributed for €9.0 million (related to Elevite AG, acquired in the third quarter of 2014 in Switzerland).

On a constant and same-day basis, sales increased by 0.5% as compared to 2013.

In **France,** sales amounted to €2,376.4 million in 2014, a decrease of 2.3% as compared to 2013 on a constant and same-day basis in a challenging environment due to low level of residential and industrial markets and deflation in cable prices. France outperformed the market throughout the year, thanks to large projects activity and multi-energy offer.

In the **United Kingdom,** sales amounted to €1,005.2 million in 2014, an increase of 0.6% from the 2013 on a constant and same-day basis, still affected by branch closures. Excluding branch closures effect, sales growth stood at +2.2%, mainly driven by photovoltaic and energy efficiency products.

In **Germany,** sales stood at €803.2 million in 2014, a decrease of 0.6% from 2013 on a constant and same-day basis, with a good performance on building equipment and lighting, offset by lower cable sales.

In **Scandinavia** sales amounted to €906.5 million in 2014, an increase of 6.9% from 2013 on a constant and same-day basis, with a good performance in the three countries, thanks to utilities and energy efficiency business: +8.3% in Sweden, +4.3% in Norway and +7.9% in Finland, reflecting gains in market share.

In **Belgium** and in **The Netherlands,** sales amounted respectively to €312.5 million and €223.7 million in 2014. Sales in Belgium increased by 4.2% thanks to the recovery of the residential market. Sales in The Netherlands were down 5.7% on a constant and same-day basis, nevertheless reflecting a slight improvement throughout the year.

In **Switzerland** and **Austria,** sales amounted respectively to €420.3 million and €316.0 million in 2014. Both countries posted increases of respectively 0.7% and 2.2% from 2013 on a constant and same-day basis.

In **Southern Europe,** sales amounted to €388.6 million in 2014, a 0.6% increase from 2013 on a constant and same-day basis. This reflects a 1.7% increase in Spain and a 3.9% drop in Italy.

Gross profit

In 2014, Europe recorded a gross profit of €1,919.7 million, up 1.2%, on a reported basis, as compared to €1,897.4 million in 2013.

On a constant basis, adjusted gross profit decreased by 0.4% and adjusted gross margin decreased by 30 basis points to 26.9% of sales, affected by tough market conditions in a number of European countries, including France, whose margin is higher than Europe's average and whose sales dropped by around 2% while the rest of Europe grew by around 2%.

Distribution & administrative expenses

In 2014, distribution and administrative expenses amounted to €1,466.8 million, up 1.7%, on a reported basis, as compared to €1,442.1 million in 2013.

On a constant basis, adjusted distribution and administrative expenses increased by 0.4% in 2014, representing 20.5% of sales as compared to 20.6% in 2013.

EBITA

In 2014, as a result, on a reported basis, EBITA amounted to €452.9 million, down 0.5% as compared to €455.4 million in 2013.

On a constant basis, adjusted EBITA decreased by 3.0% from 2013 and adjusted EBITA margin decreased by 25 basis points to 6.3% of sales.

4.2.3 North America (34% of Group sales)

(in millions of euros)	YEAR ENDED DECEMBER 31, 2014	2013	Change in %
REPORTED			
Sales	**4,477.9**	**4,441.1**	**0.8%**
Gross profit	966.7	978.5	(1.2)%
Distribution and administrative expenses	(762.7)	(748.3)	1.9%
EBITA	**204.0**	**230.2**	**(11.4)%**
as a % of sales	*4.6%*	*5.2%*	

(in millions of euros)	YEAR ENDED DECEMBER 31, 2014	2013	Change in %
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**4,477.9**	**4,353.4**	**2.9%**
Same-day basis			*2.9%*
Gross profit	969.2	968.5	0.1%
as a % of sales	*21.6%*	*22.2%*	
Distribution and administrative expenses	(763.1)	(740.7)	3.0%
as a % of sales	*(17.0)%*	*(17.0)%*	
EBITA	**206.1**	**227.8**	**(9.5)%**
as a % of sales	***4.6%***	***5.2%***	

Sales

In 2014, sales in North America amounted to €4,477.9 million, up 0.8%, on a reported basis, as compared to €4,441.1 million in 2013.

Unfavorable exchange rate variations accounted for €82.5 million, due to the depreciation of Canadian dollars against the euro.

On a constant and same-day basis, sales increased by 2.9% in 2014 as compared to 2013, driven by recovery in US non-residential construction end-market in the second half of the year.

In the **United States,** sales rose to €3,315.4 million in 2014, a 3.2% increase from 2013 on a constant and same-day basis, driven by recovery in non-residential construction end-market in the second half of the year.

In **Canada,** sales amounted to €1,162.6 million in 2014, up 1.8% from 2013 on a constant and same-day basis, thanks to a recovery in project sales, in particular in photovoltaic and wind businesses.

Gross profit

In 2014, in North America, gross profit amounted to €966.7 million, down 1.2%, on a reported basis, as compared to €978.5 million in 2013.

On a constant basis, adjusted gross profit increased by 0.1% and adjusted gross margin decreased by 60 basis points at 21.6% of sales. Gross margin was impacted by acceleration in non-residential sales in the United States since the third quarter, unfavorable project mix and strong sales evolution in photovoltaic and wind products that carry lower margin in both countries.

Distribution & administrative expenses

In 2014, distribution and administrative expenses amounted to €762.7 million, up 1.9%, on a reported basis, as compared to €748.3 million in 2013.

On a constant basis, adjusted distribution and administrative expenses increased by 3.0% in 2014, representing 17.0% of sales in 2014, stable as compared to 2013.

EBITA

In 2014, as a result, EBITA amounted to €204.0 million, down 11.4%, on a reported basis, as compared to €230.2 million in 2013.

On a constant basis, adjusted EBITA decreased by 9.5% from 2013 and the adjusted EBITA margin decreased by 65 basis points to 4.6% of sales.

4.2.4 Asia-Pacific (9% of Group sales)

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
REPORTED			
Sales	**1,200.9**	**1,196.8**	**0.3%**
Gross profit	231.8	244.8	(5.3)%
Distribution and administrative expenses	(196.0)	(195.9)	–
EBITA	**35.8**	**48.9**	**(26.8)%**
as a % of sales	*3.0%*	*4.1%*	

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**1,200.9**	**1,215.5**	**(1.2)%**
Same-day basis			*(1.0)%*
Gross profit	231.8	243.7	(4.9)%
as a % of sales	*19.3%*	*20.0%*	
Distribution and administrative expenses	(196.0)	(194.5)	0.8%
as a % of sales	*(16.3)%*	*(16.0)%*	
EBITA	**35.8**	**49.2**	**(27.2)%**
as a % of sales	***3.0%***	***4.0%***	

Sales

In 2014, sales in Asia-Pacific amounted to €1,200.9 million, up 0.3%, on a reported basis, as compared to €1,196.8 million in 2013.

- The entities acquired in the fourth quarter of 2013 (Rexel Quality Trading Co. Ltd in Thailand and Lenn International Pte Ltd in Singapore) and entities acquired in the fourth quarter of 2014 (4 Knights International in Thailand and Beijing Ouneng Tongxing Technology Co. Ltd in China) contributed for €57.5 million,
- Unfavorable exchange rate variation accounted for €38.9 million of the decrease, primarily due to the depreciation of the Australian dollar against the euro.

On a constant and same-day basis, sales declined by 1.0% as compared to 2013.

In **Australia,** sales amounted to €532.3 million, a 5.9% decrease from 2013, on a constant and same-day basis, still affected by branch closures and difficulties in non-residential end-market. Excluding the effect of branch closures, sales decreased by 4.0%.

In **China,** sales amounted to €383.4 million in 2014, a 3.5% increase compared to 2013, on a constant and same-day basis. Sales were driven by automation and lighting projects.

Gross profit

In 2014, in Asia-Pacific, gross profit amounted to €231.8 million, down 5.3%, on a reported basis, as compared to €244.8 million in 2013.

On a constant basis, adjusted gross profit decreased by 4.9% from 2013 and adjusted gross margin was 19.3% of sales, a 75 basis points decrease from 2013, due to tough market conditions in Australia and the increasing portion of zone revenues generated by China whose gross margin is below the zone average.

Distribution & administrative expenses

In 2014, on a reported basis, distribution and administrative expenses amounted to €196.0 million, stable as compared to €195.9 million in 2013.

On a constant basis, adjusted distribution and administrative expenses increased by 0.8% from 2013, representing 16.3% of sales in 2014 as compared to 16.0% in 2013, mainly due to the 1.7% decrease of adjusted distribution and administrative expenses that did not fully offset the 6.0% drop in sales in Australia.

EBITA

In 2014, as a result, EBITA amounted to €35.8 million, down 26.8%, on a reported basis, as compared to €48.9 million in 2013.

On a constant basis, adjusted EBITA decreased by 27.2% from 2013 and Adjusted EBITA margin decreased by 105 basis points to 3.0% of sales.

4.2.5 Latin America (2% of Group sales)

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
REPORTED			
Sales	**256.8**	**294.8**	**(12.9)%**
Gross profit	56.3	67.5	(16.6)%
Distribution and administrative expenses	(59.4)	(67.0)	(11.3)%
EBITA	**(3.1)**	**0.5**	**N/A**
as a % of sales	*(1.2)%*	*0.2%*	

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**256.8**	**267.0**	**(3.8)%**
Same-day basis			*(3.5)%*
Gross profit	56.1	61.6	(8.9)%
as a % of sales	*21.8%*	*23.1%*	
Distribution and administrative expenses	(59.4)	(60.8)	(2.3)%
as a % of sales	*(23.1)%*	*(22.8)%*	
EBITA	**(3.3)**	**0.8**	**N/A**
as a % of sales	***(1.3)%***	***0.3%***	

Sales

In 2014, sales in Latin America amounted to €256.8 million, down 12.9% from 2013, on a reported basis, as compared to €294.8 million in 2013.

Exchange rate variation, primarily due to the depreciation of the Brazilian Real and Chilean peso against the euro, had a negative impact of €27.8 million.

On a constant and same-day basis, sales decreased by 3.5% from 2013. Sales in Brazil (58% of sales in this segment) decreased by 6.9%, due to poor market conditions. In addition, Chilean operations (32% of sales in this segment) posted a 2.6% decrease in sales compared to 2013, due to lower sales to the mining sector (excluding sales to the mining industry, sales grew by 4.3%).

Gross profit

In 2014, in Latin America, gross profit amounted to €56.3 million, down 16.6%, on a reported basis, as compared to €67.5 million in 2013.

On a constant basis, the adjusted gross profit decreased by 8.9% from 2013 and adjusted gross margin was 21.8% of sales, a decrease of 125 basis points from 2013, mainly affected by last year non-recurring credit on sales tax in Brazil. Restated for this impact, adjusted gross margin would be up, as compared to 2013.

Distribution & administrative expenses

In 2014, distribution and administrative expenses amounted to €59.4 million, down 11.3%, on a reported basis, as compared to €67.0 million in 2013.

On a constant basis, adjusted distribution and administrative expenses decreased by 2.3% from 2013, representing 23.1% of sales in 2014 as compared to 22.8% in 2013, as the reduction of 2.3% did not fully offset the 3.8% drop in sales.

EBITA

In 2014, as a result, EBITA was negative to €3.1 million, on a reported basis, as compared to €0.5 million in 2013.

On a constant basis, adjusted EBITA margin decreased by 160 basis points to -1.3% of sales.

4.2.6 Other operations

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
REPORTED			
Sales	**0.3**	**0.3**	**14.4%**
Gross profit	0.3	0.3	14.3%
Distribution and administrative expenses	(43.1)	(48.5)	(11.0)%
EBITA	**(42.9)**	**(48.2)**	**(11.1)%**
as a % of sales	*N/A*	*N/A*	

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**0.3**	**0.3**	**14.4%**
Gross profit	0.3	0.3	14.4%
as a % of sales	*N/A*	*N/A*	
Distribution and administrative expenses	(43.1)	(48.5)	(11.0)%
as a % of sales	*N/A*	*N/A*	
EBITA	**(42.9)**	**(48.2)**	**(11.1)%**
as a % of sales	***N/A***	***N/A***	

This segment mostly includes unallocated corporate overhead expenses. EBITA improved by €5.3 million as compared to 2013, mainly related to corporate savings.

4.3 CASH FLOW STATEMENT

	YEAR ENDED DECEMBER 31,		
(in millions of euros)	**2014**	**2013[1]**	**Change**
Operating cash flow[2]	**647.5**	**673.9**	**(26.3)**
Interest	(155.9)	(169.3)	13.4
Taxes	(84.3)	(94.2)	9.9
Change in working capital requirements	(34.1)	50.7	(84.8)
Net cash flow from operating activities	**373.2**	**461.1**	**(87.9)**
Net cash flow from investing activities	**(133.3)**	**(75.6)**	**(57.7)**
Including operating capital expenditures[4]	*(102.8)*	*(72.1)*	*(30.7)*
Net cash flow from financing activities	**(60.9)**	**279.7**	**(340.6)**
Net cash flow	**178.9**	**665.2**	**(486.3)**
Free cash flow:			
Operating cash flow[2]	647.5	673.9	(26.3)
Change in working capital requirements	(34.1)	50.7	(84.8)
Adjustment for timing difference in suppliers payments[3]	51.9	(51.9)	103.8
Operating capital expenditures[4]	(102.8)	(72.1)	(30.7)
Free cash flow before interest and taxes	**562.4**	**600.6**	**(38.2)**
Free cash flow after interest and taxes	**322.1**	**337.2**	**(15.0)**
	DECEMBER 31,		
WCR as a % of sales [5] at:	**2014**	**2013**	
Reported basis	10.4%	10.6%	
Constant basis	11.4%	11.3%	

(1) Restated for changes in accounting policies following the adoption of IFRIC 21.
(2) Before interest, taxes and change in working capital requirements.
(3) Working capital adjustment to reflect timing difference in supplier payments scheduled on December 31, 2013 and executed on January 2, 2014 for €51.9 million.
(4) Net of disposals.
(5) Working capital requirements, end of period, divided by last 12-month sales.

4.3.1 Cash flow from operating activities

Rexel's net cash flow from operating activities was an outflow of €373.2 million in 2014 as compared to €461.1 million in 2013.

Operating cash flow

Operating cash flow before interest, income tax and changes in working capital requirements decreased from €673.9 million in 2013 to €647.5 million in 2014. This was mainly driven by the decrease in EBITDA from €763.8 million in 2013 to €727.5 million in 2014.

Interest and taxes

In 2014, interest paid decreased to €155.9 million from €169.3 million in 2013 as a result of the combination of lower effective interest rate following the 2013 refinancing transactions and a reduction of the average net debt.

In 2014, income tax paid decreased to €84.3 million from €94.2 million in 2013 together with a lower taxable profit in 2014 as compared to 2013. This decrease is mainly due to a tax refund in 2014 associated with an excess payment of French corporate income tax installments end of 2013 that was recovered in 2014.

Change in working capital requirements

In 2014, change in working capital requirements accounted for an outflow of €34.1 million as compared to an inflow of €50.7 million in 2013. In 2014, change in trade working capital requirements included supplier payments of €51.9 million that were related to end of December 2013. Adjusted for these supplier payments, change in working capital requirements improved by €18.6 million as compared to 2013.

As a percentage of sales over the last 12 months, on a constant basis, working capital requirements slightly deteriorated by 10 basis points as compared to December 31, 2013, due to trade receivables which increased by half a day of sales outstanding, as of December 31, 2014 as compared to December 31, 2013.

4.3.2 Cash flow from investing activities

Cash flow from investing activities consisting of acquisitions and disposals of fixed assets, as well as financial investments, amounted to a €133.3 million outflow in 2014, as compared to an outflow of €75.6 million in 2013.

	YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Acquisition of operating fixed assets	(105.9)	(102.3)
Proceed from disposal of operating fixed assets	4.8	22.9
Net change in debts and receivables on fixed assets	(1.6)	7.3
Net cash flow from operating investing activities	**(102.8)**	**(72.1)**
Acquisition of subsidiaries, net of cash acquired	(36.7)	(12.7)
Proceeds from disposal of subsidiaries, net of cash disposed of	–	10.4
Net cash flow from financial investing activities	**(36.7)**	**(2.3)**
Net change in long-term investments	**6.1**	**(1.0)**
Net cash flow from investing activities	**(133.3)**	**(75.6)**

Acquisitions and disposals of operating fixed assets

Acquisitions of operating fixed assets, net of disposals, accounted for an outflow of €102.8 million in 2014, as compared to €72.1 million in 2013.

In 2014, gross capital expenditures amounted to €105.9 million (€102.3 million in 2013), *i.e.* 0.8% of sales for the period, of which €54.5 million related to IT systems (€44.7 million in 2013), €20.8 million to branch acquisition and renovation (€22.5 million in 2013), €11.4 million to logistics (€14.9 million in 2013) and €19.1 million to other investments (€20.2 million in 2013). Disposals of fixed assets amounted to €4.8 million (€22.9 million in 2013). Net changes in the related payables and receivables amounted to €1.6 million, accounting for an increase in net capital expenditures for the period (€7.3 million accounting for a decrease in net capital expenditures in 2013).

Financial investments

Financial investments resulted in a net cash-out of €36.7 million in 2014 as compared to a net outflow of €2.3 million in 2013, consisting mainly in acquisition of subsidiaries.

In 2014, they were mainly comprised of the acquisition price of Esabora Digital Services in France, Elevite AG in Switzerland, 4 Knights International in Thailand, 55% controlling interest in Ouneng Tongxing Technology Co. Ltd. in China, as well as earn-out payments and price adjustments related to prior years' acquisitions.

In 2013, acquisitions net of cash of acquired entities accounted for an outflow of €12.7 million. These investments mainly include Rexel Quality Trading Co. Ltd in Thailand and Lenn International Pte Ltd in Singapore. In addition, proceeds from disposal of subsidiaries, net of cash disposed of accounted for an inflow of €10.4 million, from the redemption of the Company's shares in DPI Inc.

4.3.3 Cash flow from financing activities

Cash flow from financing activities mainly included changes in indebtedness.

In 2014, cash flow from financing activities reflected a net outflow of €60.9 million, mainly resulting from the :

- dividend distribution in cash of €65.6 million,
- purchase of treasury shares for €26.4 million,
- acquisition of non-controlling interests for €12.5 million;

partially offset by the :

- settlement of interest rate swaps qualified as fair value hedge for €36.4 million, and
- increase of €19.3 million in assigned receivables with respect to securitization programs.

In 2013, cash flow from financing activities reflected additional net inflow of €279.7 million, mainly resulting from the:

- US$ 500 million and €650 million issuance of senior notes accounting for €1,025.2 million net of transaction costs,
- settlement of interest rate swaps qualified as fair value hedge for €30.4 million,
- increase of €16.9 million in assigned receivables with respect to securitization programs;

partially compensated by the:

- redemption of the 8.25% senior notes due 2016 for €640.3 million including a redemption premium of €54.0 million,
- decrease in other borrowings amounting to €55.8 million, primarily consisting of the reimbursement of the Senior Credit Agreement for €25.9 million,
- dividend distribution in cash of €53.1 million, and
- repayment of financing lease obligation of €48.9 million.

4.4 SOURCES OF FINANCING

In addition to the cash from operations, the Group's main sources of financing are bond issuances, securitization programs and multilateral credit lines.

At December 31, 2014, Rexel's consolidated net debt amounted to €2,213.1 million, consisting of the following items:

	DECEMBER 31,					
	2014			2013		
(in millions of euros)	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Senior notes	–	1,992.2	1,992.2	–	1,835.6	1,835.6
Securitization	128.2	1,013.9	1,142.1	–	1,067.5	1,067.5
Bank loans	65.0	4.4	69.3	35.6	19.2	54.8
Commercial paper	85.9	–	85.9	119.1	–	119.1
Bank overdrafts and other credit facilities	81.7	–	81.7	54.3	–	54.3
Finance lease obligations	8.8	18.4	27.2	7.3	24.7	32.0
Accrued interest (1)	9.7	–	9.7	11.6	–	11.6
Less transaction costs	(8.0)	(32.9)	(40.9)	(11.2)	(38.8)	(50.0)
Total financial debt and accrued interest	***371.2***	***2,995.9***	***3,367.1***	***216.7***	***2,908.2***	***3,124.9***
Cash and cash equivalents			(1,159.8)			(957.8)
Accrued interest receivables			(0.7)			–
Debt hedge derivative			6.5			25.1
Net financial debt			**2,213.1**			**2,192.0**

(1) Of which accrued interest on Senior Notes for €4.6 million at December 31, 2014 (€4.5 million at December 31, 2013).

The components of the net financial debt are described in detail in note 19 of Rexel's consolidated financial statements at December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

At December 31, 2014, Rexel's ratings by the financial rating agencies were as follows:

	DECEMBER 31, 2014		
Rating agency	Moody's	Standard & Poor's	Fitch Ratings
Long-term debt	Ba2	BB	BB
Outlook	Negative	Stable	Stable
Short-term debt	NP	B	B

On February 26, 2015, Moody's issued a press release confirming the Ba2 rating and announcing the change of outlook from negative to stable.

At December 31, 2013, Rexel's ratings by the financial rating agencies were as follows:

	DECEMBER 31, 2013		
Rating agency	Moody's	Standard & Poor's	Fitch Ratings
Long-term debt	Ba2	BB	BB
Outlook	Negative	Stable	Stable
Short-term debt	NP	B	B

Other Rexel Group commitments are detailed in note 22 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

4.5 OUTLOOK

The objectives and forecast presented in this chapter have been determined on the basis of data, assumptions and estimates that are considered reasonable by Rexel Group's management. These data, assumptions and estimates may change as a result of uncertainties relating to, among other things, the economic, financial, accounting, competitive and regulatory environment, or other factors that are currently unknown to the Rexel Group as of the date of this Document de Référence. *In addition, the occurrence of certain of the risks described in chapter 2 "Risk Factors and Internal Control" of this* Document de Référence *could have an impact on the business, the financial condition, and the results of operations of the Rexel Group and hence its ability to achieve these objectives and forecast. The Rexel Group can give no assurances and provide no guarantee that the following objectives and forecast will be met.*

4.5.1 Comparison of Rexel 2014 forecast with achievements

For 2014, Rexel had expressed the following forecast, on the basis of the assumptions set forth in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 21, 2014 under number D.14-0181:

- sales in a range of around 1% below to around 2% above 2013 sales, on a constant and same-days basis;
- Adjusted EBITA margin in a range of around 10 bps below to around 20 bps above the 2013 margin, consistent with targeted annual operating efficiency ratio of a change of around 10 bps in Adjusted EBITA margin for each percentage point change in sales;
- solid free cash flow , consistent with targeted conversion ratio of at least 75% of EBITDA, before interest and tax, and of around 40% of EBITDA, after interest and tax.

This forecast was updated at the time of the half-year financial information:

- quasi-stable sales compared to 2013, on a comparable and same-day basis;
- an Adjusted EBITA margin standing at a minimum of 5% of sales;
- a solid net free cash-flow, in line with the EBITDA conversion rate objective, *i.e.* at least 75% before interest and tax and approximately 40% after interest and tax; and
- a cash allocation policy aimed at paying a dividend of at least 40% of the current net results, while continuing to improve the Rexel Group's balance sheet structure and investing in target acquisitions.

On the basis of Rexel's consolidated financial statements for the financial year ended on December 31, 2014, Rexel recorded:

- consolidated sales of €13,081.2 million, up 1.1% on a constant and same-day basis,
- an Adjusted EBITA margin at 5.0%,
- a net free cash flow before interest and tax at 77% of EBITDA and a net free cash flow after interest and tax at 44% of EBITDA.

4.5.2 Rexel 2015 outlook and forecast

Rexel anticipates that its 2015 activity would be impacted by the following elements:

- the economic outlook in Europe (55% of the Rexel Group sales) should remain uncertain, especially in France (1/3 of European sales);
- the United States (25% of the Rexel Group sales) should continue to post solid growth, driven by continued recovery in the non-residential construction;
- outlook in emerging markets is mixed: Asia (4% of the Rexel Group sales) should continue to post growth, with China driven by industrial automation, while Latin America (2% of the Rexel Group sales) should continue to be impacted by challenging conditions in Brazil; and
- lower copper prices should impact the Group's cable business (c. 14% of the Rexel Group sales), while decreasing oil prices should weigh on the Group's Oil & Gas activity (c. 4% of the Rexel Group sales).

In this context, Rexel aims at delivering in 2015:

- organic sales growth of between -2% and +2% (on a constant and same-day basis),
- Adjusted EBITA margin of between 4.8% and 5.2% (vs. 5.0% recorded in 2014),
- solid free cash flow of:
  - at least 75% of EBITDA before interest and tax,
  - around 40% of EBITDA after interest and tax.

In addition, Rexel confirms its dividend policy of paying out at least 40% of recurring net income.

4.5.3 Rexel Group medium-term objectives

Rexel's medium-term ambitions, as detailed during its latest Investor Day on November 26, 2013, and as reminded in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 21, 2014 under number D.14-0181, are the following:

- outperform the market through a combination of organic growth and targeted acquisitions,
- grow Adjusted EBITA margin to around 6.5% within 3 to 5 years,
- generate strong free cash flow before interest and tax of at least 75% of EBITDA and after interest and tax of around 40% of EBITDA, thanks to low capital intensity and tight working capital requirement management, allowing for:
  - the funding of an attractive dividend amounting to at least 40% of recurring net results,
  - the allocation of an acquisition budget in an annual average amount of approximately €500 million;
  - maintain a sound and balanced financial structure, with a net-debt-to-EBITDA ratio not exceeding 3 times.

Rexel remains committed to achieving its medium-term ambitions, which are unchanged, even if, in light of the current environment, the timeframe for achieving the targeted medium-term adjusted EBITA margin of close to 6.5% of sales may take longer than initially announced.

4.6 SIGNIFICANT CHANGES IN THE ISSUER'S FINANCIAL OR COMMERCIAL POSITION

On March 16, 2015, Rexel redeemed its 7% Euro Senior Notes due December 2018 for a total cash consideration of €522,600,825.00.

To Rexel's knowledge, and with the exception of the items described in this *Document de Référence*, there has been no other significant change in the Rexel Group's financial or commercial position since the end of the financial year ended December 31, 2014.

[This page is intentionally left blank]

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of April 29, 2004, the following information is incorporated by reference in this *Document de Référence*:

- the consolidated financial statements and the audit report for the financial year ended December 31, 2013 set out on pages 110 to 178 of the *Document de Référence* for the financial year ended December 31, 2013 filed with the AMF on March 21, 2014 under number D.14-0181; and
- the consolidated financial statements and the audit report for the financial year ended December 31, 2012 set out on pages 97 to 162 of the *Document de Référence* for the financial year ended December 31, 2012 filed with the AMF on March 13, 2013 under number D.13-0130.

5.1 CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

Consolidated income statement

		FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	NOTE	**2014**	**2013 (1)**
Sales	4	13,081.2	13,011.6
Cost of goods sold		(9,906.3)	(9,823.1)
Gross profit		**3,174.9**	**3,188.5**
Distribution and administrative expenses	5	(2,544.3)	(2,521.4)
Operating income before other income and expenses		**630.6**	**667.1**
Other income	7	11.7	11.4
Other expenses	7	(146.5)	(157.6)
Operating income		**495.8**	**520.9**
Financial income		4.4	2.5
Interest expense on borrowings		(172.2)	(167.4)
Refinancing costs	19.1.2	–	(23.5)
Other financial expenses		(21.1)	(25.1)
Net financial expenses	*8*	*(188.9)*	*(213.5)*
Share of profit / (loss) of associates	10.4	–	0.4
Net income before income tax		**306.9**	**307.8**
Income tax	9	(106.9)	(96.9)
Net income		**200.0**	**210.9**
Portion attributable:			
to the equity holders of the parent		199.7	210.5
to non-controlling interests		0.3	0.4
Earnings per share:			
Basic earnings per share (in euros)	16	0.69	0.76
Fully diluted earnings per share (in euros)	16	0.69	0.75

(1) Restated for changes in accounting policies following the adoption of IFRIC interpretation 21 "Levies" (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**(1)
Net income	**200.0**	**210.9**
Items to be reclassified to profit and loss in subsequent periods		
Net gain / (loss) on net investment hedges	(98.9)	46.4
Income tax	34.0	(13.5)
Sub-total	**(64.8)**	**32.9**
Foreign currency translation adjustment	195.7	(199.8)
Income tax	(29.5)	6.4
Sub-total	**166.1**	**(193.4)**
Net gain / (loss) on cash flow hedges	–	2.3
Income tax	–	(1.0)
Sub-total	**–**	**1.3**
Items not to be reclassified to profit and loss in subsequent periods		
Remeasurements of net defined benefit liability	(95.4)	103.4
Income tax	7.0	(19.6)
Sub-total	**(88.3)**	**83.7**
Other comprehensive income / (loss) for the period, net of tax	*13.0*	*(75.5)*
Total comprehensive income for the period, net of tax	**212.9**	**135.5**
Portion attributable:		
to the equity holders of the parent	211.9	135.5
to non-controlling interests	1.0	–

(1) Restated for changes in accounting policies following the adoption of IFRIC interpretation 21 “Levies” (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

(in millions of euros)	NOTE	AS OF DECEMBER 31, 2014	2013(1)
ASSETS			
Goodwill	10.1	4,243.9	4,111.2
Intangible assets	10.1	1,084.0	1,038.3
Property, plant and equipment	10.2	287.1	278.1
Long-term investments	10.3	24.8	51.7
Deferred tax assets	9.2	175.2	161.6
Total non-current assets		**5,815.0**	**5,640.9**
Inventories	11.1	1,487.2	1,389.5
Trade accounts receivable	11.2	2,206.0	2,062.8
Current tax assets		9.7	18.3
Other accounts receivable	11.3	499.0	467.8
Assets held for sale		3.7	3.4
Cash and cash equivalents	12	1,159.8	957.8
Total current assets		**5,365.4**	**4,899.7**
Total assets		**11,180.4**	**10,540.5**
EQUITY			
Share capital	14	1,460.0	1,416.7
Share premium	14	1,599.8	1,510.8
Reserves and retained earnings		1,275.9	1,289.5
Total equity attributable to equity holders of the parent		**4,335.7**	**4,217.0**
Non-controlling interests		7.7	10.1
Total equity		**4,343.4**	**4,227.1**
LIABILITIES			
Interest bearing debt (non-current part)	19	2,995.9	2,908.2
Net employee defined benefit liabilities	18	344.2	243.4
Deferred tax liabilities	9.2	196.9	172.1
Provision and other non-current liabilities	17	93.7	108.0
Total non-current liabilities		**3,630.7**	**3,431.7**
Interest bearing debt (current part)	19	361.5	205.2
Accrued interest	19	9.7	11.6
Trade accounts payable		2,126.8	2,009.9
Income tax payable		42.1	37.2
Other current liabilities	21	666.2	617.9
Total current liabilities		**3,206.3**	**2,881.7**
Total liabilities		**6,837.0**	**6,313.4**
Total equity and liabilities		**11,180.4**	**10,540.5**

(1) Restated for changes in accounting policies following the adoption of IFRIC interpretation 21 "Levies" (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2014	2013[1]
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income		495.8	520.9
Depreciation, amortization and impairment of assets	5 – 7	145.9	169.8
Employee benefits		(21.2)	(24.7)
Change in other provisions		17.6	(8.2)
Other non-cash operating items		9.4	16.0
Interest paid		(155.9)	(169.3)
Income tax paid		(84.3)	(94.2)
Operating cash flows before change in working capital requirements		**407.3**	**410.4**
Change in inventories		(19.7)	(25.5)
Change in trade receivables		(42.0)	(23.1)
Change in trade payables		29.4	144.1
Changes in other working capital items		(1.8)	(44.9)
Change in working capital requirements		**(34.1)**	**50.7**
Net cash from operating activities		**373.2**	**461.1**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of tangible and intangible assets		(107.5)	(95.2)
Proceeds from disposal of tangible and intangible assets		4.8	22.9
Acquisition of subsidiaries, net of cash acquired	3.3	(36.7)	(12.7)
Proceeds from disposal of subsidiaries, net of cash disposed of	10.4	–	10.4
Change in long-term investments		6.1	(1.0)
Net cash from investing activities		**(133.3)**	**(75.6)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of capital	14	0.3	3.2
Disposal / (Purchase) of treasury shares		(26.4)	2.2
Acquisition of non-controlling interests	3.4	(12.5)	–
Issuance of senior notes net of transaction costs	19.2	–	1,025.2
Buy-out of senior notes due 2016	19.2	–	(640.3)
Settlement of interest rate swaps qualified as fair value hedge	20.1	36.4	30.4
Net change in credit facilities and other financial borrowings	19.2	(7.4)	(55.8)
Net change in securitization	19.2	19.3	16.9
Net change in finance lease liabilities	19.2	(5.1)	(48.9)
Dividends paid	14	(65.6)	(53.1)
Net cash from financing activities		**(60.9)**	**279.7**
Net (decrease) / increase in cash and cash equivalents		**178.9**	**665.2**
Cash and cash equivalents at the beginning of the period		957.8	291.9
Effect of exchange rate changes on cash and cash equivalents		23.1	0.8
Cash and cash equivalents at the end of the period		**1,159.8**	**957.8**

(1) Restated for changes in accounting policies following the adoption of IFRIC interpretation 21 “Levies” (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in shareholders' equity

(in millions of euros)	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013										
As of January 1, 2013 (as reported)		**1,359.6**	**1,418.3**	**1,344.5**	**138.8**	**(3.0)**	**(148.9)**	**4,109.3**	**8.3**	**4,117.6**
Effect of changes in accounting policies following the adoption of IFRIC Interpretation 21		–	–	2.5	–	–	–	2.5	–	2.5
As of January 1, 2013 (1)		**1,359.6**	**1,418.3**	**1,347.0**	**138.8**	**(3.0)**	**(148.9)**	**4,111.8**	**8.3**	**4,120.1**
Net income		–	–	210.5	–	–	–	210.5	0.4	210.9
Other comprehensive income		–	–	–	(160.2)	1.3	83.8	(75.1)	(0.4)	(75.5)
Total comprehensive income for the period		**–**	**–**	**210.5**	**(160.2)**	**1.3**	**83.8**	**135.5**	**–**	**135.5**
Appropriation of net income		–	–	(203.1)	–	–	–	(203.1)	(0.1)	(203.2)
Share capital increase		57.1	92.5	4.2	–	–	–	153.8	2.0	155.8
Share-based payments		–	–	17.2	–	–	–	17.2	–	17.2
Acquisition of non-controlling interests		–	–	0.1	–	–	–	0.1	(0.1)	–
Disposal / (Purchase) of treasury shares		–	–	1.8	–	–	–	1.8	–	1.8
As of December 31, 2013 (1)		**1,416.7**	**1,510.8**	**1,377.7**	**(21.4)**	**(1.7)**	**(65.1)**	**4,217.0**	**10.1**	**4,227.1**
FOR THE YEAR ENDED DECEMBER 31, 2014										
As of January 1, 2014		**1,416.7**	**1,510.8**	**1,377.7**	**(21.4)**	**(1.7)**	**(65.1)**	**4,217.0**	**10.1**	**4,227.1**
Net income		–	–	199.7	–	–	–	199.7	0.3	200.0
Other comprehensive income		–	–	–	100.6	–	(88.3)	12.3	0.7	13.0
Total comprehensive income for the period		**–**	**–**	**199.7**	**100.6**	**–**	**(88.3)**	**211.9**	**1.0**	**212.9**
Appropriation of net income	14.1	–	–	(211.9)	–	–	–	(211.9)	–	(211.9)
Share capital increase	14.1	50.8	103.1	(7.2)	–	–	–	146.7	–	146.7
Share capital decrease	14.1	(7.5)	(14.1)	21.6	–	–	–	–	–	–
Share-based payments		–	–	12.3	–	–	–	12.3	–	12.3
Acquisition of non-controlling interests	3.4	–	–	(14.8)	0.3	–	–	(14.5)	(4.1)	(18.6)
Acquisition of subsidiaries		–	–	–	–	–	–	–	0.7	0.7
Disposal / (Purchase) of treasury shares		–	–	(25.8)	–	–	–	(25.8)	–	(25.8)
As of December 31, 2014		**1,460.0**	**1,599.8**	**1,351.5**	**79.5**	**(1.7)**	**(153.4)**	**4,335.7**	**7.7**	**4,343.4**

(1) Restated for changes in accounting policies following the adoption of IFRIC interpretation 21 "Levies" (see note 2.2.1).

The accompanying notes are an integral part of these consolidated financial statements.

Accompanying notes

1. General information

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The group consists of Rexel and its subsidiaries (hereafter referred to as "the Group" or "Rexel").

The Group is mainly involved in the business of the distribution of low and ultra-low voltage electrical products to professional customers. It serves the needs of a large variety of customers and markets in the fields of construction, industry, and services. The product offering covers electrical installation equipment, conduits and cables, lighting, security and communication, climate control, tools, and white and brown goods. The principal markets in which the Group operates are in Europe, North America (United States and Canada), Asia-Pacific (mainly in Australia, New Zealand and China) and Latin America (mainly Brazil and Chile).

These consolidated financial statements cover the period from January 1 to December 31, 2014 and were authorized for issue by the Board of Directors on February 11, 2015.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements (hereafter referred to as "the financial statements") for the year ended December 31, 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the standards of the International Accounting Standards Board (IASB) which are in force at December 31, 2014.

IFRS as adopted by the European Union can be consulted on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

2.2 Basis of preparation

The financial statements are presented in euros and all values are rounded to the nearest tenth of a million, unless otherwise stated. Totals and sub-totals presented in the consolidated financial statements are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding effect.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed frequently, and thus the effect of changes in accounting estimates is accounted for from the date of the revision.

Information related to the main estimates and judgments made on the application of accounting policies which have significant effect on the financial statements are described in the following notes:

- Business combinations (notes 2.5 and 3),
- Impairment of intangible assets and goodwill (notes 2.5 and 10.1),
- Employee benefits (notes 2.11 and 18),
- Provisions and contingent liabilities (notes 2.13, 17 and 24),
- Recognition of deferred tax assets (notes 2.17 and 9),
- Measurement of share-based payments (notes 2.12 and 15).

2.2.1 Changes in accounting policies and amended standards and interpretations

Adoption of IFRIC Interpretation 21 "Levies"

As of January 1, 2014, Rexel elected to adopt IFRIC Interpretation 21 "Levies" with retrospective application as of January 1, 2013. IFRIC Interpretation 21 "Levies" clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. In addition, IFRIC Interpretation 21 prohibits the progressive recognition of a liability for tax levies over the fiscal year and rather requires the one-time recognition of the liability when the obligating event for the payment of the levy is met. The impact of the adoption of IFRIC Interpretation 21 on equity as of January 1, 2013 was an increase of €2.5 million after tax (€3.9 million before tax). The impact of the adoption of this interpretation on the operating income and net income for the year ended December 31, 2013 was not significant. Prior year comparative information was restated accordingly.

Amended standards

Effective as of January 1, 2014, the following new amendments previously endorsed by the European Union are applicable to Rexel but have no material effect on the Group's financial statements:

- Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets" address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting" allows hedge accounting to continue when derivatives are novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

2.2.2 New accounting standards and interpretations endorsed by the European Union with effect in future periods

- Improvements cycle 2011-2013, issued in December 2013, include minor changes to several standards. These changes are applicable for annual statements beginning on or after January 1, 2015.
- Improvements cycle 2010-2012, issued in December 2013, include minor changes to existing standards. These changes are applicable for annual statements beginning on or after February 1, 2015.
- Amendment to IAS 19 "Defined Benefits Plans: Employee Contributions": the narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment is applicable for annual statements beginning on or after February 1, 2015.

These improvements and amendment are not expected to have any material impact on the Group's financial statements.

2.2.3 Accounting standards and interpretations issued by IASB and IFRS Interpretation Committee but not yet approved by the European Union

The following standards and interpretations issued by IASB are not yet approved by the European Union. Except if otherwise noted, their potential impact is currently under review by the Group.

- On July 24, 2014, the International Accounting Standards Board (IASB) completed the final element of its comprehensive response to the financial crisis by issuing IFRS 9 Financial Instruments. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially-reformed approach to hedge accounting. The new Standard will come into effect as of January 1, 2018 with early application permitted.
- IFRS 15 "Revenue from Contracts with Customers": the new standard supersedes IAS 11 "Construction contracts" and IAS 18 "Revenues" on revenue recognition. Revenue will be recognized to depict the transfer of goods or services to customers in amounts that reflect the payment to which the company expects to be entitled in exchange for those goods or services. The new Standard will come into effect as of January 1, 2017 with early application permitted.

2.3 Basis of Consolidation

The consolidated financial statements include the financial statements for Rexel S.A., parent company of the Group, and its direct and indirect subsidiaries as of December 31, 2014. The subsidiaries (including Special Purpose Entities) are controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In assessing control, present and potential voting rights are taken into account.

The subsidiaries are fully consolidated from the date on which control is obtained to the date when control ceases. All assets and liabilities, unrealized gains and losses, income and expenses, dividends, and other transactions arising from inter-group transactions are eliminated when preparing the consolidated financial statements.

Losses within a subsidiary are attributed to the non-controlling interests for their share even if that results in a deficit balance.

2.4 Foreign Currency Translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The functional currency of Rexel and the presentation currency of the Group's financial statements are the euro.

Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate prevailing at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities that are measured at cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation are translated into euro at foreign exchange rates prevailing at the balance sheet date. The revenues and expenses of foreign operations are translated into euro at rates approximating the foreign exchange rates ruling at the dates of the transactions. All resulting translation differences are recognized as a separate component of equity (foreign currency translation reserve).

Net Investment in Foreign Operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on disposal.

2.5 Intangible Assets

Goodwill

The cost of an acquisition is measured at acquisition date. Any contingent considerations are recognized at their fair value estimated as of the acquisition date. Subsequent changes in the fair value of contingent considerations are recognized in the income statement. For each business combination, the Group measures the non-controlling interests either at fair value or at the proportionate share of the acquiree's identifiable net assets. The costs of acquisition are recognized as expenses.

At the acquisition date, any excess of the consideration transferred and the non-controlling interests over the fair value of the net assets acquired is allocated to goodwill.

Goodwill is then measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units.

Goodwill is not amortized but subject to an impairment test, as soon as there is an indication that it may be impaired, and at least once a year. Indications that goodwill may be impaired include material adverse changes of a lasting nature affecting the economic environment or the assumptions and objectives made at the time of acquisition.

A goodwill impairment loss is recognized whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement (in "Other expenses").

Impairment losses in respect of goodwill may not be reversed.

When goodwill is allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other Intangible Assets

Intangible assets other than goodwill are stated at cost less accumulated amortization (see below) and impairment losses.

Identifiable intangible assets existing at the date of acquisition in a business combination are recognized as part of the purchase accounting and measured at fair value. Intangible assets are considered identifiable if they arise from contractual or legal rights or are separable.

Amortization

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are tested for impairment at each annual balance sheet date, at least. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the assessment of indefinite useful life for this asset continues to be justified. If not, a change in the useful life assessment from indefinite to finite is made on a prospective basis. Other intangible assets are amortized from the date that they are available for use. Estimated useful lives of capitalized software development costs range from 3 to 10 years.

2.6 Property, Plant and Equipment

Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Leased Assets

Lease contracts which substantially transfer to the Group all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are stated at an amount equal to the fair value of the leased property or, if this is lower, the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses. Minimum lease payments are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The capital gains arising from the sale and leaseback of property, plant and equipment are recognized in full upon sale when the lease qualifies as an operating lease and the transaction is realized at fair value. They are spread on a straight-line basis over the lease term in case of a finance lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, when shorter, the term of the finance lease.

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement on a straight-line basis as an integral part of the total lease expense.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives are as follows:

- Commercial and office buildings — 20 to 35 years
- Building improvements and operating equipment — 5 to 10 years
- Transportation equipment — 3 to 8 years
- Computers and hardware — 3 to 5 years

The assets' residual values, useful lives, and methods of depreciation are reviewed and adjusted if appropriate at each balance sheet date.

2.7 Inventories

Inventories are mainly composed of goods held for resale. Inventories are stated at the lower of cost and net realizable value. Cost is calculated by reference to a first-in first-out basis, including freight in costs, net of any purchase rebates. Net realizable value is the estimated selling price at balance sheet date, less the estimated selling expenses, taking into account technical or marketing obsolescence and risks related to slow moving inventory.

2.8 Financial assets

2.8.1 Long-term investments

Long-term investments principally include investments in non-consolidated companies and other shareholdings, deposits required for operating purposes, and loans.

Investments in non-consolidated companies and other shareholdings are measured at fair value. When fair value is not reliably measurable, investments are stated at cost less impairment losses when necessary. Changes in fair value are recognized in other comprehensive income and transferred to profit or loss when the asset is sold or permanently impaired.

2.8.2 Held for trading instruments

Financial instruments held for trading mainly include marketable securities and are stated at fair value, with any resulting gain or loss recognized in profit or loss.

2.8.3 Trade and other accounts receivable

Trade and other accounts receivable are measured initially at fair value and subsequently measured at amortized cost using the effective interest rate method (see note 2.10) less impairment losses.

Impairment losses from estimated irrecoverable amounts are recognized in the income statement when there is objective evidence that the asset is impaired. The principal factors considered in recognizing these potential impairments include actual financial difficulties or aging of overdue receivables in excess of 30 days.

2.8.4 Derivative financial instruments

Derivative financial instruments are measured at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss. However, when derivatives qualify for hedge accounting, the recognition of any resulting gain or loss is dependent on the nature of the item being hedged (see note 2.8.5). They are classified as assets or liabilities depending on their fair value.

Fair value measurement

Level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. This valuation method is referred to as Level 1 in the hierarchy established by IFRS 13.

Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation models incorporating various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward interest rate curves. The assumptions used are observable either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices). This valuation method is referred to as Level 2 in the hierarchy established by IFRS 13.

Whether a financial instrument is valued using one or the other of these methods is indicated in the summary of financial assets (note 13) and the summary of financial liabilities (note 21).

2.8.5 Hedge accounting

Cash flow hedges

When a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized in the cash-flow hedge reserve as other comprehensive income.

When the forecasted transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain (loss) is removed from the cash-flow hedge reserve and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, then the associated gains and losses that were recognized as other comprehensive income are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (*i.e.*, when interest income or expense is recognized).

For cash flow hedges, other than those described in the previous paragraph, the associated cumulative gain (loss) is removed from the cash-flow hedge reserve and recognized in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognized immediately in profit or loss.

If the hedged transaction is no longer expected to take place, then the cumulative unrealized gain (loss) recognized as other comprehensive income is immediately reclassified to profit or loss.

Fair value hedges

Fair value hedge accounting is used when a derivative financial instrument is designated as a hedge of the variability of the fair value of a recognized asset or liability (or firm commitment), including fixed rate indebtedness such as indexed bonds and other fixed rate borrowings.

The hedging instrument is measured at fair value with changes in fair value recognized in the income statement. The hedged item is remeasured to fair value in respect of the hedged risk. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognized in the income statement.

Hedge of Net Investment in Foreign Operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognized directly in other comprehensive income. The ineffective portion is recognized immediately in profit or loss. Gains and losses accumulated in equity are recognized in the income statement when the foreign operation is disposed of.

2.8.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits with banks and other short-term highly liquid investments subject to an insignificant risk of changes in value.

2.9 Share capital

Repurchase of equity instruments

When the company purchases its own equity instruments, the amount of the consideration paid, including directly attributable costs, is recognized as a reduction in equity.

Dividends

Dividends paid in cash are recognized as a liability in the period in which the distribution has been approved by the shareholders.

2.10 Interests-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost.

Effective interest rate

The effective interest rate is the rate that exactly discounts the expected stream of future cash flows through to maturity to the current net carrying amount of the liability on initial recognition. When calculating the effective interest rate of a financial liability, future cash flows are determined on the basis of contractual commitments.

Transaction costs

Transaction costs are incremental costs that are directly attributable to the issue of the credit line. They include fees and commissions paid to agents and advisers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums, or allocations of internal administrative or overhead expenses.

For financial liabilities that are carried at amortized cost, transaction costs are included in the calculation of amortized cost using the effective interest rate method and, in effect, amortized through the income statement over the life of the instrument.

2.11 Employee benefits

2.11.1 Short-term employee benefits

Short-term employee benefits include wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses and are expected to be settled wholly before twelve months after the end of the reporting period. Short-term employee benefit obligations are measured on an undiscounted basis and are recognized in operating income as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.11.2 Post-employment and other long-term benefits

Post-employment and other long-term benefits include:

- post-employment benefits including pensions, retirement supplements and medical benefits after retirement,
- other long-term benefits (during employment) mainly including jubilees and long service awards.

These benefits are classified as either:

- defined contribution plans when the employer pays fixed contributions into a separate entity recognized as an expense in profit and loss and will have no legal or constructive obligation to pay further contributions, or
- defined benefit plans when the employer guarantees a future level of benefits.

Post-employment benefits

The Group's net obligation in respect of defined post-employment benefit plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed periodically by an independent actuary using the projected unit credit method.

The liability recognized in the balance sheet in respect of defined benefit schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets.

When the calculation results in plan assets exceeding liability, the recognized asset is limited to the present value of any currently available future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved (reduced), the portion of the increased (decreased) benefit relating to past service by employees is recognized immediately as an expense (income) in the income statement. The current and past service costs as well as administrative costs paid from registered pension plans' assets are presented in the income statement as part of the distribution and administrative expenses. The net interest expenses (income) relating to the discounting of the net funded position (defined benefit obligation less plan assets) is presented in net financial expenses in the income statement.

Remeasurements of net defined benefit obligation including (i) actuarial gains and losses, (ii) actual return on plan assets including administrative expenses allocated to manage plan assets and (iii) changes in the effect of the asset ceiling are recognized in other comprehensive income.

Other long-term benefits

Long-term benefits mainly include jubilees or long service leaves. The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The value of the obligation is determined using the projected unit credit method. This amount is discounted at the rate based on high quality corporate bonds with maturity dates close to those of the Group's obligations prevailing on the balance sheet date.

Actuarial gains and losses are immediately recognized in the income statement as part of the distribution and administrative expenses.

2.12 Share-based payments

Bonus share programs, qualified as equity-settled, allow Group employees to receive shares of the parent company of the Group. The fair value of bonus shares allocated is recognized as a personnel expense with a corresponding increase in other reserves in equity over the period during which the employees become unconditionally entitled to the options (the vesting period). The expense is based on fair value estimate of the equity instruments in accordance with conditions of granting.

Fair value of bonus shares is measured at grant date using an appropriate model depending on the characteristics of the plans.

2.13 Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when the amount can be estimated reliably.

If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Provision for restructuring

A restructuring is a program that is planned and controlled by management that materially changes either the scope of the business or the manner in which that business is conducted.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. Certain restructuring expenses are presented in “Other expenses” (see note 2.15). Restructuring costs principally include personnel costs (severance payments, early retirement costs, notice period not worked), branch closure costs, and indemnities for the breach of non-cancellable agreements.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provisions for disputes and litigations

Provisions for disputes and litigation include estimated costs for risks, disputes, litigation and third party claims, and the probable costs associated with warranties given by the Group in the context of the disposal of non-current assets or subsidiaries.

These provisions also include costs of personnel disputes and tax litigation. A provision is not made for tax assessments received or in course of preparation when there is a reasonable probability that the Group will succeed in convincing the authority of its position.

Any accepted assessment is recorded as a liability when the amount can be reasonably estimated.

2.14 Sales

Revenue arising from the sale of goods is presented in sales in the income statement. Sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer, which usually occurs with the delivery or shipment of the product.

Sales are recognized net of customer rebates and discounts.

The Group may enter into direct sales (as opposed to warehouse sales) whereby the product is sent directly from the supplier to the customer without any physical transfer to and from the Group’s warehouse. The Group is acting as principal and therefore recognizes the gross amount of the sale transaction.

2.15 Other income and other expenses

Operating income and expenses as a result of unusual events are included as separate line items “Other income” and “Other expenses”. These line items include in particular, irrespective of their amount, gains and losses on asset disposals, asset impairment and write-offs, expenses arising from the restructuring or integration of acquired companies, separation costs, acquisition costs from business combinations and other items such as significant disputes. These items are presented separately in the income statement in order to allow the Chief Executive Officer and the Deputy Chief Executive Officer acting as Chief operating decision maker within the meaning of IFRS 8 “Operating Segments”, to assess the recurrent performance of the operating segments.

2.16 Financial expenses (net)

Financial expenses (net) comprise interest payable on borrowings calculated using the effective interest rate method, dividends on preference shares classified as liabilities, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in profit or loss (see note 2.8.5).

Interest income is recognized in profit or loss as it accrues, using the effective interest rate method. Dividend income is recognized in profit or loss on the date the entity's right to receive payment is established which in the case of quoted securities is the ex-dividend date. The interest expense component of finance lease payments is recognized in profit or loss using the effective interest rate method.

2.17 Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or in equity, in which case it is recognized respectively in other comprehensive income or in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: (i) goodwill not deductible for tax purposes, (ii) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future and (iii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available to recover this asset. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Practically, this is achieved through a valuation allowance recognized against deferred tax assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income tax levied by the same tax jurisdiction and the Group intends to settle its current tax assets and liabilities on a net basis.

Information as to the calculation of income tax on the profit for the periods presented is included in note 9.

2.18 Segment reporting

In accordance with IFRS 8 "Operating segments", operating segments are based on the Group's management reporting structure. The information is shown by geographic zone for the electrical equipment distribution business, whereas the other businesses and holding entities are shown separately.

Operations that present substantially similar characteristics are combined as a single segment. Factors considered in identifying such segments include the similarity of economic and political conditions, the proximity of operations, the absence of special risks associated with operations in the various areas where the Group operates and when they have similar long-term financial performance.

Based on this structure, the reportable segments are:

- Europe, aggregating Southern continental Europe, Central and Eastern Europe and Northern Europe,
- North America, aggregating United States and Canada,
- The Asia-Pacific area,
- Latin America.

The Group's financial reporting is reviewed monthly by the Chief Executive Officer and the Deputy Chief Executive Officer acting as the Chief operating decision maker.

2.19 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and free shares granted to employees.

3. Business combinations

3.1 2014 Acquisitions

As part of Rexel's external growth policy, the Group completed the following acquisitions in 2014:

- Esabora Digital Services on January 7, 2014, based in France. This company is specialized in editing advanced software tools for electrical contractors and installers,
- AMP Ingenieros SAS on March 28, 2014, a Peruvian distributor of international branded electrical supplies,
- Elevite AG on July 29, 2014, a Swiss based lighting solutions distributor,
- Astrotek Ireland Limited on July 31, 2014, a specialist lighting company,
- 4 Knights International on October 29, 2014, a leader in the downstream Oil & Gas onshore activities based in Thailand,
- A 55% controlling interest in Beijing Ouneng Tongxing Technology Co. Ltd on November 27, 2014, an automation distributor based in China.

These acquisitions are not material relative to the Group.

3.2 2013 Acquisitions

In late 2013, the Group completed the following acquisitions in Asia:

- Lenn International Pte Ltd, based in Singapore and operating in South East Asia, acquired on November 29, 2013,
- A 70% controlling interest in Quality Trading Co., in Thailand on November 29, 2013.

These entities were consolidated as of January 1, 2014.

3.3 Purchase Price Allocation

The table below shows the purchase price allocation to identifiable assets and liabilities, for the entities acquired in 2014 as well as Lenn International and Quality Trading Co acquired in late 2013 but consolidated only as from January 1, 2014.

4 Knights International and Beijing Ouneng Tongxing Technology Co. Ltd purchase price allocation is estimated on a provisional basis as of the balance sheet date and will be completed in 2015.

Net assets acquired and consideration transferred of acquisitions consolidated for the year ended December 31, 2014

(in millions of euros)

Other fixed assets	6.6
Other non current assets	0.8
Current assets	33.5
Net financial debt	0.5
Other non current liabilities	(3.7)
Current liabilities	(18.9)
Net asset acquired (except goodwill acquired)	**18.9**
Goodwill acquired	46.9
Consideration transferred	**65.8**
Cash acquired	(8.3)
Deferred payments	(9.9)
Net cash paid for acquisitions	**47.6**
Payments in 2013 (1)	(10.9)
Net cash paid for the period	**36.7**

(1) Converted at the exchange rate on the acquisition date.

3.4 Acquisition of non-controlling interests

In 2014, Rexel exercised call options to acquire the non-controlling interests in Huazhang Electric Automation and in Beijing Zhongheng Hengxin Automation Equipment Co., Ltd, both entities being located in China, for a consideration of respectively €12.1 million and €6.1 million (the latter being paid in January 2015). As a result of these transactions, the Group holds 100% ownership interest in these two subsidiaries as of December 31, 2014.

The excess of the consideration transferred over the carrying value of the non-controlling interests acquired was recognized as a reduction of retained earnings of €14.7 million.

4. Segment reporting

The reportable operational segments are Europe, North America, Asia-Pacific and Latin America. 2013 comparative data were restated accordingly together with changes in accounting policies following the adoption of IFRIC Interpretation 21 such as disclosed in note 2.2.1.

Information by geographic segment for the year ended December 31, 2014 and 2013

(in millions of euros)	2014						
	EUROPE	NORTH AMERICA	ASIA-PACIFIC	LATIN AMERICA	TOTAL OPERATING SEGMENTS	CORPORATE HOLDINGS AND OTHER RECONCILING ITEMS	TOTAL GROUP
FOR THE YEAR ENDED DECEMBER 31,							
Sales to external customers	7,145.2	4,477.9	1,200.9	256.8	**13,080.9**	0.3	**13,081.2**
EBITA [1]	452.9	204.0	35.8	(3.1)	**689.6**	(42.9)	**646.8**
Goodwill impairment	(18.3)	–	(2.4)	(27.8)	**(48.5)**	–	**(48.5)**
AS OF DECEMBER 31,							
Working capital	598.1	558.9	185.7	43.0	**1,385.8**	13.5	**1,399.3**
Goodwill	2,611.6	1,355.2	266.2	11.0	**4,243.9**	–	**4,243.9**

(in millions of euros)	2013 [2]						
	EUROPE	NORTH AMERICA	ASIA-PACIFIC	LATIN AMERICA	TOTAL OPERATING SEGMENTS	CORPORATE HOLDINGS AND OTHER RECONCILING ITEMS	TOTAL GROUP
FOR THE YEAR ENDED DECEMBER 31,							
Sales to external customers	7,078.6	4,441.1	1,196.8	294.8	**13,011.3**	0.3	**13,011.6**
EBITA [1]	455.4	230.2	48.9	0.5	**735.0**	(48.2)	**686.8**
Goodwill impairment	(46.2)	–	–	(21.1)	**(67.3)**	–	**(67.3)**
AS OF DECEMBER 31,							
Working capital	614.5	509.3	141.7	46.9	**1,312.5**	(17.8)	**1,294.7**
Goodwill	2,619.6	1,230.0	224.7	37.0	**4,111.2**	–	**4,111.2**

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.
(2) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

The reconciliation of EBITA with the Group's consolidated income before income taxes is presented in the following table:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2014	2013 [1]
EBITA – Total Group	**646.8**	**686.8**
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities	(16.1)	(19.7)
Other income and other expenses	(134.8)	(146.2)
Net financial expenses	(188.9)	(213.5)
Share of profit/(loss) of associates	–	0.4
Group consolidated income before income tax	**306.9**	**307.8**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

The reconciliation of the total allocated assets and liabilities with the Group's consolidated total assets is presented in the following table:

	AS OF DECEMBER 31,	
(in millions of euros)	**2014**	**2013**[1]
Working capital	1,399.3	1,294.7
Goodwill	4,243.9	4,111.2
Total allocated assets & liabilities	**5,643.2**	**5,405.9**
Liabilities included in allocated working capital	2,792.2	2,625.2
Accrued interest receivables	0.7	–
Other non-current assets	1,395.9	1,368.1
Deferred tax assets	175.2	161.6
Current tax assets	9.7	18.3
Assets classified as held for sale	3.7	3.4
Derivatives	–	0.3
Cash and cash equivalents	1,159.8	957.8
Group consolidated total assets	**11,180.4**	**10,540.5**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

5. Distribution & administrative expenses

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**[1]
Personnel costs (salaries & benefits)	1,532.6	1,518.9
Building and occupancy costs	268.7	270.1
Other external costs	615.7	601.5
Depreciation expense	80.7	77.0
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities	16.1	19.7
Bad debt expense	30.5	34.2
Total distribution and administrative expenses	**2,544.3**	**2,521.4**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

6. Salaries & benefits

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**[1]
Salaries and social security charges	1,464.3	1,452.5
Share-based payments	14.3	14.4
Pension and other post-retirement benefits-defined benefit plans	7.9	12.7
Other employee expenses	46.1	39.3
Total employee expenses	**1,532.6**	**1,518.9**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

7. Other income & other expenses

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Gains on disposal of tangible assets	2.2	2.9
Write-back asset impairment	0.2	0.8
Release of unused provisions	2.3	2.8
Gains on earn-out [1]	6.4	0.2
Other operating income [2]	0.5	4.7
Total other income	**11.7**	**11.4**
Restructuring costs [3]	(58.9)	(63.6)
Losses on non-current assets disposed of	(3.3)	(4.6)
Impairment of goodwill and asset write-offs [4]	(61.4)	(74.0)
Shutdown of operations in Czech Republic [5]	(9.4)	–
Acquisition related costs [6]	(8.2)	(2.5)
Other operating expenses [7]	(5.3)	(12.9)
Total other expenses	**(146.5)**	**(157.6)**

(1) In 2014, the Group recognized a gain of €6.4 million in respect of earn-outs due to the previous owners of certain entities acquired in prior years. The payment of such earn-outs was subject to the achievement of an agreed level of performance at a defined date. As a result of the actual performance achieved, earn-outs due to the sellers were adjusted accordingly.

(2) In 2013, a settlement gain of €4.4 million was recognized in connection with the wind-up of the Irish defined benefit pension scheme and the implementation of a defined contribution plan.

(3) Restructuring costs were mainly related to the rationalization of logistics and branch closures of which restructuring plans (i) in Europe for €39.6 million (€56.8 million in 2013), mainly in Germany, The Netherlands, the United Kingdom and France, (ii) in North America for €11.8 million (€4.0 million in 2013) and (iii) in Asia-Pacific for €3.4 million (€1.9 million in 2013).

(4) In 2014, goodwill impairment was recognized for €48.5 million, of which €27.8 million attributable to Brazil, €12.0 million to The Netherlands, €3.4 million to Slovakia, €2.7 million to Luxembourg and €2.4 million to India. In 2013, a goodwill impairment expense was recognized for €67.3 million, of which €42.8 million related to The Netherlands, €21.1 million to Brazil, €2.2 million to Slovenia and €1.2 million to Spain (see note 10.1).

(5) On December 31, 2014, the Group disposed of part of its business in Czech Republic to Elektro S.M.S., a local electrical supplies distributor, for a consideration of €5.1 million resulting in a loss of €4.8 million. Concurrently with this transaction, Rexel has entered a liquidation process to shut down the business not transferred to Elektro S.M.S. and incurred closure costs of €4.5 million including redundancies, asset write-offs and lease commitments.

(6) Acquisition costs are associated with acquisitions completed in the period and professional fees incurred in connection with some investment projects.

(7) In 2014, other operating expenses mainly include (i) €2.8 million litigation costs with certain customers in Spain and (ii) €1.0 million related to a VAT reassessment notified by the tax authorities in Germany. In 2013, other operating expenses mainly were comprised of (i) €4.7 million litigation costs primarily with customers in Canada and Germany, (ii) sales tax reassessments in Canada for €2.5 million, (iii) the termination of senior executive contracts in Brazil for €0.9 million and (iv) corporate headquarters relocation expenses for €1.4 million.

8. Net financial expenses

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2014	2013
Interest income on cash and cash equivalents	2.9	1.8
Interest income on receivables and loans	1.5	0.7
Financial income	**4.4**	**2.5**
Interest expense on financial debt (stated at amortized cost)	(170.3)	(177.2)
Interest expense on interest rate derivatives	10.7	5.6
Gains and losses on derivative instruments previously deferred in other comprehensive income and recycled in the income statement	0.1	1.4
Foreign exchange gain (loss)	(4.6)	0.5
Change in fair value of exchange rate derivatives through profit and loss	0.3	(2.6)
Change in fair value of interest rate derivatives through profit and loss	(8.4)	4.8
Interest expense on borrowings	**(172.2)**	**(167.5)**
Non-recurring refinancing costs (1)	**–**	**(23.5)**
Net financial expense on employee benefit obligations	(10.4)	(13.0)
Others	(10.7)	(12.1)
Other financial expenses	**(21.1)**	**(25.1)**
Net financial expenses	**(188.9)**	**(213.5)**

(1) Loss related to the 2013 refinancing transactions, such as disclosed in note 19.1.2.

9. Income tax

Rexel and its French subsidiaries have formed a tax group from January 1, 2005. Rexel uses tax consolidation in other countries where similar options exist.

9.1 Income tax expense

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2014	2013(1)
Current tax	(98.1)	(99.3)
Prior year adjustments on current income tax	2.7	(1.0)
Deferred tax	(11.5)	3.4
Total income tax expense	**(106.9)**	**(96.9)**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

9.2 Deferred tax assets and liabilities

Changes in net deferred tax assets / liabilities are as follows:

(in millions of euros)	2014	2013(1)
Net deferred tax at the beginning of the year	**(10.5)**	**18.3**
Deferred tax income (expense)	(11.5)	3.4
Other comprenhensive income(2)	11.5	(27.7)
Change in consolidation scope	(0.1)	(5.2)
Currency translation adjustment	(8.3)	2.7
Other changes	(2.8)	(2.0)
Net deferred tax at the end of the year	**(21.7)**	**(10.5)**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).
(2) Including the tax impact of the remeasurement of net defined benefit plans liability that accounted for a gain of €7.0 million in 2014 (a loss of €19.6 million in 2013).

Analysis of Deferred tax assets and liabilities by nature is as follows:

	AU 31 DÉCEMBRE	
(in millions of euros)	**2014**	**2013**(1)
Intangible assets	(340.8)	(312.7)
Property, plant and equipment	(2.6)	(1.8)
Financial assets	22.5	10.7
Trade accounts receivable	16.6	22.2
Inventories	17.2	14.4
Employee benefits	103.8	87.8
Provisions	11.8	7.1
Financing fees	(6.7)	(8.0)
Other items	18.5	24.5
Tax losses carried forward	318.4	316.4
Deferred tax assets / (liabilities), net	**158.7**	**160.6**
Valuation allowance on deferred tax assets	(180.4)	(171.1)
Net deferred tax assets / (liabilities)	**(21.7)**	**(10.5)**
of which deferred tax assets	175.2	161.6
of which deferred tax liabilities	(196.9)	(172.1)

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

A valuation allowance on deferred tax assets of €180.4 million was recognized as of December 31, 2014 (€171.1 million as of December 31, 2013), as a result of the recoverability assessment of the net deferred tax assets by each tax entity. The recoverable amount excludes risks arising from notified tax reassessments that are contested by the Group and is based on the expected taxable profits over the next 5 years. As of December 31, 2014, deferred tax assets arising on tax losses carried forward that are not expected to be used within five years were subject to a valuation allowance mostly in the United Kingdom, France, Brazil and Spain. The expiry date of such tax losses carried forward is as follows:

	AS OF DECEMBER 31,	
	2014	**2013**(1)
One year	7.9	9.0
Two years	5.0	4.7
Three years	2.2	3.1
Four years	3.8	4.4
Five years	9.0	5.6
Thereafter	431.4	502.2

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).

9.3 Effective tax rate

	FOR THE YEAR ENDED DECEMBER 31,			
(in millions of euros)	**2014**		**2013**(1)	
Income before tax and before share of profit in associates	306.9		307.5	
French legal tax rate		*38.0%*		*38.0%*
Income tax calculated at the legal tax rate	(116.6)		(116.9)	
Differences of tax rates between french and foreign jurisdictions	29.1	(9.5%)	31.0	(10.1%)
Changes in tax rates	(3.2)	1.0%	(5.6)	1.8%
(Current year losses unrecognized), prior year losses recognized	(7.3)	2.4%	(4.0)	1.3%
(Non-deductible expenses), tax exempt revenues (2)	(29.1)	9.5%	(14.6)	4.7%
Tax credits and other tax reductions (3)	20.2	(6.6%)	13.2	(4.3%)
Actual income tax expense	**(106.9)**	**34.8%**	**(96.9)**	**31.5%**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).
(2) In 2014, this caption mainly relates to the tax impact of non-deductible goodwill impairment for €15.0 million. In 2013, tax impact of non-deductible goodwill impairment was €18.8 million.
(3) In 2014, mainly including the release of the tax exposure reserve of €17.5 million following the favorable decision of a French appeal court regarding the tax dispute on the transfer price of the shareholding in Rexel Inc. (Rexel US subsidiary) (see note 24.1). In 2013, a deductible liquidation loss of a dormant subsidiary in Ireland of €13.2 million.

10. Long-term assets

10.1 Goodwill and intangible assets

(in millions of euros)	STRATEGIC PARTNERSHIPS	DISTRIBUTION NETWORKS	SOFTWARE AND OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS	GOODWILL
Gross carrying amount as of January 1, 2013	**185.6**	**654.6**	**487.1**	**1,327.3**	**4,625.8**
Effect of acquisitions and divestitures	–	8.4	37.2	**45.6**	**(21.5)**
Additions	–	–	34.6	**34.6**	**–**
Disposals	–	–	(10.1)	**(10.1)**	**–**
Currency translation adjustment	–	(24.4)	(20.1)	**(44.5)**	**(176.0)**
Other changes	–	–	2.0	**2.0**	**–**
Gross carrying amount as of December 31, 2013	**185.6**	**638.6**	**530.7**	**1,354.9**	**4,428.3**
Effect of acquisitions and divestitures	–	–	4.7	**4.7**	**46.9**
Additions	–	–	43.1	**43.1**	**–**
Disposals	–	–	(2.6)	**(2.6)**	**–**
Currency translation adjustment	–	24.5	29.3	**53.8**	**137.2**
Other changes	–	–	(2.6)	**(2.6)**	**–**
Gross carrying amount as of December 31, 2014	**185.6**	**663.1**	**602.5**	**1,451.3**	**4,612.4**
Accumulated amortization and depreciation as of January 1, 2013	**–**	**(5.8)**	**(285.7)**	**(291.5)**	**(256.6)**
Change in consolidation scope	–	–	2.6	**2.6**	**–**
Amortization expense	–	–	(41.3)	**(41.3)**	**–**
Impairment losses	–	–	(5.4)	**(5.4)**	**(67.3)**
Decrease of amortization	–	–	8.6	**8.6**	**–**
Currency translation adjustment	–	–	11.1	**11.1**	**6.8**
Other changes	–	–	(0.6)	**(0.6)**	**–**
Accumulated amortization and depreciation as of December 31, 2013	**–**	**(5.8)**	**(310.7)**	**(316.5)**	**(317.1)**
Change in consolidation scope	–	–	(0.5)	**(0.5)**	**–**
Amortization expense	–	–	(40.9)	**(40.9)**	**–**
Impairment losses	–	–	(0.1)	**(0.1)**	**(48.5)**
Decrease of amortization	–	–	2.1	**2.1**	**–**
Currency translation adjustment	–	–	(16.0)	**(16.0)**	**(2.9)**
Other changes	–	–	4.6	**4.6**	**–**
Accumulated amortization and depreciation as of December 31, 2014	**–**	**(5.8)**	**(361.4)**	**(367.2)**	**(368.5)**
Carrying amount as of January 1, 2013	**185.6**	**648.8**	**201.4**	**1,035.8**	**4,369.2**
Carrying amount as of December 31, 2013	**185.6**	**632.8**	**220.0**	**1,038.4**	**4,111.2**
Carrying amount as of December 31, 2014	**185.6**	**657.3**	**241.2**	**1,084.0**	**4,243.9**

Strategic partnerships

Strategic partnerships acquired in business combinations arise from contractual rights. Their valuation is determined on the basis of a discounted cash flow model.

Distribution networks

Distribution networks are considered separable assets as they could be franchised. They correspond to the value added to each branch through the existence of a network, and include notably banners and catalogues. Their measurement is performed using the royalty relief method based on royalty rates used for franchise contracts, taking their profitability into account. The royalty rate ranges from 0.4% to 1.0% of sales depending on each country.

Strategic partnerships and distribution networks are regarded as having an indefinite useful life when there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group. They are not amortized and are tested for impairment annually or as soon as there is an indication that these assets may be impaired.

Software and other intangible assets

Customer relationships are presented under this caption, and represented for a net book value of €64.3 million in 2014 (€69.5 million in 2013).

Customer relationships are recognized when the acquired entity establishes relationships with key customers through contracts. Customer relationships are measured using an excess profit method and are amortized over their useful lives based on historical attrition ranging from 5 to 15 years.

Goodwill

Goodwill arising in a business combination represents a payment made in anticipation of future economic benefits arising from assets that are not capable of being identified individually and accounted for separately, such as market shares, the value of workforce, the potential to develop existing business assets and expected synergies from the combination. In the wholesale distribution sector, these synergies notably include those expected in terms of purchasing, logistics, network and administration. Goodwill is tested at least annually for impairment purposes.

Impairment

The Group performs impairment tests of goodwill at the country level, which represents the lowest level at which operations are monitored by management for the purpose of measuring return on investment.

		AS OF DECEMBER 31,					
(in millions of euros)		2014			2013		
CGU	GEOGRAPHIC SEGMENT	GOODWILL	INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE	TOTAL	GOODWILL	INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE	TOTAL
France	Europe	970.8	169.4	1,140.2	968.4	169.4	1,137.8
United States	North America	882.4	141.2	1,023.6	776.8	126.0	902.8
Canada	North America	472.8	72.0	544.8	453.2	69.1	522.3
United Kingdom	Europe	209.7	65.7	275.4	195.9	61.4	257.3
Switzerland	Europe	240.4	35.0	275.5	222.6	34.3	256.9
Germany	Europe	172.9	51.7	224.6	172.9	51.7	224.6
Sweden	Europe	190.4	20.0	210.4	201.9	21.2	223.1
Norway	Europe	165.9	13.7	179.6	179.4	14.8	194.2
Australia	Asia-Pacific	164.0	26.2	190.1	157.6	25.2	182.8
Austria	Europe	83.2	13.0	96.2	83.3	13.0	96.3
The Netherlands	Europe	47.3	17.3	64.6	59.3	17.3	76.6
Belgium	Europe	65.6	–	65.6	65.6	–	65.6
Other (1)		578.6	217.7	796.3	574.3	215.1	789.4
Total		**4,243.9**	**843.0**	**5,086.9**	**4,111.2**	**818.4**	**4,929.6**
(1) Of which Brazil.					26.6	–	26.6

Key assumptions retained in the determining of the value-in-use

The recoverable amount of the cash-generating units was determined based on value in use. The calculation of the value in use is based on a discounted cash flow model. The cash flows are derived from the strategic plan prepared in June 2014 and updated during the yearly budget process in November 2014 for the next 3 years and also include an extrapolation of two additional years and a normative terminal value. A perpetual growth rate has been used for the calculation of the terminal value. Cash-flows were discounted on the basis of the weighted average cost of capital net of tax calculated for each country. Country-specific risk is incorporated by applying individual risk-free rates and equity risk premium. The weighted average cost of capital reflects the time value of money and the specific risks of the asset, not already factored in the cash-flow forecasts, by taking into account the financial structure and the financing terms and conditions of a standard market participant.

The calculation of value in use is mostly sensitive to the EBITA margin computed in the terminal value, the discount rate and the perpetual growth rate:

EBITA Margin

EBITA margin factored in the terminal value cash-flow is set on a country by country basis based on both historical and expected performance, Rexel's market share and characteristics of the local market and by reference to other cash generating units within the Group with similar profile.

Discount rate

The following after tax discount rates were used to estimate the value-in-use of the CGUs:

	2014	2013
France	7.7%	7.4%
United States	8.5%	7.6%
Canada	7.5%	6.9%
United Kingdom	8.4%	7.3%
Switzerland	6.7%	6.5%
Germany	7.9%	7.4%
Sweden	7.8%	7.9%
Norway	8.2%	8.3%
Australia	10.0%	9.0%
Austria	7.4%	8.0%
The Netherlands	7.2%	7.8%
Belgium	7.6%	8.1%
Other	6.6% to 15.7%	7.7% to 13.0%

Perpetual growth rate

This growth rate is used to extrapolate cash flows beyond a five-year horizon and is based on expected long-term inflation, assuming no growth in volume. The perpetual growth rate used to measure the terminal value was 2% except for Australia: 2.5% (2% in 2013).

Impairment loss

As a result of impairment testing, a loss of €48.5 million was recognized in 2014 and allocated to goodwill: in Brazil for €27.8 million, The Netherlands for €12.0 million, Slovakia for €3.4 million, Luxembourg for €2.7 million and India for €2.4 million.

In 2013, the Group recognized a goodwill impairment expense of €67.3 million, of which €42.8 million attributable to The Netherlands, €21.1 million to Brazil, €2.2 million to Slovenia and €1.2 million to Spain (see note 7).

Sensitivity analysis

The table below summarizes the impact by cash generating units of a change of 50 bps in EBITA margin, discount rate and perpetual growth rate on the impairment expense:

	GOODWILL & INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE	DISCOUNT RATE	PERPETUAL GROWTH RATE	EBITA MARGIN (-50 BPS)	DISCOUNT RATE (+50 BPS)	PERPETUAL GROWTH RATE (-50 BPS)
France	1,140.2	7.7%	2.0%	–	–	–
United States	1,023.6	8.5%	2.0%	–	–	–
Canada	544.8	7.5%	2.0%	–	–	–
United Kingdom	275.4	8.4%	2.0%	–	–	–
Switzerland	275.5	6.7%	2.0%	–	–	–
Germany	224.6	7.9%	2.0%	–	–	–
Sweden	210.4	7.8%	2.0%	–	–	–
Norway	179.6	8.2%	2.0%	–	–	–
Australia	190.1	10.0%	2.5%	(13.5)	(12.4)	(5.5)
Austria	96.2	7.4%	2.0%	–	–	–
The Netherlands	64.6	7.2%	2.0%	(16.0)	(10.3)	(7.1)
Belgium	65.6	7.6%	2.0%	–	–	–
Other	796.3	6.6% to 15.7%	6.5% to 2.0%	(7.6)	(4.9)	(2.7)
Total	**5,086.9**			**(37.1)**	**(27.6)**	**(15.3)**

10.2 Property, plant & equipment

(in millions of euros)	LAND & BUILDINGS	PLANT & EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL PROPERTY, PLANT AND EQUIPMENT
Gross carrying amount as of January 1, 2013	**253.1**	**683.9**	**25.4**	**962.4**
Effect of acquisitions and divestitures	(1.0)	(22.7)	–	**(23.7)**
Additions	4.5	56.2	6.9	**67.6**
Disposals	(24.0)	(36.2)	(3.1)	**(63.3)**
Currency translation adjustment	(3.9)	(25.1)	(0.2)	**(29.2)**
Other changes	28.8	(16.2)	(0.2)	**12.4**
Gross carrying amount as of December 31, 2013	**257.5**	**639.9**	**28.8**	**926.2**
Effect of acquisitions and divestitures	1.3	2.5	0.3	**4.0**
Additions	6.5	45.8	10.5	**62.7**
Disposals	(8.0)	(41.2)	(0.7)	**(49.9)**
Currency translation adjustment	7.1	16.4	0.6	**24.0**
Other changes	0.2	(0.3)	(2.6)	**(2.7)**
Gross carrying amount as of December 31, 2014	**264.5**	**663.0**	**36.8**	**964.4**
Accumulated amortization and depreciation as of January 1, 2013	**(130.3)**	**(534.1)**	**(15.3)**	**(679.7)**
Change in consolidation scope	–	21.9	–	**21.9**
Depreciation expense	(10.2)	(42.9)	(2.2)	**(55.3)**
Impairment losses	(0.1)	(0.2)	(0.2)	**(0.5)**
Release	6.0	33.7	0.5	**40.2**
Currency translation adjustment	1.6	19.1	0.1	**20.8**
Other changes	(2.1)	7.6	(1.0)	**4.5**
Accumulated amortization and depreciation as of December 31, 2013	**(135.1)**	**(494.9)**	**(18.1)**	**(648.1)**
Change in consolidation scope	–	(1.6)	–	**(1.6)**
Depreciation expense	(10.5)	(43.3)	(2.1)	**(56.0)**
Impairment losses	(0.2)	(0.5)	(0.0)	**(0.7)**
Release	4.5	39.4	0.5	**44.4**
Currency translation adjustment	(2.9)	(12.9)	(0.1)	**(15.8)**
Other changes	(0.3)	0.8	–	**0.5**
Accumulated amortization and depreciation as of December 31, 2014	**(144.4)**	**(513.0)**	**(19.8)**	**(677.3)**
Carrying amount as of January 1, 2013	**122.8**	**149.8**	**10.1**	**282.7**
Carrying amount as of December 31, 2013	**122.4**	**145.0**	**10.7**	**278.1**
Carrying amount as of December 31, 2014	**120.1**	**150.0**	**17.0**	**287.1**

Additions of the period include €4.7 million of assets (€3.1 million in 2013) acquired through finance lease contracts. In the consolidated cash flow statement, these acquisitions have been included in cash flows from investing activities and the corresponding variation of financial debt was included in "Net change in finance lease liabilities" in cash flows from financing activities.

10.3 Long-term investments

	AS OF DECEMBER 31,	
(in millions of euros)	2014	2013
Loans	0.1	2.5
Deposits	24.5	26.7
Other long-term investments	0.2	22.5
Long-term investments	**24.8**	**51.7**

As of December 31, 2013, other long-term investments mainly included the purchase price of Lenn International Pte Ltd. and Rexel Quality trading for respectively €13.7 million and €8.7 million. These companies were acquired in late 2013 and consolidated in 2014.

10.4 Investments in associates

Under a stock redemption agreement dated November 15, 2013 entered into by DPI, Inc., a US company specialized in the distribution of consumer electronics and Hagemeyer Finance BV, a wholly owned indirect subsidiary of Rexel, DPI, Inc. committed to redeem all its shares held by Hagemeyer Finance BV, representing an interest of 66.67% in the share capital (of which 59.52% of non-voting preference shares). This transaction was completed on November 27, 2013 for an aggregate consideration received of €10.4 million (US$ 14.3 million). The derecognition gain or loss resulting from this transaction was nil.

Prior to its disposal, the investment in DPI, Inc. was accounted for under the equity method up to September 30, 2013. The share of profit recognized for the year ended December 31, 2013 was €0.4 million and the amount of dividends received was nil.

11. Current assets

11.1 Inventories

	AS OF DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Cost	1,582.1	1,484.6
Allowance	(94.9)	(95.0)
Inventories	**1,487.2**	**1,389.5**

Changes in impairment losses

(in millions of euros)	**2014**	**2013**
Allowance for inventories as of January 1,	**(95.0)**	**(103.9)**
Change in consolidation scope	(1.4)	(2.6)
Net change in allowance	1.8	3.9
Currency translation adjustment	(4.4)	4.6
Other changes	4.1	3.0
Allowance for inventories as of December 31	**(94.9)**	**(95.0)**

11.2 Trade accounts receivable

	AS OF DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Nominal value	2,342.4	2,213.5
Impairment losses	(136.3)	(150.7)
Trade accounts receivable	**2,206.0**	**2,062.8**

Trade accounts receivable include taxes collected on behalf of the tax authorities that, in certain circumstances, may be recovered when the client defaults. These recoverable taxes amounted to €243.3 million as of December 31, 2014 (€241.0 million as of December 31, 2013).

The Group has put in place credit insurance programs in certain countries. Trade accounts receivable covered by these programs amounted to €767.9 million as of December 31, 2014 (€758.3 million as of December 31, 2013).

Also, in some countries, the Group benefits from supplementary guarantees according to the specificities of local jurisdictions, notably in the United States and in Canada. Trade accounts receivable covered by these guarantees represented €286.7 million as of December 31, 2014 (€244.9 million as of December 31, 2013).

Changes in impairment losses

(in millions of euros)	**2014**	**2013**
Impairment losses on trade accounts receivable as of January 1	**(150.7)**	**(152.6)**
Change in consolidation scope	(1.5)	(2.6)
Net depreciation [(1)]	18.5	0.6
Currency translation adjustment	(2.6)	3.8
Other changes	–	0.1
Impairment losses on trade accounts receivable as of December 31	**(136.3)**	**(150.7)**

(1) Of which receivables written-off of €41.3 million in 2014.

As of December 31, 2014, customer receivables were subject to impairment losses estimated on an individual basis following the assessment of a confirmed default risk for the customer in question for €103.0 million (€105.5 million as of December 31, 2013).

The balance of impairment losses recorded corresponds to the risks estimated on the basis of late payments.

The summary of overdue receivables for which no impairment provision has been raised is as follows:

(in millions of euros)	AS OF DECEMBER 31, 2014	2013
From 1 to 30 days	273.6	267.2

In accordance with the accounting principle stated in note 2.8.3, all past due receivables above 30 days are subject to an impairment loss.

11.3 Other accounts receivable

(in millions of euros)	AS OF DECEMBER 31, 2014	2013
Purchase rebates	351.6	328.1
VAT receivable and other sales taxes	45.5	38.0
Prepaid expenses	33.5	31.7
Derivatives	0.1	0.3
Other receivables	68.2	69.7
Total accounts receivable	**499.0**	**467.8**

12. Cash and cash equivalents

(in millions of euros)	AS OF DECEMBER 31, 2014	2013
Cash equivalents	926.1	790.2
Cash at bank	232.6	166.4
Cash in hand	1.2	1.2
Cash and cash equivalents	**1,159.8**	**957.8**

As of December 31, 2014, short-term investments include units in mutual funds, valued at their fair market value, for a total of €926.1 million (€790.2 million as of December 31, 2013). These investments were made in accordance with the Group's investment policy which requires that funds in which it invests are highly liquid, easily convertible into a known amount of cash and liable to a negligible risk of loss.

13. Summary of financial assets

				AS OF DECEMBER 31,			
				2014		2013	
(in millions of euros)	NOTE	IAS 39 CATEGORY	FAIR VALUE HIERARCHY*	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Loans		L&R		0.1	0.1	2.5	2.5
Deposits		L&R		24.5	24.5	26.7	26.7
Others [(1)]		NA		0.2	NA	22.5	NA
Total long-term investments	10.3			**24.8**	**–**	**51.7**	**–**
Trade accounts receivable		L&R		**2,206.0**	**2,206.0**	**2,062.8**	**2,062.8**
Supplier rebates receivable		L&R		351.6	351.6	328.1	328.1
VAT and other taxes receivable [(1)]		NA		45.5	NA	38.0	NA
Other accounts receivable		L&R		68.2	68.2	69.7	69.7
Other derivative instruments not eligible to hedge accounting		FV P&L	2	0.1	0.1	0.3	0.3
Prepaid expenses [(1)]		NA		33.5	NA	31.7	NA
Total other current assets	11.3			**499.0**	**–**	**467.8**	**–**
Cash equivalents		FV P&L	2	926.1	926.1	790.2	790.2
Cash		L&R		233.8	233.8	167.6	167.6
Cash and cash equivalents	12			**1,159.8**	**–**	**957.8**	**–**

(1) Not a financial instrument under IAS 39.

Loans and receivables	L&R
Assets available for sale	AFS
Fair value through profit or loss	FV P&L
Not applicable	NA

* For fair value hierarchy see note 2.8.4.

14. Share capital and premium

14.1 Changes in share capital and issuance premium

Rexel's share capital is composed of ordinary shares, with a par value of €5. The following table shows changes in the share capital and issuance premium:

	NUMBER OF SHARES	SHARE CAPITAL	ISSUANCE PREMIUM
		(in millions of euros)	
As of January 1, 2013	**271,923,229**	**1,359.6**	**1,418.3**
Exercise of share subscription rights	34,276	0.2	–
Issuance of shares in connection with payments of dividends	10,287,149	51.4	98.2
Employee share purchase plan	302,870	1.5	2.0
Issuance of shares in connection with free shares plan	789,690	3.9	–
Allocation of free shares	–	–	(13.8)
Free shares cancelled	–	–	6.1
As of December 31, 2013	**283,337,214**	**1,416.7**	**1,510.8**
Exercise of share subscription rights (1)	17,000	0.1	–
Issuance of shares in connection with payments of dividends (2)	9,269,384	46.3	99.5
Employee share purchase plan (3)	35,237	0.2	0.5
Issuance of shares in connection with free shares plans (4)	846,741	4.2	–
Reduction in share capital (5)	(1,500,000)	(7.5)	(14.1)
Allocation of free shares	–	–	(8.2)
Free shares cancelled	–	–	11.3
As of December 31, 2014	**292,005,576**	**1,460.0**	**1,599.8**

(1) For the year ended December 31, 2014, 17,000 shares options were exercised by senior employees and key management personnel (34,276 for the year ended December 31, 2013).
(2) The Shareholders' Meeting of May 22, 2014 approved the payment of a dividend of €0.75 per share, either in cash or in Rexel shares at a price of €15.78, at the option of each shareholder. The total amount of the dividend distributed was €211.9 million, of which €65.6 million was paid in cash and €146.3 million was settled by the issuance of 9,269,384 new shares. Capital increase related costs of €0.4 million were recognized in reduction of the share premium.
(3) Of which 35,151 shares issued at a price of €18.50 to serve the UK Employee Share Purchase Plan.
(4) Issuance of 834,862 shares in connection with the 2010 bonus shares plan ("Plan 4+0") and 11,879 shares in connection with the 2012 bonus free shares plan ("Plan 2+2").
(5) Cancellation of 1.5 million of treasury shares repurchased in August for an amount of €21.6 million.

14.2 Capital Management and treasury shares

The Shareholders' Meeting of May 22, 2014 authorized the Company's Board of Directors, with the option of sub-delegation, to have Rexel buy up to a maximum number of shares representing up to 10% of the company's share capital for a maximum price of €30 per share. This program is capped at €250 million with a term of 18 months from the date of the Shareholders' Meeting (ending November 21, 2015).

The objectives of this program in decreasing order of priority are as follows:

- ensuring liquidity and activity in the market for the shares through an investment services provider,
- setting up any stock option plan of the Company,
- retaining and delivering shares further to an exchange or as a consideration in the context of external growth transactions within the limit of 5% of the share capital of Rexel,
- granting shares in connection with the exercise of rights attached to securities conferring access to Rexel shares,
- cancelling all or part of any shares so repurchased,
- any other actions that comply with applicable regulations in force.

In connection with this share buy-back program, Rexel entered into a mandate with a financial institution, complying with a Code of Ethics recognized by the *Autorité des Marchés Financiers* (AMF), the French securities regulator, to promote the liquidity of Rexel shares transactions for an amount of €16.2 million as of December 31, 2014 (€17.4 million as of December 31, 2013).

In addition to this share buy-back program, Rexel repurchased 1,322,132 treasury shares to serve its free share plans.

As of December 31, 2014, Rexel held in aggregate 1,737,761 treasury shares (1,670,202 as of December 31, 2013) valued at an average price of €13.18 per share (€13.21 per share as of December 31, 2013) that were recognized as a reduction in shareholders' equity, for a total of €22.9 million (€22.1 million as of December 31, 2013).

Net capital losses realized on the sale of treasury shares in 2014 amounted to €0.8 million net of tax and were recognized as a decrease in shareholders' equity (net capital gain of €0.8 million in 2013).

14.3 Dividends

	FOR THE YEAR ENDED DECEMBER 31,	
	2014	**2013**
Dividends on ordinary shares	€0.75	€0.75
Dividends paid *(in millions of euros)*	**211.9**	**203.1**
of which:		
• dividends paid in cash	65.6	53.0
• dividends paid in shares	146.3	150.1

15. Share based payments

15.1 Bonus share plans

In addition to its long-term profit sharing policy for employees, Rexel has bonus share plans in place, the principal characteristics of which are described below:

Plan issued in 2014

On May 22, 2014, Rexel entered into free share plans for the members of the top executive managers amounting to a maximum of 1,641,008 shares. According to these plans, the beneficiaries will either be eligible to receive Rexel shares:

- two years after the grant date (May 23, 2016), these being restricted for an additional two-year period (until May 23, 2018), the so-called "2+2 Plan",
- three years after the grant date (May 23, 2017), these being restricted for an additional two-year period (until May 23, 2019), the so-called "3+2 Plan",
- four years after the grant date (May 23, 2018) with no subsequent restrictions, the so-called "4+0 Plans".

The actual delivery of these bonus shares is subject to service, performance and market conditions set forth in the plan as described below:

Vesting conditions	Two-year service condition from grant date and performance conditions based on: (i) 2013/2015 adjusted EBITA margin increase (ii) average free cash flow before interest and tax to EBITDA between 2014 and 2015 (iii) Rexel share market performance compared to peers		Three-year service condition from grant date and performance conditions based on: (i) 2013/2016 adjusted EBITA margin increase (ii) average free cash flow before interest and tax to EBITDA between 2014 and 2016 (iii) Rexel share market performance compared to peers		
Plan	2+2	4+0	3+2	4+0	
Delivery date	May 23, 2016	May 23, 2018	May 23, 2017	May 23, 2018	
Share fair value at grant date May 22, 2014	13.49	12.14	12.78	12.11	**12.55**
Maximum number of shares granted on May 22, 2014	348,980	471,524	348,980	471,524	**1,641,008**
Total maximum number of shares granted in 2014	**348,980**	**471,524**	**348,980**	**471,524**	**1,641,008**
Forfeited in 2014	(4,263)	(11,963)	(4,263)	(11,963)	**(32,452)**
Total maximum number of shares granted as of December 31, 2014	**344,717**	**459,561**	**344,717**	**459,561**	**1,608,556**

The fair value of Rexel's shares was computed based on a Monte Carlo model which simulates the evolution of Rexel and panel shares quotations at the end of the two or three-year vesting period. The impact of restrictions attached to the dividends until the delivery date of the shares to the beneficiaries was excluded from the fair value.

Plans issued in 2013

On April 30, and July 25, 2013, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,131,539 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the grant date these being restricted for an additional two-year period, the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions, the so-called "4+0 Plan".

Furthermore, on April 30, 2013, Rexel entered into free share plans for its operational managers amounting to a maximum of 521,600 shares. According to these plans, these employees will either be eligible to receive Rexel shares three years after the grant date (May 2, 2016) these being restricted for an additional two-year period (May 2, 2018), the so-called "3+2 Plan", or five years after the grant date with no subsequent restrictions, the so-called "5+0 Plan".

The actual delivery of these bonus shares is subject to service, performance and market conditions set forth in the plan as described below:

BENEFICIARIES	MEMBERS OF GROUP EXECUTIVE COMMITTEE AND TOP MANAGERS		OPERATIONAL MANAGERS		TOTAL
Vesting conditions	Two-year service condition from grant date and performance conditions based on: (i) 2013 adjusted EBITA, (ii) 2012/2014 adjusted EBITA margin increase (iii) average free cash flow before interest and tax to EBITDA between 2013 and 2014 (iv) free cash flow before interest and tax 2013 and (v) Two-year service condition from grant date and Rexel share performance compared with a panel of shares from firms of the same activity segment conditions		Three-year service condition from grant date		
Plan	2+2	4+0	3+2	5+0	
Delivery date	May 4, 2015	May 2, 2017	May 2, 2016	May 2, 2018	
Share fair value at grant date April 30, 2013	13.70	12.04	14.37	12.71	
Maximum number of shares granted on April 30, 2013	793,310	1,259,819	99,100	422,500	**2,574,729**
Delivery date	July 27, 2015	July 26, 2017			
Share fair value at grant date July 25, 2013	15.73	14.07			
Maximum number of shares granted on July 25, 2013	50,694	27,716			**78,410**
Total maximum number of shares granted in 2013	**844,004**	**1,287,535**	**99,100**	**422,500**	**2,653,139**
Forfeited in 2013	(368,148)	(563,165)	(11,100)	(18,200)	**(960,613)**
Forfeited in 2014	(155,619)	(274,550)	–	(31,500)	**(461,669)**
Total maximum number of shares granted as of December 31, 2014	**320,237**	**449,820**	**88,000**	**372,800**	**1,230,857**

The fair value of Rexel's shares subject to market condition was computed based on a Monte Carlo model which simulates the evolution of Rexel's and panel shares' quotations at the end of the two years vesting period. Also, the impact of restrictions attached to the dividends until the delivery date of the shares to the beneficiaries was excluded from the fair value.

Plans issued in 2012

On May 2, 2012 and on July 26, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,262,404 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (May 3, 2014 and July 27, 2014), these being restricted for an additional two-year period (until May 3, 2016 and July 27, 2016), the so-called "2+2 Plan", or four years after the grant date with no subsequent restrictions, the so-called "4+0 Plan". The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	MEMBERS OF GROUP EXECUTIVE COMMITTEE AND TOP MANAGERS		TOTAL
Vesting conditions	Two-year service condition from grant date and performance conditions based on: (i) 2012 adjusted EBITA, (ii) 2011/2013 adjusted EBITA margin increase and (iii) average free cash flow before interest and tax to EBITDA between 2012 and 2013 (iv) free cash flow before interest and tax 2012		
Plan	2+2	4+0	
May plan's delivery date	May 3, 2014	May 3, 2016	
Share fair value at grant date May 2, 2012	€14.47	€13.14	
Maximum number of shares granted on May 2, 2012	737,024	1,282,300	**2,019,324**
July plan's delivery date	July 27, 2014	July 27, 2016	
Share fair value at grant date July 26, 2012	€11.85	€10.46	
Maximum number of shares granted on July 26, 2012	59,243	183,837	**243,080**
Total maximum number of shares granted in 2012	**796,267**	**1,466,137**	**2,262,404**
Forfeited in 2012	(118,149)	(227,478)	**(345,627)**
Total maximum number of shares granted as of December 31, 2012	**678,118**	**1,238,659**	**1,916,777**
Forfeited in 2013	(470,615)	(839,965)	**(1,310,580)**
Total maximum number of shares granted as of December 31, 2013	**207,503**	**398,694**	**606,197**
Delivered in 2014	(204,328)	–	**(204,328)**
Forfeited in 2014	(3,175)	(6,748)	**(9,923)**
Total maximum number of shares granted as of December 31, 2014	**–**	**391,946**	**391,946**

The fair value of Rexel's shares granted to employees is estimated based upon the stock price at the grant date. The impact of restrictions attached to the dividends until the delivery date of the shares to the beneficiaries is excluded from the fair value.

Plans issued in 2011 and before

In 2011 and 2010, Rexel entered into several bonus share plans for its senior executives and key employees subject to service and performance conditions.

	PLANS ISSUED IN 2011	PLANS ISSUED IN 2010
Average share fair value at the grant date	€11.64	€10.47
Maximum number of shares granted initially	**2,752,789**	**967,720**
Forfeited	(779,066)	(130,266)
Maximum number of shares granted as of December 31, 2013 and not yet delivered	**1,973,723**	**837,454**
Forfeited in 2014	(1,197,177)	(2,592)
Delivered in 2014	–	(834,862)
Maximum number of shares granted as of December 31, 2014 and not yet delivered	**776,546**	**–**

15.2 Stock option plans

In 2005, Rexel established a share option subscription program that entitles key management personnel to purchase Rexel shares. Vesting conditions included the occurrence of certain events including in particular the admission of the Company's shares to trading on a regulated market.

In April 2007, options granted under this program vested in full upon the Initial Public Offering of Rexel shares.

These options are exercisable by the beneficiaries at the fair value of the shares at the date of grant for a period of 10 years from grant date. These plans are qualified as equity-settled transactions.

DATE OF ALLOCATION / BENEFICIARIES	NUMBER OF INSTRUMENTS ORIGINALLY ALLOCATED	NUMBER OF OPTIONS ACTIVE AS OF DECEMBER 31, 2014	OPTIONS TERM	EXERCISE PRICE
OPTIONS ALLOCATED TO KEY MANAGERS ("PLAN NO. 1")				
• on October 28, 2005	2,711,000	32,820	October 28, 2016	€5.0
• on May 31, 2006	169,236	–		
• on October 4, 2006	164,460	–		
OPTIONS ALLOCATED TO KEY EMPLOYEES ("PLAN NO. 2")				
• on November 30, 2005	259,050	121,178	November 30, 2016	€5.0
• on May 31, 2006	34,550	3,976		€6.5
Total options granted by Rexel	**3,338,296**	**157,974**		

15.3 Share-based payment expenses

Expenses related to free share plans accounted for in "Distribution and administrative expenses" are summarized as follows:

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Plans issued in 2010	–	0.9
Plans issued in 2011	1.4	5.0
Plans issued in 2012	2.2	2.9
Plans issued in 2013	5.8	4.3
Plans issued in 2014	4.1	–
Expense related to employee share purchase plan	0.8	1.3
Total free share plans expense	**14.3**	**14.4**

16. Earnings per share

Information on the earnings and number of ordinary and potential dilutive shares included in the calculation is presented below:

	FOR THE YEAR ENDED DECEMBER 31,	
	2014	**2013 (1)**
Net income attributed to ordinary shareholders (in millions of euros)	***199.7***	***210.5***
Weighted average number of ordinary shares *(in thousands)*	286,128	275,708
Potential dilutive shares resulting from the dividend payment in shares *(in thousands)*	327	1,551
Non dilutive potential shares *(in thousands)*	1,324	1,605
Weighted average number of issued common shares and non dilutive potential shares (in thousands)	***287,778***	***278,864***
Basic earning per share *(in euros)*	**0.69**	**0.76**
Net income attributed to ordinary shareholders (in millions of euros)	***199.7***	***210.5***
Weighted average number of issued common shares and non dilutive potential shares *(in thousands)*	287,778	278,864
Potential dilutive shares *(in thousands)*	2,550	3,191
• of which share options *(in thousands)*	110	125
• of which bonus shares *(in thousands)* (2)	2,439	3,066
Weighted average number of common shares used for the calculation of fully diluted earnings per share (in thousands)	***290,328***	***282,055***
Fully diluted earnings per share *(in euros)*	**0.69**	**0.75**

(1) Restated for changes in accounting policies following the adoption of IFRIC Interpretation 21 "Levies" (see note 2.2.1).
(2) The number of potential dilutive shares does not take into account the free shares whose allocation is subject to future performance or market conditions not yet met at the balance sheet date.

17. Provisions and other non-current liabilities

	AS OF DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Provisions	64.4	65.4
Derivatives	19.2	32.6
Other non-current liabilities	10.1	10.0
Provisions and other non-current liabilities	**93.7**	**108.0**

Other non-current liabilities comprise profit sharing related payables to French employees in the amount of €10.1 million (€10.0 million at December 31, 2013).

The variation in provisions is detailed in the table below:

(in millions of euros)	RESTRUCTURING	TAX LITIGATION	OTHER LITIGATION & WARRANTY CLAIMS	VACANT PROPERTIES	TOTAL PROVISIONS
As of January 1, 2013	**23.9**	**6.5**	**22.9**	**21.9**	**75.2**
Increase	11.5	0.5	4.6	12.3	**28.9**
Use	(17.1)	(0.2)	(2.8)	(14.0)	**(34.2)**
Release	(0.2)	–	(1.9)	(1.0)	**(3.1)**
Currency translation adjustment	(0.6)	(0.2)	(0.7)	(0.5)	**(2.0)**
Other changes	–	0.2	0.4	–	**0.6**
As of December 31, 2013	**17.5**	**6.8**	**22.5**	**18.7**	**65.4**
Increase	29.9	–	5.9	10.5	**46.3**
Use	(19.8)	(0.7)	(7.0)	(13.8)	**(41.3)**
Release	(1.3)	(4.7)	(0.4)	(1.0)	**(7.4)**
Currency translation adjustment	0.4	0.1	–	1.0	**1.5**
Other changes	(0.1)	–	–	–	**(0.1)**
As of December 31, 2014	**26.6**	**1.5**	**21.0**	**15.3**	**64.4**

Provisions mainly comprise:

- Provisions for redundancy plans to adapt the Group's structure to current trading conditions. These restructuring plans resulted in the closure of branches, distribution centers and administrative headquarters. Provisions for restructuring activities undertaken at December 31, 2014, mainly concerned, Europe for €20.2 million (€13.0 million in 2013), North America for €4.6 million (€3.5 million in 2013) and Asia-Pacific for €1.7 million (€1.0 million in 2013).
- Tax litigation concerned mainly Canada for €1.2 million (€1.6 million in 2013).
- Other litigations and warranty claims amounted to €21.5 million (€22.5 million in 2013), of which €8.6 million relating to litigation with French social security authorities, €2.5 million for employee claims (€1.8 million in 2013) and €1.8 million for trade disputes litigation litigations (€2.9 million in 2013).
- Provisions for lease commitments related to vacant properties mainly in the United Kingdom for €6.7 million (€9.5 million in 2013), the United States for €2.9 million (€3.9 million in 2013) and France for €2.1 million (€2.0 million in 2013).

18. Post-employment and long-term benefits

18.1 Defined benefit plans description

The Group provides employee benefits under various arrangements, including defined benefit and defined contribution plans. The specific conditions of these plans vary according to the rules applying in each country concerned. These plans include pensions, lump-sum payments on retirement, jubilees, early retirement benefits, and health care and life insurance benefits in favor of former employees, including retired employees.

The most significant funded defined benefit pension plans sponsored by the Group are in Canada, in the United Kingdom and in Switzerland. Related funds are managed through independent vehicles.

In the United Kingdom, Rexel operates deferred final salary defined benefits through the *Rexel UK Pension Scheme* fund. All sections under this plan are closed to new entrants with effect of April 5, 2002. Accrued benefits and pensions are subject to indexation. Statutory funding objectives are agreed between the Trustee board and the company. In that respect, the Trustee board carries out a full valuation of the Scheme at least every three years, after which a recovery plan of contributions is agreed with the company to restore any funding deficit. The most recent full valuation was performed on April 5, 2014 and was rolled forward up to December 31, 2014 for accounting purposes. The Trustee board is also responsible for determining the investment strategy of the plan.

In Switzerland, Rexel provides a second pillar pension plan for their employees. Assets are managed through a pension fund *"Pension Kasse"*, the *Elektro Material Pension Plan*. The plan runs under a contribution-based pension plan agreement with guaranteed return, thus qualifying as a defined benefit plan. The Pension Board *"Conseil de Fondation"* is responsible to set up adequate Company's and employee's contribution and asset allocation strategy that seeks to meet at least guaranteed return. A full valuation of this plan is performed each year.

In The Netherlands, until December 31, 2013, the main pension plan in force was a mix between defined benefit and defined contribution ("hybrid-type" plan). The defined benefit portion was subject to a ceiling. Above the defined benefit portion, a defined contribution section applied. Defined benefit pension plan was a salary average plan open for new entrants. As from January 1, 2014, a Collective Defined Contribution (CDC) plan has been implemented in *lieu et place* of the former Defined benefit Plan (DB Plan). The CDC arrangement establishes the new contribution formula for all future accruals. The employer risk related to past service has been transferred to the pension fund with increases in accrued benefits being granted solely on the available means in the pension fund. As such, all further legal or constructive obligations for the benefits provided under the DB Plan have been eliminated. There was no impact neither on the balance sheet nor on the profits and losses in 2014 associated with the DB Plan derecognition as the net defined benefit obligation liability was nil as of December 31, 2013 (the fair value of the defined benefit liability and the plan assets was €351.5 million).

In Canada, defined benefit pension plans mainly include:

- The Employees' Plan which is a registered plan and has both defined benefit and defined contribution provisions. The defined benefit provision of the plan has a career average type formula. This plan was closed to new entrants on January 1, 2000.
- The Executives' Pension Plan and the Supplementary Executives' Retirement Plan "SERP" which provides retirees with a pension based on a percentage of their prior earnings. The Executives' Plan is a final average earnings defined benefit registered plan. The SERP has two provisions: the first provides benefit in excess of the limits of the Executives' Plan and the second portion provides a term annuity upon retirement based on a notional account.

A full actuarial valuation is performed every three years. The most recent valuations were performed as at December 31, 2013. The 2014 quantitative information on these plans was prepared based on a roll forward of these full valuations.

18.2 Employee Benefit Plan information

The change in the present value of the obligation in respect of defined benefit plans is as follows:

	DEFINED BENEFIT OBLIGATIONS					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2013	**399.5**	**397.1**	**277.9**	**173.0**	**174.9**	**1,422.3**
Service cost	2.7	0.1	3.7	5.4	5.3	17.2
Interest cost	12.5	15.1	10.2	2.9	5.3	46.0
Benefit payments	(18.4)	(10.4)	(12.5)	(5.2)	(18.4)	(64.9)
Employee contributions	0.7	–	0.7	2.7	0.2	4.3
Currency translation adjustment	–	(8.6)	(27.6)	(2.9)	(6.3)	(45.4)
Past service cost / settlement and other	(0.3)	–	(3.0)	0.2	(5.9)	(8.9)
Remeasurements						
Effect of change in demographic assumptions	*18.9*	–	*9.1*	–	*1.6*	*29.6*
Effect of change in financial assumptions	–	*(16.7)*	*(31.9)*	*(11.0)*	*(6.0)*	*(65.6)*
Effect of experience adjustments	*(6.4)*	*1.1*	*1.7*	*(3.0)*	*(3.5)*	*(10.0)*
As of December 31, 2013	**409.2**	**377.7**	**228.4**	**162.2**	**147.1**	**1,324.6**
Service cost	–	0.1	2.7	5.1	4.9	12.9
Interest cost	1.8	17.3	10.5	3.3	5.4	38.3
Benefit payments	(1.6)	(12.8)	(13.3)	(4.4)	(7.8)	(39.9)
Employee contributions	–	–	0.6	3.0	0.1	3.6
Change in consolidation scope	–	–	–	7.3	–	7.3
Currency translation adjustment	–	29.4	10.9	3.8	4.2	48.3
Past service cost / settlement and other	(351.5)	–	–	–	(19.7)	(371.3)
Remeasurements						
Effect of change in demographic assumptions	*(10.4)*	–	*1.9*	–	*3.2*	*(5.3)*
Effect of change in financial assumptions	*11.5*	*67.2*	*23.4*	*15.9*	*9.8*	*127.8*
Effect of experience adjustments	*(0.0)*	*11.2*	*(1.3)*	*(1.1)*	*(2.2)*	*6.6*
As of December 31, 2014	**58.9**	**490.1**	**263.9**	**195.0**	**144.9**	**1,152.8**

The change in the fair value of the defined benefit plan assets breaks down as follows:

	PLAN ASSETS					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2013	**382.4**	**290.6**	**173.9**	**148.7**	**54.1**	**1,049.7**
Employer contributions	2.7	9.5	7.5	7.2	6.7	33.6
Employee contributions	0.7	–	0.7	2.7	0.2	4.3
Interest income	12.3	10.0	6.6	2.6	1.5	33.0
Benefit payments	(19.2)	(11.2)	(12.5)	(5.2)	(19.5)	(67.5)
Currency translation adjustment	–	(4.6)	(19.0)	(2.4)	(3.9)	(30.0)
Return on plan assets excluding interest income (OCI)	27.0	11.3	9.1	6.7	4.1	58.1
As of December 31, 2013	**405.9**	**305.6**	**166.4**	**160.3**	**43.0**	**1,081.2**
Employer contributions	0.2	10.0	7.4	4.4	6.2	28.1
Employee contributions	–	–	0.6	3.0	0.1	3.6
Interest income	1.8	13.4	7.8	3.3	1.6	27.8
Benefit payments	(1.6)	(12.8)	(13.3)	(4.4)	(7.3)	(39.4)
Change in consolidation scope	–	–	–	5.0	–	5.0
Currency translation adjustment	–	23.1	7.6	3.6	1.1	35.3
Past service cost / settlement and other	(351.5)	–	–	–	(14.0)	(365.5)
Return on plan assets excluding interest income (OCI)	4.2	11.5	7.3	9.6	(0.0)	32.5
As of December 31, 2014	**58.9**	**350.8**	**183.7**	**184.6**	**30.6**	**808.6**

The change in the net liability / (asset) breaks down as follows:

	NET LIABILITY / (ASSET)					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2013	**17.0**	**106.5**	**104.0**	**24.2**	**120.7**	**372.6**
Service cost	2.7	0.1	3.7	5.4	5.3	17.2
Interest cost	0.2	5.1	3.6	0.3	3.8	13.0
Past service cost / settlement and other	(0.3)	–	(3.0)	0.2	(5.9)	(8.9)
Employer contributions	(2.7)	(9.5)	(7.5)	(7.2)	(6.7)	(33.6)
Benefit payments	0.8	0.8	–	(0.0)	1.1	2.7
Currency translation adjustment	–	(4.0)	(8.6)	(0.5)	(2.3)	(15.4)
Remeasurements	(14.6)	(26.9)	(30.1)	(20.6)	(12.0)	(104.1)
As of December 31, 2013	**3.3**	**72.2**	**62.0**	**1.9**	**104.0**	**243.4**
Service cost	–	0.1	2.7	5.1	4.9	12.9
Interest cost	–	3.9	2.7	(0.0)	3.7	10.4
Past service cost / settlement and other	–	–	–	–	(5.8)	(5.8)
Employer contributions	(0.2)	(10.0)	(7.4)	(4.4)	(6.1)	(28.1)
Benefit payments	–	–	–	–	(0.5)	(0.5)
Change in consolidation scope	–	–	–	2.4	–	2.4
Currency translation adjustment	–	6.3	3.3	0.2	3.1	13.0
Remeasurements	(3.1)	66.9	16.8	5.2	10.9	96.5
As of December 31, 2014	**0.0**	**139.4**	**80.1**	**10.4**	**114.3**	**344.2**

The reconciliation of the liability recognized on the balance sheet with the present value of the obligation in respect of defined benefit plans is as follows:

	LIABILITY RECONCILIATION					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
For the year ended December 31, 2013						
Defined benefit obligations	**409.2**	**377.7**	**228.4**	**162.2**	**147.1**	**1,324.6**
of which funded schemes	*409.2*	*376.1*	*200.9*	*159.6*	*67.2*	*1,213.0*
of which unfunded schemes	*–*	*1.6*	*27.5*	*2.6*	*79.9*	*111.6*
Fair value of plan assets	(405.9)	(305.6)	(166.4)	(160.3)	(43.0)	(1,081.2)
Recognized net liability for defined benefit obligations	**3.3**	**72.2**	**62.0**	**1.9**	**104.0**	**243.4**
of which "Employee benefits"	*3.3*	*72.2*	*62.0*	*1.9*	*104.0*	*243.4*
of which "Other financial assets"	*–*	*–*	*–*	*–*	*–*	*–*
For the year ended December 31, 2014						
Defined benefit obligations	**58.9**	**490.1**	**263.9**	**195.0**	**144.9**	**1,152.8**
of which funded schemes	*58.9*	*488.2*	*231.6*	*192.0*	*60.0*	*1,030.7*
of which unfunded schemes	*–*	*2.0*	*32.2*	*3.0*	*84.9*	*122.1*
Fair value of plan assets	(58.9)	(350.8)	(183.7)	(184.6)	(30.6)	(808.6)
Recognized net liability for defined benefit obligations	**0.0**	**139.4**	**80.1**	**10.4**	**114.3**	**344.2**
of which "Employee benefits"	*0.0*	*139.4*	*80.1*	*10.4*	*114.3*	*344.2*
of which "Other financial assets"	*–*	*–*	*–*	*–*	*–*	*–*

18.3 Re-measurements of the net defined benefit liability

	OTHER COMPREHENSIVE INCOME					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Return on plan assets excluding interest income	(27.0)	(11.3)	(9.1)	(6.7)	(4.1)	(58.1)
Effect of change in demographic assumptions	18.9	–	9.1	–	1.5	29.5
Effect of change in financial assumptions	–	(16.7)	(31.8)	(11.0)	(6.1)	(65.6)
Effect of experience adjustments	(6.4)	1.1	2.1	(3.0)	(3.0)	(9.2)
OCI recognized for the year ended December 31, 2013	**(14.6)**	**(26.9)**	**(29.7)**	**(20.7)**	**(11.7)**	**(103.4)**
Return on plan assets excluding interest income and asset ceiling	(4.2)	(11.5)	(7.3)	(9.6)	0.0	(32.5)
Effect of change in demographic assumptions	(10.4)	–	1.9	–	3.2	(5.3)
Effect of change in financial assumptions	11.4	67.2	23.4	15.7	9.1	126.7
Effect of experience adjustments	(0.0)	11.2	(1.3)	(1.1)	(2.2)	6.6
OCI recognized for the year ended December 31, 2014	**(3.3)**	**66.9**	**16.7**	**4.9**	**10.1**	**95.4**

18.4 Employee Benefit expense

The expense recognized in the consolidated income statement breaks down as follows:

	EXPENSE					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost [(2)]	2.7	0.1	3.7	5.4	5.3	17.2
Past service cost [(2)]	(0.3)	–	(3.0)	0.2	(5.9)	(8.9)
Net Interest expense [(3)]	0.2	5.1	3.6	0.3	3.8	13.0
Other [(2)]	0.7	–	(0.5)	0.1	0.1	0.4
Expense recognized for the year ended December 31, 2013	**3.3**	**5.2**	**3.8**	**6.0**	**3.3**	**21.6**
Service cost [(1)]	–	0.1	2.7	5.1	4.9	12.9
Past service cost [(1)]	–	–	–	–	(5.8)	(5.8)
Net Interest expense [(3)]	0.1	3.9	2.7	(0.0)	3.7	10.4
Other [(1)]	–	–	0.0	0.3	0.4	0.8
Expense recognized for the year ended December 31, 2014	**0.1**	**4.1**	**5.5**	**5.4**	**3.3**	**18.3**

(1) Recognized as personnel costs (see note 6).
(2) Recognized as personnel costs (see note 6) and in other income (see note 7).
(3) Recognized as net financial expenses (see note 8).

Significant plan amendments and settlements

For the year ended December 31, 2014

In the United States, health and life insurance benefits to certain eligible participants were reduced such that, effective January 1, 2015, post-65 retiree medical coverage is available at a higher cost to the participant and life insurance coverage is no longer offered for active members and retirees who are not yet 60 on January 1, 2015. These changes resulted in a gain of €4.8 million recognized in the third quarter of 2014 as a reduction in salaries and benefits.

The Group also initiated the termination of a qualified pension plan for US employees by purchasing annuities and paying lump sums in 2014. This resulted in a settlement gain of €1.2 million recognized as a reduction in salaries and benefits. The full termination process is expected to end in 2015.

In The Netherlands, a Collective Defined Contribution plan has been implemented in *lieu et place* of the former Defined Benefit plan which have been eliminated without any impact, neither on the balance sheet nor in profit and loss (see note 18.1).

For the year ended December 31, 2013

Effective on June 30, 2013, post-employment benefits scheme (other than pensions) in Canada was amended to enable employees to elect for a cash lump-sum settlement benefits in *lieu et place* of post-employment coverage (health & dental care, life insurance) on retirement. As a result of this amendment, a gain of €3.1 million (CAD 4.2 million) was recognized in the income statement as a reduction in administrative expenses (salaries and benefits).

Following a resolution of the Trustee board of the Irish pension plan dated June 26, 2013, the pension scheme was wound-up and the benefits were transferred to a new defined contribution plan. A full valuation was performed at the date of the wind-up of this defined benefit retirement plan resulting in the recognition of a profit in the income statement of €4.4 million (see note 7).

In France, a curtailment gain of €1.6 million was recognized as a result of the reduction in the participating members of a supplemental executive retirement scheme.

18.5 Plan asset allocation

	PLAN ASSETS CLASS			
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND
Cash and cash equivalents	0.6	16.6	0.8	11.9
Equity instruments (quoted in an active market)	124.6	17.1	72.2	52.4
Debt instruments (quoted in an active market)	197.4	124.2	90.4	60.9
Real estate	–	–	–	31.8
Investment funds	–	147.1	–	3.3
Asset held by insurance company	83.3	–	3.0	–
Other	–	0.6	–	–
As of December 31, 2013	**405.9**	**305.6**	**166.4**	**160.3**
Cash and cash equivalents	–	19.2	0.9	10.2
Equity instruments (quoted in an active market)	–	20.3	79.6	61.6
Debt instruments (quoted in an active market)	–	154.4	99.9	70.0
Real estate	–	–	–	35.7
Investment funds	–	156.2	–	0.8
Asset held by insurance company	58.9	–	3.4	–
Other	–	0.6	–	6.5
As of December 31, 2014	**58.9**	**350.8**	**183.7**	**184.6**

18.6 Actuarial assumptions

The main actuarial assumptions are as follows:

	THE NETHERLANDS		UNITED KINGDOM		CANADA		SWITZERLAND	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Average plan duration *(in years)*	19	15	18	17	14	14	16	16
Discount rate *(in %)*	2.00	3.25	3.50	4.50	4.00	4.75	1.25	2.00
Future salary increases *(in %)*	3.00	3.00	NA	NA	3.12	3.11	2.00	2.00

Discount rates have been set by reference to market yields on high quality corporate bonds (AA rated-bonds by at least one of the top three rating agencies: Standard & Poor's, Moody's and Fitch) with a similar duration to the underlying obligation. Each future year expected benefit payments are discounted by the corresponding of the yield curve and when there is no deep market in bonds with a sufficiently long maturity to match the maturity of the benefit payments, the discount rate is estimated by extrapolating current market rates along the yield curve. Then a single discount rate is calculated that, when applied to all cash-flows, results in the same interest cost as the application of the individual rates would have produced.

18.7 Post-employment plan risks

In order to identify and deal with the risks in relation to the management of pension and other post-retirement plans, a pension committee made up by Finance and Human Resources representatives, meets on a quarterly basis. This pension committee, supported by experts, reviews, in particular, the funding of pension plans, and the performance of the pension plan's assets. It is informed of any material event in relation to the benefits granted to employees, the financial impact in relation to the plans, or changes in the regulations. The committee reports to Audit Committee on a yearly basis.

The Group's major defined benefit plans are subject to funding requirements that mainly fluctuate based on interest rates, performance of plan assets and changes in local regulations. Depending on changes in the above parameters, the Group may be required to make additional contributions to the pension funds in a defined time frame.

Volatility in discount rates and inflation

The defined benefit liability is calculated by discounting future expected cash flows. Discount rates are determined based upon bonds yield prevailing at the measurement date which may fluctuate from one period to another. In addition, accrued benefits and pension annuities are usually subject to salary increase and conditional or unconditional indexation which vary depending on inflation level. Any change in the above parameters may adversely affect the defined benefit liability and the service cost, and thus triggers additional contributions to comply with local minimum funding requirements.

Volatility in asset values

Plan assets mainly include equities, fixed incomes securities and other assets which values are subject to market volatility. A downturn in financial markets would result in an increase of the net liability and, therefore, in reduced funding ratios requiring additional contributions from the Group in a defined time frame.

Sensitivity analysis

	SENSITIVITY TO A 25 BASIS POINTS DECREASE IN DISCOUNT RATE					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost	–	–	0.1	0.2	0.1	0.4
Defined Benefit Obligation	2.7	21.3	8.4	7.4	4.1	43.9

	SENSITIVITY TO A 10% DOWNTURN IN FINANCIAL MARKET					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Plan assets	–	(2.0)	(8.0)	(6.2)	(0.7)	(16.9)

Risk Management

To mitigate risks identified above, the Group has already implemented or is currently setting up the following actions which include changes in the design of the defined benefit schemes as well as financial measures:

- closure of defined benefits schemes, where appropriate, and move to defined contribution plans, with frozen benefit rights,
- rationalization of benefits including the level of pension benefits, conversion rate factors and indexation caps,
- selective additional cash contributions to increase funding level, on top of regular contributions,
- inflation and interest rate hedging,
- adoption of investment strategies that broadly match the nature of the liabilities, with a progressive alignment of asset allocation and pension plans duration,
- regular meetings with trustees, and
- periodic review of investment performance by independent advisors to monitor investment volatility.

18.8 Expected cash flows

	EXPECTED CASH FLOW					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Expected benefit payments for 2015	1.6	13.5	11.8	6.0	5.1	38.0
Expected benefit payments for 2016	1.7	14.5	12.2	5.5	5.2	39.2
Expected benefit payments for 2017	1.8	15.5	12.6	5.5	7.4	42.9
Expected benefit payments for 2018	1.8	17.1	13.0	5.7	12.3	49.9
Expected benefit payments for 2019 and after	12.1	117.2	86.6	34.3	42.9	293.2
Expected benefit contributions for 2015	–	10.4	7.7	5.9	4.2	28.1

19. Financial liabilities

This note provides information on financial liabilities as of December 31, 2014. Financial liabilities include interest-bearing loans from financial institutions, borrowings and accrued interests less transaction costs.

19.1 Net financial debt

As of December 31, 2014, Rexel's consolidated net debt stood at €2,213.1 million, consisting of the following items:

	AS OF DECEMBER 31,					
	2014			2013		
(in millions of euros)	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Senior Notes	–	1,992.2	1,992.2	–	1,835.6	1,835.6
Securitization	128.2	1,013.9	1,142.1	–	1,067.5	1,067.5
Bank loans	65.0	4.4	69.3	35.6	19.2	54.8
Commercial paper	85.9	–	85.9	119.1	–	119.1
Bank overdrafts and other credit facilities	81.7	–	81.7	54.3	–	54.3
Finance lease obligations	8.8	18.4	27.2	7.3	24.7	32.0
Accrued interests (1)	9.7	–	9.7	11.6	–	11.6
Less transaction costs	(8.0)	(32.9)	(40.9)	(11.2)	(38.8)	(50.0)
Total financial debt and accrued interest	***371.2***	***2,995.9***	***3,367.1***	***216.7***	***2,908.2***	***3,124.9***
Cash and cash equivalents			(1,159.8)			(957.8)
Accrued interest receivables			(0.7)			–
Debt hedge derivatives			6.5			25.1
Net financial debt			**2,213.1**			**2,192.0**

(1) Of which accrued interests on Senior Notes for €4.9 million as of December 31, 2014 (€4.6 million as of December 31, 2013).

19.1.1 Senior Facility Agreement

On November 13, 2014, Rexel entered into an amendment of its €1,100 million existing revolving credit facilities agreement dated March 15, 2013 reduced to €1,055 million in September 2013 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.

The Senior Facility Agreement provides a five-year multicurrency revolving credit facility for an aggregate maximum amount reduced to €982 million which can also be drawn down through swingline loans for an aggregate amount of €157.5 million. The original maturity of this credit facility (November 2019) may be extended two times by one year.

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, (ii) the applicable margin, (iii) certain premia for loans in currencies other than euro and (iv) mandatory costs (representing the costs to be borne by the lenders for the financing of the banking control system imposed by the banking regulatory authorities of their respective countries), if any.

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

The initial applicable margin is 1.25% per annum and 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 0.85% to 2.5%.

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.

Under the Senior Credit 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 consolidated net debt relative to adjusted consolidated EBITDA, as such terms are defined below:

Adjusted Consolidated EBITDA means operating income before other income and other expenses, plus depreciation and amortization as set forth in the Group's consolidated financial statements and:

- includes adjusted EBITDA over the last 12 months of all of the companies acquired during the relevant period, pro rata to the Group's participation,
- includes proceeds relating to commodity price derivatives to hedge exposure to price fluctuations of certain commodities which do not qualify for cash flow hedge accounting under IFRS,
- excludes expenses relating to employee profit sharing and any share based payments or the granting of share subscription options,
- excludes restructuring costs relating to the integration of Hagemeyer and any other restructuring and/or acquisition costs relating to any other acquisitions,
- after adding back EBITDA of assets held for sale and not taking into account EBITDA of assets sold during the Measurement Period, and
- adjusted to exclude the non-recurring impact on the Group's consolidated EBITDA related to the price of copper in cables.

Adjusted consolidated net debt means all financial debt (whether the interest with respect to such debt is paid or capitalized) converted to the average rate of the last 12 months when the debt is in a currency other than the euro:

- less intra-group loans and transaction costs, as well as the financial charges accounted for as a result of the repayment of the debt outstanding under the previous facilities agreement,
- plus all indebtedness relating to the issuance of securities that are not mandatorily redeemable into shares and any other amount relating to a loan under international accounting standards,
- plus accrued interest (including capitalized interest), excluding interest accrued on intra-group loans, and
- minus cash and cash equivalents.

This ratio may exceed 3.50 on three accounting dates during the life of the Senior Facility Agreement, 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 (it being specified that only two of such three accounting dates may be consecutive).

This refinancing transaction was accounted for as an exchange of debt without any recognition of gain and loss in the income statement.

As of December 31, 2014, this credit facility was not drawn down.

In addition to the Senior Facility Agreement, Rexel entered into two bilateral term loan agreements of €32.9 million (US$ 40 million) and €45 million, maturing respectively in June 2015 and in March 2018. As of December 31, 2014, these facilities were undrawn.

19.1.2 Senior notes

As of December 31, 2014, the carrying amount of the existing senior notes is detailed as follows:

	AS OF DECEMBER 31,									
	2014					**2013**				
	NOMINAL AMOUNT *(in millions of currency)*		NOMINAL AMOUNT *(in millions of euros)*	FAIR VALUE ADJUSTMENTS (1)	TOTAL	NOMINAL AMOUNT *(in millions of currency)*		NOMINAL AMOUNT *(in millions of euros)*	FAIR VALUE ADJUSTMENTS	TOTAL
Senior notes due 2018	EUR	488.8	488.8	10.2	**499.0**	EUR	488.8	488.8	(0.3)	**488.5**
Senior notes due 2019	USD	500.0	411.8	(4.1)	**407.7**	USD	500.0	362.6	(11.5)	**351.1**
Senior notes due 2020	USD	500.0	411.8	0.8	**412.6**	USD	500.0	362.6	(8.6)	**354.0**
Senior notes due 2020	EUR	650.0	650.0	22.8	**672.8**	EUR	650.0	650.0	(7.9)	**642.1**
TOTAL			**1,962.5**	**29.7**	**1,992.2**			**1,863.9**	**(28.3)**	**1,835.6**

(1) Adjustment to reflect interest rate fluctuations on the part of the notes hedged through fair value hedge derivatives (see note 20.1).

Notes due 2020

Rexel issued on April 3, 2013, €650 million and US$500 million of senior unsecured notes due 2020 with coupons of 5.125% and 5.250% respectively.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from December 15, 2013. The notes mature on June 15, 2020 and are listed on the Luxembourg Stock Exchange.

These notes are redeemable in whole or in part at any time prior to June 15, 2016 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, 2016, the 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)	
	EURO BONDS	DOLLAR BONDS
June 15, 2016	103.844%	103.938%
June 15, 2017	102.563%	102.625%
June 15, 2018	101.281%	101.313%
June 17, 2019 and after	100.000%	100.000%

The net proceeds of these notes were used on April 17, 2013 to redeem the 8.25% senior notes due 2016.

These notes were redeemed at their principal amount of €586.3 million plus accrued and unpaid interest of €16.0 million and an applicable "make-whole" redemption premium of €54.0 million.

In 2013, in relation to the repayment of the senior notes due 2016, the Group revised the amortized cost of such notes and recognized a financial expense of €23.5 million as a result of the effective interest rate method. This loss included the "make-whole" premium plus the unamortized initial transaction costs of €9.1 million after deducting fair value hedge adjustments of €39.6 million.

Notes due 2019

On March 28, 2012, Rexel issued US$ 400 million (€299.9 million) senior unsecured notes. The notes were issued at 100% of their nominal amount and bear interest annually at 6.125%. They are listed on the Luxembourg Stock Exchange. On April 23, 2012, an additional US$100 million principal amount of these notes was issued at a price of 100.75% of nominal (*i.e.* an issuance price of €76,7 million). The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2012. The notes will mature on December 15, 2019.

The notes are redeemable in whole or in part at any time prior to December 15, 2015 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after December 15, 2015, the 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)
December 15, 2015	103.063%
December 15, 2016	101.531%
December 15, 2017 and after	100.000%

In addition, at any time on or prior to June 15, 2015, Rexel may redeem up to 35% of the outstanding aggregate principal amount of the notes using the net proceeds from one or more specified equity offerings.

Notes due 2018

On May 27, 2011, Rexel issued €500 million senior unsecured notes. The notes were issued at 99.993% of their nominal amount and bear interest annually at 7%. They are listed on the Luxembourg Stock Exchange. Rexel pays interest on the notes semi-annually in arrears on June 17 and December 17, with the first payment made on December 17, 2011. The notes will mature on December 17, 2018.

Notes due 2018 and all of Rexel's existing and future unsecured senior debt rank *pari passu* and senior to all its existing and future subordinated debt.

Notes due 2018 are redeemable in whole or in part at any time prior to June 17, 2015 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 17, 2015, the 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)
June 17, 2015	103.500%
June 17, 2016	101.750%
June 17, 2017 and after	100.000%

Call options embedded in the senior notes have not been bifurcated as on each exercise date:

- the exercise price of the option is approximately equal to the amortized cost of the senior notes,
- the exercise price approximates the present value of lost interest for the holders of the senior notes.

19.1.3 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 incurring bank loans.

The specific characteristics of the Rexel Group's securitization programs vary depending on the country. The relevant subsidiaries remain responsible for the collection of receivables once assigned. These receivables are assigned to special-purpose entities operating with no action required by the subsidiaries. The special purpose vehicles obtain the financing required to purchase these receivables, notably through the issuance of short-term debt instruments such as French, US, or Canadian commercial paper, which is rated by rating agencies.

In exchange for the assigned receivables, the subsidiaries receive a cash payment from the special purpose vehicle, the amount of which represents the value of the receivables minus an amount committed to guarantee their recovery, which latter amount is only reimbursed, in whole or in part, after complete payment of the receivables. However, under certain programs, the Group also has the option of contributing its receivables in exchange for subscribing the securitization vehicle's subordinated notes.

In view of their characteristics, notably the fact that the Group retains a significant part of the late payment and credit risks, these receivables assignment programs, with the exception of an off-balance sheet US program described in the following paragraphs, do not qualify for derecognition under IAS 39 requirements. Therefore, assigned receivables remain classified as assets on the Group's balance sheet on the line "Trade accounts receivable" whereas the financing received is shown as financial debt.

In addition to these on-balance sheets programs, in 2009, the Group entered into an agreement with Ester Finance Titrisation (the purchaser), a French subsidiary of CALYON, 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 2014 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 December 2017.

The purchase price of the receivables is equal to the face value of the receivables sold less a discount including a credit risk premium and the funding cost. Under the RPA, the Group is liable for collecting the receivables on behalf of the purchaser and receives servicing fees as remuneration of this obligation. As part of this transaction, the Group entered into a Collateral and Intercreditor Agreement to secure the performance of its obligations under the RPA. The obligations of the Group under the RPA guarantee the transfer of cash collected by the Group on behalf of the purchaser, as well as the payment of expenses and allowances due by the Group. However, these guarantees do not include any compensation obligation in relation to unrecovered receivables.

As a result of this agreement, credit risk, interest risk and late payments risk attached to the receivables assigned in relation to the Ester program are transferred to the purchaser through the credit and funding discounts. The dilution risk is not considered for risks and rewards analysis as this risk is not attached to the receivables but is analyzed as a risk of misuse of the securitization program as disputed receivables are not eligible to the program or as a risk attached to the servicing of the receivables that is guaranteed by a collateral. Therefore, receivables sold under this agreement are derecognized from the balance-sheet at the transfer date.

The difference between the sale price and the carrying value of these receivables is recorded in the income statement as a financial expense.

As of December 31, 2014, derecognized receivables totaled €180.1 million (€106.3 million as of December 31, 2013) and the resulting loss was recorded as a financial expense for €5.5 million (€5.1 million in 2013). Carrying value and fair value of cash collected under the servicing agreement in relation to derecognized receivables and not yet transferred to the purchaser totaled €23.1 million and was recognized in financial liabilities (€7.3 million as of December 31, 2013).

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 December 31, 2014, 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.

Information with respect to Rexel's securitization programs including the off-balance sheet programs is provided in the table below:

PROGRAM	COMMITMENT	AMOUNT OF RECEIVABLES ASSIGNED AS OF DECEMBER 31, 2014	AMOUNT DRAWN DOWN AS OF DECEMBER 31, 2014	BALANCE AS OF DECEMBER 31, 2014	BALANCE AS OF DECEMBER 31, 2013	REPAYMENT DATE
	(in millions of currency)			*(in millions of euros)*		
Europe and Australia (1) (2)	EUR 425.0	EUR 511.3	EUR 396.1	396.1	402.4	12/18/2017
United States	USD 545.0	USD 690.8	USD 513.5	422.9	326.3	12/20/2017
Canada(2)	CAD 190.0	CAD 285.9	CAD 180.3	128.2	129.5	11/19/2015
Europe(2)	EUR 384.0	EUR 527.1	EUR 374.9	374.9	308.0	12/20/2016
TOTAL				**1,322.2**	**1,166.2**	
Of which:						
• on balance sheet				1,142.1	1,067.5	
• off balance sheet (US Ester program)				180.1	98.7	

(1) On July 31, 2014, Rexel amended its paneuropean & Australian securitization program and extended the maturity date from December 2016 to 2017.
(2) Repayment date may be extended twice by one year at the option of Rexel, subject to bank approval.

These securitization programs pay interest at variable rates including a specific credit spread to each program. As of December 31, 2014, the total outstanding amount authorized for these securitization programs was €1,393.0 million, of which €1,322.2 million were used.

19.1.4 Commercial paper program

Rexel runs a €500 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 December 31, 2014, the company had issued €85.9 million of commercial paper (€119.1 million as of December 31, 2013).

19.2 Change in net financial debt

As of December 31, 2014 and December 31, 2013, the change in net financial debt was as follows:

	FOR THE PERIOD ENDED DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
As of January 1	**2,192.0**	**2,599.2**
Issuance of Senior Notes net of transaction cost	–	1,025.2
Buy-out of Senior Notes	–	(640.3)
Net change in term loan facilities	–	(25.9)
Transaction costs and refinancing costs	(1.8)	(15.5)
Net change in other credit facilities and bank overdrafts	(5.6)	(14.4)
Net change in credit facilities	**(7.4)**	**329.1**
Net change in securitization	19.3	16.9
Net change in finance lease liabilities	(5.1)	(48.9)
Net change in financial liabilities	***6.7***	***297.0***
Change in cash and cash equivalents	(178.9)	(665.2)
Effect of exchange rate changes on net financial debt	135.7	(103.2)
Effect of changes in consolidation scope on gross indebtedness	6.1	–
Amortization of transaction costs	10.8	13.8
Non recurring refinancing costs	–	23.5
Other changes(1)	40.6	26.8
As of December 31	**2,213.1**	**2,192.0**

(1) Of which in 2014, €36.4 million relating to the settlement of interest swaps qualified as fair value hedge of the senior notes (€30.4 million in 2013).

20. Market risks and financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

20.1 Interest rate risk

In order to hedge its exposure to changing interest rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a hedging ratio on a one-year rolling basis of close to 80%, 50% on a two-year rolling basis, and 25% on a three-year rolling basis of its net financial debt at fixed or capped rates with the remainder at variable interest rates.

The breakdown of financial debt between fixed and variable rates, before and after hedging, is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Senior Notes and other fixed rate debt	2,003.5	1,866.4
Floating to fixed rate swaps	1,515.1	1,550.0
Fixed to floating rate swaps	(823.7)	(1,525.1)
Sub-total fixed or capped rate instruments	**2,695.0**	**1,891.3**
Floating rate debt before hedging	1,369.4	1,283.4
Floating to fixed rate swaps	(1,515.1)	(1,550.0)
Fixed to floating rate swaps	823.7	1,525.1
Cash and cash equivalents	(1,159.8)	(957.8)
Sub-total floating rate debt instruments	**(481.8)**	**300.7**
Total net financial debt	**2,213.1**	**2,192.0**

Fair value hedge derivatives

As of December 31, 2014, the portfolio of interest rate swaps used as hedge for exposure of changes in fair value of its senior notes disclosed in note 19.1.2 :

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros))*	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE (1) *(in millions of euros)*	HEDGED ITEM
SWAPS PAYING VARIABLE RATE							
American dollar	500.0	411.8	December 2019	1.49%	3M LIBOR	(5.2)	Notes due 2019
	500.0	411.8	June 2020	1.78%	3M LIBOR	(1.2)	Notes due 2020
Total		**823.7**				**(6.4)**	

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €0.4 million.

The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement as interest expenses on borrowings. The changes in fair value of the derivatives and the changes in the fair value of the hedged item are recognized in the income statement to match each other.

Any adjustment to carrying value of items carried at amortized cost is amortized through profit or loss over the remaining term.

The change in fair value of these fair value hedging swaps for the period ending December 31, 2014 represented a gain of €57.2 million, partially offset by a loss of €58.2 million resulting from the change in the fair value of the Senior Notes.

In 2014, some fair value hedge derivatives were settled for a cash premium received of €36.4 million. This premium was recognized as part of the cost of the hedged notes and is amortized through profit and loss over the remaining life of the related notes using the effective interest rate method.

Cash-flow hedge derivatives

In accordance with the policy described above, the Group has entered into several fixed interest rate swap contracts.

Cash-flow hedge swaps mature until September 2016. The Group intends to renew a significant portion of these swaps in order to hedge the variability of future interest expense related to its floating interest debt, in accordance with the strategy described above. The allocation of hedging instruments among currencies hinges upon the Group's expectations concerning trends of the interest rates linked to those currencies.

As of December 31, 2014, derivative instruments classified as cash flow hedges are as follows:

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED	WEIGHTED AVERAGE FIXED RATE PAID	FAIR VALUE (1) *(in millions of euros)*
SWAPS PAYING FIXED RATE						
American dollar	200.0	164.7	June 2015	1M LIBOR	0.38%	(0.5)
	200.0	164.7	September 2016	1M LIBOR	0.71%	(0.5)
Canadian dollar	90.0	64.0	March 2015	1M C-DOR	1.45%	(0.3)
	90.0	64.0	September 2015	3M C-DOR	1.61%	(0.1)
Australian dollar	100.0	67.4	June 2016	1M BB AUD	2.98%	(1.6)
British pound	100.0	128.4	March 2015	3M LIBOR	0.62%	(0.0)
Total		**653.3**				**(3.0)**

(1) Derivative instruments are presented at fair value, including accrued interest payable for €1.9 million.

The change in fair value of the cash flow hedging instruments for the year ended December 31, 2014 was recorded as a €0.3 million increase in cash-flow hedge reserve (before tax). The ineffectiveness recognized in 2014 was immaterial.

Derivatives not eligible for hedge accounting

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED (PAID)	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE (1) *(in millions of euros)*
SWAPS PAYING FIXED RATE						
Euro	62.5	62.5	May 2018	6M EURIBOR	3.21%	(7.3)
American dollar	250.0	205.9	September 2015	3M LIBOR	0.53%	(0.3)
	300.0	247.1	June 2016	3M LIBOR	0.79%	(0.6)
Swedish Krona	1,300.0	138.4	September 2016	3M STIBOR	1.73%	(3.6)
Swiss franc	100.0	83.2	March 2015	3M LIBOR	(0.02)%	0.0
	150.0	124.8	December 2016	3M LIBOR	0.39%	(1.5)
Total		**861.8**				**(13.3)**

(1) Derivative instruments are presented at fair value, including accrued interest payable of €1.4 million.

These derivatives are designated primarily as hedges of variable cash flows arising from interest rate swaps and are not eligible to hedge accounting under IAS 39 provisions.

Sensitivity to interest rate variation

As of December 31, 2014, a 1% increase in interest rates on variable debt after effective interest rate hedging would lead to an increase in the current annual interest expense estimated to €2.3 million and a €16.6 million gain related to the change in fair value of the hedging instruments of which a €11.9 million in the income statement and €4.7 million in other comprehensive income.

20.2 Foreign exchange risk

The Group's financing policy is to centralize external borrowings and to provide financing to its foreign subsidiaries in their own functional currencies. The foreign currency risk arises principally from intercompany financings denominated in currencies other than euro and is managed at corporate level. In order to neutralize foreign exchange risk exposure, the Group's parent company incurs external indebtedness in foreign currencies other than euro or enters into foreign exchange derivatives (forward contracts or exchange rate swaps). As part of this policy, the Group issued senior notes denominated in US dollars in 2012 and 2013 for an aggregate amount of US$1,000 million of which US$919 million were qualified as net investment hedges of the US dollars denominated Group's net assets. As of December 31, 2014, unrealized exchange loss in other comprehensive income related to external borrowings qualified as net investment hedges account for €98.9 million before tax.

As of December 31, 2014, the notional value of foreign exchange derivatives was €19.0 million (€2.0 million of forward sales and €17.0 million of forward purchases). Forward contracts are recognized at their fair value for a net negative amount of €0.1 million. The change in fair value of forward contracts for the year ended December 31, 2013 was recorded as a financial gain for €0.6 million.

Sensitivity to changes in foreign exchange rates

The Group's financial statements are presented in euros, and it is therefore required to translate into euro those assets, liabilities, revenues and expenses denominated in currencies other than the euro.

The results of these operations are included in the Group's consolidated income statement after conversion at the average rate applicable to the period. On an annual basis, a 5% increase (or decrease) of the euro against the main currencies (US dollar, Canadian dollar, Australian dollar and British pound) would lead to a decrease (increase) in sales of €304.2 million and a decrease (increase) in operating income before other income and other expenses of €13.4 million.

The Group's financial liabilities and shareholders' equity are likewise included on its consolidated balance sheet after conversion at the financial year-end exchange rate. Thus, a 5% appreciation (depreciation) of the euro against the other currencies as compared to the closing exchange rates as of December 31, 2014 would result in a corresponding decrease (increase) in financial debt and shareholders' equity of €89.4 million and €94.8 million respectively.

Financial debt per repayment currency

The table below presents the financial debt's sensitivity to exchange rate changes for each repayment currency:

(in millions of euros)	EURO	US DOLLAR	CANADIAN DOLLAR	AUSTRALIAN DOLLAR	NORWEGIAN KRONE	SWEDISH KRONA	BRITISH POUND	SWISS FRANC	OTHER CURRENCIES	TOTAL
Financial liabilities	1,793.1	1,087.1	129.2	107.3	1.2	0.9	172.5	0.0	82.3	3,373.6
Cash and cash equivalents	(1,370.8)	(142.1)	114.6	36.3	(21.9)	155.8	(127.5)	222.2	(27.2)	(1,160.5)
Net financial position before hedging	**422.3**	**945.0**	**243.8**	**143.6**	**(20.7)**	**156.7**	**45.0**	**222.2**	**55.1**	**2,213.1**
Impact of hedges	2.5	(0.5)	(1.2)	–	–	–	(1.4)	–	0.5	(0.0)
Net financial position after hedging	**424.9**	**944.6**	**242.6**	**143.6**	**(20.7)**	**156.7**	**43.6**	**222.2**	**55.6**	**2,213.1**
Impact of a 5% increase in exchange rates	*–*	*47.2*	*12.1*	*7.2*	*(1.0)*	*7.8*	*2.2*	*11.1*	*2.8*	*89.4*

20.3 Liquidity Risk

The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its financial liabilities when they are due. The Group aims to maintain the level of its cash and cash equivalents and available credit facilities at an amount in excess of its cash outflows on financial liabilities over the next 12 months.

The contractual repayment schedule of financial liabilities is as follows:

(in millions of euros)	AS OF DECEMBER 31, 2014	2013
DUE WITHIN		
One year	379.1	227.9
Two years	384.2	252.2
Three years	644.8	411.5
Four years	501.5	134.3
Five years	409.3	798.2
Thereafter	1,088.9	1,350.9
Total gross financial debt	**3,407.9**	**3,174.9**
Transaction costs	(40.9)	(50.0)
Gross financial debt	**3,367.0**	**3,124.9**

As of December 31, 2014, the remaining contractual cash-flows in relation to financial indebtedness and derivatives, including interest owed, are as follows:

(in millions of euros)	FINANCIAL DEBT & INTERESTS	DERIVATIVES	TOTAL
DUE WITHIN			
One year	539.4	(2.6)	536.8
Two years	534.8	1.4	536.3
Three years	786.4	5.5	791.9
Four years	620.6	7.1	627.7
Five years	494.3	7.6	501.8
Thereafter	1,114.5	1.6	1,116.2
Total gross financial debt	**4,089.9**	**20.7**	**4,110.6**

The senior notes issued in May 2011, whose nominal value amounts to €488.8 million, mature in December 2018, the US$500 million senior notes issued in April 2012 mature in December 2019, and the €650 million and the US$500 million senior notes issued in April 2013 mature in June 2020.

The Senior Facility Agreement was amended in November 2014 for a period of 5 years ending in

November 2019. The Senior Facility Agreement together with the Bilateral Term loans provide a five-year multicurrency revolving credit facility for an aggregate maximum available amount of €1,059.9 million which can also be drawn down through swingline loans for an aggregate amount of €157.5 million (see note 19.1.1).

Lastly, securitization programs mature in 2015, 2016 and 2017. The financing under these programs directly depends on the amounts and quality of transferred receivables. In the event that the relevant companies do not comply with certain obligations, these securitization programs may have to be repaid early, which could have an adverse effect on the Group's liquidity and financial situation. In addition, if the special purpose entities to which the receivables have been transferred were unable to issue short term debt (commercial paper) under conditions that are equal to those available up to now, the Group's liquidity and financial position could be affected.

In addition, the trade accounts payable amounted to €2,126.8 million as of December 31, 2014 (€2,009.9 million as of December 31, 2013) and are due in less than one year.

As of December 31, 2014, the Group's liquidity amounted to €2,052.2 million (€1,884.3 million as of December 2013) in excess of €1,673.1 million compared to €379.1 million expected to be paid within the next twelve months with respect to debt repayment.

	AS OF DECEMBER 31,	
(in millions of euros)	**2014**	**2013**
Cash and cash equivalents	1,159.8	957.8
Bank overdrafts	(81.7)	(54.3)
Commercial paper	(85.9)	(119.1)
Undrawn Senior credit agreement	982.0	1,100.0
Bilateral facility	77.9	–
Others	–	(0.2)
Liquidity	**2,052.2**	**1,884.3**

20.4 Counterparty risk

The financial instruments that could expose the Group to counterparty risk are mainly trade accounts receivable, cash and cash equivalents and derivative instruments.

Credit risk with respect to trade accounts receivable is limited due to the large number of customers, the diversity of their activities (contractors, manufacturers, municipalities), and their geographical spread in France and abroad. In addition, credit insurance programs have been implemented in the majority of the significant countries in which the Group operates. The maximum risk corresponding to the total accounts receivable after guarantees and impairment amounted to €2,206.0 million and is detailed in note 11.2 Trade receivables.

The counterparty risk concerning cash, cash equivalents and hedging instruments is likewise limited by the quality of the relevant counterparties, which are the Group's traditional banking partners for its financing and are almost exclusively based in Europe. The outstanding amount was €1,159.9 million as of December 31, 2014 (€958.1 million as of December 31, 2013), which equals the net book value of the aforementioned items.

The maximum counterparty risk on the Group's other financial assets was €523.5 million (€496.6 million as of December 31, 2013) and mainly corresponds to supplier discounts receivable.

21. Summary of financial liabilities

(in millions of euros)	CATEGORY IAS 39	IFRS 7 HIERARCHY*	AS OF DECEMBER 31, 2014 CARRYING AMOUNT	2014 FAIR VALUE	2013 CARRYING AMOUNT	2013 FAIR VALUE
Bonds	AC	1	1,992.2	2,045.9	1,835.6	1,961.1
Other financial debts, including accrued interest	AC		1,374.9	1,374.9	1,289.3	1,289.3
Total financial liabilities			**3,367.1**		**3,124.9**	
Hedging derivatives (1)	FV P&L	2	6.5	6.5	24.2	24.2
Hedging derivatives (1)	FV OCI	2	0.7	0.4	0.4	0.4
Other derivative instruments not eligible to hedge accounting	FV P&L	2	11.6	11.6	7.9	7.9
Other liabilities (2)	NA		10.1	NA	10.0	NA
Total other non-current liabilities			**29.0**		**42.5**	
Trade accounts payable	AC		**2,126.8**	**2,126.8**	**2,009.9**	**2,009.9**
Vendor rebates receivable	AC		119.3	119.3	104.0	104.0
Personnel and social obligations (2)	NA		231.9	NA	225.9	NA
VAT payable and other sales taxes (2)	NA		82.3	NA	69.1	NA
Hedging derivatives (1)	FV OCI	2	0.3	0.8	0.8	0.8
Other derivative instruments not eligible to hedge accounting	FV P&L	2	0.5	0.5	1.7	1.7
Other liabilities	AC		223.4	223.4	213.0	213.0
Deferred income	NA		8.4	NA	7.2	NA
Total other debts			**666.2**		**621.6**	

(1) Specific accounting measurements for hedging.

(2) Not classified as a financial instrument under IAS 39.

Financial liabilities – stated at amortized cost	AC
Fair value through profit or loss	FV P&L
Fair value through other comprehensive income	FV OCI
Not applicable	NA

* For fair value hierarchy see note 2.8.4.

22. Operating leases

The following table details the Group's obligations in relation to operating lease contracts, representing the minimum payments under non-cancelable leases:

(in millions of euros)	PAYMENTS OUTSTANDING AS OF DECEMBER 31, 2014	2013
DUE WITHIN		
One year	189.9	201.9
Two years	150.4	147.6
Three years	112.9	103.5
Four years	77.3	65.3
Thereafter	148.1	140.6
Total	**678.6**	**658.8**

The total expense under operating lease contracts was €211.2 million for the year ended December 31, 2014 (€214.6 million as of December 31, 2013).

23. Related party transactions

Executive compensation

Expenses relating to compensation of the executive committee members of the Group are as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2014	2013
Salaries and other short-term benefits	11.7	14.1
Post-employment benefits (service costs)	1.0	0.9
Indemnities at termination of contract	0.6	–
Free shares and stocks options [1]	4.8	6.1

(1) Share-based payment expense is detailed in note 15 – Share based payments.

Salaries and other short-term benefits comprise the social security contributions and payroll taxes paid by the Group.

In the event of a breach of employment contract, the Group could have to compensate the executive committee members a total amount of €10.1 million.

24. Litigation & other contingencies

24.1 Litigation

The Rexel Group is subject to legal, administrative and regulatory proceedings in the normal course of its business. A provision is recognized in the balance sheet when it is probable that an outflow of economic benefits from Rexel or one of its subsidiaries will be required to settle the obligation and when the amount can be estimated reliably.

The principal proceedings are set out below.

Asbestos litigation

The Group is party to several proceedings relating to exposure to asbestos-containing materials in the United States. The Group believes that the risk of it being ordered to pay significant amounts in connection with these proceedings is limited, and that these lawsuits will not therefore have, individually or as a whole, a material adverse effect on its financial condition or results of operations, since the claims may be rejected or settled for amounts partially or fully covered by Rexel's insurance policies. Considering the wide range of these claims, the different stages in the proceedings, the number of defendants and the absence of any individual claim, the Group cannot precisely assess the financial consequences that may result from these proceedings.

ACCC (Australia) claim against Olex and others

On December 3, 2014, the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings in the Federal Court of Australia against several parties, including the Australian affiliate of the Group (Rexel Electrical Supplies PTY Ltd). The proceedings have been filed against five companies, six individuals and an industry association for alleged cartel and exclusionary conduct in the supply and acquisition of electrical cable in Australia.

At this early stage in the proceedings, it is not possible either to predict the outcome of this claim or to meaningfully quantify its financial impact.

The principal tax proceedings involving Group companies as of December 31, 2014 are described below:

Rexel Distribution (absorbed by Rexel Développement in 2011)

The French tax authorities alleged that the selling price of Rexel Distribution's shareholding in Rexel Inc. (Rexel's US subsidiary), transferred in 2005 to its Luxembourg subsidiary Rexel Luxembourg, was €46 million lower than its market value, resulting in an income tax reassessment of €17.5 million, which was covered in full by a provision. In March 2011, the case was referred to the Administrative Court, which issued a judgment in November 2012 rejecting the tax reassessment entirely. The tax authorities lodged an appeal in January 2013. In November 2014, the Court of appeal confirmed the previous judgment. Therefore the provision was fully released.

Rexel

Following a tax audit, Rexel received in December 2011 a proposed tax reassessment in which the French tax authorities allege that Rexel did not demonstrate that its borrowings from Ray Finance LP (subsidiary of Ray Investment SARL) amounting to €952 million were real transactions; they also alleged that Ray Finance LP enjoyed a privileged tax regime and accordingly, rejected the deduction of €91 million of interest expense related to the 2005 to 2007 tax years. Rexel disputes the tax authority's position entirely and referred the case to the Administrative Court in April 2014. A provision amounting to €32 million was recorded by writing down deferred tax assets on tax losses carried forward.

Hagemeyer Finance BV Finnish branch

In a final report received in May 2014, Finnish tax authorities asserted that the interest on the financing used to acquire Elektroskandia Oÿ in 2008 should be allocated to the Dutch head office of Hagemeyer Finance BV, rather than to the Finnish branch. The Group disputed this analysis in a response letter sent in September 2014. In December 2014, Finnish tax authorities issued the reassessment decision for years 2008-2012, resulting in an amount of tax payable of 11.3 million euros for fiscal years 2008-2012. Rexel intends to lodge an appeal in 2015 before the Board of Adjustment. Rexel considers that it is more likely than not that the matter will be resolved favorably in its interest and has therefore not recorded a provision.

To the best of Rexel's knowledge, over the last financial year there were no other legal or arbitration proceedings that might have or recently had a material impact on the financial situation or profitability of Rexel.

24.2 Other contingent liabilities

The Group has granted the following warranties to purchasers in connection with the disposal of certain subsidiaries. These warranties had not been called as of the balance sheet date, except where stated otherwise.

Tax warranties

In connection with previous divestment transactions, the Group committed to indemnify purchasers for tax liabilities of the companies sold relating to events occurred prior to their sale.

As of December 31, 2014, Techpac Holdings Ltd had notified to Hagemeyer B.V. various claims under the warranty provisions of the Share Sale Agreement dated June 12, 2003 between several Hagemeyer group companies as "Vendors" and Techpac Holdings Ltd as "Purchaser" ("the SSA"). The claims relate mainly to tax litigations between Tech Pacific India Ltd and the Indian tax authorities. The SSA provides for full indemnification by the Vendor to the Purchaser as long as claims by tax authorities are not barred. Hagemeyer B.V. has recorded a provision amounting to €1.8 million to cover those risks.

Environmental warranty

Under an agreement signed on February 28, 2003 with Ashtenne, a real estate company, concerning a sale and leaseback transaction relating to 45 sites in Europe, the Group agreed to indemnify the purchaser for any environmental liabilities with respect to third party claims and governmental injunctions. This warranty covers a maximum of €4 million free of VAT for all of the properties sold, with a minimum threshold of €30,000. This commitment expires five years after the expiration of the lease.

25. Events after the reporting period

At the presentation date of the consolidated financial statements there have been no subsequent events after December 31, 2014 that would have a significant impact on Rexel's financial situation.

26. Consolidated entities as of December 31, 2014

All these subsidiaries are consolidated.

	HEAD OFFICE	% INTEREST
FRANCE		
Holding companies and Group services companies		
Rexel	Paris	Parent company
Rexel Développement S.A.S.	Paris	100.00
Rexel Amérique latine S.A.S.	Paris	100.00
Operating companies		
Rexel France S.A.S.	Paris	100.00
Société Coaxel Toulousaine	Paris	100.00
Dismo France S.A.S.	St-Ouen l'Aumône	100.00
Espace Elec S.A.S.	Ajaccio	100.00
SCI Adour Bastillac	Paris	100.00
Société Immobilière d'Investissement Parisienne S.N.C.	Paris	100.00
BizLine S.A.S.	Paris	100.00
BCCT	Paris	100.00
Conectis S.A.S.	Paris	100.00
Francofa Eurodis S.A.S.	Rosny-sous-Bois	100.00
R-Scan	Paris	100.00
Distodiag	Paris	100.00
SBEM	Paris	100.00
Eurobat	Croissy-Beaubourg	100.00
La Boîte Electrique	Paris	100.00
Esabora Digital Services	Paris	100.00
EUROPE		
Germany		
Rexel GmbH	Munich	100.00
Hagemeyer Deutschland GmbH & Co KG	Munich	100.00
Hagemeyer Deutschland Verwaltungs GmbH	Munich	100.00
Hagemeyer Beteiligungs GmbH	Munich	100.00
Silstar Deutschland GmbH	Emmerich	100.00
Hagemeyer Holding Deutschland GmbH	Munich	100.00
United Kingdom		
Rexel Senate Ltd.	Potters Bar	100.00
Denmans Electrical Wholesalers Ltd.	Potters Bar	100.00
Senate Group Ltd.	Potters Bar	100.00
Rexel (UK) Holdings Ltd.	Potters Bar	100.00
Rexel (UK) Ltd.	Potters Bar	100.00
Newey & Eyre Ltd.	Potters Bar	100.00
Parker Merchanting Limited	Potters Bar	100.00
WF Electrical Plc	Potters Bar	100.00

	HEAD OFFICE	% INTEREST
Newey & Eyre (C.I.) Ltd.	Guernsey	100.00
Warrior Ltd.	Potters Bar	100.00
H.A. Wills (Southampton) Ltd.	Potters Bar	100.00
Rexel UK Pension Trustees Ltd.	Potters Bar	100.00
A&A Security Technologies Limited	Potters Bar	100.00
Defiance Contractor Tools Limited	Potters Bar	100.00
J&N Wade Limited	Potters Bar	100.00
Clearlight Electrical Company	Potters Bar	100.00
Power Industries Limited	Potters Bar	100.00
Sweden		
Rexel Sverige AB	Älvsjö	100.00
Moel AB	Bredaryd	100.00
Austria		
Rexel Central Europe Holding GmbH	Vienna	100.00
Rexel Austria GmbH	Vienna	100.00
Schäcke GmbH	Vienna	100.00
Regro Elektro-Grosshandel GmbH	Vienna	100.00
The Netherlands		
B.V. Electrotechnische Groothandel J.K. Busbroek	Zwolle	100.00
Rexel Nederland B.V.	Gouda	100.00
Cosa Liebermann B.V.	Hoofddorp	100.00
Hagemeyer B.V.	Hoofddorp	100.00
Hagemeyer Finance B.V.	Hoofddorp	100.00
Borsu International B.V.	Hoofddorp	100.00
Italy		
Rexel Italia SpA	Milano	100.00
Spain		
ABM-Rexel SL	Madrid	100.00
Erka Materiales Eléctricos, S.L.	Renteria	100.00
Suministros Eléctricos Erka, S.L.	Renteria	100.00
Belgium		
Rexel Belgium S.A.	Zellik	100.00
Portugal		
Rexel Distribuição de Material Elecrico S.A.	Lisboa	100.00
Ireland		
Rexel Electrical Supply & Services Holding Ltd.	Dublin	100.00
M Kelliher 1998 Ltd.	Tralee	100.00
Hagemeyer Industrial Ireland Ltd.	Limerick	100.00
Astrotek Ireland Limited	Dublin	100.00
Switzerland		
Elektro Material AG	Zurich	100.00

	HEAD OFFICE	% INTEREST
Elevite AG	Spreitenbach	100.00
Lichtexpress.ch SA	Bedano	100.00
Wefam Holding AG	Zug	100.00
Luxembourg		
Rexel Luxembourg S.A.	Luxembourg	100.00
Rexel RE S.A.	Luxembourg	100.00
Mexel Distribution	Luxembourg	100.00
Czech Republic		
Rexel CZ s.r.o.	Brno	100.00
Slovakia		
Hagard. Hal, spol. Sr.o.	Nitra	100.00
Hungary		
Rexel Hungary General Supply & Services kft	Fót	100.00
Slovenia		
Elektronabava d.o.o.	Ljubljana	100.00
Poland		
Elektroskandia Polska S.A.	Poznan	100.00
Russia		
OOO Elektroskandia Rus	St. Petersburg	100.00
Estonia		
OÜ Elektroskandia Baltics	Tallinn	100.00
Finland		
Rexel Finland Oy	Hyvinkää	100.00
Norway		
Elektroskandia Norge AS	Oslo	100.00
Elektroskandia Norway Holding AS	Oslo	100.00
SOUTH AMERICA		
Peru		
Rexel Peru Holding S.A.C.	Lima	100.00
Rexel Peru S.A.C.	Lima	100.00
AMP Ingenieros S.A.C.	Arequipa	100.00
Chile		
Rexel Chile SA	Santiago	100.00
Flores y Kersting SA	Santiago	100.00
Brazil		
Nortel Suprimentos Industrias S.A.	Campinas	100.00
NORTH AMERICA		
United States		
Rexel Holdings USA Corp.	Dallas	100.00
Rexel Inc.	Dallas	100.00
SKRLA LLC	Dallas	100.00

	HEAD OFFICE	% INTEREST
SPT Holdings Inc.	Dallas	100.00
Rexel of America LLC	Dallas	100.00
Rexel Patriot Acquisition, LLC	Dallas	100.00
Consolidated Electrical Supply Limited	Dallas	99.99
General Supply & Services Inc.	Dallas	100.00
Gesco General Supply & Services Puerto Rico LLC	Shelton	100.00
Canada		
Rexel North America Inc.	St Laurent	100.00
Rexel Canada Electrical Inc.	Mississauga	100.00
Liteco Inc.	Fredericton	100.00
ASIA-OCEANIA		
Hong Kong SAR		
Rexel Hong Kong Ltd.	Kowloon	100.00
Huazhang Electric Automation Holding Co Ltd.	Hong Kong	100.00
LuckyWell Int'l Investment Ltd.	Hong Kong	100.00
China		
Rexel Ouneng (Beijing) Technology Co. Ltd	Beijing	55,00
Rexel Hailongxing Electrical Equipment Co., Ltd.	Beijing	65.00
Rexel Hualian Electric Equipment Commercial Co., Ltd.	Shanghai	65.00
Zhejiang Huazhang Automation Equipment Co., Ltd.	Huanzhou	100.00
GE Supply (Shanghai) Co., Ltd.	Shanghai	100.00
Rexel China Management Co., Ltd.	Shanghai	100.00
Suzhou Xidian Co., Ltd.	Suzhou	100.00
Beijing LuckyWell-ZN Electrical Co., Ltd.	Beijing	100.00
Beijing ZhongHeng Hengxin Automation Co., Ltd.	Beijing	100.00
Henan Qixin Automation Equipment Co., Ltd.	Zhengzhou	100.00
Shanghai Suhua Industrial Control Equipment Co. Ltd	Shanghai	100.00
LinElec Business Consulting (Shanghai) Limited	Shanghai	100.00
India		
Yantra Automotion Private Limited	Pune	100.00
Rexel India Private Limited	Mumbai	100.00
A.D. Electronics Private Limited	Mumbai	100.00
Macau SAR		
Gexpro Supply (Macau) Company Limited	Macau	100.00
Korea		
Gexpro korea Co., Ltd.	Seoul	100.00
Indonesia		
P.T. Hagemeyer Cosa Liebermann	Jakarta	100.00
P.T. General Supply & Services Indonesia	Jakarta	100.00
Malaysia		
Rexel Luxlight SDN. BHD.	Kuala Lumpur	100.00

	HEAD OFFICE	% INTEREST
Singapore		
Gexpro Asia Pte Ltd.	Singapore	100.00
Rexel South East Asia Pte Ltd.	Singapore	100.00
Luxlight Pte, Ltd.	Singapore	100.00
Lenn International Pte Ltd.	Singapore	100.00
Thailand		
Rexel General Supply and Services Co., Ltd.	Bangkok	100.00
Rexel Quality Trading Co., Ltd.	Bangkok	70.00
Vietnam		
Rexel Vietnam Co., Ltd.	Ho Chi Minh City	100.00
Australia		
Rexel Holdings Australia Pty Ltd.	Sydney	100.00
Rexel Electrical Supplies Pty Ltd.	Sydney	100.00
Australian Regional Wholesalers Pty Ltd.	Sydney	100.00
EIW Holding Pty Ltd.	Sydney	100.00
Hagemeyer Holdings (Australia) Pty Ltd.	Sydney	100.00
New Zealand		
Rexel New Zealand Limited	Auckland	100.00
Redeal Pensions Ltd	Auckland	100.00
Kingdom Saudi Arabia		
Rexel Services KSA LLC	Riyadh	100.00
United Arab Emirates		
Redco FZE	Dubaï	100.00
Rexel Middle East FZE	Dubaï	100.00

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers 92208
Neuilly-sur-Seine Cedex

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

Rexel

Year ended December 31, 2014

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Rexel;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- Goodwill and intangible assets with indefinite useful lives are subject to annual impairment tests, according to the accounting policies and principles described in notes 2.5 and 10.1 to the consolidated financial statements. We have examined the terms and conditions for implementing these tests, as well as the data and assumptions used. We have also verified that the information disclosed in notes 7 and 10.1 to the consolidated financial statements is appropriate, especially regarding the sensitivity analysis.
- Your company has booked provisions relating to post-employment and other long-term benefits according to the accounting policies and terms and conditions described in note 2.11 to the consolidated financial statements. The related obligations were assessed with the assistance of external actuaries. Our work consisted in examining the data used, assessing the chosen assumptions and verifying that the information disclosed in note 18 to the consolidated financial statements is appropriate.
- Your company also makes estimates in respect of the measurement of financial instruments (notes 2.8.4 and 20), provisions and contingent liabilities (notes 2.13, 17 and 24) and deferred taxes (notes 2.17 and 9). Our work consisted in examining the data and assumptions used as well as the procedure implemented by management to approve these estimates. We have also reviewed, using sampling techniques, the calculations made by the Group and verified that the information disclosed in the notes to the consolidated financial statements is appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group’s management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 12, 2015

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Christian Perrier	Philippe Diu

COMPANY FINANCIAL STATEMENTS

Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of April 29, 2004, the following information is incorporated by reference in this *Document de Référence*:

- the company financial statements and the relevant audit report for the year ended December 31, 2013 which is included in pages 181 to 204 of the *Document de Référence* for the financial year ended on December 31, 2013 registered by the Autorité des marchés financiers on March 21, 2014, under number D.14-0181; and
- the company financial statements and the relevant audit report for the year ended December 31, 2012 which is included in pages 163 to 184 of the *Document de Référence* for the financial year ended on December 31, 2012 registered by the Autorité des marchés financiers on March 13, 2013, under number D.13-0130; and

6.1 COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

Income Statement

		FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	NOTE	2014	2013
Operating revenues		**1.5**	**1.8**
Other purchases and outside services		(16.7)	(45.2)
Taxes other than income taxes		(0.7)	(0.6)
Other expenses		(0.5)	(7.0)
Depreciation, amortization and increases in provisions		(2.1)	(18.8)
Loss from operations	(3.1)	**(18.5)**	**(69.8)**
Dividend income		211.5	299.9
Other financial revenues (from short-term investments, loans and exchange gains)		145.7	144.7
Decrease in financial provisions, transfer of expenses		–	–
Total financial revenues		**357.2**	**444.6**
Interest and related expenses and exchange losses		(132.4)	(188.8)
Increase in financial provisions		–	–
Total financial expenses	(3.2)	**(132.4)**	**(188.8)**
Net financial income		**224.8**	**255.8**
Income from ordinary activities		**206.3**	**186.0**
Non-recurring income (expense), net	(3.3)	**(47.6)**	–
Profit before tax		**158.7**	**186.0**
Income taxes	(3.5)	**62.4**	**81.7**
Net income		**221.1**	**267.7**

Balance sheet

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2014	2013
ASSETS			
Intangible fixed assets		**–**	**–**
Tangible fixed assets	(4.1)	**0.5**	**0.5**
Land		–	–
Buildings		0.5	0.5
Long-term financial assets	(4.1)	**4,562.7**	**4,942.8**
Investments in related companies		4,104.9	2,474.9
Other securities		–	–
Loans and other long-term financial assets		457.8	2,467.9
Fixed assets	(4.1)	**4,563.2**	**4,943.3**
Trade accounts receivable	(4.2)	1.8	2.2
Other accounts receivable	(4.2)	57.1	33.5
Short-term investments, cash and bank	(4.2)	993.2	805.9
Adjustment accounts			
Prepayments		0.1	0.1
Deferred charges	(4.2)	11.2	13.4
Unrealized exchange rate losses		–	–
Current assets		**1,063.4**	**855.1**
Total assets		**5,626.6**	**5,798.4**

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2014	2013
LIABILITIES AND STOCKHOLDERS' EQUITY			
Share capital		1,460.0	1,416.7
Share premiums		1,599.8	1,510.8
Legal reserve		45.4	32.0
Regulated reserves		–	–
Statutory and contractual reserves		–	–
Other reserves		40.3	47.7
Retained earnings		75.2	32.7
Net income for the period		221.1	267.7
Stockholders' equity	(4.3)	**3,441.8**	**3,307.6**
Provisions		**11.8**	**13.7**
Bonds	(4.4)	1,967.7	1,868.9
Borrowings from financial institutions	(4.4)	86.3	119.6
Other financial debt	(4.4)	103.4	470.3
Trade accounts payable		0.5	1.7
Other operating liabilities		15.1	16.6
Deferred income		–	–
Unrealized exchange rate gains		–	–
Liabilities	(4.4)	**2,173.0**	**2,477.1**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**5,626.6**	**5,798.4**

Company results over the last five years (as required by articles 133, 135 and 148 of the French commercial decree)

	FROM JANUARY 1 TO DECEMBER 31,				
(in euros)	**2010**	**2011**	**2012**	**2013**	**2014**
SHARE CAPITAL AT YEAR END					
Share capital	1,301,064,980	1,344,098,795	1,359,616,145	1,416,686,070	1,460,027,880
Number of issued shares	260,212,996	268,819,759	271,923,229	283,337,214	292,005,576
Number of convertible bonds	–	–	–	–	–
INCOME STATEMENT INFORMATION					
Sales, excluding sales taxes	2,567,134	2,528,803	3,046,692	1,837,506	1,475,018
Net income before taxes, depreciation and provisions	3,270,940	(24,069,187)	(61,519,890)	208,065,057	158,900,553
Income taxes	(69,665,297)	(93,128,578)	(70,816,280)	(81,663,693)	(62,368,238)
Net income	59,954,913	50,512,277	633,586	267,679,378	221,076,956
Earnings distributed	105,188,813	173,456,613	203,138,200	211,864,482	217,700,861 (1)
EARNINGS PER SHARE					
Earnings per share after taxes but before depreciation and provisions	0.28	0.26	0.03	1.02	0.76
Earnings per share after taxes, depreciation and provisions	0.23	0.19	0.00	0.94	0.76
Dividend paid per share	0.40	0.65	0.75	0.75	0.75 (1)
PERSONNEL					
Number of employees	–	–	–	–	–
Total remuneration	–	–	–	–	–
Total social charges and other personnel related expenses	–	–	–	–	–

(1) Proposed dividend, to be voted at the annual general meeting May 27, 2015.

Principal subsidiaries and other investments

DECEMBER 31, 2014 *(in millions of euros)*												
					CARRYING OF VALUE SHAREHOLDING							
CORPORATE NAME	REGISTERED OFFICE	CAPITAL	RESERVES AND RETAINED EARNINGS (EXCLUDING CURRENT YEAR RESULTS)	PERCENTAGE SHARE CAPITAL HELD	COST	NBV	OUTSTANDING LOANS	GUARANTEES GRANTED BY REXEL S.A.	CURRENT YEAR RESULT	DIVIDENDS RECEIVED	SALES
A/ FRENCH SUBSIDIARIES											
Rexel Développement SAS	Paris	2,098.7	1,800.3	100.00%	4,104.9	4,104.9	–	–	340.7	211.5 (1)	68.4
TOTAL		**2,098.7**	**1,800.3**		**4,104.9**	**4,104.9**	**-**	**-**	**340.7**	**211.5**	**68.4**

(1) Of which €176.3 million of interim dividends received from Rexel Développement on December 15, 2014.

Notes to the Company's financial statements

1. Description of business

Rexel SA incorporated in December 2004 is the holding company of Rexel Group. As such Rexel SA owns Rexel Développement SAS shares and provides the financing of its direct and indirect subsidiaries.

2. Accounting principles

The financial statements for the year ended December 31, 2014 are presented with comparative amounts for the year ended December 31, 2013 and have been prepared in accordance with French law and with accounting principles generally accepted in France.

The accounting principles set out below have been applied in a prudent manner, and in conformity with the following concepts:

- going concern,
- consistency,
- cut-off.

Main accounting principles used are described hereafter.

2.1 Long-term financial assets

Long-term investments are initially measured at acquisition cost. A valuation allowance is recorded when carrying value exceeds value in use. Rexel determines the value in use of long-term investments in subsidiaries on the basis of forecast future cash flows less net debt. When the carrying amount exceeds value in use, an impairment write-down is made in an amount equal to the difference.

2.2 Loans and other long-term financial assets

Loans and other long-term financial assets are initially measured at nominal amount. When considered necessary, a valuation allowance is recorded to cover the risk of non-recovery. Own shares held are measured at the year-end closing price.

2.3 Receivables and payables

Receivables and payables are recorded at historical cost. When considered necessary, receivables are subject to an allowance to cover the risk of non-recovery. Assets and liabilities denominated in foreign currencies are converted at the year-end exchange rate. Exchange rate differences arising from this adjustment are recorded on the balance sheet as "unrealized exchange rate gains or losses".

For assets and liabilities denominated in foreign currencies and subject to foreign exchange hedge (hedge fixing the foreign currency at the maturity date):

- Perfect hedge (the nominal amount of the hedging instrument is equal to the nominal amount of the underlying at the closing date): no unrealized exchange differences should be recognized since the unrealized exchange gains and losses on the underlying asset and liability is offset by the unrealized gains and losses linked to the hedging instrument.
- When the nominal amount of the hedging instrument is lower than the nominal amount of the underlying at the closing date: Only the unrealized exchange loss linked to non hedged part is provided for through the income statement.
- When the nominal amount of the hedging instrument is higher than the nominal amount of the underlying at the closing date: The accounting treatment of the non allocated part of the hedging instrument depends on whether the instrument is traded on an organized market and equivalent or over the counter market. When the hedging instrument is traded on an organized market and equivalent, unrealized exchange gains and losses are recognized through the income statement. When the hedging instrument is traded over the counter market, only the unrealized exchange losses linked to the non allocated part of the instrument is provided for through the income statement.

2.4 Short-term investments

Short-term investments are recorded at acquisition cost, with a provision to cover any unrealized losses. Own shares held and already attributed to free shares plans are recorded at acquisition cost until their delivery to recipients.

2.5 Borrowings and related issuing cost

Borrowings are recognized at nominal value. Bonds issue costs related to bonds issued prior to 2013 are amortized over the life of bonds. Bonds issue costs related to bonds issued starting in 2013 are recognized through the income statement as a consequence of the use of tax option. Bonds premiums are amortized, either over the life of bonds, or in proportion to accrued interests. Bonds in foreign currency are converted to the year-end exchange rate.

2.6 Financial instruments covering currency and interest rate risks

In order to optimize the management of its financial borrowings, Rexel uses derivatives instruments as hedges against foreign exchange and interest rate risks, in particular foreign exchange and interest rate swaps, forward exchange contracts, and interest rate and foreign exchange options. Premiums or discounts arising from the operation of interest rate swaps and of options are recorded in income over the life of the contracts, as an adjustment to interest expense.

2.7 Key events of the period

1. On April 17, 2014 Rexel SA increases in share capital of its subsidiary Rexel Développement for €1,630 million by offsetting loans in order to strengthen stockholder's equity.
2. On November 13, 2014, Rexel entered into an amendment of its €1,100 million existing revolving credit facilities agreement dated March 15, 2013 reducing it to €982 million and extending the original maturity two times by one year.
3. On December 15, 2014, Rexel received €176.3 million interim dividends from its subsidiary Rexel Développement.

3. Notes to the income statement

3.1 Operating revenues and expenses

Operating income amounts to €1.5 million (€1.8 million in 2013) and relates principally to services provided to subsidiaries.

Operating expenses amount to €20.0 million (€71.6 million in 2013) and mainly comprise fees and other expenses for €7.3 million (€11.6 million in 2013), personnel costs and other charges for €0.5 million (€7.0 million in 2013), bank charges for €8.6 million related in part to the non-use of the facilities under Senior Credit (€9.2 million in 2013), for €1.5 million related to the amendment of Credit Senior Agreement issue costs (€25.3 million related to refinancing in 2013), depreciation of loans issue costs for €2.0 million (€18.8 million in 2013) and depreciation of fixed assets for €0.1 million.

3.2 Net financial income

Net financial income amounts to €224.8 million (€255.8 million net income in 2013), comprising:

1. €357.2 million of financial income (€444.6 million in 2013) relating principally to dividends received for €211.5 million, to interests on loans to its subsidiaries for an amount of €28.8 million, to Rexel Développement for an amount of €26.3 million, to termination balances of interest rate swaps received for €36.4 million, to an applicable "make-whole" premium on Rexel Développement's loan for an amount of €23.8 million, to other financial incomes for €30.4 million.
2. €132.4 million of financial expenses (€188.8 million in 2013) relating principally to the interests of the senior unsecured notes for €110.6 million, the commercial paper for €0.8 million, the result of sales of Rexel's shares for €1.2 million, these shares being held in accordance with the share repurchase programme (see section § 4.1), net foreign exchange expense for €7.7 million, and other financial expenses for €12.1 million.

3.3 Non-recurring income and expenses

Non-recurring loss amounts to (€47.6) million in 2014 (No non-recurring income and expenses in 2013). It refers to the difference between the nominal value of the loan reimbursed by Rexel Développement and its acquisition cost.

3.4 Compensation of company officers

Board attendance fees paid to company officers during 2014 amount to €0.4 million (€0.3 million in 2013).

Compensation paid to company officers in 2014, amounts to €2.3 million (€2.7 million in 2013).

3.5 Income taxes

Under the group tax consolidation agreement, Rexel is liable for the payment of all tax due by the tax group. Each subsidiary records its individual tax charge calculated on its own taxable income, and any tax benefits arising are recognized by Rexel as the head of the tax group. Rexel has recognized an income of €65.2 million for 2014 (€83.8 million in 2013). The tax losses carried forward of the tax consolidation group amount to €328.0 million as of December 31, 2014 (€367.5 million in 2013) and the related estimated future tax relief amount to €83.8 million.

4. Notes to the balance sheet

4.1 Changes in fixed assets

(in millions of euros)	COST OR VALUATION, JANUARY 1, 2014	INCREASE	DECREASE	COST OR VALUATION, DECEMBER 31, 2014
Intangible fixed assets	–	–	–	–
Tangible fixed assets	0.5	–	–	0.5
Long-term financial assets:				
• Investments in related companies	2,474.9	1,630.0	–	4,104.9
• Loans and other long-term financial assets	2,467.9	70.5	2,080.6	457.8
Sub-total	**4,942.8**	**1,700.5**	**2,080.6**	**4,562.7**
TOTAL	**4,943.3**	**1,700.5**	**2,080.6**	**4,563.2**

Long-term financial assets

Investments in related companies

These investments in related companies refer only to Rexel Développement. The increase in investments in related companies refers to the increase in share capital of Rexel Développement for €1,630.0 million by offsetting loans.

Loans and other long-term financial assets

This item is composed by:

1. The liquidity contract assets. In the frame of share repurchase programme, on October 5, 2011, Rexel entered into a contract with the Natixis Bank (after termination of the previous contract with Credit Agricole Cheuvreux Bank) to promote the liquidity of Rexel shares for an initial amount of €12.8 million.

   As of December 31, 2014, 415,629 shares held and allocated to price stabilization of stock exchange value, amount to a gross value of €6.1 million. The balance of this contract consists of €10.0 million of cash.

2. Loans granted by Rexel to some subsidiaries.

At the end of December 2013, the loans were the following:

- Rexel Sverige AB SEK for 1,600 million;
- Elektro Material AG CHF for 155 million;
- Elektroskandia Norway Holding NOK for 1,323 million;
- Rexel New Zealand NZD for 10 million;
- Hagemeyer Finance BV Branch in Finland EUR for 145.9 million;
- Rexel Développement EUR for 1,833.6 million.

In 2014:

- Elektroskandia Norway partially redeemed the loan with a due date on June 30, 2020 for an amount of NOK 675.0 million.
- Rexel New Zealand fully redeemed the loan with a due date on December 17, 2014 for an amount of NZD 10 million. In December 2014, Rexel has granted to Rexel New Zealand a loan of NZD 20.0 million, bearing interests at 6.70%, redeemable on June 30, 2020.
- Hagemeyer Finance BV Branch in Finland fully redeemed the loan with a due date on December 17, 2014 for an amount of €145.9 million. In December 2014, Rexel has granted to Hagemeyer Finance BV Branch in Finland a loan of €30.9 million bearing interests at 3.10%, redeemable on June 30, 2020.
- Rexel Développement redeemed on the one hand a loan with a due date on December 17, 2014 for an amount of €806 million and, on the other hand redeemed before due date (June 30, 2020), a loan of nominal value for an amount of €980 million, this loan had been acquired by Rexel for an amount of €1,027.6 million.
- In June 2014, Rexel has granted to Rexel Holdings Australia PTY LTD a loan of AUD 40.0 million, bearing interests at 6,70% and redeemable on June 30, 2020.

At the end of December 2014, the loans were the following:

	BALANCE AS OF DECEMBER 31, 2014 *(in millions of currency)*	CURRENCY	BALANCE AS OF DECEMBER 31, 2014 *(in millions of euros)*	INTEREST AND MARGIN	DUE DATE
Rexel Sverige AB	1,600.0	SEK	170.3	6.20%	06/30/2020
Rexel New Zealand LTD	20.0	NZD	12.9	6.70%	06/30/2020
Elektro Material AG	155.0	CHF	128.9	4.80%	06/30/2020
Elektroskandia Norway	648.0	NOK	71.7	6.90%	06/30/2020
Rexel Holdings Australia	40.0	AUD	27.0	6.70%	06/30/2020
HGM Finance BV Finland	30.9	EUR	30.9	3.10%	06/30/2020
TOTAL			**441.7**		

4.2 Other information relating to assets

Currents assets

(in millions of euros)	TOTAL DECEMBER 31, 2014	DUE WITHIN ONE YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER MORE THAN 5 YEARS
Trade accounts receivable	1.8	1.8	–	–
Currents accounts receivable	13.0	13.0	–	–
Other receivable	44.1	44.1	–	–
TOTAL	**58.9**	**58.9**	**–**	**–**

Short-term investments, cash and bank

This item is mainly composed by:

1. Own shares acquisition costs held and already attributed to free shares plans, as of December 31, 2014 are 1,064,514 shares for an amount of €13.6 million.
2. Own shares acquisition costs held to be attributed to free shares plans, as of December 31, 2014 are 257,618 shares for an amount of €3.3 million.
3. Other short-term investments, cash and bank for an amount of €976.3 million.

Deferred charges

Deferred charges mainly relate to the bonds issuing costs. These costs initially amounted to €17.2 million and related to issuing costs of the notes issued in May 2011 (€7.1 million), and of the notes issued in March and April 2012 (€10.1 million).These costs are depreciated over the life of financing. As of December 31, 2014 the net book value amounts to €11.2 million.

4.3 Stockholders' equity

(in millions of euros)	JANUARY 1, 2014	RESERVES	APPROPRIATION OF THE 2013 NET INCOME	DECREASE IN SHARE CAPITAL	2014 NET INCOME	DECEMBER 31, 2014
Share capital	1,416.7	4.2	46.3	(7.2)	–	1,460.0
Share premiums	1,510.8	3.1	99.5	(13.6)	–	1,599.8
Legal reserve	32.0	–	13.4	–	–	45.4
Other reserves	47.6	(7.3)		–	–	40.3
Retained earnings	32.8	–	42.4	–	–	75.2
Net income for the year	267.7	–	(267.7)	–	221.1	221.1
TOTAL	**3,307.6**	**0**	**66.1**	**(20.8)**	**221.1**	**3,441.8**

Changes in equity during 2014:

1. On March 13, 2014, the company's Management Board recorded capital increase resulting from the employees of Rexel in the United Kingdom offering for €0.2 million with an issuance of 35,151 shares with a par value of €5 each and the share premium of €0.5 million.
2. On March 13, 2014, the capital was increased by €430 with an issuance of 86 shares with a par value of €5 each. This increase results of the acquisition of 86 shares through the May 2010 free shares plan (Opportunity 10) and has been recorded by offsetting the other reserves.
3. On May 5, 2014, the capital was increased by €0.06 million with an issuance of 11,879 shares with a par value of €5 each. This increase results of the acquisition of 11,879 shares through the May 2012 free shares plan, and has been recorded by offsetting the other reserves.
4. On May 12, 2014, the capital was increased by €4.2 million with an issuance of 834,862 shares with a par value of €5 each. This increase results of the acquisition of 834,862 shares through the May 2010 free shares plan, and has been recorded by offsetting the other reserves.
5. On May 22, 2014, the company's Management Board decided to allocate an amount of €8.2 million to the other reserves by offsetting the share premium for 1,641,008 free shares granted at a par value of €5 each.
6. The Annual General meeting held on May 22, 2014 approved a resolution appropriating the 2013 result as follows: €13.4 million to the Legal reserve and distribution of €211.8 million paid on July 2, 2014, in cash for an amount of €65.6 million and by issuance of new shares for an amount of €146.2 million.

   The capital was increased to €46.3 million with an issuance of 9,269,384 shares with a share premium of €99.9 million. The fees stemming from this capital increase amounting to €0.4 million are deducted from share premium.
7. On October 28, 2014, the capital was decreased by €7.5 million resulting from the cancellation of 1,500,000 shares with a par value of €5 each and the share premium of €14.0 million.
8. During the year 2014, 15,500 options regarding the 2005 stock option plan were exercised with issuance of 15,500 shares. During the year 2014, 1,500 options regarding the 2006 stock option plan were exercised with issuance of 1,500 shares. It results in an increase of capital of €0.08 million, along with a share premium of €0.002 million.
9. The amounts initially allocated to the other reserves and related to cancelled granted free shares during the year 2014 were transferred to the share premium for an amount of €11.3 million.
10. The net profit for the year 2014 amounts to €221.1 million.

As of December 31, 2014, the company's share capital amounts to €1,460,027,880 represented by 292,005,576 shares each with a par value of €5.

4.4 Other information related to liabilities

(in millions of euros)	TOTAL DECEMBER 31, 2014	DUE WITHIN ONE YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER MORE THAN 5 YEARS
Bonds	1,967.7	4.9	901.0	1,061.8
Borrowings from financial institutions	86.3	86.3	–	–
Other financial debt	103.4	103.4	–	–
Trade accounts payable	0.5	0.5	–	–
Other operating liabilities	15.1	15.1	–	–
Unrealized exchange rate gains	–	–	–	–
TOTAL	**2,173.0**	**210.2**	**901.0**	**1,061.8**

Bonds

Senior Unsecured Notes due 2018

On May 27, 2011, Rexel issued €500 million senior unsecured notes, the proceeds of which were applied to partially repay its senior credit facilities. The notes were issued at 99.993% of their nominal amount and bear interest annually at 7%. They are listed on the Luxembourg Stock Exchange. Rexel will pay interest on the notes semi-annually in arrears on June 17 and December 17, with the first payment on December 17, 2011. The notes will mature on December 17, 2018.

The notes are redeemable in whole or in part at any time prior to June 17, 2015 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 17, 2015, the 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)
June 17, 2015	103.500%
June 17, 2016	101.750%
June 17, 2017 and after	100.000%

Senior Unsecured Notes due 2019

On March 28, 2012, Rexel issued $400 million senior unsecured notes. The notes were issued at 100% of their nominal amount and bear interest annually at 6.125%. They are listed on the Luxembourg Stock Exchange. On April 23, 2012, Rexel issued an additional $100 million principal amount of these notes at a price of 100.75% of their nominal amount. The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2012. The Notes will mature on December 15, 2019.

The notes are redeemable in whole or in part at any time prior to December 15, 2015 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after December 15, 2015, the 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)
December 15, 2015	103.063%
December 15, 2016	101.531%
December 15, 2017 and after	100.000%

In addition, at any time on or prior to June 15, 2015, Rexel may redeem up to 35% of the outstanding aggregate principal amount of the notes using the net proceeds from one or more specified equity offerings.

Senior Unsecured Notes due 2020

Concurrently with the refinancing of the Senior Facility Agreement on March 15, 2013, Rexel issued €500 million and $500 million of senior unsecured notes with coupons of 5.125% and 5.250% respectively.

On March 26, 2013, Rexel issued an additional €150 million principal amount of these notes at a price of 101.00% of their nominal amount. The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2013. The Notes will mature on December 15, 2020 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to June 15, 2016 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, 2016, the 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)	
	€ NOTES	$ NOTES
June 15, 2016	103.844%	103.938%
June 15, 2017	102.563%	102.625%
June 15, 2018	101.281%	101.313%
June 15, 2019 and after	100.000%	100.000%

Senior Credit Agreement

On March 15, 2013, Rexel refinanced its €1,100 million existing revolving credit facilities agreement dated December 21, 2009 by entering into a new revolving credit facility agreement (the "Senior Facility Agreement") with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Belgium SA, French branch, Natixis and Société Générale Corporate and Investment Banking as Mandated Lead Arrangers and Bookrunners.

In September 2013, the maximum commitment under the 2013 Senior Facility Agreement was reduced by €45.0 million following the execution of a bilateral €45 million Term Loan Agreement maturing in March 2018.

On November 13, 2014, Rexel entered into an amendment of its Senior Facility Agreement September 2013 with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Bank France, Natixis and Société Générale Corporate and Investment Banking as Mandated Lead Arrangers and Bookrunners reducing the maximum amount from €1,055 million to €982 million.

The Senior Facility Agreement provides a five-year multicurrency credit facility for an aggregate maximum amount of €982 million, which can also be drawn through swing line loans for an aggregate amount of €157.5 million. The original maturity of this credit facility (November 2019) may be extended two times by one year.

Interests 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, (ii) the applicable margin, (iii) certain premia for loans in currencies other than euro and (iv) mandatory costs (representing the costs to be borne by the lenders for the financing of the banking control system imposed by the banking regulatory authorities of their respective countries), if any.

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

The initial applicable margin is 1.25% per annum and varies in accordance with the leverage ratio (defined as the ratio of consolidated adjusted total 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 0.85% to 2.5%.

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.

Under the Senior Credit 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 consolidated net debt relative to adjusted consolidated EBITDA, as such terms are defined below:

- Adjusted Consolidated EBITDA means operating income before other income and other expenses, plus depreciation and amortization as set forth in the Group's consolidated financial statements and:
  - includes adjusted EBITDA over the last 12 months of all of the companies acquired during the relevant period, *prorata* to the Group's participation;
  - includes proceeds relating to commodity price derivatives to hedge exposure to price fluctuations of certain commodities which do not qualify for cash flow hedge accounting under IFRS;
  - excludes expenses relating to employee profit sharing and any share based payments or the granting of share subscription options;
  - excludes restructuring costs relating to the integration of Hagemeyer and any other restructuring and/or acquisition costs relating to any other acquisitions,
  - after adding back EBITDA of assets held for sale and not taking into account EBITDA of assets sold during the Measurement Period;
  - adjusted to exclude the non-recurring impact on the Group's consolidated EBITDA related to the price of copper in cables.
- Adjusted consolidated net debt means all financial debt (whether the interest with respect to such debt is paid or capitalized) converted to the average rate of the last

12 months when the debt is in a currency other than the euro:

- less intra-Group loans and transaction costs, as well as the financial charges accounted for as a result of the repayment of the debt outstanding under the previous facilities agreement;
- plus all indebtedness relating to the issuance of securities that are not mandatorily redeemable into shares and any other amount relating to a loan under international accounting standards;
- plus accrued interest (including capitalized interest), excluding interest accrued on intra-Group loans;
- minus cash and cash equivalents.

This ratio may exceed 3.50 on three accounting dates during the life of the Senior Facility Agreement, 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 (it being specified that only two of such three accounting dates may be consecutive).

On June 27, 2014, Rexel entered into a bilateral USD 40 million Term Loan Agreement maturing in June 2015.

As at December 31, 2014, no amount was drawn down through the Senior Facility Agreement or both bilateral Term Loan Agreements.

Commercial paper program

In September 2010, Rexel launched a €500 million commercial paper program with a fixed maturity ranging from one to three months depending on the notes issued, to diversify the investor base and minimize the cost of financing. As of December 31, 2014, under this program, €86.0 million were outstanding.

Other financial debts

Other financial debts relate mainly to the current account with the company Rexel Développement.

4.5 Financial instruments covering currency and interest rate risks

Financial instruments covering currency and interest rate risks

In the course of its business, Rexel SA is exposed to market risks relating to borrowing cost management. Rexel SA uses various financial instruments to optimize its financial expense including interest rate swaps to modify its debt structure and to cover the risk of interest rate increases in the currencies in which its debt is denominated. Derivative foreign currency instruments include forward currency purchases and sales, and have the sole objective of hedging transactions denominated in a foreign currency.

As of December 31, 2014, the outstanding hedge contracts were as follows:

Interest rate swaps

TYPE OF CONTRACT	MATURITY	NOTIONAL AMOUNTS (IN MILLIONS OF FOREIGN CURRENCY)	FAIR VALUE OF HEDGES (IN MILLIONS OF EUROS)
Interest rate swap paying LIBOR 3 months	2019	500.0 USD	(5.6)
Interest rate swap paying LIBOR 3 months	2020	500.0 USD	(1.6)

Forward contracts

TYPE OF CONTRACT	NOTIONAL AMOUNTS (IN MILLIONS OF FOREIGN CURRENCY)	NOTIONAL AMOUNTS (IN MILLIONS OF EUROS)	FAIR VALUE (IN MILLIONS OF EUROS)
Forward sales of Australian dollars for euros	40.6	27.2	0.0
Forward sales of Canadian dollars for euros	1.7	1.2	0.0
Forward sales of Swiss francs for euros	230.4	191.7	0.0
Forward sales of Norwegian crowns for euros	644.7	73.4	2.4
Forward sales of New Zealand dollars for euros	9.0	5.6	(0.2)
Forward sales of Swedish crowns for euros	1,465.5	157.6	1.7
Forward purchase of U.S. dollars for euros	957.8	761.5	24.1

4.6 Amounts due to and from related companies

Related companies are direct and indirect Rexel subsidiaries. There are no significant transactions with these companies that are not concluded at normal conditions of market. As of December 31, 2014, balances with related companies were as follows:

(in millions of euros)

ASSETS		LIABILITIES	
Investments in related companies	4,104.9	Other financial debt	103.4
Loans and other long-term financial assets	441.7	Trade accounts payable	0.0
Trade accounts receivable	1.8	Other liabilities	14.3
Other accounts receivable	46.4		
EXPENSES		**INCOME**	
Operating expenses	0.2	Operating income	1.4
Financial expenses	10.5	Financial income	293.4
Non-recurring expenses	47.6	Income tax	65.2

5. Additional information

5.1 Commitments

The Senior Credit Agreement 2013 amended on November 13, 2014 contains standard clauses for this type of agreement. These include clauses restricting the ability of Group companies which are parties to that Agreement and certain subsidiaries from (i) granting security interests or warranties based on their assets; (ii) making loans to others; (iii) creating security interests; (iv) undertaking certain investments; (v) disposing of assets; or (vi) substantially changing the general nature of the Group's business.

The Senior Credit Agreement contains certain covenants for total or partial acceleration of maturity, particularly in the event of a change of control of Rexel, the sale of all or a part of Rexel's assets, payment default or in the event of accelerated maturity of other financial debt of certain Group entities (above established thresholds) or other events that are likely to have a significant negative effect on the obligations of payment of Rexel.

The notes rank *pari passu* with Rexel's new senior credit facility. Neither bonds nor Senior Credit Agreement are not guaranteed by any Rexel's subsidiaries.

A Trust Deed contract entered into on May 27, 2011, between Rexel, certain of Rexel's subsidiaries and BNP Paribas Trust Corporation UK Limited. This agreement was entered into in the context of a notes issuance by Rexel in an amount of €500 million.

An Indenture contract entered into on March 28, 2012 between Rexel, certain of Rexel's subsidiaries and the Bank of New York Mellon. This agreement was entered into in the context of a notes issuance by Rexel in an amount of $500 million.

An Indenture contract entered into on April 03, 2013 between Rexel and the Bank of New York Mellon. This agreement was entered into in the context of a notes issuance by Rexel in an amount of $500 million and €650 million.

These contracts provide for the terms under which BNP Paribas Trust Corporation UK Limited and the Bank of New York Mellon undertook to act in the capacity of Trustee in the scope of the issuance of such notes. These agreements were authorized by the Supervisory Board upon its meetings of May 11, 2011, March 14, 2012, April 12, 2012, and February 11, 2013.

5.2 Employees

The staff of the company is composed by two corporate officers as at December 31, 2014.

5.3 Information on stock options and free share plans

The general meeting held on October 28, 2005 approved the implementation of a stock option plan, by authorizing the president to grant options to certain company officers and employees of Rexel Group companies in France or abroad, to a maximum of 2,882,000 "Cercle 2" options and 289,300 "Cercle 3" options, exercise terms of the options are governed by the provisions of articles L.225-177 and following of the French Commercial Code.

Plan N°1 – cercle 2:

Date of shareholders decision:	October 28, 2005		
Maximum number of options granted from the start:	2,882,000		
	1st attribution	**2nd attribution**	**3rd attribution**
Date of granting:	October 28, 2005	May 31, 2006	October 4, 2006
Number of options granted:	2,775,120	169,236	164,460
Number of beneficiaries from the start:	47	5	7
Type of plan:	Subscription	Subscription	Subscription
Exercise price:	€5 / option	€6.5 / option	€9.5 / option
Unavailability period:	From Oct. 28, 2005 to Oct. 28, 2009 included	From May 31, 2006 to May 31, 2010 included	From Oct. 04, 2006 to Oct. 4, 2010 included
Expiration date:	October 28, 2016	October 28, 2016	October 28, 2016
Follow up of the plan:			
Number of options to be exercised as of December 31, 2005:	2,711,000		
Options cancelled or reallocated:	162,696		
Number of options to be exercised as of December 31, 2006:	2,548,304	169,236	164,460
Number of beneficiaries as of December 31, 2006:	44	5	7
Number of options to be exercised as of December 31, 2007 (after dividing the nominal amount by 2 and multiplying the number of options by 2):	1,231,002	140,944	267,452
Number of options to be exercised as of December 31, 2009:	1,231,002	140,944	267,452
Options exercised in 2010:	1,198,182	140, 944	0
Number of options to be exercised as of December 31, 2010:	32,820	0	267,452
Options exercised in 2011:	0	0	267,452
Number of options to be exercised as of December 31, 2011:	32,820	0	0
Options exercised in 2012:	0	0	0
Number of options to be exercised as of December 31, 2012:	32,820	0	0
Options exercised in 2013:	0	0	0
Number of options to be exercised as of December 31, 2013:	32,820	0	0
Options exercised in 2014:	0	0	0
Number of options to be exercised as of December 31, 2014:	32,820	0	0

Plan N°2 - cercle 3:

Date of shareholders decision:	October 28, 2005	
Maximum number of options to be granted:	289,300	
	1st attribution	**2nd attribution**
Date of granting:	November 30, 2005	May 31, 2006
Number of options granted:	265,700	35,550
Number of beneficiaries from the start:	205	35
Type of plan:	Subscription	Subscription
Exercise price:	€5 / option	€6.5 / option
Unavailability period:	From Nov. 30, 2005 to Nov. 30, 2009 included	From May 31, 2006 to May 31, 2010 included
Expiration date of options:	November 30, 2016	November 30, 2016
Follow up of the plan:		
Number of options to be exercised as of December 31, 2005:	259,050	
Options cancelled or reallocated:	17,111	
Number of options to be exercised as of December 31, 2006:	241,939	34,550
Number of beneficiaries as at December 31, 2006:	197	34
Number of options cancelled as from January 1, 2007:	4,711	562
Number of options to be exercised as of December 31, 2007 (after dividing the nominal amount by 2 and multiplying the number of options by 2):	474,456	67,976
Number of options cancelled as from January 1, 2008:	1,500	2,000
Number of options to be exercised as of December 31, 2008:	472,956	65,976
Number of options exercised in 2009:	66,900	–
Number of options to be exercised as of December 31, 2009:	406,056	65,976
Number of options exercised in 2010:	119,866	30,100
Number of options to be exercised as of December 31, 2010:	286,190	35,876
Number of options exercised in 2011:	70,200	9,500
Number of options to be exercised as of December 31, 2011:	215,990	26,376
Number of options exercised in 2012:	50,836	15,100
Number of options to be exercised as of December 31, 2012:	165,154	11,276
Number of options exercised in 2013:	28,476	5,800
Number of options to be exercised as of December 31, 2013:	136,678	5,476
Number of options exercised in 2014:	15,500	1,500
Number of options to be exercised as of December 31, 2014:	121,178	3,976

On May 11, 2010, Rexel entered into several free share plans for its top executives and key managers amounting to a maximum of 1,519,862 shares.

According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (May 12, 2012), these being restricted during an additional two year period (May 12, 2014), or four years after the granting date (May 12, 2014), with no restrictions subsequently.

The issuance of these free shares is subject to the service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	NUMBER OF SHARES DELIVERED IN 2014
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2010 EBITDA level adjusted, 2/ the increase from 2009 to 2011 EBITDA margin adjusted, 3/ the 2010 Ratio Net Debt / EBITDA adjusted.	488,318
Other key managers	Two-year service condition from the implementation for 20% of shares and performance conditions based on: 1/ the 2010 EBITDA level adjusted, 2/ the increase from 2009 to 2011 EBITDA margin adjusted, 3/ the 2010 ratio Net Debt/ EBITDA adjusted for 80% of shares.	346,544
NUMBER OF SHARES NOT DELIVERED AS OF DECEMBER 31, 2014		0

On May 12, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,082,748 shares. According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (May 12, 2013), these being restricted for an additional two-year period (until May 12, 2015), or four years after the granting date (May 12, 2015), with no subsequent restrictions.

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 Ratio Net Debt / EBITDA adjusted.	188,415
Other key managers	Two-year service condition from the implementation for 80% of shares and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 ratio Net Debt/ EBITDA adjusted.	232,521
Operating managers	Two-year service condition from the implementation.	341,875
As of December 31, 2014		**762,811**

The unit value used as the basis of social contribution of 14% amounts to €17.22.

On October 11, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 340,719 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (October 11, 2013), these being restricted for an additional two-year period (until October 11, 2015), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (October 11, 2015), the so-called "4+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 Ratio Net Debt / EBITDA adjusted.	3,779
Other key managers	Two-year service condition from the implementation for 80% of shares and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 ratio Net Debt/ EBITDA adjusted.	9,956
As of December 31, 2014		**13,735**

The unit value used as the basis of social contribution of 14% amounts to €11.39.

On October 11, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 1,343,310 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares three years after the grant date (October 11, 2014), these being restricted for an additional two-year period (until October 11, 2016), the so-called "3+2 Plan", or five years after the granting date with no subsequent restrictions (October 11, 2016), the so-called "5+0 Plan".

The delivery of these shares is subject to service and performance condition of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
Top executives and managers	Three-year service condition from the implementation and share performance on the stock market.	0
Other key managers	Three-year service condition from the implementation and share performance on the stock market.	0
As of December 31, 2014		**0**

The unit value used as the basis of social contribution of 14% amounts to €7.17.

On May 2, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,019,324 shares. According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (May 3, 2014), these being restricted for an additional two-year period (until May 3, 2016), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (May 3, 2016), the so-called "4+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	0
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	340,248
As of December 31, 2014		**340,248**

The unit value used as the basis of social contribution of 14% amounts to €14.47.

On July 26, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 243,080 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (July 26, 2014), these being restricted for an additional two-year period (until July 26, 2016), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (July 26, 2016), the so-called "4+0 Plan". The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	0
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	51,698
As of December 31, 2014		**51,698**

The unit value used as the basis of social contribution of 30% amounts to €11.85.

On April 30, 2013, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,574,729 shares. According to local regulation , these employees and executives will either be eligible to receive Rexel shares two years after the grant date (April 30, 2015), these being restricted for an additional two-year period (April 30, 2017), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (April 30, 2017), the so-called "4+0 Plan" or three years after the granting date (April 30, 2016) these being restricted for an additional two-year period (April 30, 2018), the so-called "3+2 Plan" or five years after the granting date with no subsequent restrictions (April 30, 2018), the so-called "5+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares, 5/ Rexel's share performance/panel's shares performance for 20% of shares.	300,239
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares. 5/Rexel's share performance/panel's shares performance for 20% of shares.	440,960
3+2 Plan	Three-year service condition from the implementation.	88,000
5+0 Plan	Three-year service condition from the implementation.	372,800
As of December 31, 2014		**1,201,999**

The unit value used as the basis of social contribution of 30% amounts to €13.70.

On July 25, 2013, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 78,410 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (July 25, 2015), these being restricted for an additional two-year period (until July 25, 2017), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (July 25, 2017), the so-called "4+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares. 5/Rexel's share performance/panel's shares performance for 20% of shares.	19, 998
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares. 5/Rexel's share performance/panel's shares performance for 20% of shares.	8,860
As of December 31, 2014		**28,858**

The unit value used as the basis of social contribution of 30% amounts to €15.73.

On May 22, 2014, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 1,641,008 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (May 23, 2016), these being restricted for an additional two-year period (until May 23, 2018), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (May 23, 2018), the so-called "4+0 Plan", or three years after the granting date (May 23, 2017) these being restricted for an additional two-year period (May 23, 2019), the so-called "3+2 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2014 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014 and 2015 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	344,717
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014 and 2015 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	459,561
4+0 Plan	Three-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014, 2015 and 2016 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	459,561
3+2 Plan	Three-year service condition from the implementation and performance conditions based on: 1/ variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014, 2015 and 2016 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	344,717
As of December 31, 2014		**1,608,556**

The unit value used as the basis of social contribution of 30% respectively amounts to €13.49, €12.14, €12.11 and €12.78.

5.4 Tax litigations

Following a tax audit, Rexel received in December 2011 a proposed tax reassessment in which the French tax authorities allege that Rexel did not give evidence that the borrowings from Ray Finance LP (subsidiary of Ray Investment SARL) amounting to €952 million were real transactions; they also allege that Ray Finance LP enjoyed a privileged tax regime and deny by those means the deduction of €91 million interests expense related to years 2005 to 2007. Rexel disputes the whole argumentation. The tax risk related to this tax reassessment amounts to €32 million, would result in a potential reduction of the consolidated tax losses carried forward.

5.5 Auditors' fees

The auditors' fees amount to €1.3 million for 2014 compared with €1.2 million in 2013.

5.6 Other information

None.

5.7 Subsequent events

None.

6.2 STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

Rexel

Year ended December 31, 2014

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Rexel;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French commercial code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

As disclosed in note 2.1 to the financial statements, value-in-use of long-term investments in affiliates is based on forecasted future cash flows less net debt of the aforementioned affiliates. Within the framework of the justification of our assessments, we reviewed the assumptions of budgeted cash flows, on which these assumptions were based, and their computation.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the management board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French commercial code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2015

The statutory auditors
French original signed by

PricewaterhouseCoopers Audit
Christian Perrier

ERNST & YOUNG Audit
Philippe Diu

CORPORATE GOVERNANCE

On May 22, 2014, Rexel's shareholders decided to change Rexel's governance model from a dual structure with a management board and a supervisory board to a single structure with a board of directors.

This change reflects the evolution of the shareholding structure of Rexel, which was formerly controlled by a consortium of investment funds and is now a non-controlled company.

With a single-body governance structure, Rexel's governance model is now aligned with the CAC 40 best practices and industry sector benchmark. It was aimed at:

- simplifying the decision-making process;
- speeding up the implementation of the Rexel Group's strategy;
- strengthening the board of directors' responsibility; and
- creating greater proximity between the members of the Board of Directors and the members of the Executive Committee.

7.1 MANAGEMENT AND ADMINISTRATION BODIES

7.1.1 Board of Directors

7.1.1.1 Members of the Board of Directors

In accordance with the provisions of the by-laws (article 14 of the by-laws), the Board of Directors is made up of a minimum of five members and a maximum of fifteen members.

The directors are appointed by the ordinary general shareholders' meeting for a term of four years.

As an exception, the first directors appointed by the shareholders' meeting of May 22, 2014 who were members of the Company's Supervisory Board on the date of the shareholders' meeting of May 22, 2014 were appointed for a term equal to the remainder of their term of office as members of the Company's Supervisory Board.

No person above 70 years of age may be appointed as director if, as a result of such person's appointment, more than one-third of the number of directors would be more than 70 years of age.

Members of the Board of Directors

As at December 31, 2014, the Board of Directors comprises the following ten members:

Rudy Provoost (55 years old)	PROFESSIONAL ADDRESS: 13, BOULEVARD DU FORT DE VAUX – 75017 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: 191,856

EXPERIENCE AND EXPERTISE

Director and Chairman and Chief Executive Officer, member of the Strategic Committee

Rudy Provoost has served on the Management Board of Rexel since October 1, 2011 and is Chairman of the Management Board since February 13, 2012.

Rudy Provoost is a Belgian citizen.

Rudy Provoost joined Philips in 2000, as Executive Vice President of the Consumer Electronics branch in Europe. In 2004, he became CEO of the Consumer Electronics branch and was appointed as member of the Management Board of Philips in 2006. In 2008, he became CEO of its Lighting branch and Chairman of its Sustainable Development Board. Rudy Provoost previously held various management positions at Procter & Gamble (1984-1987), Canon (1987-1992) and Whirlpool (1992-2000). Born in Belgium in 1959, he holds a degree in psychology and an MBA from the University of Gand in Belgium. Rudy Provoost currently sits on the board of the Vlerick Leuven Gent Management School.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
May 22, 2014	From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director and Chairman and Chief Executive Officer of Rexel
- Member of the Strategic Committee of Rexel
- Director of Rexel France (France – unlisted company)

Abroad

- Director and president of Rexel Holdings USA Corp. (United States – unlisted company)
- Director of Rexel UK Limited. (United Kingdom – unlisted company)

Over the last five financial years:

In France

- Member of the Nomination Committee of Rexel
- Member and Chairman of Rexel's Management Board

Abroad

- Chairman of Rexel North America, Inc. (Canada – unlisted company)
- Director of Rexel Senate Limited (United Kingdom – unlisted company)

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Director of Vlerick Business School (Belgium – unlisted company)

Over the last five financial years:

In France

–

Abroad

- Member of the Management Board of Royal Philips Electronics (The Netherlands – listed company)
- Director of EFQM (Belgium – unlisted company)

François Henrot*

(65 years old)

PROFESSIONAL ADDRESS:
23 BIS AVENUE DE MESSINE – 75008 PARIS

NUMBER OF REXEL SHARES HELD:
7,133

EXPERIENCE AND EXPERTISE

Senior independent director, Vice-Chairman of the Board of Directors, Chairman of the Nomination and Compensation Committee

François Henrot has served on the Board of Directors of Rexel since May 22, 2014. He was previously a member of the Supervisory Board of Rexel further to his cooptation by the Supervisory Board on October 30, 2013, to replace Manfred Kindle. The ratification of François Henrot's cooptation as member of the Supervisory Board was approved by the shareholders' meeting of May 22, 2014.

François Henrot is a French citizen.

François Henrot has been Managing Partner of Rothschild & Cie since 1998 and he serves as Chairman of the investment bank of the Rothschild Group. He started his career in 1974 at the French Council of State. In 1979, he became Director of France's Telecommunications Department. In 1985, he joined the Compagnie Bancaire where he became COO and Chairman of the Management Board. He was a Management Board Member at Compagnie Financière de Paribas from 1995 to 1998 before joining Rothschild. François Henrot is a Board member of Paris-Orléans SA (the holding company of the Rothschild Group), Vallourec as Observer, and Cobepa, which he presides. François Henrot is a graduate of the École Nationale d'Administration (ENA).

TERM OF OFFICE

FIRST APPOINTMENT:
October 30, 2013 (as member of the Supervisory Board)

CURRENT TERM OF OFFICE:
From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2016

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Chairman of Rexel's Nomination and Compensation Committee
- Member of Rexel's Strategic Committee
- Member of the Audit and Risks Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Supervisory Board
- Chairman of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

- Chairman of the investment bank of the Rothschild Group (France – unlisted company)
- Managing partner of Rothschild et Compagnie (France – unlisted comapny)
- Member of the Supervisory Board of Paris Orléans SA (holding of the Rothschild Group) (France – listed company)
- Observer *(censeur)* of the Board of Directors of Vallourec (listed company)

Abroad

- Member of the Supervisory Board of Yam Invest NV (The Netherlands – unlisted company)
- Chairman of the Board of Directors of Cobepa (Belgium – unlisted company)

Over the last five financial years:

In France

- Managing partner of Rothschild & Cie Banque (France – unlisted company)
- Member of the Board of Directors of 3 Suisses (France – unlisted company)
- Member of the Supervisory Board of Vallourec (France – listed company)

Abroad

–

* Independent member.

Thomas Farrell* (58 years old)	PROFESSIONAL ADDRESS: LAFARGE SA – 61, RUE DES BELLES FEUILLES – 75016 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risks Committee and of the Nomination and Compensation Committee

Thomas Farrell has served on the Board of Directors of Rexel since May 22, 2014. Since May 16, 2012, he had been a member of the Supervisory Board.

Thomas Farrell is a U.S. citizen.

Thomas Farrell has been with Lafarge since 1990. Prior to joining Lafarge, Thomas Farrell was a corporate attorney with Shearman & Sterling, working at both their New York and Paris offices. After joining Lafarge, Thomas Farrell first worked at the Paris headquarters as Vice-President of Strategy for two years. From 1992 to 2002, he managed various Lafarge operating units in France, Canada and India. In June 2002, Thomas Farrell was appointed EVP of Lafarge North America. In September 2007, he was appointed Lafarge Group EVP, Co-President of the Aggregates & Concrete Division, and a member of the Executive Committee. In January 2012, he became Group EVP, Operations. Thomas Farrell is a graduate of Brown University (1978) and a doctor in law (PhD) from Georgetown University (1981).

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TERM OF OFFICE:
May 16, 2012 (as member of the Supervisory Board)	From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2016

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risks Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Nomination Committee
- Member of Rexel's Supervisory Board
- Member of Rexel's Audit Committee
- Member of Rexel's Strategic Committee
- Observer *(censeur)* of the Supervisory Board of Rexel

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

- Group EVP, Operations of Lafarge (France – listed company)

Abroad

- Chairman of the Board of Directors of Lafarge Surma Cement Limited (Bangladesh – listed company)
- Director of Lafarge Bamburi Cement ltd (Kenya – listed company)

Over the last five financial years:

In France

–

Abroad

–

* Independent member.

Fritz Fröhlich*

(73 years old)

PROFESSIONAL ADDRESS:
SASCHSENSTR 25 – 42287 WUPPERTAL – GERMANY

NUMBER OF REXEL SHARES HELD:
–

EXPERIENCE AND EXPERTISE

Director, Chairman of the Audit and Risks Committee, member of the Nomination and Compensation Committee

Fritz Fröhlich has served on the Board of Directors of Rexel since May 22, 2014. Since April 4, 2007, he had been a member of Rexel's Supervisory Board.

Fritz Fröhlich is a German citizen.

Previously, Fritz Fröhlich served as Deputy Chairman and chief financial officer of AKZO Nobel from 1998 to 2004 and member of the executive board in charge of fibers from 1991 to 1998. Prior to joining AKZO Nobel, Fritz Fröhlich was CEO of Krupp Widia from 1984 to 1991 and CEO of Sachs Dolmar from 1976 to 1984. He began his career by working in the fields of Marketing and Economic studies. Fritz Fröhlich is a member of the supervisory boards of Allianz Nederland Groep N.V., ASML N.V. and Prysmian SpA, as well as Chairman of the supervisory board of Randstad Holding N.V. He holds a doctorate in economics from Cologne University and a Master of Business Administration (MBA).

TERM OF OFFICE

FIRST APPOINTMENT:
April 4, 2007 (as member of the Supervisory Board)

CURRENT TERM OF OFFICE:
From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Chairman of Rexel's Audit and Risks Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Supervisory Board
- Chairman of Rexel's Audit Committee
- Member of Rexel's Nomination Committee
- Member of Rexel Compensation Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Chairman of the Supervisory Board of Randstad Holding N.V. (The Netherlands – listed company)
- Member of the Supervisory Board of Allianz Nederland Groep N.V. (The Netherlands – unlisted company)
- Member of the Supervisory Board of ASML N.V. (The Netherlands – listed company)
- Member of the Supervisory Board of Prysmian SpA (Italy – listed company)

Over the last five financial years:

In France

–

Abroad

- Chairman of the Supervisory Board of Altana A.G. (Germany – listed company)
- Chairman of the Supervisory Board of Draka N.V. (The Netherlands – listed company)

* Independent member.

Isabel Marey-Semper* (47 years old)	PROFESSIONAL ADDRESS: 1, AVENUE EUGÈNE SCHUELLER – BP22 – 93601 AULNAY-SOUS-BOIS, FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risks Committee, member of the Strategic Committee

Isabel Marey-Semper was coopted as director by the Board of Directors on May 22, 2014, to replace Vivianne Akriche. The ratification of Isabel Marey-Semper's cooptation as director and the renewal of her directorship have been submitted to the Shareholders' Meeting.

Isabel Marey-Semper is a French citizen.

Isabel Marey-Semper is Project Manager in the General Management of L'Oréal. She was previously Director of Advanced Research of L'Oréal Group (2011-2014), Director of Shared Services of L'Oreal Recherche & Innovation (2010-2011). She was previously Chief Financial Officer, Executive Vice President in charge of strategy and financial services of PSA Peugeot Citroen (2007-2009), Chief Operating Officer of the Intellectual Property and Licensing Business Unit of Thomson (2006-2007), Vice President Corporate Planning at Saint-Gobain (2004-2005) and Director of Corporate Planning, High Performance Materials of Saint-Gobain (2002-2004) and a Principal of A.T. Kearney (Telesis, prior to acquisition by A.T. Kearney) (1997-2002). She was also a member of the Board of Directors of Faurecia S.A. (2007-2009) and a member of the board of directors and audit committee of Nokia Oyj (2009-2013). Isabel Marey-Semper holds an MBA from the *Collège des Ingénieurs* (Paris) and a Ph.D. in neuro-pharmacology from the University of Paris Pierre et Marie Curie-College de France. She is also a graduate of *École Normale Supérieure*.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TERM OF OFFICE:
May 22, 2014	From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2014

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risks Committee
- Member of Rexel's Strategic Committee

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

- Member of the Board of Directors and of the Audit Committee of Nokia (Finland – listed company)

* Independent member.

Monika Ribar*

(55 years old)

PROFESSIONAL ADDRESS:
BÜNDTENMATTSTR. 53, 4102 BINNINGEN, SWITZERLAND

NUMBER OF REXEL SHARES HELD:
2,000

EXPERIENCE AND EXPERTISE

Director, member of the Nomination and Compensation Committee, member of the Strategic Committee

Monika Ribar has served on the Board of Directors of Rexel since May 22, 2014. She had previously been coopted as member of Supervisory Board by the Supervisory Board on October 30, 2013 to replace Eurazeo. The ratification of Monika Ribar's cooptation as member of the Supervisory Board has been approved by the shareholders' meeting of May 22, 2014.

Monika Ribar is a Swiss citizen.

Monika Ribar was the President and Chief Executive Officer of the Panalpina Group, a Swiss freight forwarding and logistics services provider, from October 2006 until May 2013. At Panalpina Group, Monika Ribar has also occupied a variety of positions, including Chief Financial Officer, Chief Information Officer and Corporate Controller, and also served in project management positions. Prior to joining Panalpina, Monika Ribar worked at Fides Group (now KPMG Switzerland), a professional services firm, as Head of Strategic Planning, and at BASF, the German chemical products company. Monika Ribar also serves on the Boards of SIKA AG, a supplier of specialty chemical products and industrial materials, Swiss International Air Lines Ltd., the flag carrier airline of Switzerland, , its mother company Lufthansa AG, the German flag carrier, and Logitech, a world leader in electronics peripherals. She has also been appointed by the Swiss government Vice Chairman of SBB, the Swiss National Railway and serves on the Board of the Chain IQ Group AG, a company for procurement outsourcing. Monika Ribar holds a Master's degree in Economics and Business Administration from the University of St.Gallen, Switzerland.

TERM OF OFFICE

FIRST APPOINTMENT:
October 30, 2013 (as member of the Supervisory Board)

CURRENT TERM OF OFFICE:
From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2016

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Member of Rexel's Nomination and Compensation Committee
- Member of Rexel's Strategic Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Nomination Committee
- Member of Rexel's Supervisory Board
- Member of Rexel's Compensation Committee
- Member of Rexel's Strategic Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Director and member of the Audit and Compensation Committee of Logitech International S.A. (Switzerland – listed company)
- Director and Chair of the Audit Committee of Sika AG (Switzerland – listed company)
- Director of Swiss International Airlines (Switzerland – unlisted company)
- Director and member of the Audit Committee of Lufthansa AG (Germany – listed company)
- Vice Chairman, Chair of the Risk Committee, member of the Infrastructure Committee and member of the HR Committee of SBB (Switzerland – unlisted company)
- Director of Chain IQ Group AG (Switzerland – unlisted company)

Over the last five financial years:

In France

–

Abroad

- Chairman and Chief Executive Officer of Panalpina Welttransport (Switzerland – listed company)

* Independent member.

Maria Richter*

(60 years old)

PROFESSIONAL ADDRESS:
1185 PARK AVENUE – NEW YORK NY 10128 – UNITED STATES

NUMBER OF REXEL SHARES HELD:
–

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risks Committee, member of the Nomination and Compensation Committee

Maria Richter was coopted as director by the Board of Directors on May 22, 2014, to replace Roberto Quarta. Maria Richter's cooptation as director is submitted to the Shareholders' Meeting.

Maria Richter is a dual citizen of the Republic of Panama and the United States.

Maria Richter is a former Investment Banker and currently sits as a Non-Executive Director on public and private company Boards. From 2003 to July 2014, she was a Non-Executive Director of National Grid plc and Chairman of its Finance Committee and a member of its Audit Committee and Nominations Committee. She is currently on the Board of Directors of Bessemer Trust (since 2008), a US wealth management company and is a member of its Remuneration Committee. As of January 1, 2015 she is also a Non-Executive Director of Johannesburg based Anglo Gold Ashanti and a member of the company's Audit and Risk Committee and Human Resources & Compensation Committee. Maria Richter is also on the Board of Pro Mujer International, a women's microfinance network and Chairman of the Board of Trustees of Pro Mujer UK. Maria Richter began her career as an attorney for the then law firm Dewey Ballantine (1980-1985) before joining The Prudential (1985-1992) where she held a number of executive positions latterly as a Vice-President of Prudential Power Funding Associates. She joined Salomon Brothers (1992-1993) as Vice President and then joined Morgan Stanley (1993-2002) as Executive Director and Head of Independent Power and Structured Finance and later became Managing Director and Head of South America Investment Banking and Managing Director of Corporate Finance Retail. Maria. Richter has a Bachelor of Arts degree from Cornell University and a JurisDoctor degree from Georgetown University Law Center.

TERM OF OFFICE

FIRST APPOINTMENT:
May 22, 2014

CURRENT TERM OF OFFICE:
From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2015

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risks Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Compensation Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Member of the Board of Directors and member of the Compensation Committee of Bessemer Trust (United States – unlisted company)
- Non-executive director, member of the Audit and Risk Committee and member of the Human Resource and Remuneration Committee of Anglo Gold Ashanti (South Africa – listed company)
- Member of the Board of Directors of Pro Mujer International (United States – unlisted organization) and Chairman of the Board of Trustees of Pro Mujer UK (United Kingdom – unlisted organization)

Over the last five financial years:

In France

–

Abroad

- Non-executive director, chairman of the Finance Committee, member of the Audit Committee and member of the Nominations Committee of National Grid, plc (United Kingdom – listed company)
- Member of the Board of Directors, member of the Governance Committee and member of the Finance Committee of The Pantry, Inc. (United States – listed company)
- Non-executive director, member of the Audit Committee, member of the Nominations Committee and member of the Remuneration Committee of Vitec Group plc (United Kingdom – listed company)

* Independent member.

Patrick Sayer (57 years old)	PROFESSIONAL ADDRESS: 32, RUE DE MONCEAU – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Director, Deputy Chairman of the Nomination and Compensation Committee, member of the Strategic Committee

Patrick Sayer has served on the Board of Directors of Rexel since May 22, 2014. Since February 13, 2007, Patrick Sayer had been Deputy Chairman of Rexel's Supervisory Board.

Patrick Sayer is a French citizen.

Patrick Sayer has served as Chairman of the Management Board of Eurazeo since May 2002. He was previously Managing Partner of Lazard Frères et Cie in Paris and Managing Director of Lazard Frères & Co. in New York. Patrick Sayer is Vice-President of the Supervisory Board of ANF Immobilier, Director of Accor, Europcar, Gruppo Banca Leonardo (Italy), Tech Data (USA) and Kitara Capital (Dubai), former Chairman of *Association Française des Investisseurs pour la Croissance* (AFIC), and is also Director of the *Musée des Arts Décoratifs de Paris*, and teaches finance at the University of Paris Dauphine. Patrick Sayer is a member of the *Club des Juristes* and a judge at the Commercial Court of Paris. Patrick Sayer is a graduate of *École Polytechnique* and *École des Mines de Paris*.

TERM OF OFFICE

FIRST APPOINTMENT:
February 13, 2007 (as member of the Supervisory Board)

CURRENT TERM OF OFFICE:
From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Deputy Chairman of Rexel's Nomination and Compensation Committee
- Member of Rexel's Strategic Committee

Abroad

–

Over the last five financial years:

In France

- Deputy Chairman of Rexel's Supervisory Board
- Chairman of Rexel's Compensation Committee
- Chairman of Rexel's Nomination Committee
- Member of Rexel's Nomination Committee
- Member of Rexel's Strategic Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

- Chairman of the Management Board of Eurazeo (France – listed company)
- Vice-Chairman of the Supervisory Board of ANF Immobilier (France – listed company)
- Director of Accor (France – listed company)
- CEO of Legendre Holding 19 (France – unlisted company)
- Director of Europcar Group SA (France – unlisted compny)
- Chairman of Eurazeo Capital Investissement (formerly Eurazeo partners) (France – unlisted company)
- Chairman of Legendre Holding 25 (France – unlisted company)
- Chairman of Legendre Holding 26 (France – unlisted company)
- Chairman of CarryCo Capital 1 (France – unlisted company)
- Chairman of CarryCo Croissance (France – unlisted company)
- Manager of Investco 3d Bingen (France – unlisted company)

Abroad

- Director of Colyzeo Investment Advisors (United Kingdom – unlisted company)
- Member of the Board of Directors of Gruppo Banca Leonardo (Italy – unlisted company)
- Member of the Board of Directors of Tech Data Corporation (United States – listed company)
- Member of the Board of Directors of I-Pulse (United States – unlisted company)

– Member of the Advisory Board of Kitara Capital International Limited (Dubai – unlisted company)

Patrick Sayer (57 years old)	PROFESSIONAL ADDRESS: 32, RUE DE MONCEAU – 75008 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: –
	TITLES AND DUTIES OUTSIDE THE REXEL GROUP: **Over the last five financial years:** *In France* • Member of the Supervisory Board of SASP Paris Saint-Germain Football (France – unlisted company) • Chairman of the Supervisory Board of ANF Immobilier (France – listed company) • CEO of Immobilière Bingen (France – unlisted company) and Legendre Holding 8 (France – unlisted company) • Chairman of the Board of Directors of Europcar Groupe SA (France – unlisted company) • Chairman of the Board of Directors and director of Holdelis (France – unlisted company) • Director of Edenred (France – listed company) *Abroad* • Manager of Euraleo (Italy – unlisted company) • Member of the Advisory Board of APCOA Parking Holdings GmbH (Germany – unlisted company) • Director of Sportswear Industries Srl (Italy – unlisted company) • Director of Moncler Srl (Italy – unlisted company)	

Pier-Luigi Sigismondi*

(49 years old)

PROFESSIONAL ADDRESS:
UNILEVER PLC, UNILEVER HOUSE, 100 VICTORIA EMBANKMENT, LONDON EC4Y 0DY, UNITED KINGDOM

NUMBER OF REXEL SHARES HELD:
–

EXPERIENCE AND EXPERTISE

Director, Chairman of the Strategic Committee, member of the Nomination and Compensation Committee

Pier-Luigi Sigismondi has served on the Board of Directors of Rexel since May 22, 2014. Since May 22, 2013, he had served as observer *(censeur)* further to his appointment by the Supervisory Board.

Pier-Luigi Sigismondi is an Italian national.

Pier-Luigi Sigismondi has been a member of the Executive Board and Chief Supply Chain Officer of Unilever since 2009. Prior to that, Pier-Luigi Sigismondi worked for Nestlé SA, where he was Vice-President of corporate operations strategies, based in Switzerland, in charge of industrial strategies of the group worldwide as well as management of global cost improvement programmes before moving to Nestlé Mexico in 2005 as Vice-President of operations and R&D. Pier-Luigi Sigismondi started his career in consulting, first with Booz Allen & Hamilton and later with AT Kearney. Pier-Luigi Sigismondi holds a Masters Degree in Industrial & Systems Engineering from the Georgia Institute of Technology, Atlanta, Georgia.

TERM OF OFFICE

FIRST APPOINTMENT:
May 22, 2014

CURRENT TERM OF OFFICE:
From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Chairman of Rexel's Strategic Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Compensation Committee
- Member of Rexel's Supervisory Board of Rexel
- Observer *(censeur)* of the Supervisory Board of Rexel

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Member of the Executive Board and Chief Supply Chain Officer of Unilever (United Kingdom – listed company)

Over the last five financial years:

In France

–

Abroad

–

* Independent member.

Hendrica Verhagen* (48 years old)	PROFESSIONAL ADDRESS: PRINSES BEATRIXLAAN 23, 2595 AK, THE HAGUE, THE NETHERLANDS	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risks Committee, member of the Strategic Committee

Hendrica Verhagen has served on the Board of Directors of Rexel since May 22, 2014. She was previously a member of the Supervisory Board further to her cooptation by the Supervisory Board on November 28, 2013 to replace Akshay Singh. The ratification of Hendrica Verhagen's cooptation as member of the Supervisory Board as well as the renewal of her term of office as member of the Supervisory Board were approved by the shareholders' meeting of May 22, 2014.

Hendrica Verhagen is a Dutch citizen.

Hendrica Verhagen has been Chief Executive Officer of PostNL since April 2012. Prior to this, she served as a member of the Management Board of PostNL N.V., and was Managing Director Parcels and International PostNL, as of 2011. Hendrica Verhagen joined TNT Post in 1993 as a sales manager before going on to hold a number of senior positions including Commercial Director, Coordinating Managing Director Mail NL and Managing Director Group HR of TNT N.V. Hendrica Verhagen sits on the supervisory board of Nutreco N.V. Hendrica Verhagen obtained a Masters Degree in Law from the University of Nijmegen, a Masters degree in Human Resources from the Tilburg University, an International Management degree from INSEAD, a degree in Economics from the London School of Economics and an Executive MBA degree from Stanford University.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TERM OF OFFICE:
November 28, 2013 (as member of the Supervisory Board)	From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risks Committee
- Member of Rexel's Strategic Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Nomination Committee
- Member of Rexel's Supervisory Board

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Chair, CEO and member of the Management Board of PostNL NV (The Netherlands – listed company)
- Member of the Supervisory Board of Nutreco NV (The Netherlands – listed company)

Over the last five financial years:

In France

–

Abroad

–

* Independent member.

Deputy Chairman and senior independent director

On May 22, 2014, considering Rudy Provoost's appointment as Chairman and Chief Executive Officer, the Board of Directors appointed François Henrot as Deputy Chairman of the Board of Directors and senior independent director.

In such capacity, François Henrot's responsibilities include the following, *inter alia*:

- Managing potential conflict of interest situations;
- Defining the independence criteria; and
- Ensuring the proper organization and operation of the Board of Directors and of its committees.

Observer *(censeur)*

In accordance with article 21 of Rexel's by-laws, the Board of Directors may appoint up to three observers *(censeurs)*.

The observers are called to attend and take part in the meetings of the Board of Directors with an advisory vote. They may be members of the committees created by the Board of Directors.

They may but need not be shareholders and may receive compensation determined by the Board of Directors.

Observers are appointed for a maximum term of four years. Observers are always eligible for re-appointment and their functions may be terminated at any time.

Citizenship of the members of the directors

Seven directors are foreign (Germany, Belgium, United States, Italy, The Netherlands, Switzerland).

Balanced representation of men and women

On the date of this *Document de Référence*, the Board of Directors comprises four female members out of a total of ten members and thus complies with the provisions of Law n°2011-103 of January 27, 2011 and with the recommendations of the AFEP-MEDEF corporate governance code on the balanced representation of men and women within management and supervisory boards and professional equality.

Departure, appointment and renewal of Board members

During the financial year ended on December 31, 2014, the following changes took place in the membership of the Board of Directors (or, prior to May 22, 2014, the Supervisory Board):

DIRECTOR (SUPERVISORY BOARD MEMBER)	APPOINTMENT TERMINATION / RESIGNATION	COMMENT
Rudy Provoost	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
Roberto Quarta	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
	Resigned from office effective May 22, 2014	Replaced by Maria Richter (independent director)
Vivianne Akriche	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
	Resigned from office effective May 22, 2014	Replaced by Isabel Marey-Semper (independent director)
David Novak	No resolution to appoint David Novak as director was proposed to the shareholders' meeting of May 22, 2014	–
François David	No resolution to appoint François David as director was proposed to the shareholders' meeting of May 22, 2014	–
Thomas Farrell	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
Fritz Fröhlich	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
François Henrot	Approval of cooption and appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
Isabel Marey-Semper	Coopted as director by the Board of Directors on May 22, 2014	Coopted to replace Vivianne Akriche This cooptation will be submitted to the approval of the Shareholders' Meeting
Monika Ribar	Approval of cooption and appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
Maria Richter	Coopted as director by the Board of Directors on May 22, 2014	Coopted to replace Roberto Quarta This cooptation will be submitted to the approval of the Shareholders' Meeting

DIRECTOR (SUPERVISORY BOARD MEMBER)	APPOINTMENT TERMINATION / RESIGNATION	COMMENT
Patrick Sayer	Term of office as Supervisory Board member renewed by the shareholders' meeting of May 22, 2014	–
	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
Pier-Luigi Sigismondi	Appointed as Supervisory Board member by the shareholders' meeting of May 22, 2014	–
	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors
Hendrica Verhagen	Approval of cooption and term of office as Supervisory Board member renewed by the shareholders' meeting of May 22, 2014	–
	Appointed as director by the shareholders' meeting of May 22, 2014	Appointed in connection with the conversion into a *société anonyme* with a board of directors

In addition, the term of office of Isabel Marey-Semper (who was coopted to replace Vivianne Akriche) as director is due to expire at the close of the Shareholders' Meeting. In addition, the term of office of Maria Richter and Fritz Fröhlich are due to expire at the close of the Shareholders' Meeting in accordance with article 14.2 of the by-laws Rexel. Accordingly, a proposal has been submitted to the Shareholders' Meeting to approve the renewal of their term of office for a term of four years.

Finally, Patrick Sayer resigned from his position of director and of member of committees, with effect at close of the Shareholders' Meeting.

Multiple corporate offices

In relation to the holding of multiple corporate offices, Rexel intends to comply with the recommendations of the AFEP-MEDEF Code.

7.1.1.2 Operation of the Board of Directors

The Board of Directors is organized and performs the missions entrusted to it in accordance with applicable laws and regulations, the Company's by-laws and its internal regulations.

On May 22, 2014, pursuant to Rexel's by-laws, Rexel's Board of Directors adopted its own internal regulations, which were last updated on October 28, 2014 in connection with, *inter alia*, the Board of Directors' decision to merge its Nomination Committee with its Compensation Committee, setting forth the provisions governing the organization and operation of the Board of Directors and the rights and responsibilities of its members. These internal regulations are not enforceable against third parties and may not be invoked by such parties against members of the Board of Directors.

The Board of Directors' internal regulations are available on the Company's website (www.rexel.com) and the main stipulations of the internal regulations are reproduced or summarized below.

Board of Directors

Competence

The Board of Directors determines the Company's business orientations and oversees their implementation. Subject to the powers specifically assigned to the shareholders' meeting and within the scope of the corporate purpose, it addresses any and all matters pertaining to the proper operation of the Company and settles the Company's business through its deliberations.

In its relationships with third parties, the Company is bound even by the *ultra vires* acts of the Board of Directors, unless it is able to prove that the third party was aware that the act was *ultra vires* or could not be unaware of it in the circumstances, provided always that the mere publication of the by-laws shall not suffice to establish such proof.

The Board of Directors undertakes the controls and verifications it deems fit.

Each director receives all of the information required for the purpose of discharging his/her duties and may obtain copies of any and all documents he/she deems useful from the Chairman.

The Board of Directors has the following powers, *inter alia*:

(i) Powers in the area of control:

- it controls the management;
- it reviews the financial condition, cash position and commitments of the Company and its subsidiaries;
- it review the cash position of the Company and its subsidiaries;
- it reviews the financial statements auditing process and information provided to the shareholders and to the market; and
- it authorizes related-party agreements.

(ii) Powers in the area of appointments and compensation:

- it appoints and dismisses the Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors;
- it appoints and dismisses the chief executive officer and the deputy chief executive officers, determines their number within the limits provided by the by-laws and their compensation;
- it chooses the executive management organization method (separation of the functions of chairman from the functions of chief executive officer, or merger of both functions;
- it co-opts the directors;
- it allocates attendance fees;
- it is informed on the appointment, dismissal/termination of the members of the Executive Committee; and
- it issues opinions on the compensation of the Executive Committee members.

(iii) Preparation of reports to be submitted to general shareholders' meetings:

Each year, the Board of Directors submits a report on the Company's situation and business during the financial year and on the financial statements for the financial year to the ordinary annual shareholders' meeting.

The Chairman of the Board of Directors must append to this report a report on how the Board prepares and organizes its work, and on the internal control procedures implemented by the Company.

The Board of Directors submits recommendations on the reappointment of the Board members.

(iv) Powers to grant prior authorization to the Chief Executive Officer to make certain decisions:

The Board of Directors grants the Chief Executive Officer the authorizations required by law or by a provision of the by-laws.

Under the Company's by-laws, the following decisions require the prior authorization of the Board of Directors:

- adoption of the annual budget;
- adoption of the strategic plan;
- proposed shareholder resolutions in relation to distributions (including dividends or reserves) to the shareholders;
- proposed shareholder resolutions in relation to the replacement of the statutory auditors;
- adoption of significant changes to the accounting methods;
- the Company's acceptance of and resignation from any office as a member of a board of directors or equivalent body, and the appointment and dismissal of the Company's permanent representatives at such boards or equivalent bodies;
- proposed shareholder resolutions and exercise of delegations of authority or powers granted by the shareholders' meeting in relation to the issue of shares or securities conferring access to the share capital of the Company, or of a company that holds more than one-half of its share capital (whether directly or indirectly), or of a company whose share capital is more than 50%-held by the Company (whether directly or indirectly), or of securities conferring the right to the allotment of debt securities, in each case whether immediately and/or in the future;
- proposed resolutions to the shareholders' meeting in relation to share buyback programmes;
- acquisitions and disposals of any businesses, holdings in any companies or assets, and incurrence of any investment expenditure, in each case for an enterprise value in excess of an amount determined by the Board of Directors;
- decisions to create a business division or subsidiary or to invest in a business division or to acquire an interest in a business in a country where the Company is not active;
- indebtedness (including by means of bond issues) or assumption of liabilities, in each case for an amount in excess of a threshold determined by the Board of Directors;
- allotment of stock options, free shares or other plans involving Company equity-securities in favour of employees of the Company or its subsidiaries;
- signing of any merger, demerger or contribution agreement;

- listing of securities of the Company or of any of its subsidiaries on a regulated market;
- any transaction resulting in a significant change in the business of the Company and its subsidiaries; and
- any settlement or compromise in relation to any dispute involving an amount in excess of a threshold determined by the Board of Directors.

Prior consultation of the committees

Insofar as possible and depending on the circumstances, any deliberation of the Board of Directors on a matter falling within committee's scope of competence is preceded by a referral of the relevant matter to the relevant committee and may be passed only after the relevant committee has submitted its recommendations or proposals.

For good corporate governance practices, the Chairman of the Board of Directors must provide the Chairman of the relevant committee, within a reasonable period of time (in view of the circumstances), with all information and documents required to allow the committee to perform its tasks and to express its opinions, recommendations or proposals on the relevant Board deliberation proposal.

Meetings

The Board of Directors meets whenever the best interests of the Company so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman.

Unless agreed in writing by all of the directors, meetings are notified in writing, by any means, including by facsimile or e-mail, at least three (3) days prior to the date of the meeting, and must include the meeting agenda as well as all documents prepared with a view to being submitted to the Board of Directors. However, where all of the directors are present or represented at a meeting (including through participation or representation at telephone or videoconferences), the meeting may be held without prior notice and without complying with the three (3) day notice period.

Meetings are held at the registered office or at any other place specified in the notice of meeting.

However, if the Board of Directors has not met for more than two months, any group of directors representing at least one-third of the directors in office may ask the Chairman to call a meeting of the Board of Directors on a given agenda. In all other cases, the agenda is decided by the Chairman and must in any event be referred to in the meeting notice.

The Board of Directors may not validly deliberate unless at least half of its members are in attendance.

An attendance record is kept and signed by those directors participating in each Board meeting; the attendance record states the name of the directors who took part in the deliberations by videoconference or any other means of telecommunication.

The deliberations of the Board of Directors are recorded in minutes, which are drawn up in accordance with applicable law and signed by the Chairman of the meeting and by at least one director or, in the event the Chairman is unavailable, by at least two directors.

The copies or extracts of these minutes are certified by the Chairman or Deputy Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers, the director temporarily appointed to act as Chairman or a duly empowered proxy.

Meetings held by videoconference or other means of telecommunication

For the purpose of calculating the quorum and the majority, the directors who take part in Board meeting by videoconference or other means of telecommunication, in accordance with the conditions described below, shall be deemed present:

- means of videoconference or telecommunication may be used for any meeting of the Board of Directors;
- the means of videoconference or telecommunication used must ensure actual participation in the deliberations of the Board of Directors, which must take place in the ordinary course without interruption;
- each participant must be able to speak and hear what is being said;
- directors who participate in a meeting of the Board of Directors by videoconference or other means of telecommunication must inform the other participants if any other person is present and capable of hearing or seeing the deliberations;
- the attendance record for each meeting of the Board of Directors must state whether any directors are participating by videoconference or other means of telecommunications;
- the directors who attend meeting of the Board of Directors by videoconference or other means of telecommunications must sign the attendance record for such meetings; and
- the minutes of each meeting of the Board of Directors must state the names of the directors participating by videoconference or other means of telecommunication, and, as the case may be, include details of any technical disruptions that interfered with the meeting process.

Majority rules

In accordance with the Company's by-laws, decisions are made by majority vote of the members who are present or represented; each Board member holds one vote and may not represent more than one fellow director.

In the event of a tie, the Chairman of the meeting shall have a casting vote if (and only if) the Board of Directors comprises an even number of directors in office, and only at meetings presided by the Chairman of the Board of Directors.

Membership

The Board of Directors comprises at least 5 members but no more than 15 members, subject to the exception provided by law in the event of a merger.

During the Company's lifetime, directors are appointed or renewed in office by the ordinary shareholders' meeting.

The maximum term of office for a director is 4 years.

However, the first directors who were appointed by the shareholders' meeting of May 22, 2014 and who were members of the Company's Supervisory Board on the date of the shareholders' meeting of May 22, 2014, have been appointed for a term equal to the remainder of their term of office as members of the Supervisory Board of the Company.

The duties of a director expire at the close of the ordinary shareholders' meeting called to approve the financial statements for the financial year and held in the year during which the relevant director's term of office is due to expire.

One-fourth of the Board of Directors, rounded up to the nearest whole number, is renewed every year so that the Board is fully renewed every four years. The order of early termination of the terms of office is determined by unanimous decision of the directors present or represented or, if unanimity cannot be reached, by random draw. The term of office of the persons so designated lapses and expires on the date determined by the unanimous decision of the Board of Directors or by the Chairman of the Board of Directors prior to the draw. The directors are then renewed according to the order of length of service

Directors are always eligible for re-appointment.

They may be dismissed at any time by the ordinary shareholders' meeting.

No person above 70 years of age may be appointed as director where, as a result of such appointment, more than one-third of the number of directors would be above 70 years of age.

The directors may be private persons or legal entities. Legal entities acting as directors must, upon their appointment, nominate a permanent representative who is subject to the same conditions and duties and is exposed to the same responsibilities as if he/she was a director in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents. The permanent representative is appointed for the entire term of office of the legal entity he/she represents. He/she must be renewed as permanent representative with each renewal of the legal entity's term of office.

In the event of a termination of the representative's duties by the legal entity, the legal entity must promptly give notice of such termination, and of the name of its new permanent representative, to the Company, by registered letter. The same applies in the event of death or resignation of the permanent representative, of if he/she is unable to act for an extended period of time.

In the event of one or more vacancy(ies) between two shareholders' meetings, as a result of the death or resignation of one or more director(s), the Board of Directors may co opt one or more director(s), on a temporary basis, in accordance with the provisions of the law.

The Board of Directors' director cooptations are subject to ratification at the next ordinary shareholders' meeting.

Any deliberations made and acts performed prior to ratification remain valid notwithstanding the absence of ratification.

If the number of directors falls below three, the remaining directors must immediately call an ordinary shareholders' meeting in order to appoint the requisite number of directors to supplement Board membership.

A director appointed to replace another director remains in office only for the remainder of the replaced director's term of office.

A person may not be appointed as director unless such person complies with the rules on multiple corporate offices, incompatibilities, disqualifications and prohibitions provided by the laws and regulations.

The number of directors bound by an employment contract with the Company may not exceed one-third of the directors in office.

Chairman, Deputy Chairman and senior independent director

The Board of Directors elects a Chairman and, as the case may be, a Deputy Chairman from among its members, for a term of office equal to their term of office as director, unless the Board of Directors elects to appoint a new Chairman and, as the case may be, a new Deputy Chairman.

Chairman

The Chairman of the Board of Directors represents the Board of Directors. He/she calls meetings of the Board and organizes and leads the Board's activities and reports on such activities to the shareholders' meeting. The Chairman sees to the proper operation of the Company's bodies and in particular ensures that the directors are able to discharge their duties.

Deputy Chairman and senior independent director

If the Chairman is unable to act, the Deputy Chairman performs the same functions and enjoys the same powers as the Chairman. In the event of inability, this temporary replacement is valid for the duration of the inability. In the event of death, this temporary replacement is valid until another Chairman is elected.

In the Chairman's absence, the Deputy Chairman chairs meetings of the Board of Directors.

The Deputy Chairman may also perform the functions of senior independent director. The Deputy Chairman acting as senior independent director must qualify as an independent member under the criteria made public by the Company.

The appointment of a Deputy Chairman is mandatory where the functions of Chairman of the Board of Directors and of Chief Executive Officer are exercised by a single person. In such case, the Deputy Chairman shall also perform the functions of senior independent director.

In his/her capacity as senior independent director, the Deputy Chairman:

- manages conflict of interest situations, if any;
- defines the independence criteria; and
- ensures the proper organization and operation of the Board of Directors and of its committees.

To such effect, the Deputy Chairman:

- is kept informed of significant events affecting the life of the Company and of its Group;
- may be consulted by the Chairman of the Board of Directors on the organization of the meetings of the Board of Directors;
- may, at least once a year, call a meeting of the directors in the absence of the corporate officers;
- presents any conflict of interest situations he/she may identify to the Chairman of the Board of Directors and to the Board of Directors as well as his/her recommendations with regard to the management of such conflict of interest situations;
- may attend meetings of any committees of which he/she is not a member, without the right to vote;
- may access any documents and information he/she deems necessary or useful for the discharge of his/her duties;
- conducts annual assessments of the organization and operation of the Board of Directors and its committees;
- may meet current or potential shareholders, at their request, and forwards their concerns in relation to governance to the Board.

The Deputy Chairman reports on his/her work to the Board of Directors.

Executive Management

The Company's executive management is performed, under his/her responsibility, by the Chairman of the Board of Directors, or by another private person, who need not be a director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors elects one of the aforementioned two forms of executive management by majority decision as described in article 17§2 of the by-laws. The shareholders and third parties are informed of such election in accordance with the rules provided by law.

This form of executive management remains valid until another decision is made, in accordance with the same rules.

In order to ensure the continuous operation of the Company should the Chairman and Chief Executive Officer cease or be unable to perform his/her functions, unless otherwise decided by the Board of Directors, the Deputy Chief Executive Officer(s) are in charge of the Company's executive management until a new Chief Executive Officer is appointed, and the Deputy Chairman acts as temporary Chairman of the Board of Directors.

Code of Conduct of the Board of Directors

The Board of Directors, a collegiate body, is required to act in Rexel's corporate interests under all circumstances.

The Board members carry out their duties with loyalty and professionalism.

The Board members also make sure to avoid conflicts of interest between their personal interests and those of Rexel. Accordingly:

- the Board members ensure that their independence of judgment, decision and action is at all times protected. They agree not to be influenced by any factors contrary to the corporate interest that they are duty bound to defend;

- the Board members undertake to avoid conflicts between their moral and material interests and those of the Company. They inform the Board of Directors of any conflicts of interest in which they may be involved. In such case, they abstain from taking part in the debates and in any decision on the relevant matters.

Compensation

The ordinary shareholders' meeting may allocate attendance fees to Board members, in an amount recorded in the Company's operating expenses. Such compensation remains valid until another decision is made by the shareholders' meeting.

The Board of Directors allocates this compensation among the directors as it deems appropriate.

The compensation of the Chairman of the Board of Directors, of the Chief Executive Officer and of the Deputy Chief Executive Officers is determined by the Board of Directors; such compensation may be fixed or proportional or both.

The Board of Directors may allot exceptional compensation for special missions or functions assigned to Board members. Any such compensation is recorded in operating expenses and is subject to approval by the ordinary shareholders' meeting in accordance with the procedure set forth in articles L.225-38 to L.225-42 of the French Commercial Code.

The Board of Directors may authorize the reimbursement of travel and other expenses incurred by its members in the best interest of the Company.

No other compensation, whether permanent or temporary, other than that provided hereunder, may be allotted to Board members unless they are bound to the Company by an employment agreement under the conditions allowed by applicable law and regulations.

Independent Directors

In accordance with the good corporate governance principles and practices set out in its internal regulations, the Board of Directors and each of the committees comprise independent members who are elected or appointed as such.

Definition of independence and related criteria

The definition of independence as well as the independence criteria are set by reference to the AFEP and MEDEF corporate governance guidelines.

Accordingly, in assessing the situation of each director, the Board of Directors analyses the following criteria:

- not be (or have been, over the past five years) an employee or an executive corporate officer of the Company, or an employee or a director of its parent company or of any company consolidated by the parent company;
- not be an executive corporate officer of a company in which the Company holds a directorship (whether directly or indirectly) or in which an employee appointed as a director or an executive corporate officer of the Company (currently or over the past five years) hold as directorship;
- not be a client, supplier, investment banker, finance banker:
  - of significant importance to the Company or its group,
  - or for whom the Company or its group presents a substantial part of its business.

  For the purpose of the analysis of this criterion, the Board of Directors analyses:

  - the weight of the supplier in the total expenses of the group / the weight of the client in to the total sales of the group, or the fact that the Company or its group presents a substantial part of the business of the supplier / of the client; and
  - the existence of exclusive relationships.

  On this basis, the Board of Directors has concluded that there were no significant business relations.
- not have any close family ties with a corporate officer;
- not have been a statutory auditor of the business in the past five years; and
- not be a director of the business for more than twelve years.

The Board of Directors may find that even where a director satisfies the independence criteria defined by the recommendations of the AFEP and of the MEDEF, that director may not be qualified as independent owing to his/her individual situation or to the situation of Rexel, in light of its shareholder base or for any other reason. Conversely, the Board of Directors may consider that a director who does not satisfy the criteria detailed above is nonetheless independent.

Qualification procedure for independent members

The Nomination Committee (since October 28, 2014, the Nomination and Compensation Committee) reviews the designation of independent members each year and draws up a report to the Board of Directors on the matter. Each year, in light of this report, the Board of Directors reviews the situation of each director with respect to independence criteria.

The Board of Directors submits the findings of its review to the shareholders in the annual report.

Based on this review, as at December 31, 2014, 8 members of the Board of Directors were independent: Thomas Farrell, Fritz Fröhlich, François Henrot, Isabel Marey-Semper, Monika Ribar, Maria Richter, Pier-Luigi Sigismondi and Hendrica Verhagen.

This review also shows that, as at December 31, 2014, 6 out of the 6 members of the Audit and Risks Committee were independent (Fritz Fröhlich, Thomas Farrell, Isabel Marey-Semper, Maria Richter, Hendrica Verhagen and François Henrot).

As at December 31, 2014, 6 out of the 7 members of the Nomination and Compensation Committee were independent (François Henrot, Thomas Farrell, Monika Ribar, Maria Richter, Pier-Luigi Sigismondi and Fritz Fröhlich).

As at December 31, 2014, 5 out of the 7 members of the Strategic Committee were independent (Pier-Luigi Sigismondi, Monika Ribar, Isabel Marey-Semper, Hendrica Verhagen and François Henrot).

Board of Directors observer *(censeur)*

The Board of Directors may appoint up to three observers *(censeurs)*, who may be but are not required to be shareholders, and who shall be asked to attend Board meetings, exclusively for purposes of information.

Board Committees

The Board of Directors may create committees to assist it in carrying out its functions. The internal regulations of the Board of Directors set the rules that apply to each committee, in particular the rules relating to their composition and operational procedures. In addition, the Board international regulations set certain rules that are specific to the Audit and Risks Committee, the Nomination and Compensation Committee and the Strategic Committee.

Assessment of organization and operation of the Board of Directors

The Board of Directors undertakes a self-assessment of its performance on a periodic basis and at least once a year. The assessment of the performance of the Board of Directors is conducted by the observer(s) in office or by an independent director. It may take the form of anonymous questionnaires sent to each director. Once a year, the results of such assessment are presented to and debated at a meeting of the Board of Directors, under the conduct of an observer or of an independent director. On this occasion, the various items of the mission and duties of the Board and of the directors are reviewed and assessed, and recommendations (as the case may be) are made for the improved operation of the Board.

In addition, an assessment of the Board of Directors' performance is carried out at least once every three years, with the assistance of an external consultant.

For 2014, the Board of Directors conducted a self-assessment of its performance on the basis of anonymous questionnaires sent to each of the directors.

The evaluation conducted in respect of the financial year ended December 31, 2014 showed that the members of the Board of Directors favourably welcomed the changes in the governance that occurred in 2014. The Board of Directors, which has been deeply renewed in its organization and its membership, globally gives satisfaction to the directors, either in its membership, its organization or its functioning. Recommendations have however been made by the directors in order to improve:

- the organisation of the Board of Directors and its Committees: merge the Strategic Committee with the Board of Directors and create an M&A Committee;
- the relationship and the training of the directors: organize a deeper knowledge of Rexel and the Rexel Group, including through sites and countries visits, and develop the collegiality of the Board of Directors; and
- the relationship with the management: meet with further n-1 managers during the meetings of the Board of Directors.

7.1.1.3 The work of the Board of Directors during the 2014 financial year

During the financial year ended on December 31, 2014, the Supervisory Board and, from May 22, 2014, the Board of Directors, met 14 times.

The Supervisory Board and, from May 22, 2014, the Board of Directors, by-laws deliberated on, *inter alia*:

- the review of the financial statements for the financial year ended on December 31, 2013, as drawn up by the Management Board;
- the review of the 2013 *Document de Référence*;
- the preparation of the Company's shareholders' meeting of May 22, 2014;
- the review of the quarterly and half-year financial statements and related financial communication;
- the review of the work of the special Committees;
- the appointment of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer;
- the Rexel Group's budget for the 2014 financial year as well as the strategic three-year plan;
- Rexel Group's development projects;
- the risk-mapping review; and
- the merger of the Nomination Committee with the Compensation Committee and the modification of the powers of the Board of Directors in relation to the appointment, resignation/dismissal of the members of the Executive Committee resulting in a modification of the internal regulations of the Board of Directors.

The Board of Directors was further informed of the progress made on the main structuring projects conducted by the Rexel Group subsidiaries.

The presence rate at the meetings of the Supervisory Board and, from May 22, 2014, at the meetings of the Board of Directors and of the special Committees was as follows:

	SUPERVISORY BOARD / BOARD OF DIRECTORS		AUDIT AND RISK COMMITTEE		NOMINATION COMMITTEE		COMPENSATION COMMITTEE		NOMINATION AND COMPENSATION COMMITTEE		STRATEGIC COMMITTEE	
DIRECTORS	NUMBER OF MEETINGS	PRESENCE RATE	NUMBER OF MEETINGS	PRESENCE RATE	NUMBER OF MEETINGS	PRESENCE RATE	NUMBER OF MEETINGS	PRESENCE RATE	NUMBER OF MEETINGS	PRESENCE RATE	NUMBER OF MEETINGS	PRESENCE RATE
Rudy Provoost	8/8	100%	–	–	3/3	100%	–	–	–	–	4/4	100%
Vivianne Akriche	7/7	100%	2/2	100%	–	–	–	–	–	–	–	–
François David	4/6	67%	–	–	–	–	2/2	100%	–	–	2/3	67%
Thomas Farrell	13/14	93%	4/4	100%	3/3	100%	–	–	1/1	100%	3/3	100%
Fritz Fröhlich	14/14	100%	4/4	100%	1/1	100%	5/5	100%	1/1	100%	–	–
François Henrot	13/14	93%	–	–	3/3	100%	2/3	67%	1/1	100%	1/1	100%
Isabel Marey-Semper	6/7	86%	2/2	100%	–	–	–	–	–	–	2/4	50%
David Novak	5/6	83%	1/2	50%	–	–	–	–	–	–	3/3	100%
Roberto Quarta	7/7	100%	–	–	1/1	100%	2/2	100%	–	–	–	–
Monika Ribar	11/14	79%	–	–	4/4	100%	–	–	0/1	0%	6/7	86%
Maria Richter	7/7	100%	2/2	100%	–	–	3/3	100%	1/1	100%	–	–
Patrick Sayer	13/14	93%	–	–	1/1	100%	5/5	100%	1/1	100%	7/7	100%
Pier-Luigi Sigismondi (observer then director)	13/14	93%	–	–	1/1	100%	5/5	100%	1/1	100%	4/4	100%
Hendrica Verhagen	12/14	86%	2/2	100%	2/3	67%	–	–	–	–	0/1	–
Average rate		**91%**		**94%**		**95%**		**96%**		**83%**		**86%**

7.1.2 Committees of the Board of Directors

At its meeting of May 22, 2014, the Board of Directors created four special committees and determined their composition and responsibilities: the Audit and Risks Committee, the Compensation Committee, the Nomination Committee and the Strategic Committee.

At its meeting of October 28, 2014, the Board of Directors decided to merge the Nomination Committee with the Compensation Committee, thereby reducing to three the number of Board committees.

The committees are responsible for providing the Board of Directors with their opinions, proposals or recommendations. Their powers are strictly advisory and they discharge their duties under the Board of Directors' responsibility.

Each of the Board of Directors' special committees has drawn up internal regulations that have been approved by the Board of Directors and set out the provisions of the internal regulations of the Board of Directors.

The Supervisory Board's objective was to enhance the presence of female members and independent members within the special committees. This objective was completed at December 31, 2014, as the Board of Directors comprised 8 independent members out of a total of 10, including 4 female members. The Board of Directors of February 11, 2015, upon the recommendations of the Nomination and Compensation Committee, decided that its objectives to maintain the same number of independent members and women within the Board of Directors. The Board of Directors also intends to maintain the diversity of nationalities within the Board, and to keep its multicultural dimension.

7.1.2.1 Audit and Risks Committee

Members of the Audit and Risks Committee

As at December 31, 2014, the Audit and Risks Committee was made up of the following persons:

- Fritz Fröhlich (Chairman and independent member);
- Thomas Farrell (independent member);
- Isabel Marey-Semper (independent member);
- Maria Richter (independent member);
- François Henrot (independent member); and
- Hendrica Verhagen (independent member).

The members of the Audit and Risks Committee are appointed on the basis of specific skills in the financial or accounting fields, in consideration of their academic education and professional experience, in particular in connection with the preparation, audit and analysis of financial statements, accounting issues and risk follow-up and management.

The independence criteria of the members of the Board of Directors are set out in the internal regulations of the Board of Directors (see paragraph 7.1.1.2 “Operation of the Board of Directors” of this *Document de Référence*). The criteria for independent members of the Committees, in particular of the Audit and Risks Committee, are identical. Within the Audit and Risks Committee, in the financial year ended December 31, 2014, all of the members were therefore considered as independent.

Each of the other members of the Audit and Risks Committee has skills in the financial and/or accounting fields. In addition, the members of the Audit and Risks Committee are informed of the Rexel Group's accounting, financial or operational specificities.

Operation of the Audit and Risks Committee

The main provisions of the internal regulations of the Audit and Risks Committee are set out below. Such provisions take into account the conclusions of the working group on audit committee set up by the AMF.

Members

The Audit and Risks Committee is made up of a maximum of seven members and includes independent directors. At least one of the independent directors must have expertise in financial and accounting matters.

The Chairman of the Board of Directors is not a member of the Audit and Risks Committee.

The members of the Audit and Risks Committee shall be appointed for their expertise in accounting and finance matters.

Competence

The Audit and Risks Committee monitors the elaboration and the control of the financial and accounting information. It assists the Board of Directors in ascertaining the accuracy and fairness of the Company and consolidated financial statements of Rexel and the quality of the information provided. Its mission, as assigned by the Board of Directors when preparing the parent company and consolidated financial statements, which are drawn up annually, half-yearly and quarterly in accordance with applicable regulations, and when preparing any deliberations with respect to the financial statements of Rexel, is to make recommendations and submit proposals to the Board of Directors in all areas listed below:

- review and control of the financial and accounting information:
  - knowledge of the scope of consolidation, accounting methods and auditing procedures;
  - review of the quarterly, half-yearly and annual financial statements, and in particular analysis of provisions and of material risks and off-balance sheet liabilities;
  - knowledge of accounting positions taken in recognizing material transactions;
  - submission of recommendations to the Board of Directors on all proposed adoption of material changes in accounting methods;

- review of the Rexel Group's financial position;
- monitoring of the review by the auditors of the consolidated and company quarterly, half-yearly and annual financial statements;
- review of the procedures for preparing the information provided to the shareholders and to the market and review of the press releases published by the Rexel Group in connection with financial and accounting matters;

- control of the statutory auditors' mission and independence:
  - oversight of the selection procedure applicable to the statutory auditors;
  - submission of recommendations to the Board of Directors on the proposed shareholder resolutions to appoint, replace and reappoint statutory auditors;
  - knowledge of the amount of fees paid to the statutory auditors and recommendation thereon to the Board of Directors;
  - ascertaining that the statutory auditors comply with the rules governing their independence;
- control of internal audit procedures and monitoring of the internal control and risk management systems efficiency:
  - submission of recommendations on the mission and organization of the Rexel Group's internal audit department and its action plan;
  - review of main findings carried out by Internal Audit within the framework of its work, followed by a report to the Board of Directors;
  - review of the contributions of the internal audit department to the assessment of the risk management and internal control procedures;
  - review of the organization and application of internal control framework within the Rexel Group and review of the risk identification and management procedures.

Operation

The Audit and Risks Committee meets at least four times per year and whenever it deems it necessary. It meets prior to those meetings of the Board of Directors at which matters falling within its scope are to be reviewed. The frequency and duration of Audit and Risks Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the Committee's scope.

The Audit and Risks Committee must report on its activities to the Board of Directors on a regular basis, and when the Board of Directors adopts the annual, half-year and quarterly financial statements.

The Audit and Risks Committee is duly convened only if a quorum consisting of at least half of its members is present. Committee members may not be represented by proxy.

The Audit and Risks Committee adopts decisions by a simple majority. In case of a tie, the Chairman does not have a casting vote.

The work of the Audit and Risks Committee during the financial year ended on December 31, 2014

The Audit and Risks Committee met 4 times in the course of the financial year, in particular prior to the meetings of the Supervisory Board then of the Board of Directors called to approve the financial statements, and reported on its work to the Supervisory Board then to the Board of Directors.

The Company's Chief Finance, Control and Legal Officer (also assuming the functions of Deputy Chief Executive Officer), the Chief Administrative and Financial Officer, the Chief Internal Audit Officer, the Chief Internal Control Officer, the Chief Consolidation and Accounting Standards Officer, the Chief Finance and Treasury Officer and the auditors attended each of these meetings. Other members of the management of the Rexel Group attended some of these meetings when matters requiring their expertise were on the agenda.

In addition, the Audit and Risks Committee may ask to hear the Chairman and Chief Executive Officer if it deems it necessary in view of the matters on the agenda.

Its work related to, in particular, (i) the financial statements for the financial year ended on December 31, 2013, the summary half-year financial statements as at June 30, 2014 and the summary quarterly financial statements as at March 31, 2014 and September 30, 2014, (ii) the proper application of the accounting principles, (iii) the functioning of the Company's internal control bodies (see in particular paragraph 2.3 "Internal control and risk management procedures" of this *Document de Référence*), (iv) the tax situation of the Rexel Group and (v) the Rexel Group's performance forecasting processes.

The Statutory Auditors presented their findings in connection with the audit of the annual financial statements for the financial year ended on December 31, 2013, the limited review of the summary half-year financial statements as at June 30, 2014 and of the procedures followed for the purpose of the summary quarterly financial statements as at March 31, 2014 and September 30, 2014.

The attendance rate for Audit and Risks Committee meetings was 94%.

7.1.2.2 Nomination and Compensation Committee

Upon a decision of October 28, 2014, the Board of Directors decided to merge the Nomination Committee and the Compensation Committee.

Members of the Nomination and Compensation Committee

As at December 31, 2014, the Nomination and Compensation Committee was made up of the following persons:

- François Henrot (Chairman and independent member);
- Patrick Sayer (deputy chairman);
- Thomas Farrell (independent member);
- Monika Ribar (independent member);
- Maria Richter (independent member);
- Fritz Fröhlich (independent member); and
- Pier-Luigi Sigismondi (independent member).

Operation of the Nomination and Compensation Committee

The main provisions of the internal regulations of the Nomination and Compensation Committee are set out below.

Members

The Nomination and Compensation Committee is made up of a maximum of seven members and includes the independent directors. The executive corporate officers are not members of the Nomination and Compensation Committee. The Nomination and Compensation Committee is chaired by an independent director, chosen from amongst its members. The Chairman may appoint a vice-chairman in order to help him performing his assignments. The vice-Chairman has no powers. If the Chairman is temporarily impeached, the members of the Committee appoint among themselves a competent and independent member to assume the chairmanship of the Committee for the relevant meeting.

Powers in relation to nominations

The Nomination and Compensation Committee has the following responsibilities:

- make proposals in relation to appointment, termination/dismissal and on the renewal of the offices of the directors and of the Chairman of the Board of Directors, of the members and of the chairman of the Audit and Risks Committee and of the Strategic Committee, of the Chief Executive Officer and of the Deputy Chief Executive Officers, and to issue recommendations on the candidates considered, in terms of expertise, availability, appropriateness and complementarity with other members of the Board of Directors or of executive management;
- be informed of any appointment or dismissal or termination of the functions of any Executive Committee member;
- proposals in relation to the qualification as independent directors of members of the Board of Directors;
- verify compliance with the independence criteria and issue opinions thereon, as required, and advise the Chairman of the Board of Directors on the number of independent directors;
- be in a position at any time to formulate a proposal on a potential successor to the Chairman of the Board of Directors or of the Chief Executive Officer;
- issue a recommendation, on the Chief Executive Officer's proposal, on the Company's acceptance of and resignation from any office as a member of the board of directors or any equivalent body and on the appointment and dismissal of permanent representatives of Rexel on such board of directors or equivalent bodies; and
- in connection with the aforementioned powers, the members of the Committee may invite the executive corporate officers to participate in the works in order to express their views on the proposed nominations, except where their personal situation is concerned.

Powers in relation to compensation

The Nomination and Compensation Committee has the following responsibilities:

- make recommendations to the Board of Directors on the compensation of the Chairman of the Board of Directors and of the Chief Executive Officer and Deputy Chief Executive Officers, and on the rules for determining the variable components of such compensation as well as any additional items such as retirement schemes and benefits in kind;
- make recommendations to the Board of Directors on the allocation of the directors' fees;
- be informed of the proposed severance payments in connection with the termination of the employment contract of the Chief Executive Officer or Deputy Chief Executive Officers, and provide its opinion in relation thereto to the Chairman of the Board of Directors;
- express its views on the stock options and free shares allotment policy in respect of all categories of beneficiaries and particularly the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Company's Executive Committee;

make a recommendation on the allotment periodicity and allotment terms and conditions; and

- make recommendations on the compensation policy for members of the Executive Committee. On this occasion, the Committee may invite the executive corporate officers to participate in the meeting dedicated to the compensation of the members of the Executive Committee.

Operations

The Nomination and Compensation Committee meets at least once each year and, in any case, prior to those Board of Directors' meetings at which matters falling within its scope of competence are to be reviewed. The frequency and duration of Nomination and Compensation Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within its scope of competence.

The Nomination and Compensation Committee is duly convened only if a quorum consisting of at least half of its members is present. Members of the Nomination and Compensation Committee may not be represented by proxy.

The Nomination and Compensation Committee adopts decisions by a simple majority. In case of a tie, the Chairman does not have a casting vote.

The work of the Nomination and Compensation Committee during the financial year ended on December 31, 2014

During 2014, the Nomination and Compensation Committee met once in its merged form. The presence rate at such meeting was 83%.

Prior to the merger, the Nomination Committee met 4 times during 2014. It reported on its work to the Supervisory board then to the Board of Directors. In particular, the Nomination Committee recommended:

- the cooptation of Maria Richter and Isabel Marey-Semper as directors to replace Roberto Quarta and Vivianne Akriche, respectively;
- the appointment of Rudy Provoost as Chairman and Chief Executive Officer, of Catherine Guillouard as Deputy Chief Executive Officer, of François Henrot as Deputy Chairman and senior independent director;
- the merger of the Nomination Committee with the Compensation Committee and the modification of the membership of the Board committees;
- the modification of the powers of the Board of Directors in connection with the nomination, resignation/dismissal of the members of the Executive Committee; and
- the appointment of Brian McNally as Senior Vice-President North America and member of the Executive Committee, the appointment of Patrick Berard as Senior Vice-President Southern Europe, Central and Eastern Europe.

The attendance rate for Nomination Committee meetings was 95%.

Prior to the merger of the Nomination Committee with the Compensation Committee, the Compensation Committee met 5 times and reported on its work to the Supervisory Board then to the Board of Directors. The main points of focus of its work were most notably (i) making proposals in relation to the compensation of the Chairman and Chief Executive Officer, of the Deputy Chief Executive Officers and of the other members of the Executive Committee, (ii) making proposals in relation to free shares allotments, and (iii) reviewing the compensation of the directors (directors' fees).

The attendance rate for Compensation Committee meetings was 96%.

7.1.2.3 Strategic Committee

Members of the Strategic Committee

As at December 31, 2014, the Strategic Committee was made up of the following persons:

- Pier-Luigi Sigismondi (Chairman and independent member);
- Isabel Marey-Semper (independent member);
- Hendrica Verhagen (independent member);
- Monika Ribar (independent member);
- Patrick Sayer;
- François Henrot (independent member); and
- Rudy Provoost.

Operation of the Strategic Committee

The main provisions of the internal regulations of the Strategic Committee are set out below.

Members

The Strategic Committee is made up of a maximum of seven members and includes independent directors.

Powers

The Strategic Committee's responsibilities are:

- review and issue recommendations to the Board of Directors on the Company's proposed strategic plans and annual budgets drawn up by the Chief Executive Officer. In this respect, the Strategic Committee may interview the Chief Executive Officer or the Deputy Chief Executive Officers on the assumptions on the basis of which such plans were drawn up;

- review and issue recommendations to the Board of Directors on planned acquisitions or disposals of business divisions or assets, and on investments, whenever the enterprise value exceeds the threshold above which such transactions are subject to prior approval by the Board of Directors;
- review and issue recommendations to the Board of Directors on the creation of any business division or subsidiary, on investments in any business division or on the acquisition of any equity interest in a country in which Rexel does not operate;
- review and issue recommendations to the Board of Directors on any borrowing or assumption of liabilities by Rexel in an amount exceeding the threshold above which such transactions are subject to prior approval by the Board of Directors;
- review and issue recommendations to the Board of Directors on all proposed mergers, spin-offs or asset transfers involving Rexel;
- review and issue recommendations to the Board of Directors on any proposal for the admission to trading on an organized exchange of tradable securities issued by Rexel or any of its subsidiaries;
- review and issue recommendations to the Board of Directors on any transaction entailing a significant alteration in the scope of the business activities of Rexel and its subsidiaries; and
- review the Rexel Group's financial position, in conjunction with the Audit and Risks Committee.

Operations

The Strategic Committee meets at least once each year and whenever it deems it necessary. It meets prior to those Board of Directors' meetings during which matters falling within its scope of competence are to be reviewed. The frequency and duration of Strategic Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the Strategic Committee's scope.

The Strategic Committee is duly convened only if a quorum consisting of at least half of its members is present. A committee member may not be represented by proxy.

The Strategic Committee adopts decisions by a simple majority. In case of a tie, the Chairman does not cast the tie-breaking vote.

The work of the Strategic Committee during the financial year ended on December 31, 2014

During 2014, the Strategic Committee met 7 times and reported on its work to the Supervisory Board then to the Board of Directors.

During the year, the Strategic Committee most notably worked on the principal acquisition and disposal projects of the Rexel Group, the 2015-2017 strategic plan and the 2015 budget.

The attendance rate for Strategic Committee meetings was 86%.

7.1.3 Executive Management

Rexel's executive management comprises the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.

7.1.3.1 Chairman and Chief Executive Officer

On May 22, 2014, further to the approval by Rexel's shareholders of the conversion into a *société anonyme* with a board of directors, the Board of Directors decided to merger the functions of Chairman of the Board of Directors and of Chief Executive Officer and to appoint Rudy Provoost as Chairman and Chief Executive Officer.

Rudy Provoost was appointed for the duration of his term of office as a director, *i.e.* for a term of four years expiring at the close of the shareholders' meeting called to approve the financial statements for the financial year ending on December 31, 2017, to be held in 2018.

The Board of Directors decided to merge the functions of Chairman of the Board of Directors and of Chief Executive Officer and to appoint Rudy Provoost as Chairman and Chief Executive Officer, in consideration of his strong contribution and results since he joined the Management Board as a member in October 2011, then as Chairman of the Management Board in February 2012. This appointment reflects, on the one hand, a will to simplify the decision-making process, as initiated by the change in Rexel's governance method and, on the other hand, a cohesion between the management and administrative powers, which facilitates the implementation of Rexel's strategy.

In addition, the Board of Directors appointed François Henrot as Deputy Chairman of the Board of Directors and senior independent director, in charge of (*inter alia*) managing potential conflict of interest situations.

Finally, the decisions requiring the prior authorization of the Board of Directors are described in paragraph 7.1.1.2 "Operation of the Board of Directors" of this *Document de Référence*.

7.1.3.2 Deputy Chief Executive Officer

On May 22, 2014, the Board of Directors also decided to appoint Catherine Guillouard as Deputy Chief Executive Officer.

Catherine Guillouard was appointed for the duration of the Chairman and Chief Executive Officer's term of office, *i.e.* for a term of four years expiring at the close of the shareholders' meeting called to approve the financial statements for the financial year ended on December 31, 2017, to be held in 2018.

Catherine Guillouard
(50 years old)

PROFESSIONAL ADDRESS:
13, BOULEVARD DU FORT DE VAUX – 75017 PARIS – FRANCE

NUMBER OF REXEL SHARES HELD:
–

EXPERIENCE AND EXPERTISE

Deputy Chief Executive Officer

Catherine Guillouard has been Deputy Chief Executive Officer of Rexel since May 22, 2104. She had previously been a member of the Management Board of Rexel since April 30, 2013.

Catherine Guillouard is a French citizen.

Prior to joining Rexel, Catherine Guillouard had been Chief Financial Officer of Eutelsat and a member of the Executive Committee since 2007. Prior to joining Eutelsat, Catherine Guillouard held various positions within Air France. From 2005 to September 2007, she was Senior Vice-President of Finance. Prior to that, she was Senior Vice-President of Human Resources and Change Management, Senior Vice-President of Flight Operations, and Deputy Vice-President of Corporate Control. She began her career in 1993 at the Treasury of the French Ministry of Finance in the Africa – CFA zone department and then in the Banking Affairs department. Born in 1965, Catherine Guillouard graduated from the Institut d'Études Politiques of Paris and the École Nationale d'Administration. She also holds a post-graduate degree (DESS) in European Union Law.

TERM OF OFFICE

FIRST APPOINTMENT:
May 22, 2014

CURRENT TITLE:
From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017

TITLES AND OTHER DUTIES EXERCISED IN FRENCH AND FOREIGN COMPANIES OVER THE COURSE OF THE LAST FIVE FINANCIAL YEARS

TITLES AND DUTIES WITHIN THE REXEL GROUP:

Current:

In France

- Deputy Chief Executive Officer of Rexel
- Director of Rexel France (France – unlisted company)

Abroad

- Director and Chairman of the Board of Directors of Rexel Ré S.A. (Luxembourg – unlisted company)

Over the last five financial years:

In France

- Member of the Management Board of Rexel

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

- Director of ADP (France – listed company)
- Independent director of Technicolor (France – listed company)
- Member of the Supervisory Board of Atria Capital Partenaires (France – unlisted company)

Abroad

–

The decisions requiring the prior authorization of the Board of Directors are described in paragraph 7.1.1.2 “Operation of the Board of Directors” of this *Document de Référence*.

7.1.4 Executive Committee

Rexel’s operational organization is structured around an Executive Committee.

The Executive Committee includes the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the senior vice-presidents of Rexel’s geographic areas and Rexel’s operating officers. The Committee serves as a forum for the consolidation of strategy, initiative coordination and the monitoring of performance and Rexel Group-wide projects.

As of the date of this *Document de Référence*, the Executive Committee is comprised of the following persons: Rudy Provoost (Chairman and Chief Executive Officer); Catherine Guillouard (Deputy Chief Executive Officer); Pascal Martin (Group Senior Vice-President, Corporate Strategy, Business Portfolio Management and New Business Development); Sharon MacBeath (Group Senior Vice-President Human Resources); Pascale Giet (Group Senior Vice-President Communications and Sustainable Development, Rexel Foundation Vice-Chairman); Peter Hakanson (Group Senior Vice-President Operations); Patrick Berard (Senior Vice-President Southern Europe, Central and Eastern Europe); Henri-Paul Laschkar (Senior Vice-President Northern Europe); Brian McNally (Senior Vice-President North America) and Mitch Williams (Senior Vice-President Asia Pacific).

Patrick Berard has been appointed Senior Vice President Rexel Europe, effective July 1, 2015. This appointment will extend Patrick Berard’s responsibilities to the entire region, replacing the previous structure under which Rexel’s European operations were divided into two zones: Southern, Central and Eastern Europe, headed by Patrick Berard, and Northern Europe, under the management of Henri-Paul Laschkar, who will retire from the Group after a long and successful career.

The Executive Committee meets at least every two months to define the Rexel Group’s strategy, coordinate initiatives (particularly with respect to operations), monitor Rexel Group’s performance and ensure the implementation of cross-divisional projects for the Rexel Group.

7.1.5 Statements concerning the Board of Directors

To Rexel’s knowledge:

- there are no family ties between the members of the Board of Directors and the members of Rexel’s executive management;
- no member of the Board of Directors or of Rexel’s executive management has been convicted of fraud within the last five years;
- no member of the Board of Directors or of Rexel’s executive management has been associated with any “bankruptcy”, receivership or liquidation within the last five years;
- no member of the Board of Directors or of Rexel’s executive management has been the subject of any official public incrimination or sanctions by statutory or regulatory authorities within the last five years; and
- no member of the Board of Directors or of Rexel’s executive management has been disqualified by a court from acting as a member of an administrative, management or supervisory body of any issuer or from participating in the management or conduct of the business of any issuer within the last five years.

7.1.6 Conflicts of interest

All potential conflicts of interest are submitted to a debate within the Board of Directors. In addition, the Board of Directors has appointed François Henrot as Deputy Chairman of the Board of Directors and senior independent director in charge of (*inter alia*) managing conflict of interest situations.

As of the date of this *Document de Référence* and to Rexel’s knowledge, there exists no situation that could give rise to a conflict between the private interests of members of the Board of Directors or of Rexel’s executive management and Rexel’s interests.

7.1.7 Service agreements between members of the Board of Directors and Rexel or one of its subsidiaries

There are no service agreements between members of the Board of Directors or members of Rexel’s executive management, Rexel or any of its subsidiaries and providing for the award of any benefits.

7.2 IMPLEMENTATION OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE OF LISTED COMPANIES

The corporate governance code of the *Association Française des Entreprises Privées* (AFEP) and of the *Mouvement des Entreprises de France* (MEDEF) are the Company's point of reference with regards to corporate governance.

Rexel believes to be in compliance with the corporate governance guidelines as set forth in the corporate governance code of the AFEP and the MEDEF, to the extent that such guidelines are compatible with the organization, size and means of the Rexel Group, subject to the following items:

AFEP-MEDEF RECOMMENDATIONS	REXEL GROUP PRACTICE AND EXPLANATIONS
Holding of a minimum number of Company shares (recommendation 14) The by-laws or internal regulations must set a minimum number of shares of the relevant company that each member of the Board of Directors must hold in person, and which must be set forth in the annual report and/or brochure or meeting notice sent to the shareholders.	The Board of Directors of February 11, 2015 decided to submit to the Shareholders' Meeting a modification of article 15 of the by-laws of Rexel to provide that the directors should hold at least 1,000 shares of Rexel. Following the Shareholders' Meeting, the Board of Directors will consider the opportunity to amend its internal regulations to provide that the directors should hold a significant number of shares.
Review of the financial statements by the Audit Committee (recommendation 16.2.1) The financial statement review periods must be sufficient (at least 2 days prior to review by the Board of Directors).	The Rexel Audit and Risks Committee that reviews the financial statements meets on the day before, or the day of, the meeting of the Board of Directors during which such financial statements are closed. The procedures set up within Rexel however enable the Audit Committee members to review the financial statements within a reasonable period prior to the meeting of the Audit and Risks Committee and of the Board of Directors: the documents are sent to the members of the Audit and Risks Committee and of the Board of Directors at least three business days prior to the Committee and Board meetings.
Holding of shares by Board members (recommendation 20) Board members are required to be shareholders in their own name and to hold a fairly significant number of shares considering the amount of attendance fees received by them.	The Board of Directors of February 11, 2015 decided to submit to the Shareholders' Meeting a modification of article 15 of the by-laws of Rexel to provide that the directors should hold at least 1,000 shares of Rexel. Following the Shareholders' Meeting, the Board of Directors will consider the opportunity to amend its internal regulations to provide that the directors should hold a significant number of shares.
Fixed compensation of the executive corporate officers (recommendation 23.2.2) The fixed compensation should be reviewed at long intervals only, such as three years. Fixed compensation increases should be linked to events affecting the Company, and should take account of the performance compensation paid by virtue of the other components of compensation, including benefits in kind. If however the Company opts for yearly increases of its executive corporate officers' fixed compensation, such increase should be in a moderate amount and comply with the principle of consistency.	The fixed compensation of the corporate officers has been progressively reviewed in order to ensure the competiveness of their compensation since the beginning of their functions, which resulted in a yearly review over the last financial years.

AFEP-MEDEF RECOMMENDATIONS	REXEL GROUP PRACTICE AND EXPLANATIONS
Stock options (recommendation 23.2.4)	The share subscription options plans set up by Rexel prior to the publication of the October 2008 AFEP-MEDEF recommendations (which are included in the AFEP-MEDEF Code of corporate governance) have not been modified to take account of such recommendations, because of the practical difficulties that such modifications would have implied.
Performance shares (recommendation 23.2.4)	
Make the allotment of performance shares to executive corporate officers subject to the purchase of a defined number of shares at the time the allocated shares become available, in accordance with terms set by the Board of Directors and made public at the time of allotment of such shares.	The free share allotments decided on May 11, 2010, May 12, 2011, October 11, 2011, May 2, 2012, April 30, 2013 and May 22, 2014 in favor of, *inter alia*, the members of Rexel's Management Board or, as from May 22, 2014, corporate officers, did not provide for an obligation for such members to purchase a given number of shares on the market at the time the free shares became available. The Supervisory Board and, after May 22, 2014, the Board of Directors, upon the recommendations of the Compensation Committee, considered that the obligation for the members of the Management Board and, as from May 22, 2014, the corporate officers to retain at least 20% of their free shares vested until the end of their duties was restrictive and high enough (it being specified that for the previous allotments of free shares, this percentage was of 10%).
The allotment of options and shares to executive corporate officers must provide for performance conditions.	The "Ordinary Plan" relating to the allotment of free shares to Rudy Provoost decided by the Management Board on October 11, 2011 (see paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*) provides that the vesting of the shares is subject to a presence criteria but does not provide for any performance criteria. This exceptional allotment of free shares to Rudy Provoost, which has been approved by the Supervisory Board, upon the recommendation of the Compensation Committee, is justified by (i) the appointment at the head of the Rexel Group of Rudy Provoost who has a unique manager profile considering the industry and (ii) the desire of the Rexel Group to compensate, to a certain extent, certain deferred compensation items which were owed to Rudy Provoost under his previous employment which he forfeited upon joining the Rexel Group.
Ensure that the options and shares valued in accordance with IFRS standards do not represent a disproportionate percentage of the overall compensation, options and shares allocated to each executive corporate officer.	The free share plans set up by the Management Board on October 11, 2011 (see paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*) for Rudy Provoost account for a significant percentage of his gross compensation. The Supervisory Board of Rexel, on the recommendations of the Compensation Committee, took into account the specific context resulting from the arrival of Rudy Provoost within the Rexel Group. In particular, the Supervisory Board took the view that this allotment was justified by the importance of the transition period resulting from Jean-Charles Pauze's departure, the replacement of Jean-Charles Pauze by Rudy Provoost and the ambitious mid-term objectives of the Rexel Group.
Avoid an excessive concentration of the allotments in the hands of the executive corporate officers.	At the time when Rudy Provoost joined the Rexel Group, the Supervisory Board of Rexel, upon the recommendations of the Compensation Committee, authorized the exceptional allotment of free shares solely to the members of the Executive Committee of Rexel (including the members of the Management Board) and two key operations managers of the Rexel Group. The vesting of these free shares is subject to a "TSR" performance criteria (Total Shareholder Return, as such term is defined in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*). The Supervisory Board of Rexel, on the recommendations of the Compensation Committee, took into account the specific context resulting from the arrival of Rudy Provoost within the Rexel Group. In particular, the Supervisory Board took the view that this allotment was justified by the importance of the transition period resulting from Jean-Charles Pauze's departure, the replacement of Jean-Charles Pauze by Rudy Provoost and the ambitious mid-term objectives of the Rexel Group.
Make allotments at the same periods of time.	The free shares allocated by the Management Board on October 11, 2011, upon the arrival of Rudy Provoost (see paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*) were not granted at the same periods as the previous allotments. These allotments were approved by the Supervisory Board in order to take into account the exceptional context resulting from the arrival of Rudy Provoost within the Rexel Group at this time of the year.

The AFEP and MEDEF corporate governance code is available on the MEDEF's website (www.medef.com).

7.3 COMPENSATION OF CORPORATE OFFICERS

7.3.1 Compensation and benefits in kind

7.3.1.1 Executive Management

Compensation of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer is set by the Board of Directors following the advice of the Nomination and Compensation Committee.

In accordance with Rexel's policy on compensation, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are paid a fixed annual amount which is determined according to criteria specific to each member (experience, seniority, responsibilities) and criteria based on the sector of business activity and the general economic situation. The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer also receive a variable compensation. This variable compensation is paid in order to correlate the compensation of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer with the results of the business activity of the Rexel Group. The variable compensation is calculated on the basis of the attainment of individual goals and other criteria relative to the Rexel Group. Individual goals are qualitative criteria determined based on the person in question, the duties carried out within the Rexel Group and the objectives pursued by such person. Rexel Group-based criteria are quantitative criteria based on the results of Rexel and the aggregates that it normally uses in the context of the analysis of its financial situation.

In addition, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer may receive bonuses for which the amount depends on constraints relative to the exercise of their duties and the realization of objectives or outstanding work.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are also awarded benefits in kind in respect of their duties carried out within the Rexel Group.

Finally, in order to bind the members to the growth of the Rexel Group and its financial results, Rexel may grant shares, subscription options or purchase options to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.

Compensation and benefits of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer

The compensation of the corporate officers has been determined by the Supervisory Board of February 12, 2014 and the Board of Directors of May 22, 2014, upon the recommendations of the Compensation Committee, as well as by the Board of Directors of February 11, 2015, upon the recommendations of the Nomination and Compensation Committee.

Rudy Provoost, Chairman of the Management Board and then Chairman and Chief Executive Officer (1)

2015 financial year

Fixed compensation

The annual gross fixed compensation of Rudy Provoost was fixed at €875,500 (unchanged as compared to 2014).

Variable compensation

The annual variable target-based compensation has been maintained (as compared to 2014) at 110% of the annual gross fixed compensation if 100% of the individual and financial set targets are reached.

In terms of target value, the variable compensation is based for 75% on financial criteria and for 25% on individual criteria.

The financial criteria are adjusted EBITA in volume (45%), average trade operating working capital (35%) and sales growth (20%). The targets to be reached are those set in the 2015 budget.

The financial part of the variable compensation is capped at 150% if the achieved financial results exceed 100% of the set financial targets. The individual part of the variable compensation is capped at 100%, if the achieved individual results exceed 100% of the set individual targets.

The Board of Directors also decided to apply a specific mechanism in respect of 2015 in order to specifically recognize a steady financial overperformance. The financial part of the variable compensation as described

(1) Rudy Provoost has been appointed as Chairman and Chief Executive officer following the conversion of Rexel into a *société anonyme* with a Board of Directors on May 22, 2014.

above may be increased by applying a multiplier coefficient if the following cumulative conditions are satisfied:

- the weighted average achievement level of the annual financial objectives reaches at least 100%; and
- the weighted average achievement level of the quarterly financial objectives exceeds 100%; during at least 3 quarters.

The 2015 global variable compensation will be capped at 200% of the target value.

Other compensation items

Rudy Provoost benefits from a housing allowance for an annual gross amount of €60,000.

2014 financial year

Fixed compensation

The annual gross fixed compensation of Rudy Provoost was fixed at €875,500.

Variable compensation

The annual variable target-based compensation has been fixed at 110% of the annual fixed compensation if 100% of the individual and financial targets are reached.

In terms of target value, this variable compensation was based for 75% on financial criteria and for 25% on individual criteria.

The financial criteria were EBITA in volume (45%), average trade operating working capital (35%) and sales growth in volume (20%). The targets to be reached were those set in the 2014 budget.

The financial part of the variable compensation was capped at 150% if the achieved financial results exceeded 100% of the set financial targets. The individual part of the variable compensation was capped at 100%, if the achieved individual results exceeded 100% of the set individual targets.

The Board of Directors of February 11, 2015 assessed the performance of Rudy Provoost for 2014 and set the variable compensation for 2014, to be paid in 2015, at €703,412 gross, representing a global performance of 73%.

The levels of achievement of the financial and individual criteria have been validated by the Nomination and Compensation Committee as well as by the Board of Directors. They have not been made public for confidentiality reasons.

Other compensation items

Rudy Provoost benefited from the following other compensation items:

- a housing allowance for an annual gross amount of €60,000;
- benefits in kind in the amount of €9,179, consisting of a company car and a gas card, as well as €16,226 for executive director's unemployment coverage (GSC);
- a supplemental health insurance *(mutuelle)*, a welfare insurance *(contrat de prévoyance)*, a basic and supplementary pension, a health check-up, and compensation for tax and retirement advisors' fees; and
- directors' fees in respect of the corporate offices of Rudy Provoost held in 2014 within Rexel UK Ltd, British subsidiary, and Rexel Holdings USA Corp., US subsidiary, in a global amount of €90,000 to be paid in 2015.

2013 financial year

Fixed compensation

The annual gross fixed compensation of Rudy Provoost was fixed at €850,000.

Variable compensation

The gross amount of the variable compensation of Rudy Provoost for 2013, which was paid in 2014, was €458,129.

Other compensation items

Rudy Provoost benefited from the following other compensation items:

- a housing allowance for an annual gross amount of €60,000;
- benefits in kind in the amount of €9,180, consisting of a company car and a gas card, as well as €16,226 for executive director's unemployment coverage (GSC);
- a supplemental health insurance *(mutuelle)*, a welfare insurance *(contrat de prévoyance)*, a basic and supplementary pension, a health check-up, and compensation for tax and retirement advisors' fees; and
- directors' fees in respect of the corporate offices of Rudy Provoost held in 2013 within Rexel UK Ltd, British subsidiary, and Rexel Holdings USA Corp., US subsidiary, in a global amount of €90,000 paid in 2014.

Catherine Guillouard, member of the Management Board and then Deputy Chief Executive Officer [(1)]

2015 financial year

Fixed compensation

The annual gross fixed compensation of Catherine Guillouard was fixed at €475,000 (unchanged as compared to 2014).

(1) Catherine Guillouard has been appointed as Deputy Chief Executive officer following the conversion of Rexel into a *société anonyme* with a Board of Directors on May 22, 2014.

Variable compensation

The annual variable target-based compensation has been increased (as compared to 2014) to 80% of the annual gross fixed compensation if 100% of the individual and financial set targets are reached.

In terms of target value, the variable compensation for 2015 is based for 65% on financial criteria and for 35% on individual criteria.

The financial criteria are adjusted EBITA in volume (45%), average trade operating working capital (35%) and sales growth (20%). The targets to be reached are those set in the 2015 budget.

The financial part of the variable compensation is capped at 150% if the achieved financial results exceed 100% of the set financial targets. The individual part of the variable compensation is capped at 100%, if the achieved individual results exceed 100% of the set individual targets.

The Board of Directors also decided to apply a specific mechanism in respect of 2015 in order to specifically recognize a steady financial overperformance. The financial part of the variable compensation as described above may be increased by applying a multiplier coefficient if the following cumulative conditions are satisfied:

- the weighted average achievement level of the annual financial objectives reaches at least 100%; and
- the weighted average achievement level of the quarterly financial objectives exceeds 100% during at least 3 quarters.

The 2015 global variable compensation will be capped at 200% of the target value.

2014 financial year

Fixed compensation

The annual gross fixed compensation of Catherine Guillouard was fixed at €420,000 for the period from January 1 to May 31, 2014, and to €475,000 for the period from June 1 to December 31, 2014.

Variable compensation

The annual variable target-based compensation has been fixed at (i) 65% of the annual fixed compensation if 100% of the individual and financial targets are reached, for the period from January 1 to May 31, 2014 and (ii) 70% of the annual fixed compensation if 100% of the individual and financial targets are reached, for the period from June 1 to December 31, 2014.

In terms of target value, this variable compensation was based for 65% on financial criteria and for 35% on individual criteria.

The financial criteria were EBITA in volume (45%), average trade operating working capital (35%) and sales growth in volume (20%). The targets to be reached were those set in the 2014 budget.

The financial part of the variable compensation was capped at 150% if the achieved financial results exceeded 100% of the set financial targets. The individual part of the variable compensation was capped at 100%, if the achieved individual results exceeded 100% of the set individual targets.

The Board of Directors of February 11, 2015 assessed the performance of Catherine Guillouard for 2014 and set the variable compensation for 2014, to be paid in 2015, at €249,288 gross, representing a global performance of 81%.

The levels of achievement of the financial and individual criteria have been validated by the Nomination and Compensation Committee as well as by the Board of Directors. They have not been made public for confidentiality reasons.

Other compensation items

Catherine Guillouard benefited from the following other compensation items:

- benefits in kind in the amount of €6,479, consisting of a company car and a gas card, as well as €7,315 for executive director’s unemployment coverage (GSC); and
- a supplemental health insurance *(mutuelle)*, a welfare insurance *(contrat de prévoyance)*, a basic and supplementary pension, a defined benefit plan, which takes into account her seniority, a health check-up, and compensation for tax and retirement advisors’ fees.

2013 financial year

Fixed compensation

The annual gross fixed compensation of Catherine Guillouard was fixed at €420,000.

Variable compensation

The gross amount of the variable compensation of Catherine Guillouard for 2013, which was paid in 2014, was €129,320.

In addition, a gross amount of €58,088 was paid to Catherine Guillouard during the year 2013 to compensate the partial loss of the variable portion to which she was entitled from her former employer in respect of the year 2013.

Other compensation items

Catherine Guillouard benefited from the following other compensation items:

- benefits in kind in the amount of €4,319, consisting of a company car and a gas card, as well as €4,877 for executive director’s unemployment coverage (GSC); and

- a supplemental health insurance *(mutuelle)*, a welfare insurance *(contrat de prévoyance)*, a basic and supplementary pension, a defined benefit plan which takes into account her seniority, a health check-up, and compensation for tax and retirement advisors' fees.

Compensation and benefits of former members of the Management Board

Pascal Martin, former member of the Management Board

Pascal Martin served on the Management Board of Rexel until its conversion into a *société anonyme* with a Board of Directors on May 22, 2014.

2014 financial year

Fixed compensation

The annual gross fixed compensation of Pascal Martin was fixed at €474,300.

The gross fixed compensation corresponding to the period of his corporate office amounted to €186,845.

Variable compensation

The annual variable target-based compensation has been fixed 65% of the annual fixed compensation if 100% of the individual and financial targets are reached.

In terms of target value, this variable compensation was based for 65% on financial criteria and for 35% on individual criteria. The financial criteria for 2014 were EBITA in volume (45%), average trade operating working capital (35%) and sales growth in volume (20%). The targets to be reached were those set in the 2014 budget.

The financial part of the variable compensation was capped at 150% if the achieved financial results exceeded 100% of the set financial targets. The individual part of the variable compensation was capped at 100%, if the achieved individual results exceeded 100% of the set individual targets.

The Board of Directors of February 11, 2015 assessed the performance of Pascal Martin for the period from January 1 to May 22, 2014 (corresponding to this corporate office) and set the variable compensation for this period at €85,600 gross, representing a global performance of 71%.

The levels of achievement of the financial and individual criteria have been validated by the Nomination and Compensation Committee as well as by the Board of Directors. They have not been made public for confidentiality reasons.

Other compensation items

Pascal Martin benefited from the following other compensation items:

- benefits in kind for the relevant period in the amount of €3,805, consisting of: a company car, a gas card, as well as €6,761 for executive director's unemployment coverage (GSC); and
- a supplemental health insurance *(mutuelle)*, a welfare insurance *(contrat de prévoyance)*, a basic and supplementary pension, a defined benefit plan, which takes into account his seniority, a health check-up, and compensation for tax and retirement advisors' fees.

2013 financial year

Fixed compensation

The annual gross fixed compensation of Pascal Martin was fixed at €474,300.

Variable compensation

The gross amount of the variable compensation of Pascal Martin for 2013, which was paid in 2014, was €164,304.

Lastly, at its meeting of July 26, 2011, the Supervisory Board, upon the recommendation of the Compensation Committee, determined a retention plan for the benefit of all of the members of Rexel's Executive Committee, including the corporate officers (with the exception of Jean-Charles Pauze). This retention plan is linked to the transition period at the head of the Rexel Group, for the members of the Executive Committee and the corporate officers, and comprises, on the one hand, an exceptional bonus and, on the other hand, an exceptional free share allotment subject to a performance condition, as described in paragraph 8.1.2.6 of this *Document de Référence*. Pascal Martin was effectively present as at December 31, 2012 and as such received in January 2013 an exceptional bonus in a gross amount of €226,500.

Other compensation items

Pascal Martin benefited from the following other compensation items:

- benefits in kind in the amount of €9,131, consisting of: a company car, a gas card, as well as €16,226 for executive director's unemployment coverage (GSC); and
- a supplemental health insurance *(mutuelle)*, a welfare insurance *(contrat de prévoyance)*, a basic and supplementary pension, a defined benefit plan, which takes into account his seniority, a health check-up, and compensation for tax and retirement advisors' fees.

Michel Favre, former member of the Management Board

Michel Favre ceased to serve on the Management Board on October 30, 2012 and his employment contract expired on July 31, 2013.

Severance indemnities

On May 19, 2011, the Supervisory Board determined the items of compensation, indemnities and benefits likely to be due by reason of the termination of Michel Favre's functions as a corporate officer.

On November 29, 2012, in relation to the indemnities to be paid to Michel Favre in connection with the termination of his functions as a member of the Management Board decided by the Supervisory Board on October 30, 2012, the Supervisory Board approved the following principles:

- in consideration for reaching the performance criteria, to grant Michel Favre a contractual severance indemnity equal to 18 months of his reference monthly compensation; and
- not to enforce the non-competition clause set forth in Michel Favre's employment contract.

On February 11, 2013, the Supervisory Board finally:

- decided and established that the performance criteria attached to the indemnity due to Michel Favre in connection with the termination of his functions as a member of the Management Board decided by the Supervisory board of October 30, 2012, had been fully reached, *i.e.*:
  - a level of EBITDA, calculated on the basis of the audited consolidated financial statements of Rexel for the financial year ended on December 31, 2011, equal to at least 60% of the budgeted EBITDA for such financial year;
  - an average operating WCR, calculated on the basis of the audited consolidated financial statements of Rexel for the financial year ended on December 31, 2011, equal to a maximum of 125% of budgeted performance for such financial year; and
  - a level of ROCE, calculated on the basis of the audited consolidated financial statements of Rexel for the financial year ended on December 31, 2011, equal to at least 75% of the budgeted performance for such financial year;
- as a result, set the amount of the contractual severance indemnity due to Michel Favre at a gross amount of €1,045,000, *i.e.* a contractual severance indemnity equal to 18 months of the reference monthly compensation, including the contractual indemnity due to him by reason of his seniority;
- approved the decision not to enforce the non-competition clause set forth in Michel Favre's employment contract; and
- approved the decision to set the expiry date of Michel Favre's notice period at July 31, 2013 at the latest.

Furthermore, in addition to the contractual indemnity described above, the Supervisory Board, on February 11, 2013, also took due notice of the payment to Michel Favre of an overall, fixed and final settlement indemnity in a gross amount of €382,670.

2013 financial year

At its meeting of July 26, 2011, the Supervisory Board, upon the recommendation of the Compensation Committee, determined a retention plan for the benefit of all of the members of Rexel's Executive Committee, including the corporate officers (with the exception of Jean-Charles Pauze). This retention plan is linked to the transition period at the head of the Rexel Group, for the members of the Executive Committee and the corporate officers, and comprises, on the one hand, an exceptional bonus and, on the other hand, an exceptional free share allotment subject to a performance condition, as described in paragraph 8.1.2.6 of this *Document de Référence*. Michel Favre was effectively present as at December 31, 2012 and as such received in January 2013 an exceptional bonus in a gross amount of €232,500.

Jean-Dominique Perret, former member of the Management Board

Having reached 65 years of age, Jean-Dominique Perret resigned from his functions as member of the Management Board effective November 29, 2012.

2013 financial year

At its meeting of July 26, 2011, the Supervisory Board, upon the recommendation of the Compensation Committee, determined a retention plan for the benefit of all of the members of Rexel's Executive Committee, including the corporate officers (with the exception of Jean-Charles Pauze). This retention plan is linked to the transition period at the head of the Rexel Group, for the members of the Executive Committee and the corporate officers, and comprises, on the one hand, an exceptional bonus and, on the other hand, an exceptional free share allotment subject to a performance condition, as described in paragraph 8.1.2.6 of this *Document de Référence*. Jean-Dominique Perret was effectively present as at December 31, 2012, and as such received an exceptional bonus in a gross amount of €144,000 in January 2013.

In addition, in the course of the year ended December 31, 2013, Jean-Dominique Perret received a variable compensation in respect of the year ended December 31, 2012 for a gross amount of €124,788.

Summary of the compensation and benefits in kind

A summary of the compensation and benefits in kind for the years ended December 31, 2014 and December 31, 2013 is set forth in the tables below.

Table 1 – Summary of the compensation, options and shares allotted to each executive corporate officer

The table below sets forth a summary of all items of compensation owed by the Rexel Group companies to the executive corporate officers of the Management Board with respect to the financial years ended on December 31, 2014 and December 31, 2013:

	FINANCIAL YEAR ENDED ON DECEMBER 31,	
	2014	**2013**
Rudy Provoost		
Compensation due for the financial year (1)	€1,754,317	€1,483,535
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	€1,576,200	€1,324,543
Total	**€3,330,517**	**€2,808,078**
Catherine Guillouard		
Compensation due for the financial year (1)	€715,165	€478,195
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	€764,457	€588,826
Total	**€1,479,622**	**€1,067,201**
Pascal Martin (4)		
Compensation due for the financial year (1)	€283,011	€890,461
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	–	€588,826
Total	**€283,011**	**€1,479,287**
Michel Favre (5)		
Compensation due for the financial year (1)	–	€1,660,170
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	–	–
Total	**–**	**€1,660,170**
Jean-Dominique Perret (6)		
Compensation due for the financial year (1)	–	€144,000
Valuation of options allotted for the financial year (2)	–	–
Valuation of free shares granted for the financial year (3)	–	–
Total	**–**	**€144,000**

(1) See paragraph 7.3.1.1 "Executive Management" of this *Document de Référence*.
(2) On the grant date, see paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.
(3) On the grant date, see paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.
(4) Since the conversion of Rexel into a *société anonyme* with a board of Directors on May 22, 2014, Pascal Martin is no longer an executive corporate officer of Rexel.
(5) Michel Favre ceased to be a member of the Management Board on October 30, 2012. Michel Favre left Rexel on July 31, 2013.
(6) Having reached 65 years of age, Jean-Dominique Perret resigned from office on November 29, 2012. Jean-Dominique Perret left Rexel on December 31, 2013.

Table 2 – Summary table of the compensation of each executive corporate officer

The following table sets forth the compensation of the executive corporate officers for the financial years ended December 31, 2014 and December 31, 2013:

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2014		2013	
	DUE	PAID	DUE	PAID
Rudy Provoost				
Fixed compensation	€875,500	€875,500	€850,000	€850,000
Variable compensation	€703,412 (3)	€458,129 (2)	€458,129 (2)	€516,860 (1)
Housing allowance	€60,000	€60,000	€60,000	€60,000
Attendance fees	€90,000 (6)	€90,000 (5)	€90,000 (5)	€73,350 (4)
Benefits in kind	€25,405	€25,405	€25,406	€25,406
Total	**€1,754,317**	**€1,509,034**	**€1,483,535**	**€1,525,616**
Catherine Guillouard				
Fixed compensation	€452,083	€452,083	€281,591	€281,591
Variable compensation	€249,288 (3)	€129,320 (2)	€129,320 (2)	–
Exceptional compensation	–	–	€58,088	€58,088
Attendance fees	–	–	–	–
Benefits in kind	€13,794	€13,794	€9,196	€9,196
Total	**€715,165**	**€595,197**	**€478,195**	**€348,875**
Pascal Martin (7)				
Fixed compensation	€186,845	€186,845	€474,300	€474,300
Variable compensation	€85,600 (3)	€164,304 (2)	€164,304 (2)	€200,472 (1)
Exceptional compensation	–	–	€226,500	€226,500
Attendance fees	–	–	–	–
Benefits in kind	€10,566	€10,566	€25,357	€25,357
Total	**€283,011**	**€361,715**	**€890,461**	**€926,629**
Michel Favre (8)				
Fixed compensation	–	–	–	–
Variable compensation	–	–	–	
Severance payments	–	–	€1,427,670	€1,427,670
Exceptional compensation	–	–	€232,500	€232,500
Attendance fees	–	–	–	–
Benefits in kind	–	–	–	–
Total	**–**	**–**	**€1,660,170**	**€1,660,170**
Jean-Dominique Perret (9)				
Fixed compensation	–	–	–	–
Variable compensation	–	–	–	€124,788 (1)
Exceptional compensation	–	–	€144,000	€144,000
Attendance fees	–	–	–	–
Benefits in kind	–	–	–	–
Total	**–**	**–**	**€144,000**	**€268,788**

(1) Variable compensation due for the financial year ended December 31, 2012 and paid during the financial year ending December 31, 2013.
(2) Variable compensation due for the financial year ended December 31, 2013 and paid during the financial year ending December 31, 2014.
(3) Variable compensation due for the financial year ended December 31, 2014 and paid during the financial year ending December 31, 2015.
(4) Attendance fees due for the financial year ended December 31, 2012 and paid during the financial year ended December 31, 2013.
(5) Attendance fees due for the financial year ended December 31, 2013 and paid during the financial year ended December 31, 2014.
(6) Attendance fees due for the financial year ended December 31, 2014 and paid during the financial year ended December 31, 2015.
(7) Since the conversion of Rexel into a *société anonyme* with a board of directors on May 22, 2014, Pascal Martin is no longer an executive corporate officer of Rexel.
(8) Michel Favre ceased to be a member of the Management Board on October 30, 2012. Michel Favre left Rexel on July 31, 2013.
(9) Having reached 65 years of age, Jean-Dominique Perret resigned from office on November 29, 2012. Jean-Dominique Perret left Rexel on December 31, 2013.

Table 3 – Table on attendance fees and other compensation received by the non-executive corporate managers

See paragraph 7.3.1.2 "Members of the Board of Directors" of this *Document de Référence*.

Table 4 – Share subscription or purchase options allotted by Rexel and other Rexel Group companies to each executive corporate officer during the financial year

The summary tables in relation to share purchase or subscription plans and to the options allotted are set forth in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

Rexel's stock market ethics charter includes an undertaking by the corporate officers not to use hedging options in respect of their options, shares arising from the exercise of options or performance shares.

Table 5 – Share subscription or purchase options exercised by each executive corporate officer during the financial year

The summary tables in relation to options exercised are set forth in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

Table 6 – Performance shares allotted to each executive corporate officer by the issuer or any group company

The summary tables in relation to free share allotments are set forth in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

Rexel's stock market ethics charter includes an undertaking by the corporate officers not to use hedging options in respect of their options, shares arising from the exercise of options or performance shares.

Table 7 – Newly available performance shares during the financial year for each executive corporate officer

The summary tables in relation to vested shares are set forth in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

Table 8 – Historical information on the subscription or purchase option allotments

The share subscription or purchase option plans are described in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

Table 9 – Records of performance share allotments

The summary tables in relation to free share allotment plans and free share allotments are set forth in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

Table 10 – Summary table of the employment agreements, the specific pension plans, the severance indemnities and the non-competition clauses

A summary of the employment agreements, the specific pension plans, the severance indemnities and the non-competition clauses of the executive corporate officers is set forth in the table below:

CORPORATE OFFICER	EMPLOYMENT AGREEMENT	SPECIFIC PENSION PLAN	SEVERANCE INDEMNITIES	NON-COMPETITION CLAUSE
Rudy Provoost Chairman and Chief Executive Officer From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017	No	No (at its meeting of March 6, 2013, the Supervisory Board, on the recommendation of the Compensation Committee, cancelled the benefit provided by the defined benefit pension plan (article 39) granted to Rudy Provoost)	Yes (see paragraph 7.3.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this *Document de Référence*)	Yes Duration : 12 months Indemnities : 1/12th of the annual gross fixed compensation per month

CORPORATE OFFICER	EMPLOYMENT AGREEMENT	SPECIFIC PENSION PLAN	SEVERANCE INDEMNITIES	NON-COMPETITION CLAUSE
Catherine Guillouard Deputy Chief Executive Officer From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017	Yes Employment agreement suspended since April 30, 2013	Yes (see paragraph 7.3.4 "Pension, retirement or similar benefits" of this *Document de Référence*)	Yes (see paragraph 7.3.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this *Document de Référence*)	Yes Duration : 12 months Indemnities : 1/12th of the annual gross fixed compensation per month

7.3.1.2 Members of the Board of Directors

The Company's shareholders' meeting may grant attendance fees to the members of the Board of Directors.

The Board of Directors:

- distributes the attendance fees among its members, as it deems fit;
- may grant exceptional compensation for missions or tasks assigned to the members of the Board of Directors; and
- may authorize the reimbursement of travel costs and of expenses incurred by its members in the interest of the Company.

On May 22, 2014, Rexel's shareholders' meeting granted the Board of Directors an aggregate amount of €1,315,000 in attendance fees.

Following the recommendations of the Compensation Committee, the Board of Directors decided to allocate compensation from the allocated global amount to the members of the Board of Directors, as follows:

- fixed portion: €40,000;
- variable portion: €5,000 per Committee meeting, up to a maximum amount of €20,000 per member and per Committee;
- for the members serving as Chairman of a Committee: an additional amount of €15,000 for the chair of the Nomination and Compensation Committee and of the Strategic Committee, and an amount of €25,000 for the chair of the Audit Committee;
- for the Deputy Chairman and senior independent director of the Board of Directors: a fixed portion of €100,000, the variable portion remaining identical to that mentioned above. The Deputy Chairman and senior independent director of the Board of Directors is not entitled to attendance fees in connection with the chairing of a Committee.

Following the recommendations of the Compensation Committee, the Board of Directors decided to fix the compensation of its members as follows:

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2014		2013	
	COMPENSATION	TOTAL	COMPENSATION	TOTAL
MEMBERS OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2014				
Rudy Provoost		–		–
As director				
Fixed portion	–		–	
Variable portion	–		–	
Thomas Farrell		€80,000		€60,000
As member of the Supervisory Board, then as director				
Fixed portion	€40,000		€30,000	
Variable portion	€40,000		€30,000	

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2014		**2013**	
	COMPENSATION	TOTAL	COMPENSATION	TOTAL
Fritz Fröhlich		€105,000		€80,000
As chairman of Committee	€25,000		€20,000	
As member of the Supervisory Board, then as director				
Fixed portion	€40,000		€30,000	
Variable portion	€40,000		€30,000	
François Henrot		€135,000		€9,400
As Deputy Chairman and senior independent director				
As chairman of Committee				
As member of the Supervisory Board, then as director				
Fixed portion	€100,000		€5,100	
Variable portion	€35,000		€4,300	
Isabel Marey-Semper		€39,600	–	–
As director				
Fixed portion	€24,600			
Variable portion	€15,000			
Monika Ribar		€75,000		€11,800
As member of the Supervisory Board, then as director				
Fixed portion	€40,000		€5,100	
Variable portion	€35,000		€6,700	
Maria Richter		€54,600	–	–
As director				
Fixed portion	€24,600			
Variable portion	€30,000			
Patrick Sayer		€95,000		€22,400
As chairman of Committee	€15,000		€4,000	
As member of the Supervisory Board, then as director				
Fixed portion	€40,000		€12,000	
Variable portion	€40,000		€6,400	
Pier-Luigi Sigismondi		€89,200		€29,000
As chairman of Committee	€9,200			
As member of the Supervisory Board, then as director				
Fixed portion	€40,000		€18,400	
Variable portion	€40,000		€10,600	
Hendrica Verhagen		€60,000	–	–
As member of the Supervisory Board, then as director				
Fixed portion	€40,000			
Variable portion	€20,000			

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2014		2013	
	COMPENSATION	TOTAL	COMPENSATION	TOTAL
FORMER MEMBERS OF THE SUPERVISORY BOARD				
Roberto Quarta		€36,400		€24,900
As chairman of Committee	€5,900		€4,000	
As member of the Supervisory Board				
Fixed portion	€15,500		€12,000	
Variable portion	€15,000		€8,900	
Vivianne Akriche		€25,500		€17,000
As member of the Supervisory Board				
Fixed portion	€15,500		€12,000	
Variable portion	€10,000		€5,000	
François David		€30,500		€58,200
As member of the Supervisory Board				
Fixed portion	€15,500		€30,000	
Variable portion	€15,000		€28,200	
Eurazeo (represented by Marc Frappier)	–	–	–	€6,900
As member of the Supervisory Board				
Fixed portion			€6,900	
Variable portion			–	
Françoise Gri	–	–		€9,900
As chairman of Committee			€1,200	
As member of the Supervisory Board				
Fixed portion			€3,400	
Variable portion			€5,300	
Manfred Kindle	–	–		€6,900
As member of the Supervisory Board				
Fixed portion			€6,900	
Variable portion			–	
Angel L. Morales	–	–		€20,900
As member of the Supervisory Board				
Fixed portion			€10,900	
Variable portion			€10,000	
David Novak		€31,400		€24,600
As chairman of Committee	€5,900		€4,000	
As member of the Supervisory Board				
Fixed portion	€15,500		€12,000	
Variable portion	€10,000		€8,600	
Akshay Singh	–	–		€15,700
As member of the Supervisory Board				
Fixed portion			€9,300	
Variable portion			€6,400	
Total		**€857,200**		**€397,600**

7.3.2 Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers

Chairman and Chief Executive Officer and Deputy Chief Executive Officer

In the event of imposed departure, Rudy Provoost and Catherine Guillouard shall benefit from a severance indemnity, subject to certain performance criteria decided upon by the Board of Directors' meeting of May 22, 2014 which are subject to the approval of the Shareholders' Meeting.

The Board of Directors, upon the recommendations of the Nomination and Compensation Committee, decided, at its meeting of February 11, 2015, to limit the conditions giving right to a severance indemnity to the benefit of the corporate officers. The severance indemnities to the benefit of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are now submitted to the following cumulative conditions: (i) imposed departure and (ii) change in control or strategy.

Severance indemnity of Rudy Provoost

Rudy Provoost does not have an employment contract with any of the Rexel Group companies.

In the event of imposed departure, Rudy Provoost shall benefit from a gross severance payment equal to 24 months of a monthly reference compensation. Monthly reference compensation is understood as the amount of the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid, excluding any exceptional bonus, with this sum being divided by 12.

The severance indemnity shall only be authorized in case of imposed departure and linked to a change in control or strategy. The severance indemnity shall not apply in the event of resignation, termination for gross negligence (*faute grave*) or wilful misconduct (*faute lourde*) or retirement leave or compulsory retirement leave.

In addition, regardless of the cause of departure from Rexel, a non-competition clause is stipulated. The Board of Directors may waive this non-competition clause. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the corporate mandate. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

The gross severance indemnity is deemed to include the compensating indemnity for honoring the non-competition clause, if any (which is not submitted to the above-mentioned conditions).

Severance indemnity of Catherine Guillouard

Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013.

In the event of termination of her corporate office within Rexel, Catherine Guillouard's employment contract with Rexel Développement would be reinstated with a compensation package equivalent to that from which she benefited in her capacity as a corporate officer.

The employment agreement of Catherine Guillouard provides, as from April 30, 2013 in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence (*faute grave*) or wilful misconduct (*faute lourde*) or compulsory retirement leave, that Catherine Guillouard 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 exceptional bonus, divided by 12 months. The monthly reference compensation includes any potential compensation received as an executive in the course of this period (to the exclusion of any exceptional bonus).

This contractual severance indemnity is deemed to include the statutory severance indemnity *(indemnité de licenciement légale)* or severance indemnity pursuant to the collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the compensating indemnity for honoring the non-competition clause. The severance indemnity shall only be authorized in case of imposed departure (to the exclusion of the compensating indemnity for honoring the non-competition clause) and linked to a change in control or strategy (to the exclusion of the statutory severance indemnity or severance indemnity pursuant to the collective bargaining agreement due, if any, as well as the compensating indemnity for honoring the non-competition clause).

The notice period for breach of contract at the option of the employer is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in her capacity as officer or as employee of the company, whichever the highest.

In addition, a non-competition clause is stipulated in Catherine Guillouard's suspended employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-competition payment is equal to one twelfth of her gross fixed annual compensation.

Performance conditions to which the severance indemnities are subject

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Rudy Provoost's severance indemnities (which are subject to the approval of the Shareholders' Meeting), other than the non-competition clause compensatory indemnity, as well as the contractual indemnities for termination of the employment contracts of Catherine Guillouard (subject to the approval of the Shareholders' Meeting), other than the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement or the non-competition indemnity, are subject to performance criteria.

On May 22, 2014, the Board of Directors retained the following performance criteria:

- the payment of 60% of the indemnity would be dependent on the level of EBITA of the Rexel Group. This payment would 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 functions or employment contract (the reference period), reaches in average a minimum of 60% of the amount budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee (which became the Nomination and Compensation Committee), and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation; and
- the payment of 40% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital) of the Rexel Group. This payment would be 100% if the level of average operating WCR, 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 functions or employment contract (the reference period), reaches in average a maximum of 125% of the performance budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee (which became the Nomination and Compensation Committee), and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation.

These indemnities will only be paid after a decision of the Board of Directors acknowledging the fulfillment of these conditions.

Former members of the Management Board

Severance payments for Pascal Martin

Since Rexel's conversion into a *société anonyme* with a board of directors on May 22, 2014, Pascal Martin is no longer a corporate officer of Rexel.

Pascal Martin's employment contract with Rexel Développement, which had been suspended on January 1, 2008, was reinstated on May 22, 2014.

The employment agreement of Pascal Martin provides, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence (*faute grave*) or wilful misconduct (*faute lourde*) or compulsory retirement leave, that Pascal Martin will benefit from a gross contractual severance indemnity equal to 18 months of his monthly reference compensation.

The monthly reference compensation is defined as the gross annual fixed 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 exceptional bonus, divided by 12 months. The monthly reference compensation includes any potential compensation received as an executive in the course of this period.

This contractual indemnity is deemed to include the statutory severance indemnity *(indemnité de licenciement légale)* or severance indemnity pursuant to the collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the compensating indemnity for honoring the non-competition clause. It shall not apply in the event of a resignation, a retirement leave or compulsory retirement leave. In these hypothesis, only the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement will, as the case may be, be due and, as the case may be, the compensating indemnity for honoring the non-competition clause.

The notice period for termination of contract at the option of the employer is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in his capacity as officer or as employee of the company, whichever the highest.

In addition, a non-competition clause is stipulated in Pascal Martin's suspended employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Until May 22, 2014, Pascal Martin's contractual severance indemnities, other than the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement and the compensating indemnity for honoring the non-competition clause and the indemnity in lieu of notice, as the case may be, were subject to performance conditions identical to those described above.

7.3.3 Other benefits

During the financial period ended December 31, 2014, Rexel did not grant any loans, advances or guarantees to any of its corporate officers.

7.3.4 Pension, retirement or similar benefits

A supplementary defined-benefit pension plan is in force within Rexel Développement and Rexel, as of July 1, 2009.

Further to the law on pensions system reform enacted on November 10, 2010 and after approval of Rexel's Compensation Committee, the supplementary defined-benefit pension plan in force within Rexel Développement and Rexel since July 1, 2009 and the former supplementary defined benefit retirement scheme closed on June 30, 2009 were submitted to a number of amendments effective as of January 1, 2011, in particular:

- possible settlement of the additional pension only as of the minimum settlement age of the general pension system (compared to a fixed age of 60 previously);
- possibility for beneficiaries having reached the minimum settlement age of the general pension system, but not having reached the full rate under the general pension system, of settling their additional pension at a reduced rate, with the application of a penalty for missing quarters;
- setting-up of a minimum length of service of 4 years with Rexel at the time of settlement of the additional pension in order to benefit from this pension system.

During the fiscal year 2013, certain amendments have been made with effect as from January 1, 2014, including the major following amendments:

- Ability to maintain the additional pension when the pension under the Social Security base regime is settled, provided that the beneficiary does not exercise afterwards any other professional activity, in the following cases:
  - dismissal after the age of 55 (except for gross negligence);
  - invalidity corresponding to the 2nd or 3rd class under the Social Security regime;
  - participation in an early retirement regime.

Since January 1, 2014, are eligible for this supplementary pension scheme, officers with the status of employee and/or corporate officer whose status and activity are defined in Article L.3111-2 of the French Labor Code.

At December 31, 2014, 6 managing directors, including one corporate officer, met these eligibility criteria. At its meeting of March 6, 2013, the Supervisory Board, on the recommendation of the Compensation Committee, cancelled the benefit provided under the defined benefit pension plan (article 39) granted to Rudy Provoost.

The additional pension under this plan is equal to product of the reference compensation, the years of seniority and a yearly acquisition factor ranging between 0% and 1% according to the level of reference compensation.

The reference compensation used in the calculation of the additional pension is equal to the average of the three best calendar years of gross compensation received for the period in which the potential beneficiary can justify seniority and eligibility.

This compensation includes:

- Salary and/or compensation as a corporate officer, and
- Exclusively contractual annual bonuses classified as "annual variable compensation" not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account at up to 80% of the fixed base salary.

The reference compensation does not include the amount or nature of special bonuses, especially payments made at retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by a transaction. It also does not include benefits in kind.

The reference compensation is globally capped up to 40 times of the yearly French Social Security ceiling.

A certain number of limits have been put in place on the amount of the benefit:

- the amount of the additional retirement pension under the new rules is limited to 20% of the reference compensation;
- the amount of the additional retirement pension under all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation;
- the total amount of mandatory pension schemes and all supplementary plans in force within Rexel may not exceed 50% of the reference compensation.

The total provision booked by Rexel for all employees covered by this additional defined-benefit retirement plan corresponded to a commitment of €10 million as of December 31, 2014 reduced by the value of a hedge asset established with an insurance company. As of December 31, 2014, the value of this hedge asset was estimated at €1.5 million.

The current maximum percentage allowable under the additional retirement plan for the current beneficiaries of the plan is comprised between 10% and 20% of the reference income.

On the date of this *Document de Référence*, Rexel complies with all recommendations issued by the AFEP and the MEDEF, as updated in June 2013:

AFEP-MEDEF RECOMMENDATIONS	
Eligibility criteria	Compliant
Number of corporate officers compared to the total number of beneficiaries	Compliant
Seniority criteria	Compliant
Yearly accrual percentage	Compliant
Period of maximum accrual attainment	Compliant
Reference compensation	Compliant
Maximum level of benefits	Compliant
Information on potential rights	Compliant

7.3.5 Consultation on the corporate officers' individual compensation

In accordance with paragraph 24.3 of the AFEP-MEDEF Code, the table below shows the compensation of each of the corporate officers for the financial year ended on December 31, 2014 submitted to a shareholder consultation at the Shareholders' Meeting:

Rudy Provoost (Chairman of the Management Board, then Chairman and Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Fixed annual compensation	€875,500	Gross fixed annual compensation in respect of the financial year ended on December 31, 2014, determined by the Supervisory Board of February 12, 2014 and the Board of Directors of May 22, 2014, on the recommendation of the Compensation Committee. The gross fixed annual compensation in respect of the financial year ended on December 31, 2013 stood at €850,000, *i.e.* an increase of 3%. See paragraph 7.3.1.1 of this *Document de Référence*.

Rudy Provoost (Chairman of the Management Board, then Chairman and Chief Executive Officer)		
COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	**AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE**	**PRESENTATION**
Variable annual compensation	€703,412	Gross variable annual compensation in respect of the financial year ended on December 31, 2014 determined by the Board of Directors of February 11, 2015 on the proposal of the Nomination and Compensation Committee. In terms of target value, the variable compensation was based for 75% on financial criteria and for 25% on individual criteria. In percentage, financial performance stood at 70.7% and individual performance stood at 80%. This amount thus corresponds to 73% of the target bonus. See paragraph 7.3.1.1 of this *Document de Référence*.
Deferred variable compensation	Not applicable	Rudy Provoost does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable	Rudy Provoost does not benefit from any multiannual variable compensation.
Exceptional compensation	€60,000	Rudy Provoost benefits from a housing allowance in a total gross annual amount of €60,000. The amount for the financial year ended on December 31, 2014 is equal to the amount for the financial year ended on December 31, 2013.
Share subscription or purchase options	Not applicable	No share subscription or purchase options have been allocated to Rudy Provoost during the financial year ended on December 31, 2014.
Free share allotments	€1,576,200	In accordance with the authorizations granted by Rexel's Shareholders' Meeting of May 22, 2013 (resolution no. 15), the Board of Directors, at its meeting of May 22, 2014, decided to allocate free Rexel shares under four plans. Accordingly, 120,000 shares subject to performance conditions were allocated to Rudy Provoost under the "Transition 2+2" (50% of the allotment) and "Key Managers 3+2" plans (50% of the allotment). This number of shares is the maximum number of shares that may be vested if the performance criteria are outperformed and corresponds to a maximum vesting percentage of 100%. Such shares represented 0.04% of the share capital and voting rights of Rexel as at December 31, 2014. The final vesting of the shares allocated to Rudy Provoost is subject to: • for the "Transition 2+2" plan: a 2-year presence condition and to the achievement of performance criteria which apply to 100% of the allotment; • for the "Key Managers 3+2" plan: a 3-year presence condition and to the achievement of performance criteria which apply to 100% of the allotment. The performance criteria and their respective weight are as follows: • for the "Transition 2+2" plan: – Variation of the 2013/2015 adjusted EBITA margin (40%); – Average of the free cash flow before interest and tax / EBITDA ratio between 2014 and 2015 (30%); – Evolution of the TSR of Rexel compared to a panel of enterprises over 2 years (30%). • for the "Key Managers 3+2" plan: – Variation of the 2013/2016 adjusted EBITA margin (40%); – Average of the free cash flow before interest and tax / EBITDA ratio between 2014, 2015 and 2016 (30%); – Evolution of the TSR of Rexel compared to a panel of businesses over 3 years (30%). See paragraph 8.1.2 of this *Document de Référence*.
Other long term compensation items	Not applicable	Rudy Provoost does not benefit from any other long term compensation items.

Rudy Provoost (Chairman of the Management Board, then Chairman and Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Directors' fees	€90,000	In respect of his corporate offices within Rexel UK Ltd, British subsidiary, and Rexel Holdings USA Corp., US subsidiary, Rudy Provoost received directors' fees in an amount of €90,000, paid in 2014 in respect of the financial year ended on December 31, 2013. The attendance fees paid in 2013 in respect of the financial year ended on December 31, 2012, amounted to €73,350.
Valuation of benefits in kind	€25,405	Rudy Provoost benefits from benefits in kind in an amount of €9,179, comprising a company car, a gas card, and €16,226 for executive director's unemployment coverage (GSC). For the financial year ended on December 31, 2013, such benefits in kind amounted to €25,406. See paragraph 7.3.1.1 of this *Document de Référence*.
Severance indemnities	No payment	In the event of termination of his corporate office, Rudy Provoost shall receive a gross severance indemnity in an amount equal to 24 months of reference monthly compensation. Reference monthly compensation is defined as gross fixed annual compensation increased by the average gross amount of the last two variable bonuses received, except for any exceptional bonuses, divided by 12 months. This severance indemnity includes the non-competition indemnity, as the case may be. The severance indemnity shall only be authorized in case of imposed departure and linked to a change in control or strategy. The severance indemnity shall not apply in the event of resignation, termination for gross negligence (*faute grave*) or wilful misconduct (*faute lourde*) or retirement leave or compulsory retirement leave. This severance indemnity (excluding the non-competition indemnity) is subject to the following performance conditions: • the payment of 60% of the indemnity depends on the level of EBITA of the Rexel Group; and • the payment of 40% of the indemnity depends on the level of average operating WCR (average trade operating working capital) of the Rexel Group. The payment of these indemnities requires a prior decision of the Board of Directors acknowledging the fulfillment of these conditions. This severance indemnity has been authorized by a decision of the Board of Directors of May 22, 2014 and is subject to the approval of the Shareholders' Meeting. The modifications which were authorized by the Board of Directors of February 11, 2015 will be submitted to the shareholders' meeting to be held in 2016. See paragraph 7.3.2 of this *Document de Référence*.
Non-competition indemnity	No payment	Regardless of the cause of his departure from Rexel, Rudy Provoost may be subject to a non-competition clause. This non-competition undertaking is limited to a period of 12 months as from the date of actual termination of his corporate office. In consideration for such non-competition undertaking, the monthly non-competition indemnity is equal to one twelfth of his gross fixed annual compensation. This non-competition indemnity has been authorized by a decision of the Board of Directors of May 22, 2014 and is subject to the approval of the Shareholders' Meeting. See paragraph 7.3.2 of this *Document de Référence*.
Additional retirement plan	Not applicable	In accordance with the request of Rudy Provoost, the Supervisory Board of March 6, 2013 decided to withdraw the advantage resulting from the benefit of the defined-benefits retirement plan (article 39).

Catherine Guillouard (member of the Management Board, then Deputy Chief Executive Officer)		
COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	**AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE**	**PRESENTATION**
Fixed compensation	€452,083	Gross fixed annual compensation in respect of the financial year ended on December 31, 2014 determined by the Supervisory Board of February 12, 2014 and the Board of Directors on May 22, 2014, on the recommendation of the Compensation Committee, as follows: • from January 1, 2014 until May 31, 2104: €420,000; • from June 1, 2014 until December 31, 2104: €475,000. The gross fixed annual compensation in respect of the financial year ended on December 31, 2013 stood at €420,000, *i.e.* an increase of 7.64%, following the change in the structure in May 2014. See paragraph 7.3.1.1 of this *Document de Référence*.
Variable annual compensation	€249,288	Gross variable annual compensation in respect of the financial year ended on December 31, 2014 determined by the Board of Directors of February 11, 2015 on the proposal of the Nomination and Compensation Committee. In terms of target value, the variable compensation was based for 65% on financial criteria and for 35% on individual criteria. In percentage, financial performance stood at 70.7% and individual performance stood at 100%. This amount thus corresponds to 81% of the target bonus. See paragraph 7.3.1.1 of this *Document de Référence*.
Deferred variable compensation	Not applicable	Catherine Guillouard does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable	Catherine Guillouard does not benefit from any multiannual variable compensation.
Exceptional compensation	Not applicable	Catherine Guillouard does not benefit from any exceptional compensation.
Share subscription or purchase options	Not applicable	No share subscription or purchase options have been allocated to Catherine Guillouard during the financial year ended on December 31, 2014.
Free share allotments	€764,457	In accordance with the authorizations granted by Rexel's Shareholders' Meeting of May 22, 2013 (resolution no.15), the Board of Directors, at its meeting of May 22, 2014, decided to freely allocate Rexel shares under four plans. Accordingly, 58,200 shares which are subject to performance conditions were allocated to Catherine Guillouard under the "Transition 2+2" (50% of the allotment) and "Key Managers 3+2" (50% of the allotment) plans. This number of shares is the maximum number of shares that may be vested if the performance criteria are outperformed and corresponds to a maximum vesting percentage of 100%. Such shares represented 0.02% of the share capital and voting rights of Rexel as at December 31, 2014. The final vesting of the shares allocated to Catherine Guillouard is subject to: • for the "Transition 2+2" plan: a 2-year presence condition and to the achievement of performance criteria which apply to 100% of the allotment; • for the "Key Managers 3+2" plan: a 3-year presence condition and to the achievement of performance criteria which apply to 100% of the allotment. The performance criteria and their respective weight are as follows: • for the "Transition 2+2" plan: – Variation of the 2013/2015 adjusted EBITA margin (40%); – Average of the free cash flow before interest and tax / EBITDA ratio between 2014 and 2015 (30%); – Evolution of the TSR of Rexel compared to a panel of businesses over 2 years (30%); • for the "Key Managers 3+2" plan: – Variation of the 2013/2016 adjusted EBITA margin (40%); – Average of the free cash flow before interest and tax / EBITDA ratio between 2014, 2015 and 2016 (30%); – Evolution of the TSR of Rexel compared to a panel of businesses over 3 years (30%). See paragraph 8.1.2 of this *Document de Référence*.

Catherine Guillouard (member of the Management Board, then Deputy Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Other long term compensation items	Not applicable	Catherine Guillouard does not benefit from any other long term compensation items.
Directors' fees	Not applicable	Catherine Guillouard does not benefit from any directors' fees.
Valuation of benefits in kind	€13,794	Catherine Guillouard benefits from benefits in kind in an amount of €6,479, comprising a company car, a gas card and €7,315 for executive director's unemployment coverage (GSC). For the financial year ended on December 31, 2013, such benefits amounted to €9,196 (*prorata temporis*). See paragraph 7.3.1.1 of this *Document de Référence*.
Severance indemnities	No payment	Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013. In the event that her corporate duties within Rexel should end, Catherine Guillouard's employment agreement with Rexel Développement would be reinstated subject to compensation conditions equivalent to those from which she benefits as a corporate officer. The employment agreement of Catherine Guillouard provides, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence (*faute grave*) or wilful misconduct (*faute lourde*) or compulsory retirement leave, that Catherine Guillouard will benefit from a gross contractual severance indemnity equal to 18 months of her monthly reference compensation. Reference monthly compensation is defined as the applicable gross fixed annual compensation in the month preceding the termination notice, increased by the average gross amount of the last two variable bonuses received, except for any exceptional bonuses, divided by 12 months. Reference monthly compensation includes any compensation received in connection with the exercise of corporate duties during such period (to the exclusion of any exceptional bonus). This contractual severance indemnity is deemed to include the statutory severance indemnity *(indemnité de licenciement légale)* or severance indemnity pursuant to the collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the compensating indemnity for honoring the non-competition clause. The severance indemnity shall only be authorized in case of imposed departure (to the exclusion of the compensating indemnity for honoring the non-competition clause) and linked to a change in control or strategy (to the exclusion of the statutory severance indemnity or severance indemnity pursuant to the collective bargaining agreement due, if any, as well as the compensating indemnity for honoring the non-competition clause). The severance indemnity shall not apply in the event of a resignation, a retirement leave or compulsory retirement leave. In these hypothesis, only the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement will, as the case may be, be due and, as the case may be, the compensating indemnity for honoring the non-competition clause. In the event of termination of the contractual relationship at the initiative of the employer, the notice period is 8 months. The indemnity in lieu of notice period amounts to 8 months of the last compensation amount received as a corporate officer or employee, whichever is higher. This contractual severance indemnity (excluding the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement and the non-competition indemnity) is subject to the following performance conditions: • the payment of 60% of the indemnity depends on the level of EBITA of the Rexel Group; and • the payment of 40% of the indemnity depends on the level of average operating WCR (average trade operating working capital) of the Rexel Group. The payment of these indemnities requires a prior decision of the Board of Directors acknowledging the satisfaction of these conditions. This severance indemnity has been authorized by a decision of the Board of Directors of May 22, 2014 and is subject to the approval of the Shareholders' Meeting. The modifications which were authorized by the Board of Directors of February 11, 2015 will be submitted to the shareholders' meeting to be held in 2016. See paragraph 7.3.2 of this *Document de Référence*.

Catherine Guillouard (member of the Management Board, then Deputy Chief Executive Officer)		
COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	**AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE**	**PRESENTATION**
Non-competition indemnity	No payment	Catherine Guillouard's currently suspended employment contract contains a non-competition clause. This non-competition undertaking is limited to a period of 12 months as from the date of actual termination of her employment contract. In consideration for such non-competition undertaking, the monthly non-competition indemnity is equal to one twelfth of her gross fixed annual compensation. See paragraph 7.3.2 of this *Document de Référence*.
Additional retirement plan	No payment	Catherine Guillouard benefits from the defined-benefits retirement plan in force within Rexel Développement and Rexel since July 1, 2009. The additional pension under this plan is equal to product of the reference compensation, the years of seniority and a yearly acquisition factor ranging between 0% and 1% according to the level of reference compensation. The reference compensation used to calculate the additional pension is equal to the average of the three highest calendar years of gross compensation received for the period in which the potential beneficiary can justify seniority and eligibility. This compensation includes: • Salary and/or compensation as a corporate officer, • Exclusively contractual annual bonuses classified as "annual variable compensation" not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account for an amount of up to 80% of the fixed base salary. The reference compensation does not include the amount or nature of special bonuses, particularly payments made upon retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by settlement. It also does not include benefits in kind. The reference compensation is globally capped at 40 times of the yearly French Social Security ceiling. The amount of the benefit is subject to a certain number of limits: • the amount of the additional retirement pension under the new rules is limited to 20% of the reference compensation; • the amount of the additional retirement pension under all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation; and • the aggregate amount of mandatory pension schemes and all supplementary plans in force within Rexel may not exceed 50% of the reference compensation. On the basis of the information available on the date hereof, Catherine Guillouard's annual pension under this additional retirement plan should not exceed 13% of the reference compensation upon retirement. This additional retirement plan was authorized by a decision of the Board of Directors of May 22, 2014 and is subject to the approval of the Shareholders' Meeting. See paragraph 7.3.4 of this *Document de Référence*.

Pascal Martin (member of the Management Board until May 22, 2014)

COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Fixed compensation	€186,845	Gross fixed compensation in respect of the corporate office held from January 1, 2014 to May 22, 104 determined by the Supervisory Board of February 12, 2014 on the recommendation of the Compensation Committee. The gross fixed annual compensation in respect of the financial year ended on December 31, 2013 stood at €474,300, *i.e.* an increase of 0% (*prorata temporis*). See paragraph 7.3.1.1 of this *Document de Référence*.
Variable annual compensation	€85,600	Gross variable compensation in respect of the corporate office held from January 1, 2014 to May 22, 2014 determined by the Board of Directors of February 11, 2015 on the proposal of the Nomination and Compensation Committee. In terms of target value, the variable compensation was based for 65% on financial criteria and for 35% on individual criteria. In percentage, financial performance stood at 70.7% and individual performance stood at 71.4%. This amount thus corresponds to 71% of the target bonus. See paragraph 7.3.1.1 of this *Document de Référence*.
Deferred variable compensation	Not applicable	Pascal Martin does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable	Pascal Martin does not benefit from any multiannual variable compensation.
Exceptional compensation	Not applicable	Pascal Martin does not benefit from any exceptional compensation.
Share subscription or purchase options	Not applicable	No share subscription or purchase options have been allocated to Pascal Martin during the financial year ended on December 31, 2014.
Free share allotments	Not applicable	Pascal Martin did not benefit from a free share allotment in respect of his corporate office during the financial year ended December 31, 2014.
Other long term compensation items	Not applicable	Pascal Martin does not benefit from any other long term compensation items.
Directors' fees	Not applicable	Pascal Martin does not benefit from any directors' fees.
Valuation of benefits in kind	€10,566	Pascal Martin benefits from benefits in kind for the period during which he was a corporate office in an amount of €3,805, comprising a company car, a gas card and €6,761 for executive directors' unemployment coverage (GSC). For the financial year ended on December 31, 2013, such benefits amounted to €25,357. See paragraph 7.3.1.1 of this *Document de Référence*.

Pascal Martin (member of the Management Board until May 22, 2014)		
COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	**AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE**	**PRESENTATION**
Severance indemnities	No payment	Since the conversion of Rexel into a *société anonyme* with a board of directors on May 22, 2014, Pascal Martin is no longer a corporate officer of Rexel. Pascal Martin's employment contract with Rexel Développement, which has been suspended since January 1, 2008, was reinstated with effect as from May 22, 2014. The employment agreement of Pascal Martin provides, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence (*faute grave*) or wilful misconduct (*faute lourde*) or compulsory retirement leave, that Pascal Martin will benefit from a gross contractual severance indemnity equal to 18 months of his monthly reference compensation. Reference monthly compensation is defined as the applicable gross fixed annual compensation in the month preceding the dismissal notice increased by the average gross amount of the last two variable bonuses received, except for any exceptional bonuses, divided by 12 months. Reference monthly compensation includes any compensation received in connection with the exercise of corporate duties during such period. This gross contractual indemnity includes the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement and, as the case may be, the non-competition indemnity. The contractual severance indemnity does not apply in the event of departure or compulsory retirement leave. In such cases, only the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement is due, as well as the non-competition indemnity, if any. In the event of termination of the contractual relationship at the initiative of the employer, the notice period is 8 months. The indemnity in lieu of notice period amounts to 8 months of the last compensation amount received as a corporate officer or employee, whichever is higher. Until May 22, 2014, this severance indemnity (excluding the statutory severance indemnity or the severance indemnity pursuant to the collective bargaining agreement and the non-competition indemnity) was subject to the following performance conditions: • the payment of 60% of the indemnity depends on the level of EBITA of the Rexel Group; and • the payment of 40% of the indemnity depends on the level of average operating WCR (average trade operating working capital) of the Rexel Group. The payment of these indemnities requires a prior decision of the Supervisory Board acknowledging the satisfaction of these conditions. This severance indemnity has been authorized by a decision of the Supervisory Board of February 12, 2014 and by a decision of the shareholders' meeting of May 22, 2014 (resolution no.8). See paragraph 7.3.2 of this *Document de Référence*.
Non-competition indemnity	No payment	Pascal Martin's employment contract contains a non-competition clause. This non-competition undertaking is limited to a period of 12 months as from the date of actual termination of his employment contract. In consideration for such non-competition undertaking, the monthly non-competition indemnity is equal to one twelfth of his gross fixed annual compensation. See paragraph 7.3.2 of this *Document de Référence*.

Pascal Martin (member of the Management Board until May 22, 2014)

COMPENSATION ITEMS DUE OR ALLOTTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Additional retirement plan	No payment	Pascal Martin benefits from the defined-benefits retirement plan in force within Rexel Développement and Rexel since July 1, 2009. The additional pension under this plan is equal to product of the reference compensation, the years of seniority and a yearly acquisition factor ranging between 0% and 1% according to the level of reference compensation. The reference compensation used in the calculation of the additional pension is equal to the average of the three best calendar years of gross compensation received for the period in which the potential beneficiary can justify seniority and eligibility. This compensation includes: • Salary and/or compensation as a corporate officer, • Exclusively contractual annual bonuses classified as “annual variable compensation” not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account for an amount of up to 80% of the fixed base salary. The reference compensation does not include the amount or nature of special bonuses, especially payments made at retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by a transaction. It also does not include benefits in kind. The reference compensation is globally capped up to 40 times of the yearly French Social Security ceiling. A certain number of limits have been put in place on the amount of the benefit: • the amount of the additional retirement pension under the new rules is limited to 20% of the reference compensation; • the amount of the additional retirement pension under all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation; and • the total amount of mandatory pension schemes and all supplementary plans in force within Rexel may not exceed 50% of the reference compensation. This additional retirement plan was authorized by decisions of the Supervisory Board of March 30, 2009, March 16, 2010, February 8, 2011 and October 30, 2013 and by decisions of the Shareholders’ Meeting of May 20, 2010 (resolution no. 5), of May 19, 2011 (resolution no. 9), of May 16, 2012 (resolution no. 5) and of May 22, 2014 (resolution no. 5). In addition, he benefits from the defined benefits retirement plan put in place May 31, 2005 within Rexel Développement and closed on June 30, 2009. On the basis of the information available at the date hereof, Pascal Martin’s annual pension under these two additional retirement plans should not in total exceed 20% of the reference compensation. See paragraph 7.3.4 of this *Document de Référence*.

7.4 MARKET ETHICS CHARTER

On May 22, 2014, following the transformation of Rexel into a *société anonyme* with a Board of Directors, Rexel adopted a updated market ethics charter, the objective of which is to specify the applicable regulations in respect of share transactions by permanent and/or occasional insiders and interested persons, including in particular corporate officers and employees of the Rexel Group who have constant or occasional access to inside information as well as outsiders to the Rexel Group who can, in the context of their role or position, have access to inside information in relation to Rexel or the Rexel Group.

The market ethics charter provides for the creation of the position of a market ethics manager within the Rexel Group. The market ethics manager oversees compliance with the market ethics charter, in particular by informing those persons concerned of the periods during which they must abstain from transactions involving Rexel's shares, informing the Board of Directors of any finding of violations of the applicable regulations within the Rexel Group, or by establishing and updating a list, to be provided upon request to the AMF, of persons considered to be insiders, and informing such persons of their inclusion in such list.

The market ethics charter mentions the applicable obligations with respect to the holding, disclosure and use of inside information as well as the applicable sanctions in the event of a violation of such obligations. The market ethics charter thus specifies the confidentiality and abstention obligations or the obligation to hold shares in registered form that applies to permanent or occasional insiders and interested persons. The market ethics charter also lays out the definition of inside information as well as the applicable rules in the case of, for example, an offence and breach by an insider, or a market manipulation. It also provides for periods of abstention linked, in particular, to the publication of Rexel's financial accounts.

7.5 RELATED PARTY TRANSACTIONS

7.5.1 Principal related party transactions

The material agreements entered into between Rexel and related parties, *i.e.* the members of Rexel's executive management, of Rexel's Board of Directors, the shareholders of Rexel and the subsidiaries of Rexel, within the meaning of Articles L.225-38 *et seq.* of the French Commercial Code, and that were in force at December 31, 2014 are:

Agreements referred to in article L.225-42-1 of the French Commercial Code entered into by Rexel during the financial year ended on December 31, 2014 and previously authorized by the Board of Directors:

- The commitments in favour of Rudy Provoost, Chairman and Chief Executive Officer of Rexel, providing for the payment of compensation items due or likely to be due as a result of the termination of Rudy Provoost's functions and the associated performance conditions (see paragraph 7.3.5 "Consultation on the corporate officers' individual compensation" of this *Document de Référence*). This agreement was authorized by the Board of Directors on May 22, 2014, and replaces the agreement entered into for the same purpose and containing the same provisions and authorized by the Supervisory Board of February 12, 2014;
- The commitments in favour of Catherine Guillouard, Deputy Chief Executive Officer of Rexel, providing for the payment of compensation items due or likely to be due as a result of the termination of Catherine Guillouard's functions and the associated performance conditions (see paragraph 7.3.5 "Consultation on the corporate officers' individual compensation" of this *Document de Référence*). This agreement was authorized by the Board of Directors on May 22, 2014 and replaces the agreement entered into for the same purpose and containing the same provisions authorized by the Supervisory Board of February 12, 2014.

Agreements referred to in articles L.225-38* et seq. *of the French Commercial Code entered into by Rexel during the financial year ended on December 31, 2014 which have been previously authorized by the Board of Directors:

- The complementary retirement undertakings made by Rexel to the benefit of Catherine Guillouard, Deputy Chief Executive Officer of Rexel, under the supplementary defined benefit retirement plan effective as from July 1, 2009, it being specified that the terms and conditions of the supplementary defined benefit retirement plan (article 39) set up by the Company have already been authorized by the Supervisory Board of the Company on March 30, 2009. These undertakings have been authorized by the Board of Directors on May 22, 2014.

Agreements referred to in article L.225-90-1 of the French Commercial Code entered into by Rexel during the financial year ended on December 31, 2014 and authorized by the Supervisory Board, approved by the annual shareholders' meeting of May 22, 2014 and which have ceased to be effective:

- The commitments in favour of Rudy Provoost, Chairman of the Management Board of Rexel, providing for the payment of compensation items due or likely to be due as a result of the termination of Rudy Provoost's functions and the associated performance conditions. This agreement was authorized by the Supervisory Board on October 6, 2011. The performance conditions were amended by decision of the Supervisory Board of February 12, 2014;
- The commitments in favour of Catherine Guillouard, member of the Management Board of Rexel, providing for the payment of compensation items due or likely to be due as a result of the termination of Catherine Guillouard's functions and the associated performance conditions. This agreement was authorized by the Supervisory Board on April 30, 2013. The performance conditions were amended by decision of the Supervisory Board of February 12, 2014;
- The commitments in favour of Pascal Martin, member of the Management Board of Rexel, providing for the payment of compensation items due or likely to be due as a result of the termination of Pascal Martin's functions and the associated performance conditions. This agreement was authorized by the Supervisory Board on May 19, 2011. The performance conditions were amended by decision of the Supervisory Board of February 12, 2014.

These agreements were terminated on May 22, 2014 further to the decisions of the shareholders' meeting and of the Board of Directors of Rexel in respect of the change in Rexel's governance method.

Agreements referred to in article L.225-86 and L.225-38 of the French Commercial Code, entered into by Rexel during previous financial years and ongoing during the financial year ended on December 31, 2014 and which have ceased to be effective:

- A supplementary defined benefit retirement plan effective as from July 1, 2009 authorized by the Supervisory Board on March 30, 2009 and approved by the shareholders' meeting on May 20, 2010;
- An amendment to the supplementary defined benefit retirement plan in force since July 1, 2009. The purpose of this amendment is to harmonize the plan with certain provisions of the social security regulations. This amendment was authorized by the Supervisory Board on March 16, 2010 and approved by the shareholders' meeting on May 19, 2011;
- An amendment to the defined benefit retirement plan in force since July 1, 2009, and signed on April 29, 2011. The purpose of this amendment is to harmonize the plan with the legal modifications regarding the minimum age and the required age for the full rate payment of the retirement rights under the French Social Security base regime. This amendment was authorized by the Supervisory Board on February 8, 2011 and approved by the shareholders' meeting on May 16, 2012;
- An amendment to the defined benefit retirement plan in force since July 1, 2009. The purpose of this amendment is to include certain modifications, including those introduced by the Fillon law. This amendment, which was signed on November 27, 2013, was authorized by the Supervisory Board on October 30, 2013 and approved by the shareholders' meeting on May 22, 2014;
- The complementary retirement undertakings made by Rexel to the benefit of Catherine Guillouard under the supplementary defined benefit retirement plan effective as from July 1, 2009, it being specified that the terms and conditions of the supplementary defined benefit retirement plan (article 39) set up by the Company have already been authorized by the Supervisory Board of the Company on March 30, 2009. These undertakings were authorized by the Supervisory Board on April 30, 2013.

The defined benefit retirement plan and its amendments have ceased to benefit to the members of the Management Board since May 22, 2014.

Agreements referred to in article L.225-86 and L.225-38 of the French Commercial Code which have ceased to be effective during the financial year ended on December 31, 2014:

- The Secondary Offering Cooperation Agreement entered into on April 4, 2007. This agreement was authorized by the Supervisory Board on April 4, 2007 and approved by the shareholders' meeting on May 20, 2008;
- The Amendment to the Secondary Offering Cooperation Agreement dated July 2, 2012 and amending the Secondary Offering Cooperation Agreement entered into on April 4, 2007. The purpose of this amendment was to detail the terms and conditions of the relevant parties' cooperation in the event of a sale of shares under an accelerated book-building if the proceeds of this transaction amounted to at least €75 million. This agreement was approved by the shareholders' meeting on May 22, 2013;
- This agreement lapsed further to the sale of Rexel securities completed by Ray Investment on September 23, 2014.

Ordinary agreements entered into by Rexel under ordinary terms:

- A long-term facility agreement between Elektro-Material AG and Rexel, entered into on July 1, 2013;
- A long-term facility agreement between Elektroskandia Norway Holding AS and Rexel, entered into on September 1, 2013;
- A long-term facility agreement between Rexel Sverige AB (previously Svenska Elgrossist AB Selga) and Rexel, entered into on July 1, 2013;
- A tax integration agreement entered into on May 9 and May 24, 2012 between Rexel and each of the companies included in the tax integration perimeter of the Rexel Group since January 1, 2005 under the conditions and forms required under Article 223 A *et seq.* of the French general tax Code; and
- Renewal of the tax integration option pursuant to which Rexel has become solely liable for corporate tax *(impôt sur les sociétés)*, for the social contribution on corporate profits pursuant to article 223 ter ZC of the French general tax Code and for the yearly flat-rate tax *(imposition forfaitaire annuelle)*, owed by the group formed by Rexel and the subsidiaries held directly or

indirectly at least at 95% of the share capital and having agreed thereto, pursuant to articles 223 A *et seq.* of the French general tax Code.

7.5.2 Agreements between the managers or the shareholders of Rexel and the subsidiaries of Rexel

The agreements entered into between, on the one hand, the Chief Executive Officer, the Deputy Chief Executive Officer or any director of Rexel or any shareholder holding more than 10% of Rexel's share capital and, on the other hand, companies whose share capital is more than 50% held by Rexel, directly or indirectly (unless they relate to transactions in the ordinary course and entered into on arms' length terms) comprised the following transaction:

- the employment agreement between Catherine Guillouard and Rexel Développement, which is suspended since April 30, 2013 (see paragraph 7.3 "Compensation of corporate officers" of this *Document de Référence*).

7.5.3 Special reports of the Statutory Auditors in relation to related party agreements

7.5.3.1 Special report of the Statutory Auditors in relation to the related party agreements for 2014

This is a free translation into English of the Statutory Auditors' report on related party agreements and commitments issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable

Rexel SA

13, boulevard du Fort de Vaux
CS 60002
75838 Paris Cedex 17

Statutory auditors' report on related party agreements and commitments
(Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2014)

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code *(Code de commerce)* in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the Shareholders' Meeting

Agreements and commitments authorized during the year

In accordance with article L.225-40 of the French Commercial Code *(Code de commerce)*, we were informed of the following agreements and commitments which received prior authorization from your Board of Directors.

1. Commitment taken to the benefit of Rudy Provoost, the Chairman and Chief Executive Officer, in case of termination or change of duties

Related parties

Mr Rudy Provoost, in his capacity as Chairman and Chief Executive Officer

Nature and purpose

This commitment has been authorized by your Board of Directors on May 22, 2014 following the appointment of Rudy Provoost as the Chairman and Chief Executive Officer. These commitments have the same terms as those authorized by your Supervisory Board on February 12, 2014, when Rudy Provoost was the Chairman of the Management Board of your Company.

In the event that his corporate functions are terminated, Rudy Provoost shall benefit from a gross contractual severance payment equal to 24 months of monthly reference compensation.

Monthly reference compensation is understood as the amount of the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid, excluding any exceptional bonus, with this sum being divided by 12.

This gross severance indemnity is deemed to include the compensating indemnity for honoring the non-competition clause, if any.

It shall not apply in the event of termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or retirement leave or compulsory retirement leave.

In addition, regardless of the cause of departure from Rexel, a non-competition clause is stipulated. The Board of Directors may waive this non-competition clause. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the corporate mandate. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Rudy Provoost's severance indemnities, other than the non-competition clause compensatory indemnity, are subject to the following performance criteria:

a) the payment of 60% of the severance indemnity would be dependent on the level of EBITA of Rexel Group. This payment would 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 functions (the reference period), reaches in average a minimum of 60% of the amount budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation; and

b) the payment of 40% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital) of Rexel Group. This payment would be 100% if the level of average operating WCR, 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 functions (the reference period), reaches in average a maximum of 125% of the performance budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2014.

2. Commitment taken to the benefit of Catherine Guillouard, Deputy Chief Executive Officer, in case of termination or change of duties

Related parties

Ms Catherine Guillouard, in her capacity of Deputy Chief Executive Officer.

Nature and purpose

This commitment has been authorized by your Board of Directors on May 22, 2014 following the appointment of Catherine Guillouard as Deputy Chief Executive Officer. This commitment has the same terms as that authorized by your Supervisory Board on February 12, 2014, when Catherine Guillouard was member of the Management Board of your Company.

In the event of termination of her corporate office within Rexel, Catherine Guillouard's employment contract with Rexel Développement SAS would be reinstated with a compensation package equivalent to that from which she benefitted in her capacity as a corporate officer.

The employment agreement of Catherine Guillouard provides, as from April 30, 2013, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or compulsory retirement leave, that Catherine Guillouard 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 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 exceptional bonus, divided by 12 months.

This contractual indemnity is deemed to include the statutory severance indemnity or severance indemnity pursuant to the collective bargaining agreement due, if any, as well as the compensating indemnity for honoring the non-competion clause. It shall not apply in the event of a retirement leave or compulsory retirement leave. In these hypothesis, only the severance indemnity pursuant to the collective bargaining agreement will be due and, as the case may be, the compensating indemnity for honoring the non-competion clause.

The notice period for breach of contract at the option of the employer is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in her capacity as officer or as employee of the company, whichever the highest.

A non-competition clause is stipulated in Catherine Guillouard's suspended employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract (Rexel has the right to apply this clause in case of departure or retirement). As consideration, the monthly noncompetition payment is equal to one twelfth of his gross fixed annual compensation.

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Catherine Guillouard severance indemnities other than the competition clause compensatory indemnity, as well as the contractual indemnities for termination of the employment contracts are subject to the following performance criteria:

a) the payment of 60% of the severance indemnity would be dependent on the level of EBITA of Rexel Group. This payment would 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 functions or employment contract (the reference period), reaches in average a minimum of 60% of the amount budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation; and

b) the payment of 40% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital) of Rexel Group. This payment would be 100% if the level of average operating WCR, 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 functions or employment contract (the reference period), reaches in average a maximum of 125% of the performance budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2014

3. Supplementary defined-benefit pension commitments taken by Rexel to the benefit of Catherine Guillouard, following her appointment as Deputy Chief Executive Officer

Related parties

Ms Catherine Guillouard, in her capacity of Deputy Chief Executive Officer.

Nature and purpose

This commitment has been authorized by your Board of Directors on May 22, 2014 following the appointment of Catherine Guillouard as Deputy Chief Executive Officer. This commitment has the same terms as that authorized by your Supervisory Board on April 30, 2013 when Catherine Guillouard was member of the Management Board of your Company.

The terms and conditions of the supplementary defined-benefit pension plan (Article 39) implemented by your company have already been authorized in the past by your Supervisory Board on March 30, 2009.

Conditions

No payments occurred in 2014 with regards to these commitments.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved in prior years with execution during the year

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of Shareholders, whose implementation continued during the year.

Agreements and commitments approved in prior years without execution during the year

In addition, we have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

1. Commitments taken in favor of the members of your Company's Management Board in the event of termination of their duties

Related parties

Mr Rudy Provoost, in his capacity as Chairman of the Management Board of your Company until May 22, 2014.

Mr Pascal Martin, in his capacity as member of the Management Board of your Company until May 22, 2014.

Ms Catherine Guillouard, in her capacity as member of the Management Board of your Company until May 22, 2014.

Nature and purpose

On October 6, 2011, your Supervisory board authorized the commitments taken in favor of Rudy Provoost, Chairman of the Management Board of your Company until May 22, 2014, consisting on severance indemnity to be paid by your Company in the event of termination of its duties. This indemnity is subject to performance criteria.

The related performance criteria have been amended by your Supervisory board on February 12, 2014.

On April 30, 2013, your Supervisory board authorized the commitments taken in favor of Catherine Guillouard, member of the Management Board of your Company until May 22, 2014, consisting on severance indemnity to be paid by your Company in the event of termination of its duties. This indemnity is subject to performance criteria.

The related performance criteria have been amended by your Supervisory board on February 12, 2014.

On May 19, 2011, your Supervisory board authorized the commitments taken in favor of Pascal Martin, member of the Management Board of your Company until May 22, 2014, consisting on severance indemnity to be paid by your Company in the event of termination of its duties. This indemnity is subject to performance criteria.

The related performance criteria have been amended by your Supervisory board on February 12, 2014.

These commitments have been terminated on May 22, 2014, following your shareholders meeting's decision and Board of Directors decision regarding the mode of governance of your Company.

These commitments consisting on severance indemnity to be paid by your Company in the event of termination of the duties to Rudy Provoost and Catherine Guillouard have been authorized by your Management Board on May 22, 2014 when Rudy Provoost was appointed as Chairman and Chief Executive Officer and Catherine Guillouard as Deputy Chief Executive Officer (Refer to the commitments mentioned on the first part of this report).

Conditions

These commitments had no impact on the financial statements of your Company for the financial year ended December 31, 2014.

2. Supplementary defined-benefit pension contract and its Amendments

Nature and purpose

On March 30, 2009, your Supervisory Board authorized your Company to contract a supplementary defined-benefit pension plan with effect from July 1, 2009 for the members of the Management Board. Different amendments to this contract have been signed and authorized by your Management Board and approved by your previous shareholders' meetings.

After the review of this contract by your Management Board, this latter decided that this supplementary defined-benefit pension contract and its Amendments do not benefit anymore to the members of the Management Board since May 22, 2014.

Conditions

This contract had no impact for the financial year ended December 31, 2014.

3. Amendment to the Secondary Offering Cooperation Agreement

Nature and purpose

An amendment to the Secondary Offering Cooperation Agreement of April 4, 2007 was entered into on July 2, 2012. This amendment sets out the conditions for cooperation between the parties in the event shares are sold through accelerated bookbuilding, insofar as the transaction generates income of at least €75 million.

This amendment has been approved by the shareholders' meeting on May 22, 2013.

This amendment had no effect since the shares of your company held by Ray Investment were sold on September 23, 2014.

Conditions

These commitments had no impact on the financial statements of your Company for the financial year ended December 31, 2014.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2015

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Christian Perrier	Philippe Diu

7.5.3.2 Special reports of the statutory auditors in relation to the related party agreements for 2013 and 2012

The special reports of the statutory auditors of Rexel in relation to the related party agreements for the financial year ended December 31, 2013 and December 31, 2012 are set out in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 21, 2014 under number D.14-0181 and in the *Document de Référence* filed with the *Autorité des marchés financiers* on March 21, 2013 under number D.13-0130, respectively.

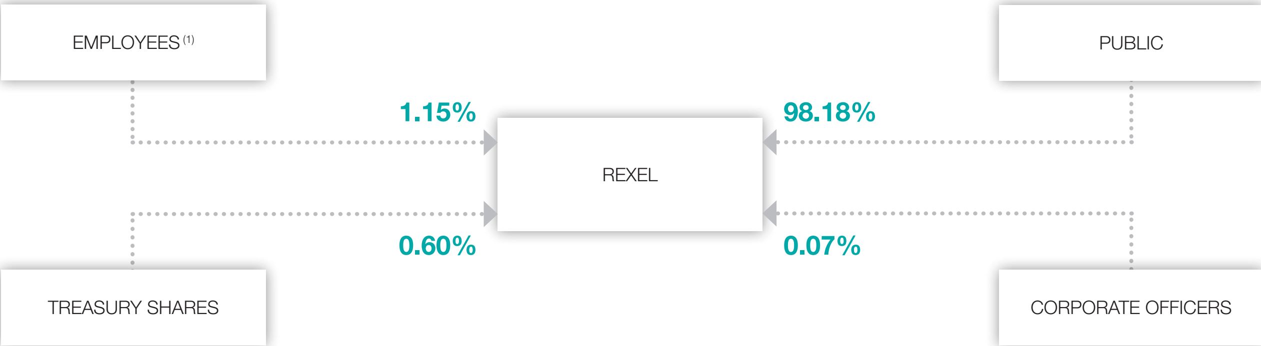
[This page is intentionally left blank]

ADDITIONAL INFORMATION

8.1 SHAREHOLDERS

8.1.1 Principal shareholders

The chart below shows the simplified shareholding structure of Rexel as of December 31, 2014:



(1) Employees include the managers and the other employees of the Rexel Group as well as the Rexel FCPEs.

8.1.2 Share capital and voting rights

8.1.2.1 Breakdown of shares and voting rights by shareholder

The table below shows the breakdown of the shareholding and of the voting rights of Rexel as of December 31, 2014, 2013 and 2012:

	DECEMBER 31,											
	2014				2013				2012			
SHAREHOLDERS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS
Ray Investment	-	-	-	-	46,856,915	46,856,915	16.54	16.54	158,324,738	158,324,738	58.22	58.22
Corporate officers (1)	200,989	200,989	0.07	0.07	507,542	507,542	0.18	0.18	463,254	463,254	0.17	0.17
Managers and other employees (2)	2,397,601	2,397,601	0.82	0.82	2,486,768	2,486,768	0.88	0.88	3,124,125	3,124,125	1.15	1.15
Rexel FCPE	978,210	978,210	0.33	0.33	915,274	915,274	0.32	0.32	709,618	709,618	0.26	0.26
Public	286,691,015	286,691,015	98.18	98.18	230,900,513	230,900,513	81.49	81.49	107,008,960	107,008,960	39.36	39.36
Treasury shares	1,737,761	1,737,761 (3)	0.60	0.60 (3)	1,670,202	1,670,202 (3)	0.59	0.59 (3)	2,292,534	2,292,534 (3)	0.84	0.84 (3)
TOTAL	**292,005,576**	**292,005,576**	**100**	**100**	**283,337,214**	**283,337,214**	**100**	**100**	**271,923,229**	**271,923,229**	**100**	**100**

(1) The corporate officers include the directors (members of the Management Board and of the Supervisory Board before May 22, 2014), the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.
(2) Employees include the managers and the other employees.
(3) Theoretical voting rights. For the purpose of shareholders' meetings, no voting right is actually attached to these shares.

Further to the various sales completed in 2014 and during previous financial years, the Luxembourg *société à responsabilité limitée* Ray Investment, whose shareholders were funds managed by Clayton, Dubilier & Rice, Ray France Investment SAS (a company controlled by Eurazeo), funds managed by Merrill Lynch Global Private Equity, L.P., Eurazeo and Caisse de Dépôt et placement du Québec, no longer holds any shares in Rexel.

In addition, Blackrock, Inc. (acting for the account of clients and funds managed by it), the Capital Group Companies, Inc. and Wellington Management Company, LLP (acting for the account of clients) declared that their holdings in Rexel had risen above the thresholds set forth in paragraph 8.1.2.2 "Shareholding threshold disclosures" of this *Document de Référence*.

To Rexel's knowledge and based on the declarations of crossing of thresholds that it has received, no shareholder other than those referred to above held, as of December 31, 2014, more than 5% of the share capital and/or voting rights of Rexel.

8.1.2.2 Shareholding threshold disclosures

During the financial year ended December 31, 2014, Rexel received the following thresholds crossing declarations:

- BlackRock, Inc. (55 East 52nd Street, New York, 10055, USA), acting for the account of clients and funds managed by it, declared that, on January 2, 2014, its holdings in Rexel had risen above the 10% share capital and voting right thresholds and that its holdings for the account of such clients and funds stood at 28,424,460 Rexel shares representing the same number of voting rights, *i.e.*, 10.03% of the share capital and voting rights of Rexel. This threshold crossing results from market and off-market purchases of Rexel shares. The entity making the declaration further specified, in accordance with article 223-14 III and IV of the AMF General Regulations, that it held 1,096,114 "Contracts for Differences" (taken into account in the aforementioned holding) with no stated maturity in respect of the same number of Rexel shares, settled exclusively in cash. In addition, BlackRock, Inc. issued the following declaration of intent: *"BlackRock, Inc.'s purchases of Rexel shares were made as part of its ordinary activities as a portfolio management company, which activities are conducted without any intention of implementing a specific strategy in relation to Rexel or, in this regard, of exercising a specific influence on the management of Rexel. BlackRock, Inc. is not acting in concert with any third parties and does not intend to take control of Rexel or of requesting its appointment, or the appointment of one or more persons, as a director, or as a member of the management board or of the supervisory board"*;

- BlackRock, Inc. (55 East 52nd Street, New York, 10055, USA), acting for the account of clients and funds managed by it, declared that, on January 10, 2014, its holdings in Rexel had fallen below the 10% share capital and voting rights thresholds and that its holdings for the account of such clients and funds stood at 27,187,322 Rexel shares representing the same number of voting rights, *i.e.*, 9.60% of the share capital and voting rights of Rexel. This threshold crossing results from market and off-market sales of Rexel shares. The entity making the declaration further specified, in accordance with article 223-14 III 3° and IV of the AMF General Regulations, that it held 832,540 "Contracts for Differences" (taken into account in the aforementioned holding) with no stated maturity in respect of the same number of Rexel shares, settled exclusively in cash;

- The Capital Group Companies, Inc. (333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1406, USA), declared that, on January 21, 2014, its holdings in Rexel had risen above the 10% share capital and voting rights thresholds and that its holdings stood at 28,373,598 Rexel shares representing the same number of voting rights, *i.e.*, 10.01% of the share capital and voting rights of Rexel. This threshold crossing results from market purchases of Rexel shares. The Capital Group Companies, Inc. issued the following declaration of intent: *"The Capital Group Companies, Inc.'s purchases of Rexel shares were made as part of its ordinary activities as a portfolio management company, which activities are conducted without any intention of implementing a specific strategy in relation to Rexel or, in this regard, of exercising a specific influence on the management of Rexel. The Capital Group Companies, Inc. is not acting in concert with any third parties and does not intend to take control of Rexel or of requesting its appointment, or the appointment of one or more persons, as a director, or as a member of the management board or of the supervisory board"*;

- Luxembourg company Ray Investment (26, rue Glesener, L-1630 Luxembourg, Grand Duchy of Luxembourg) declared that, on April 3, 2014, its holdings in Rexel had fallen below the 15% and 10% share capital and voting rights thresholds and its holdings stood at 19,968,739 Rexel shares representing the same number of voting rights, *i.e.* 7.05% of the share capital and voting rights of Rexel. This threshold crossing results from an off-market sale of 26,888,176 Rexel shares in favour of institutional investors as part of an accelerated book building (ABB) process, which was settled on April 8, 2104;

- BlackRock, Inc. (55 East 52nd Street, New York, 10055, USA), acting for the account of clients and funds managed by it, declared that, on July 17, 2014, its holdings in Rexel had fallen below the 5% share capital and voting rights thresholds and that its holdings for the account of such clients and funds stood at 14,191,997 Rexel shares representing the same number of voting rights, *i.e.*, 4.99% of the share capital and voting rights of Rexel. This threshold crossing results from a market sale of Rexel shares. The entity making the declaration further specified, in accordance with article 223-14 III and IV of the AMF General Regulations, that it held 396,187 "Contracts for Differences" (taken into account in the aforementioned holding) with no stated maturity in respect of the same number of Rexel shares, settled exclusively in cash;

- Wellington Management Company LLP (280 Congress Street, Boston MA, 02210, USA), acting for the account of clients, declared that, on August 20, 2014, its holdings in Rexel had fallen below the 5% share capital and voting rights thresholds and that its holdings stood at 14,105,762 Rexel shares representing the same number of voting rights, *i.e.*, 4.81% of the share capital and voting rights of Rexel. This threshold crossing results from market and off-market sales of Rexel shares;

- The Capital Group Companies, Inc. (333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1406, USA), declared that, on September 4, 2014, its holdings in Rexel had fallen below the 10% share capital and voting rights thresholds and that its holdings stood at 28,577,987 Rexel shares representing the same number of voting rights, *i.e.*, 9.74% of the share capital and voting rights of Rexel. This threshold crossing results from a market sale of Rexel shares;
- Luxembourg *société à responsabilité limitée* Ray Investment (26, rue Glesener, L-1630 Luxembourg, Grand Duchy of Luxembourg) declared that, on September 22, 2014, its holdings in Rexel had fallen below the 5% share capital and voting rights thresholds and that it no longer held any Rexel shares. This threshold crossing results from the off-market sale by Ray Investment of 20,917,823 Rexel shares in favour of institutional investors as part of an accelerated book building (ABB) process, which was settled on September 25, 2104;
- The five fundamental management companies of the Amundi Group (90, boulevard Pasteur, 75015 Paris, France), declared, on 26 September 2014, that their holdings stood at 9,020,102 Rexel shares representing the same number of voting rights, *i.e.*, 3.07% of the share capital and voting rights of Rexel. This threshold crossing results from market purchases of Rexel shares.

As of the date of this *Document de Référence*, Rexel had also received the following threshold crossing declarations:

- The Capital Group Companies, Inc. (333 South Hope Street, 55th Floor, Los Angeles, CA 90071-1406, USA), declared that, on January 13, 2015, its holdings in Rexel had fallen below the 5% share capital and voting rights thresholds and that its holdings stood at 13,386,616 Rexel shares representing the same number of voting rights, *i.e.*, 4.58% of the share capital and voting rights of Rexel. This threshold crossing results from a market sale of Rexel shares;
- Kiltearn Partners LLP (3 Semple Street, EH3 8BL Edinburgh), declared in a letter dated February 2, 2015 that its holdings in Rexel had risen above the 2.5% share capital and voting rights thresholds provided under the by-laws and that its holdings stood at 7,260,897 Rexel shares representing the same number of voting rights, *i.e.*, 2.49% of the share capital and voting rights of Rexel. This threshold crossing results from market purchases of Rexel shares.

8.1.2.3 Interests held by the managers in the share capital of Rexel

Rexel interests held by the members of the Board of Directors, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer

As of December 31, 2014, the members of Rexel's Board of Directors held the following ownership interests in Rexel's share capital:

	NUMBER OF SHARES	% OF THE SHARE CAPITAL AND VOTING RIGHTS
CURRENT MEMBERS OF THE BOARD OF DIRECTORS		
Rudy Provoost	191,856	0.07%
François Henrot	7,133	NS
Patrick Sayer	–	–
Pier Luigi Sigismondi	–	–
Thomas Farrell	–	–
Fritz Fröhlich	–	–
Isabel Marey-Semper	–	–
Monika Ribar	2,000	NS
Marie Richter	–	–
Hendrika Verhagen	–	–
DEPUTY CHIEF EXECUTIVE OFFICER		
Catherine Guillouard	–	–

Transactions on Rexel securities carried out by the members of the Board of Directors, the Deputy Chief Executive Officer and the Chairman and Chief Executive Officer

No transaction was declared by the corporate officers during the financial year ended December 31, 2014.

8.1.2.4 Employees shareholding

Employee shareholding plan implemented in 2007

In accordance with the eleventh resolution of the Combined Shareholders' Meeting held on February 13, 2007, the Management Board has decided, on March 20, 2007 and April 4, 2007, to implement an increase in Rexel's share capital reserved for the employees of the Rexel Group companies which have adhered to the group savings plan (*Plan Épargne Groupe* – PEG) and to the international group savings plan (*Plan d'Épargne Groupe International* – PEGI) in France and in certain foreign countries.

The total number of shares that have been issued amounts to 1,436,874 shares, and the total amount of the capital increase reserved to such employees amounts to €19,266,448 (including an issuance premium of €12,082,078). This capital increase was carried out and recorded by the Management Board meeting of April 18, 2007. On April 18, 2007, the Management Board also carried out the issuance of 40,594 warrants to subscribe for shares (BSAs) attached to the 40,594 shares subscribed by the "Rexel Germany Levier 2012" compartment of the "Rexel Actionnariat Classique International" employee investment fund (FCPE).

The assets invested in 2007 under the PEG and the PEGI became available on April 1, 2012 and May 1, 2012, respectively.

Employee shareholding plan implemented in 2010

In accordance with the twenty-seventh resolution of the Combined Shareholders' Meeting of May 20, 2010, the Management Board, at its meetings of May 20, 2010 and August 31, 2010, decided to implement a share capital increase reserved for members of the PEG or of the PEGI.

The total number of shares created pursuant to the decisions of the Management Board of May 20, 2010 and August 31, 2010 amounted to 356,123 shares. This share capital increase was carried out and acknowledged by the Management Board on November 17, 2010.

Furthermore, in accordance with the twenty-eighth resolution of the Combined Shareholders' Meeting of May 20, 2010, the Management Board decided, further to the authorization of the Supervisory Board of May 20, 2010, to carry out an allotment of free shares of the Company for the benefit of members of the international Rexel Group savings plan who subscribe to the 2010 employee shareholding transaction pursuant to the twenty-seventh resolution of the Shareholders' Meeting. During its meeting of August 31, 2010, the Management Board adopted the free share allotment plan and on November 19, 2010, determined the list of beneficiaries of this allotment of free shares, for a total number of 135,234 shares. These free shares are subject to a presence condition on June 30, 2015. Exceptions to this presence condition are nevertheless provided in the aforementioned plan.

Employee shareholding plan implemented in 2012

In accordance with the thirty-third resolution of the Combined Shareholders' Meeting of May 16, 2012, and with the authorization of the Supervisory Board, the Management Board, at its meetings of May 16, 2012 and September 3, 2012, decided to implement a share capital increase reserved for members of the PEG or of the PEGI.

The total number of shares created pursuant to the decisions of the Management Board of May 16, 2012 and September 3, 2012 amounted to 337,465 shares. This share capital increase was carried out and acknowledged by the Management Board on November 23, 2012.

Furthermore, in accordance with the thirty-first resolution of the Combined Shareholders' Meeting of May 16, 2012, the Management Board, further to the authorization of the Supervisory Board of May 16, 2012, adopted the free share allotment plan on the same date and, on November 23, 2012, determined the list of beneficiaries of this free share allotment plan, for a total number of 145,634 shares. These free shares are subject to a presence condition on June 30, 2017, subject to certain exceptions set forth in the aforementioned plan.

Lastly, in accordance with the thirty-fourth resolution of the Combined Shareholders' Meeting of May 16, 2012, the Management Board, at its meetings of May 16, 2012 and September 3, 2012, decided to implement a share capital increase for the benefit of Capital IRG Trusteed Limited as part of the Share Incentive Plan ("SIP") in the United Kingdom. The total number of shares created pursuant to the decisions of the Management Board of May 16, 2012 and September 3, 2012 stood at 45,953 shares. This share capital increase was carried out and acknowledged by the Management Board on March 14, 2013.

Employee shareholding plan implemented in 2013

In accordance with the sixteenth resolution of the Combined Shareholders' Meeting of May 22, 2013, and with the authorization of the Supervisory Board, the Management Board, at its meetings of May 22, 2013 and September 3, 2013, decided to implement a share capital increase reserved for members of the PEG or of the PEGI.

The total number of shares created pursuant to the decisions of the Management Board of May 22, 2013 and September 3, 2013 amounted to 256,751 shares. Two share capital increases were carried out. The first share capital increase was acknowledged by the Management Board on November 26, 2013 in respect of all subscriptions except those of employees in China. 237,210 shares were created. The second share capital increase was acknowledged by the Management Board on December 27, 2013 in respect of subscriptions of employees in China after having received the necessary authorizations from the Chinese authorities. 19,541 shares were created.

Furthermore, in accordance with the fifteenth resolution of the Combined Shareholders' Meeting of May 22, 2013, the Management Board, further to the authorization of the Supervisory Board of May 22, 2013, adopted the free share allotment plan on the same date and, on November 26, 2013 and December 27, 2013, determined the list of beneficiaries of this free share allotment plan, for a total number of 104,669 shares. These free shares are subject to a presence condition on June 30, 2018, subject to certain exceptions set forth in the aforementioned plan.

Lastly, in accordance with the seventeenth resolution of the Combined Shareholders' Meeting of May 22, 2013, the Management Board, at its meetings of May 22, 2013 and September 3, 2013, decided to implement a share capital increase for the benefit of Capital IRG Trusteed Limited as part of the Share Incentive Plan ("SIP") in the United Kingdom. The total number of shares created pursuant to the decisions of the Management Board of May 22, 2013 and September 3, 2013 stood at 35,151 shares. This share capital increase was completed and acknowledged by the Management Board on March 13, 2014.

As of December 31, 2014, the number of shares held by employees in the context of the employee shareholding plans, directly or through employee investment funds (FCPE), as part of the employee shareholding plan, was 1,403,828 shares, *i.e.*, 0.48% of the share capital and voting rights of Rexel.

8.1.2.5 Subscription or purchase options for Rexel shares

This paragraph describes the share subscription or purchase option plans of Rexel and Rexel Développement in order to present information on the share subscription or purchase options issued and the related liquidity mechanisms.

Rexel's share purchase option plans

In accordance with the authorizations granted by the Extraordinary Shareholders' Meetings of October 28, 2005, May 31, 2006 and October 4, 2006, the Chairman of Rexel, pursuant to decisions dated as of October 28, 2005, November 30, 2005, May 31, 2006 and October 4, 2006, adopted the terms and conditions of two Rexel share subscription options plans for certain employees or corporate officers of the Rexel Group's French or foreign companies, and to proceed with the following allotments of share subscription options:

PLAN	PLAN NR.1			PLAN NR.2	
Date of shareholders' meeting	October 28, 2005	May 31, 2006	October 4, 2006	October 28, 2005	May 31, 2006
Option grant date	October 28, 2005	May 31, 2006	October 4, 2006	November 30, 2005	May 31, 2006
Number of options to subscribe for shares granted	2,711,000	169,236	164,460	259,050	34,550
Maximum total number of options that can be exercised(1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed for(1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed by(1):					
• Rexel's corporate officers	–	–	–	–	–
• Rexel's top ten employees	860,750	169,236	164,460	35,500	17,600
Start of option exercise period	October 29, 2009	June 1, 2010	October 5, 2010	December 1, 2009	June 1, 2010
Option expiry date	October 28, 2016	October 28, 2016	October 28, 2016	November 30, 2016	November 30, 2016
Exercise price of the option(1)	€5.00	€6.50	€9.50	€5.00	€6.50
Number of options outstanding as of December 31, 2013	32,820	–	–	136,678	5,476
Number of shares that have been subscribed for during the financial year ended on December 31, 2014	–	–	–	15,500	1,500
Aggregate number of options that have been cancelled or lapsed during the financial year ended on December 31, 2014	–	–	–	–	–
Outstanding options at December 31, 2014	32,820	–	–	121,178	3,976

(1) After the division of the par value of the Rexel share which occurred in 2007.

Unexercised options to subscribe for shares at December 31, 2014 may result in the creation of 157,974 new shares and a dilution of 0.05%.

During the financial year ended December 31, 2014, no option to subscribe for or to purchase shares was granted to Rexel's corporate officers or any other employee and no share subscription or purchase option has been exercised by the corporate officers of Rexel.

During the financial year ended December 31, 2014, the largest exercise carried out by an employee, in respect of all plans, was as follows:

BENEFICIARIES	NUMBER OF OPTIONS EXERCISED	NUMBER OF SHARES SUBSCRIBED	EXERCISE PRICE
Martin Whitby	2,600	2,600	€5

Plans instituted by Rexel Développement

The option plans established by Rexel Développement correspond to the option plans established by Rexel Distribution and assumed by Rexel Développement further to the merger by absorption of Rexel Distribution by Rexel Développement.

Rexel Développement share subscription option plans established in 2004

At the Extraordinary Shareholders' Meeting held on May 24, 2004, the shareholders of Rexel Distribution authorized the Board of Directors of Rexel Distribution to grant to certain employees and corporate officers of Rexel Distribution, on one or more occasions, options to subscribe for Rexel Distribution shares, giving the right to subscribe for a maximum of 1,300,000 Rexel Distribution shares, subject to certain conditions and to the exercise of all options. The subscription price was equal to the average of the opening prices on the stock exchange during the 20 trading days preceding the date of grant of the options.

On July 5, 2004, the Board of Directors of Rexel Distribution set up the plans relating to these options and awarded 782,790 options to subscribe for Rexel Distribution shares, giving the right to subscribe for 782,790 Rexel Distribution shares at the price of €35.26 per Rexel Distribution share. 179,550 of the 782,790 options granted were exercisable only if certain performance criteria tied to the results of Rexel Distribution were met in 2005 and 2006. No option with performance criteria remains effective. Following the exceptional distribution of reserves on March 4, 2005, the subscription price for share subscription options was adjusted. As of December 31, 2010, the subscription price was €28.49 per Rexel Distribution share. Options to subscribe for shares under the 2004 plan were exercisable between July 6, 2008 and July 4, 2014 inclusive.

In connection with the merger by absorption of Rexel Distribution by Rexel Développement in July 2011, the price and the number of shares under option were adjusted such that, as at December 31, 2011, with due account taken of the options exercised after the merger, 992 options conferring the right to subscribe to 992 shares of Rexel Développement at the price of €14.25 per Rexel Développement share could still be exercised up to and including July 4, 2014.

2011 liquidity mechanism

Further to the merger by absorption of Rexel Distribution by Rexel Développement, Rexel offered a liquidity mechanism to the option beneficiaries. Under this liquidity mechanism, it agreed to purchase the Rexel Développement shares subscribed by the beneficiaries upon exercise of their options, for a certain period of time further to the merger by absorption. In this context, Rexel purchased 992 Rexel Développement shares subscribed to under the plan created on July 5, 2004, at a price of €17.27 per share.

The table below summarizes the status of the share purchase and subscription option plans established by Rexel Développement as of December 31, 2014:

				PRE-MERGER AND COMPLETION OF ADJUSTMENTS IN JULY 2011			POST-MERGER AND COMPLETION OF ADJUSTMENTS IN JULY 2011			AS AT DECEMBER 31, 2014		
DATE OF SHAREHOLDERS' MEETING	OPTION TYPE	NUMBER OF OPTIONS INITIALLY GRANTED	OPTION GRANT DATE	EXERCISABLE OPTIONS	PURCHASE OR SUBSCRIPTION PRICE AS OF GRANT DATE (IN EUROS)	NUMBER OF SHARES TO WHICH THE OPTIONS GIVE A RIGHT	EXERCISABLE OPTIONS	PURCHASE OR SUBSCRIPTION PRICE (IN EUROS)	NUMBER OF SHARES TO WHICH THE OPTIONS GIVE A RIGHT	EXERCISABLE OPTIONS	PURCHASE OR SUBSCRIPTION PRICE (IN EUROS)	NUMBER OF SHARES TO WHICH THE OPTIONS GIVE A RIGHT
May 24, 2004	Ordinary share subscription options	603,240	July 5, 2004	992	28.49	992	1,984	14.25	1,984	0	14.25	0
May 24, 2004	Share subscription options tied to performance criteria	179,550	July 5, 2004	–	28.49	–	–	14.25	–	–	14.25	–

During the financial year ended December 31, 2014, no option to subscribe to shares of Rexel Développement was granted. During the financial year ended December 31, 2014, no options were exercised by the employees.

8.1.2.6 Allotment of free shares

Free shares granted during 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, during its meeting of May 11, 2010, decided 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 allotment of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allotment 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 allotments 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 (1)	78,708	–	–	–
• Michel Favre (2)	35,581	–	–	–
• Pascal Martin (3)	46,255	–	–	–
• Jean-Dominique Perret (4)	39,910	–	–	–
Top eleven employees(5)	309,933			
Vesting date	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 allocated and valid at December 31, 2013	–	488,318	–	349,136
Number of free shares allocated and cancelled or lapsed, of which(6):	–	–	–	2,592
• Number of shares lapsed pursuant to the presence condition	–	–	–	2,592
• Number of shares lapsed pursuant to the performance condition	–	–	–	–
Number of shares vested at December 31, 2014	–	488,318	–	346,544
Number of free shares allocated and valid at December 31, 2014	–	–	–	–

(1) Jean-Charles Pauze left his functions as member and Chairman of the Management Board as from February 13, 2012.
(2) Since October 30, 2012, Michel Favre is no longer a member of the Management Board. Michel Favre left Rexel on July 31, 2013.
(3) Since the conversion into a *société anonyme* with a board of directors on May 22, 2014, Pascal Martin is no longer a corporate officer.
(4) Having reached 65 years of age, Jean-Dominique Perret resigned from his functions on November 29, 2012. Jean-Dominique Perret left Rexel on December 31, 2013.
(5) Considering the number of shares allocated to employees, the first eleven allotments were selected.
(6) Presence condition not satisfied or performance condition not achieved.

As at December 31, 2014, there were no freely allotted shares remaining to be delivered.

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 vesting period (see note 15.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014).

During the financial year ended December 31, 2014, the following shares were vested in favour of the top eleventh employees of the Rexel Group, in respect of the plans providing for a 4-year vesting period:

	NUMBER OF FINALLY-VESTED SHARES
BENEFICIARIES	**LEADERSHIP REXEL 4+0 (1)**
Christopher Hartmann	54,954
Mitchell Williams	39,235
Henri-Paul Laschkar	34,980
Michel Klein	20,300
Kerry Warren	19,784
Bradford Greene	13,189
John Gschwind	13,189
Robert Connors	11,764
Mark Daniel	11,764
James Hibberd	11,764
Eric Packer	11,764

(1) Share vesting conditions under the Leadership Rexel 4+0 plan: 2-year presence condition and following performance conditions:
- the vesting of 50% of the number of shares depends on the 2009/2011 EBITDA margin variation;
- the vesting of 25% of the number of shares depends on the 2010 EBITDA level;
- the vesting of 25% of the number of shares depends on the 2010 net debt/2010 EBITDA ratio.

The performance achieved under the plan stands at 128%.

Free shares granted during the financial year ended December 31, 2011

Free share plan created on May 12, 2011

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2010 and by the Supervisory Board on May 11, 2011, the Management Board, during its meeting of May 12, 2011, decided to grant 2,082,748 free Rexel shares under six plans.

On May 11, 2011, in the context of the authorization granted to the Management Board to carry out the allotment of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allotment 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 allotments carried out on May 12, 2011:

PLAN	LEADERSHIP REXEL 2+2	LEADERSHIP REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0	OPERATING MANAGERS 2+2	OPERATING MANAGERS 4+0
Shareholders' Meeting	May 20, 2010					
Management Board	May 12, 2011	May 12, 2011	May 12, 2011	May 12, 2011	May 12, 2011	May 12, 2011
Number of beneficiaries	29	39	83	170	113	423
Initial number of free shares allocated	429,203	507,879	177,931	484,110	96,375	387,250
Corporate officers						
• Jean-Charles Pauze (1)	78,708	–	–	–	–	–
• Michel Favre (2)	35,581	–	–	–	–	–
• Pascal Martin (3)	39,910	–	–	–	–	–
• Jean-Dominique Perret (4)	35,581	–	–	–	–	–
Top ten employees (5)	303,224					
Vesting Date	May 12, 2013	May 12, 2015	May 12, 2013	May 12, 2015	May 12, 2013	May 12, 2015
Date of transferability of shares	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015
Number of free shares allocated and valid at December 31, 2013	–	188,415	–	233,194	–	341,875
Number of free shares allocated and lapsed or expired, of which (6):	–	–	–	673	–	–
• Number of shares lapsed pursuant to the presence condition	–	–	–	673	–	–
• Number of shares lapsed pursuant to the performance condition	–	–	–	–	–	–
Number of shares vested at December 31, 2014	–	–	–	–	–	–
Number of free shares allocated and valid at December 31, 2014	–	188,415	–	232,521	–	341,875

(1) Jean-Charles Pauze left his functions as member and Chairman of the Management Board as from February 13, 2012.
(2) Since October 30, 2012, Michel Favre is no longer a member of the Management Board. Michel Favre left Rexel on July 31, 2013.
(3) Since the conversion into a *société anonyme* with a board of directors on May 22, 2014, Pascal Martin is no longer a corporate officer.
(4) Having reached 65 years of age, Jean-Dominique Perret resigned from his functions on November 29, 2012. Jean-Dominique Perret left Rexel on December 31, 2013.
(5) Considering the number of shares allotted to the employees, the top ten allotments were included.
(6) Presence condition not satisfied or performance condition not achieved.

Free shares allocated and not yet delivered at December 31, 2014 may result in the creation of 762,811 new shares and a dilution of 0.26%.

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 vesting period (see note 15.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014).

Free share plan created on October 11, 2011

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2011 and by the Supervisory Board on October 6, 2011, the Management Board, at its meeting of October 11, 2011, decided:

- to grant 281,701 Rexel shares to the corporate officers and employees of Rexel under four plans: "Leadership Rexel 4+0", "Leadership Rexel 2+2", "Managers Rexel 4+0" and "Managers Rexel 2+2";
- to grant 59,018 Rexel shares to Rudy Provoost under the "Ordinary" plan. The criteria and conditions for granting the free shares decided by the Management

board included a two-year presence condition but no performance condition; and

- to allocate 1,343,310 free Rexel shares to the members of the Executive Committee, including the managing corporate officers and certain key contributors under two plans: "Exceptionnel 5+0" and "Exceptionnel 3+2".

The table below summarizes the free share allotments carried out on October 11, 2011:

PLAN	EXCEPTIONNEL 3+2	EXCEPTIONNEL 5+0	ORDINARY 2+2	LEADERSHIP REXEL 2+2	LEADERSHIP REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0
Shareholders' Meeting				May 19, 2011			
Management Board	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011	October 11, 2011
Number of beneficiaries	7	8	1	1	1	6	11
Initial number of free shares allocated	840,334	502,976	59,018	236,532	8,381	10,929	25,859
Corporate officers							
• Rudy Provoost	430,155	–	59,018	236,532	–	–	–
• Michel Favre [(1)]	90,419	–	–	–	–	–	–
• Pascal Martin [(2)]	90,419	–	–	–	–	–	–
• Jean-Dominique Perret [(3)]	57,485	–	–	–	–	–	–
• Jean-Charles Pauze [(4)]	–	–	–	–	–	–	–
Top ten employees [(5)]				640,900			
Vesting date	October 11, 2014	October 11, 2016	October 11, 2013	October 11, 2013	October 11, 2015	October 11, 2013	October 11, 2015
Date of transferability of shares	October 12, 2016	October 12, 2016	October 12, 2015	October 12, 2015	October 12, 2015	October 12, 2015	October 12, 2015
Number of free shares allocated and valid at December 31, 2013	749,915	446,589	–	–	3,779	–	9,956
Number of free shares allocated and cancelled or lapsed, of which [(6)]:	749,915	446,589	–	–	–	–	–
• Number of shares lapsed pursuant to the presence condition	–	–	–	–	–	–	–
• Number of shares lapsed pursuant to the performance condition	749,915	446,589	–	–	–	–	–
Number of vested shares at December 31, 2014	–	–	–	–	–	–	–
Number of free shares allocated and valid at December 31, 2014	–	–	–	–	3,779	–	9,956

(1) Since October 30, 2012, Michel Favre is no longer a member of the Management Board. Michel Favre left Rexel on July 31, 2013.
(2) Since the conversion into a *société anonyme* with a board of directors on May 22, 2104, Pascal Martin is no longer a corporate officer.
(3) Having reached 65 years of age, Jean-Dominique Perret resigned from his functions on November 29, 2012. Jean-Dominique Perret left Rexel on December 31, 2013.
(4) Jean-Charles Pauze left his functions as member and Chairman of the Management Board as from February 13, 2012.
(5) Considering the number of shares allotted to the employees, the top ten allotments were included.
(6) Presence condition not satisfied or performance condition not achieved.

Free shares allocated and not yet delivered at December 31, 2014 may result in the creation of 13,735 new shares and a dilution of 0.005%.

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 vesting period (see note 15.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014).

During the financial year ended on December 31, 2014, no shares were vested in favor of the corporate officers or top ten employees.

Free shares granted during the financial year ended December 31, 2012

Free share plan created on May 2, 2012

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2011 and by the Supervisory Board on May 2, 2012, the Management Board, at its meeting of May 2, 2012, decided to grant 2,019,324 free Rexel shares under two plans.

On May 2, 2012, in the context of the authorization granted to the Management Board to carry out the allotment of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allotment of free shares shall retain 20% of such shares in registered form until the end of their term of office.

Free share plan created on July 26, 2012

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 16, 2012 and by the Supervisory Board on July 26, 2012, the Management Board, at its meeting of July 26, 2012, decided to grant 243,080 free Rexel shares under two plans.

The table below summarizes the free share allotments carried out during the financial year ended on December 31, 2012:

PLAN	REXEL 2+2	REXEL 4+0	REXEL 2+2	REXEL 4+0
Shareholders' Meeting	May 19, 2011		May 16, 2012	
Management Board	May 2, 2012		July 26, 2012	
Number of beneficiaries	158	348	4	39
Initial number of free shares allocated	737,024	1,282,300	59,243	183,837
Corporate officers				
• Rudy Provoost	90,816	–	–	–
• Pascal Martin (1)	46,050	–	–	–
• Jean-Dominique Perret (2)	41,055	–	–	–
• Michel Favre (3)	41,055	–	–	–
Top ten employees (4)	400,103			
Vesting date	May 2, 2014	May 2, 2016	July 26, 2014	July 26, 2016
Date of transferability of the shares	May 3, 2016	May 3, 2016	July 27, 2016	July 27, 2016
Number of free shares allocated and valid at December 31, 2013	190,832	346,735	16,671	51,959
Number of free shares allocated, cancelled or lapsed, of which (5):	3,175	6,487	–	261
• Number of shares lapsed pursuant to the presence condition	3,175	6,487	–	261
• Number of shares lapsed pursuant to the performance condition	–	–	–	–
Number of vested shares at December 31, 2014	187,657	–	16,671	–
Number of free shares allocated and valid at December 31, 2014	–	340,248	–	51,698

(1) Since the conversion into a *société anonyme* with a board of directors on May 22, 2104, Pascal Martin is no longer a corporate officer.
(2) Having reached 65 years of age, Jean-Dominique Perret resigned from his functions on November 29, 2012. Jean-Dominique Perret left Rexel on December 31, 2013.
(3) Since October 30, 2012, Michel Favre is no longer a member of the Management Board. Michel Favre left Rexel on July 31, 2013.
(4) Considering the number of shares allotted to the employees, the top ten allotments were included.
(5) Presence condition not satisfied or performance condition not achieved.

Free shares allocated and not yet delivered at December 31, 2014 may result in the creation of 391,946 new shares and a dilution of 0.13%.

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 vesting period (see note 15.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014).

During the financial year ended on December 31, 2014, the following shares were vested in favor of the following corporate officers and top ten employees:

BENEFICIARIES	NUMBER OF VESTED SHARES	
	REXEL 2+2 (1) MAY 2, 2012	REXEL 2+2 (2) JULY 26, 2012
CORPORATE OFFICERS		
Rudy Provoost	26,216	
Pascal Martin	13,294	
TOP TEN EMPLOYEES		
Peter Hakanson		15,925
Patrick Berard	11,853	
Jeremy de Brabant	6,879	
Pascale Giet	5,538	
Olivier Baldassari	3,809	
Laurent Delabarre	3,809	
Benoit Dutour	3,809	
Jean-François Deiss	3,174	
Marie-Pierre Marchand	3,174	
Patrick Rayet	3,174	

(1) Share vesting conditions under the Rexel 2+2 plan dated May 2, 2012: 2-year presence condition and the following performance conditions:
- the vesting of 50% of the number of shares depends on the 2011/2013 EBITA margin variation;
- the vesting of 15% of the number of shares depends on the 2012 EBITA level;
- the vesting of 25% of the number of shares depends on the average free cash flow before interest and taxes / EBITDA ratio for 2012 and 2013;
- the vesting of 10% of the number of shares depends on the 2012 free cash flow before interest and taxes.

The performance achieved under the plan stands at 43.3%.

(2) Share vesting conditions under the Rexel 2+2 plan under the July 26, 2012: 2-year presence condition and following performance conditions:
- the vesting of 50% of the number of shares depends on the 2011/2013 EBITA margin variation;
- the vesting of 15% of the number of shares depends on the 2012 EBITA level;
- the vesting of 25% of the number of shares depends on the average free cash flow before interest and taxes / EBITDA ratio for 2012 and 2013;
- the vesting of 10% of the number of shares depends on the 2012 free cash flow before interest and taxes.

The performance achieved under the plan stands at 43.3%.

Free shares granted during the financial year ended December 31, 2013

Free share plan created on April 30, 2013

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 16, 2012 and by the Supervisory Board on April 30, 2013, the Management Board, at its meeting of April 30, 2013, decided to grant 2,574,729 free Rexel shares under four plans.

On April 30, 2013, in the context of the authorization granted to the Management Board to carry out the allotment of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allotment of free shares shall retain 20% of such shares in registered form until the end of their term of office.

Free share plan created on July 25, 2013

Pursuant to the authorizations granted by the Ordinary and Extraordinary Shareholders' Meeting held on May 22, 2013 and by the Supervisory Board on July 25, 2013, the Management Board, at its meeting of July 25, 2013, decided to grant 78,410 free Rexel shares under two plans.

The table below summarizes the free share allotments carried out during the financial year ended on December 31, 2013:

PLAN	KEY MANAGERS 2+2	KEY MANAGERS 4+0	OPERATING MANAGERS 3+2	OPERATING MANAGERS 5+0	REXEL 2+2	REXEL 4+0
Shareholders' meeting	May 16, 2012				May 22, 2013	
Management Board	April 30, 2013				July 25, 2013	
Number of beneficiaries	163	324	91	377	9	6
Initial number of free shares allocated	793,310	1,259,819	99,100	422,500	50,694	27,716
Corporate Officers						
• Rudy Provoost	96,682	–	–	–	–	–
• Pascal Martin (1)	42,980	–	–	–	–	–
• Catherine Guillouard	42,980	–	–	–	–	–
Top ten employees (4)	229,544	307,300	13,000	16,000	50,694 (2)	27,716 (3)
Vesting Date	April 30, 2015	April 30, 2017	April 30, 2016	April 30, 2018	July 25, 2015	July 25, 2017
Date of transferability of the shares	May 2, 2017	May 2, 2017	May 2, 2018	May 2, 2018	July 26, 2017	July 26, 2017
Number of free shares allocated and valid at December 31, 2013	446,806	708,484	88,000	404,300	29,050	15,886
Number of free shares allocated, cancelled or lapsed, of which (5):	146,567	267,524	–	31,500	9,052	7,026
• Number of shares lapsed pursuant to the presence conditions	10,701	67,985	–	31,500	0	3,017
• Number of shares lapsed pursuant to the performance condition	135,866	199,539	–	–	9,052	4,009
Number of vested shares at December 31, 2014	–	–	–	–	–	–
Number of free shares allocated and valid at December 31, 2014	300,239	440,960	88,000	372,800	19,998	8,860

(1) Since the conversion into a *société anonyme* with a board of directors on May 22, 2014, Pascal Martin is no longer a corporate officer.
(2) Concerns 9 beneficiaries only.
(3) Concerns 6 beneficiaries only.
(4) Considering the number of shares allotted to the employees, the top ten allotments were included.
(5) Presence condition not satisfied or performance condition not achieved.

Free shares allocated and not yet delivered at December 31, 2014 may result in the creation of 1,230,857 new shares and a dilution of 0.42%.

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 vesting period (see note 15.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014).

During the financial year ended December 31, 2014, no shares were vested in favor of the corporate officers or the top ten employees.

Free shares granted during the financial year ended December 31, 2014

Free share plan created on May 22, 2014

The decision to proceed with the allotment of free Rexel shares was made by the Board of Directors at its meeting of May 22, 2014. The Shareholders' Meeting of May 22, 2013 authorized the Management Board to proceed with the allotment of free shares and on May 22, 2014, after having approved the conversion of Rexel from a *société anonyme* with a Supervisory Board and a Management Board into a *société anonyme* with a Board of Directors, the Shareholders' Meeting reiterated such authorization in favor of the Board of Directors. The Board of Directors decided to grant 1,641,008 free Rexel shares under four plans.

On May 22, 2014, in the context of the authorization granted to the Board of Directors to carry out the allotment of free shares, the Board of Directors decided that the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer who are beneficiaries of an allotment 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 shares allocated on May 22, 2014:

PLAN	TRANSITION 2+2	TRANSITION 4+0	KEY MANAGERS 3+2	KEY MANAGERS 4+0
Shareholders' meeting	May 22, 2013			
Board of Directors	May 22, 2014			
Number of beneficiaries	168	368	168	368
Initial number of free shares allocated	348,980	471,524	348,980	471,524
Corporate officers				
• Rudy Provoost	60,000	–	60,000	–
• Catherine Guillouard	29,100	–	29,100	–
Top ten employees [1]	285,376			
Vesting date	May 22, 2016	May 22, 2018	May 22, 2017	May 22, 2018
Date of transferability of the shares	May 23, 2018	May 23, 2018	May 23, 2019	May 23, 2018
Number of free shares allocated ,cancelled or lapsed, of which [2]:	4,263	11,963	4,263	11,963
• Number of shares lapsed pursuant to the presence condition	4,263	11,963	4,263	11,963
• Number of shares lapsed pursuant to the performance condition	–	–	–	–
Number of vested shares at December 31, 2014	–	–	–	–
Number of free shares allocated and valid at December 31, 2014	344,717	459,561	344,717	459,561

(1) Considering the number of shares allotted to the employees, the top ten allotments were included.
(2) Presence condition not satisfied or performance condition not achieved.

Free shares allocated and not yet delivered at December 31, 2014 may result in the creation of 1,608,556 new shares and a dilution of 0.55%.

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 vesting period (see note 15.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2014).

During the financial year ended December 31, 2014, the Board of Directors granted free shares to the corporate officers and to the top ten employees of the Rexel Group as follows:

BENEFICIARY	NAME AND DATE OF THE PLAN	NUMBER OF SHARES	VALUATION OF SHARES ALLOCATED	VESTING DATE	DATE OF TRANSFERABILITY	CONDITIONS
CORPORATE OFFICERS						
Rudy Provoost	Transition 2+2	60,000	809,400	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	60,000	766,800	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)
Catherine Guillouard	Transition 2+2	29,100	392,559	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	29,100	371,898	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)
TOP TEN EMPLOYEES						
Mitchell Williams	Transition 4+0	22,500	273,150	May 22, 2018	May 23, 2018	Transition 4+0 (3)
	Key Managers 4+0	22,500	272,475	May 22, 2018	May 23, 2018	Key Managers 4+0 (4)
Patrick Berard	Transition 2+2	19,188	258,846.12	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	19,188	245,222.64	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)
Pascal Martin	Transition 2+2	16,150	217,863.5	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	16,150	206,397	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)
Peter Hakanson	Transition 2+2	15,350	207,071.5	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	15,350	196,173	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)
Sharon MacBeath	Transition 2+2	15,350	207,071.5	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	15,350	196,173	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)
Robert Pfarrwaller	Transition 4+0	13,600	165,104	May 22, 2018	May 23, 2018	Transition 4+0 (3)
	Key Managers 4+0	13,600	164,696	May 22, 2018	May 23, 2018	Key Managers 4+0 (4)
Michel Klein	Transition 4+0	12,700	154,178	May 22, 2018	May 23, 2018	Transition 4+0 (3)
	Key Managers 4+0	12,700	153,797	May 22, 2018	May 23, 2018	Key Managers 4+0 (4)
Henri-Paul Laschkar	Transition 4+0	12,700	154,178	May 22, 2018	May 23, 2018	Transition 4+0 (3)
	Key Managers 4+0	12,700	153,797	May 22, 2018	May 23, 2018	Key Managers 4+0 (4)
Pascale Giet	Transition 2+2	7,650	103,198.5	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	7,650	97,767	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)
Jeremy de Brabant	Transition 2+2	7,500	101,175	May 22, 2016	May 23, 2018	Transition 2+2 (1)
	Key Managers 3+2	7,500	95,850	May 22, 2017	May 23, 2019	Key Managers 3+2 (2)

(1) Share vesting conditions under the Transition 2+2 plan: 2-year presence condition and the following performance conditions:
- the vesting of 40% of the number of shares depends on the 2013/2015 adjusted EBITA margin variation;
- the vesting of 30% of the number of shares depends on the average free cash flow before interest and taxes / EBITDA ratio for 2014 and 2015;
- the vesting of 30% of the number of shares depends on Rexel's TSR (Total Shareholder Return) compared to a panel of businesses.

(2) Share vesting conditions under the Key Managers 3+2 plan: 3-year presence condition and following performance conditions:
- the vesting of 40% of the number of shares depends on the 2013/2016 adjusted EBITA margin variation;
- the vesting of 30% of the number of shares depends on the average free cash flow before interest and taxes / EBITDA ratio for 2014, 2015 and 2016;
- the vesting of 30% of the number of shares depends on Rexel's TSR (Total Shareholder Return) compared to a panel of businesses.

(3) Share vesting conditions under the Transition 4+0 plan: 2-year presence condition and following performance conditions:
- the vesting of 40% of the number of shares depends on the 2013/2015 adjusted EBITA margin variation;
- the vesting of 30% of the number of shares depends on the average free cash flow before interest and taxes / EBITDA ratio for 2014 and 2015;
- the vesting of 30% of the number of shares depends on Rexel's TSR (Total Shareholder Return) compared to a panel of businesses.

(4) Share vesting conditions under the Key Managers 4+0 plan: 3-year presence condition and following performance conditions:
- the vesting of 40% of the number of shares depends on the 2013/2016 adjusted EBITA margin variation;
- the vesting of 30% of the number of shares depends on the average free cash flow before interest and taxes / EBITDA ratio for 2014, 2015 and 2016;
- the vesting of 30% of the number of shares depends on Rexel's TSR (Total Shareholder Return) compared to a panel of businesses.

During the financial year ended on December 31, 2014, no shares were vested in favor of the corporate officers or top ten employees.

8.1.2.7 Total dilution

The number of options to subscribe for shares which have not yet been exercised and the number of shares freely allocated by Rexel which have not yet been delivered may result in the creation of 4,165,879 new shares, representing 1.43% of the share capital and voting rights of Rexel at December 31, 2014.

8.1.2.8 Shareholding of employees and former employees

At December 31, 2014, employees and former employees of the Rexel Group held, through company or group savings plans, employee investment funds (FCPE), stock options plans and free shares plans, 4,086,245 shares, or approximately 1.4% of the share capital and voting rights of Rexel.

8.1.3 Shareholders' voting rights

Each share of Rexel entitles the holder to one vote. Consequently, as of the date of this *Document de Référence*, the Rexel's shareholders hold the same number of voting rights as the number of shares they own.

8.1.4 Control structure

The creation of committees of the Board of Directors, the appointment of independent members at the Board of Directors and at the committees of the Board of Directors, the performance of reviews of the operation and work of the Board of Directors and of its committees, in accordance with the rules described in chapter 7 "Corporate Governance" of this *Document de Référence*, enable Rexel, *inter alia*, to avoid being controlled in an "abusive manner" within the meaning of European Council Regulation N°809/2004 dated April 29, 2004.

8.1.5 Agreements potentially leading to a change of control

The Liquidity Agreement, the Public Offering Rights Agreement, the Rexel Shareholders' Agreement and of the Second Amended and Restated Shareholders' Agreement entered into on February 29, 2012, February 13, 2007 and April 4, 2007, respectively, among Ray Investment and its shareholders, the funds managed by Clayton, Dubilier & Rice, Ray France Investment SAS (a company controlled by Eurazeo), the funds managed by Merrill Lynch Global Private Equity, L.P., Eurazeo and Caisse de Dépôt et Placement du Québec terminated on April 2, 2014.

Rexel is not aware of any other agreements between its shareholders.

8.1.6 Dividend policy

The Board of Directors may propose a dividend distribution to the shareholders' meeting. Dividends that have not been claimed within five years after they have been declared are transferred to the French State.

Rexel will propose to shareholders a dividend of €0.75 per share, representing 78% of the Rexel Group's recurring net income (*vs.* 64% last year). It will be paid in cash or shares, subject to approval at the ordinary and extraordinary shareholders' meeting of Rexel called to be held on May 27, 2015.

This is in line with Rexel's policy of paying out at least 40% of recurring net income, reflecting the Rexel Group's confidence in its structural ability to generate strong cash-flow throughout the cycle.

Rexel has distributed the following dividends in respect of the last three financial years:

YEAR	TOTAL DIVIDEND	DIVIDEND PER SHARE
2012	€203,138,199.75	€0.75
2013	€211,250,259.00	€0.75
2014	€217,700,861.25*	€0.75*

* Amount submitted to the approval of the Shareholders' Meeting.

Rexel offered its shareholders the opportunity to opt for a payment in shares or in cash of the dividend paid in respect of the financial year ended December 31, 2013. The option was open from June 2, 2014 until June 23, 2014. For the payment in shares, the issue price of the new Rexel shares had been set at €15.78 per share. Upon expiry of the exercise period, 198,510,681 coupons had been exercised in favour of a payment in shares. The option for a dividend payment in shares resulted in the creation of 9,269,384 new shares, representing 3.16% of the share capital and voting rights of Rexel, on the basis of the outstanding shares as at July 2, 2014, *i.e.* 293,494,676 shares (against 284,225,292 shares before creation of the new shares, at June 30, 2014).

In accordance with the provisions of law n°2011-894 of July 28, 2011, Rexel, in relation to the dividend paid in 2014 in respect of 2013, paid a profit-sharing bonus in a maximum gross amount of €150 to the eligible employees within the Rexel Group. In parallel, eligible employees have been offered the ability to pay €150 in the Rexel Group savings plan *(Plan d'Épargne Groupe)* in a portfolio invested in Rexel securities and to benefit, by making this payment, from a gross contribution *(abondement)* paid by their respective employers in a gross amount of €250.

8.2 SHARE CAPITAL

8.2.1 Subscribed share capital and authorized but unissued share capital

As of December 31, 2014, Rexel's share capital amounted to € 1,459,973,380, divided into 291,994,676 shares with a par value of €5 per share, all of the same class, and all of them fully paid-up and subscribed, as acknowledged by the Board of Directors on October 28, 2014.

As of December 31, 2013, Rexel's share capital amounted to €1,416,686,070, divided into 283,337,214 shares with a par value of €5 per share, all of the same class, and all of them fully paid-up and subscribed.

The ordinary and extraordinary shareholders' meetings held on May 16, 2012, May 22, 2013 and May 22, 2014 granted various authorizations to the Management Board and then to the Board of Directors, which used such powers and authorizations as described below. In addition, at its meeting held on February 11, 2015, the Board of Directors decided to submit to the approval of the Shareholders' Meeting the following projects of delegations and authorizations:

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	**DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)**	**DURATION (EXPIRY DATE)**	**MAXIMUM AUTHORIZED AMOUNT**	**UTILIZATION**	**RESOLUTION N°**	**DURATION**	**MAXIMUM AMOUNT**
SHARE CAPITAL INCREASE							
Issuance with upholding of preferential subscription rights	May 16, 2012 (resolution 26)	26 months (July 15, 2014)	Shares: €800,000,000 (*i.e.* 160,000,000 shares) Debt securities: €800,000,000 Joint maximum amount applicable to all resolutions relating to the issuance of shares and/or debt securities	Deduction of: • Allotment of free shares of July 26, 2012: 243,080 shares • Allotment of free shares of November 23, 2012 (Opportunity 12): 145,634 shares • Share capital increase of November 23, 2012 (Opportunity 12): 337,465 shares, *i.e.* €1,687,325 • Share capital increase of March 14, 2013 (Opportunity 12 – UK): 45,953 shares, *i.e.* €229,765 • Allotment of free shares of April 30, 2013: 2,574,729 shares, *i.e.* €12,873,645 • Allotment of free shares of July 25, 2013: 78,410 shares, *i.e.* €392,050 • Share capital increase of November 26, 2013 (Opportunity 13): 237,210 shares, *i.e.* €1,186,050 • Allotment of free shares of November 26, 2013 (Opportunity 13): 94,289 shares, *i.e.* €471,445	18	26 months	Shares: €720,000,000 (*i.e.* 144,000,000 shares) This maximum amount is applicable to resolutions 18 to 25 Debt securities: €1,000,000,000 This maximum amount is applicable to resolutions 18 to 25

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
Issuance with upholding of preferential subscription rights (continued)				• Share capital increase of December 27, 2013 (Opportunity 13 – China): 19,541 shares, *i.e.* €97,705 • Allotment of free shares of December 27, 2013 (Opportunity 13 – China): 10,380 shares, *i.e.* €51,900 • Share capital increase of March 13, 2014 (Opportunity 13 – UK) : 35,151 shares, *i.e.* €175,755 Balance: €780,890,790			
Issuance by way of public offering with cancellation of the preferential subscription right	May 16, 2012 (resolution 27)	26 months (July 15, 2014)	Shares: €400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	19	26 months	Shares: €140,000,000 (*i.e.* 28,000,000 shares) This maximum amount is applicable to resolutions 19, 20 and 23 This maximum amount is deductible from the maximum amount provided under resolution 18 Debt securities: €1,000,000,000 This maximum amount is deductible from the maximum amount provided under resolution 18
Issuance by way of offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of the preferential subscription right	May 16, 2012 (resolution 28)	26 months (July 15, 2014)	Shares: €400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	20	26 months	Shares: €140,000,000 (*i.e.* 28,000,000 shares) This maximum amount is deductible from the maximum amounts provided under resolution 18 and resolution 19 Debt securities: €1,000,000,000 This maximum amount is deductible from the maximum amount provided under resolution 18

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	**DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)**	**DURATION (EXPIRY DATE)**	**MAXIMUM AUTHORIZED AMOUNT**	**UTILIZATION**	**RESOLUTION N°**	**DURATION**	**MAXIMUM AMOUNT**
Authorization to increase the amount of the initial issuance, in the event of a share issue for which shareholders' preferential subscription rights are maintained or cancelled	May 16, 2012 (resolution 29)	26 months (July 15, 2014)	15% of initial issuance This maximum amount is deductible from the maximum amount applicable for the initial issuance and from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	21	26 months	15% of initial issuance This maximum amount is deductible from the maximum amount applicable to the initial issuance and from the maximum amount provided under resolution 18
Determination of price of issuances carried out by way of public offering or offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of preferential subscription rights of shareholders, up to a maximum of 10% of the share capital per year	May 22, 2014 (resolution 26)	26 months (July 21, 2016), it being noted that the maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	10% of the share capital on the date of the decision of the Board of Directors determining the offering price per 12-month period This maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	N/A	22	26 months	10% of the share capital on the date of the decision of the Board of Directors determining the offering price per 12-month period This maximum amount is deductible from the maximum amount applicable to the initial issuance and from the maximum amount provided under resolution 18
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 22, 2014 (resolution 29)	26 months (July 21, 2016), it being noted that the maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	10% of Rexel's share capital on the date of the decision of the Board of Directors approving the issuance This maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	N/A	23	26 months	10% of Rexel's share capital on the date of the decision of the Board of Directors approving the issuance This maximum amount is deductible from the maximum amount provided under resolution 18 and resolution 19
Issuance in consideration for shares contributed under a public exchange offering	May 16, 2012 (resolution 36)	26 months (July 15, 2014)	€250,000,000 (*i.e.* 50,000,000 shares) This maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	N/A	N/A	NA (see issuance by way of public offering with cancellation of the preferential subscription right)

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	**DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)**	**DURATION (EXPIRY DATE)**	**MAXIMUM AUTHORIZED AMOUNT**	**UTILIZATION**	**RESOLUTION N°**	**DURATION**	**MAXIMUM AMOUNT**
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 22, 2014 (resolution 31)	26 months (July 21, 2016)	€200,000,000 (*i.e.* 40,000,000 shares) This maximum amount is not deductible from any maximum amount	N/A	27	26 months	€200,000,000 (*i.e.* 40,000,000 shares) This maximum amount is not deductible from any maximum amount
STOCK-OPTIONS, FREE SHARE ALLOTMENTS AND EMPLOYEE SAVINGS PLAN							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	May 22, 2014 (resolution 27)	26 months (July 21, 2015) it being noted that the maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	2% of the share capital on the date of the decision of the Board of Directors This maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014 Issuances carried out on the basis of resolution 28 of the shareholders' meeting of May 22, 2014 should be deducted from this maximum amount	N/A	24	26 months	2% of the share capital on the date of the decision of the Board of Directors This maximum amount is deductible from the maximum amount provided under resolution 18 This maximum amount is applicable to resolutions 24 and 25
Issuances reserved to certain categories of beneficiaries in order to implement employee shareholding transactions	May 22, 2014 (resolution 28)	18 months (November 21, 2015), it being noted the maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	1% of the share capital on the date of the decision of the Board of Directors This maximum amount shall be deducted from the 2% maximum amount of resolution 27 of the shareholders' meeting of May 22, 2014 and from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	N/A	25	18 months	1% of the share capital on the date of the decision of the Board of Directors This maximum amount shall be deducted from the 2% maximum amount of resolution 24 and from the maximum amount provided under resolution 18
Free allotments of ordinary shares	May 22, 2013 (resolution 15)	26 months (July 21, 2015), the maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	2.5% of the share capital on the date of the decision of the Board of Directors This maximum amount should be deducted from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	• Allotment of free shares of July 25, 2013: 78,410 shares, *i.e.* €392,050 • Allotment of free shares of November 26, 2013 (Opportunity 13): 94,289 shares, *i.e.* €471,445 • Allotment of free shares of December 27, 2013 (Opportunity 13 – China): 10,380 shares, *i.e.* €51,900	26	26 months	1.5% of the share capital on the date of the decision of the Board of Directors

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	**DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)**	**DURATION (EXPIRY DATE)**	**MAXIMUM AUTHORIZED AMOUNT**	**UTILIZATION**	**RESOLUTION N°**	**DURATION**	**MAXIMUM AMOUNT**
DECREASE IN THE SHARE CAPITAL BY CANCELLING SHARES							
Decrease in the share capital by cancelling shares	May 22, 2014 (resolution 21)	18 months (November 21, 2015)	10% of the share capital on the date of cancellation by 24-month period	• October 28, 2014: cancellation of 1,500,000 shares (0.51% of the share capital)	17	18 months	10% of the share capital on the date of cancellation by 24-month period
BUY-BACK BY REXEL OF ITS OWN SHARES							
Shares repurchases	May 22, 2014 (resolution 18)	18 months (November 21, 2015)	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €30	• Between July and September 2014: 1,500,000 shares for a global amount of €21,575,710.03 • Utilization under the Natixis liquidity contract for market-making purposes: purchase of 6,420,817 shares at an average price of €16.5042 and sale of 6,160,809 shares at an average price of €16.4736	16	18 months	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €30

8.2.2 Securities not representative of share capital

As of the date of this *Document de Référence*, Rexel has not issued any securities not representing share capital.

8.2.3 Treasury shares and purchase by Rexel of its own shares

Information on the share repurchase plan approved by the shareholders' meeting of May 22, 2014

Characteristics of the share repurchase plan

The ordinary and extraordinary shareholders' meeting of May 22, 2014 authorized the Board of Directors, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code and in accordance with articles 241-1 to 241-6 of the French financial markets authority *(AMF)* general rules, and Regulation n°2273/2003, dated December 22, 2003, of the European Commission, to purchase or have purchased a maximum number of shares of Rexel representing up to 10% of Rexel's share capital.

The characteristics of this repurchase plan are as follows:

RELEVANT SECURITIES	SHARES
Maximum percentage of share capital that may be repurchased	10% (being specified that the number of shares acquired by Rexel with a view to being retained and subsequently delivered as payment or exchange consideration in connection with a merger, demerger or contribution may not exceed 5% of Rexel's share capital)
Maximum number of securities that may be purchased	29,200,557 shares (*i.e.* 10% of the share capital at December 31, 2014)
Aggregate maximum amount of the plan	€250 million
Maximum price per share	€30
Duration of the plan	18 months, *i.e.* until November 21, 2015

The objectives of the plan, in order of highest to lowest priority, are the following:

- ensuring liquidity and activity in the market for the shares through an investment services provider, acting independently under a liquidity agreement in compliance with the AMF market ethics charter ;
- setting up any stock option plan for Rexel in accordance with, *inter alia*, articles L.225-117 *et seq.* of the French Commercial Code, any allotments of free shares in connection with, *inter alia*, Group or company employee saving plans *(plans d'épargne d'entreprise ou groupe)* made in accordance with articles L.3332-1 *et seq.* of the French Labor Code or in connection with the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code and any allocations, allotments or sales of shares, particularly in connection with profit sharing plans or employee shareholding plans in favour of group employees other than under a savings plan, in particular for the purpose of a "Share Incentive Plan" in the United Kingdom, as well as establishing hedging operations relating to such transactions, in each case, being made in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or person acting upon the authority of the Board of Directors implements such actions;
- retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions and within the limit of 5% of the share capital of Rexel;
- granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to Rexel shares;
- cancelling all or part of the shares so repurchased;
- any other action that is or will become permitted by French law or the AMF or any purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares may be carried out by any means, on the market or over the counter, including through transactions involving blocks of securities or takeover bids, option mechanisms, derivatives, purchase of options or of securities in conformity with the applicable regulatory conditions.

In the event of a public tender offer on Rexel shares paid for in full in cash, Rexel may not pursue the implementation of its share repurchase plan.

Share repurchases carried out by Rexel during the financial year ended December 31, 2014

Overview

During the financial year ended December 31, 2014, Rexel purchased 7,920,817 shares at an average price of €16.1027 and for a total cost of €127,546,457.93, representing 2.71% of Rexel's share capital. These shares were acquired for market-making purposes under a liquidity contract (described below) as well as under a mandate relating to the purchase of shares given to Natixis on July 30, 2014 (also described below).

Transactions carried out by Rexel on its own shares for the year ended December 31, 2014 mainly consisted of:

Number of shares cancelled during the last 24 months	1,500,000
Number of shares held by Rexel as treasury shares as of December 31, 2014, including:	1,737,761
• liquidity contract entered into with Natixis (described below)	415,629
• shares held to be delivered to employees	1,322,132
Percentage of capital directly or indirectly held by Rexel as of December 31, 2014	0.60%
Book value of the treasury shares	€23,038,238.03
Market value of the treasury shares as of December 31, 2014	€25,805,750.85

Rexel did not hold open buy or sell positions on derivative instruments as of December 31, 2014.

Breakdown by objective

Liquidity contract

Rexel implemented the share repurchase plan approved by Rexel's shareholders' meeting of May 22, 2014 under a liquidity contract entered into with Natixis that complies with the AMF ethics charter.

During the financial year ended December 31, 2014, 6,420,817 shares of Rexel were acquired by Natixis pursuant to the liquidity contract, at an average price of €16.5042, and 6,160,809 shares of Rexel were sold by Natixis pursuant to the liquidity contract, at an average price of €16.4736.

The trading costs borne by Rexel in connection with these purchases amount to €27,000 (including taxes) in 2014.

As of December 31, 2014, Rexel held 415,629 treasury shares under the liquidity contract entered into with Natixis, with a par value of €5 each, acquired at an average price of €14.5221, representing an aggregate purchase value of €6,035,800.61, representing 0.14% of the share capital of Rexel.

Cancellation of shares

In addition, on July 30, 2014, pursuant to its share repurchase plan, Rexel engaged Natixis to proceed, between July 30 and September 30, 2014, with the repurchase of a maximum number of 1.5 million Rexel shares, for a maximum price of €17.

Under this engagement, Natixis proceeded with the following acquisitions:

ACQUISITION DATE	NUMBER OF SECURITIES PURCHASED
30/07/2014	129,001
31/07/2014	153,971
01/08/2014	165,882
04/08/2014	161,659
05/08/2014	180,952
06/08/2014	202,309
07/08/2014	284,618
08/08/2014	165,272
11/08/2014	56,336

Under its securities purchase engagement, Natixis thus purchased 1.5 million Rexel shares, for an average price of €14.3838. The aggregate amount for purchase of the 1.5 million Rexel shares stood at €21,575,710.03.

At its meeting of October 28, 2014, the Board of Directors decided to cancel the 1.5 million shares and to reduce the share capital of Rexel accordingly.

At December 31, 2014, Rexel also held 1,322,132 treasury shares, representing 0.45% of the share capital of Rexel, previously acquired and held to be delivered to employees under the free shares plans put in place by Rexel.

Information on the share repurchase plan submitted to the approval of the shareholders' meeting

At its meeting of February 11, 2015, the Board of Directors decided to submit a resolution to the Shareholders' Meeting authorizing it, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, of articles 241-1 to 241-6 of the General Regulation of the *Autorité des marchés financiers* and of Regulation n°2273/2003 of the European Commission of December 22, 2003, to purchase or cause to be purchased a maximum number of Rexel shares, representing up to 10% of Rexel's share capital.

Objectives of the share repurchase plan

The objectives of the plan, in order of highest to lowest priority, would be the following:

- ensuring liquidity and activity in the market for the shares through an investment services provider, acting independently under a liquidity agreement and in compliance with a market ethics charter recognized by the AMF;
- satisfying the obligations arising out of allotments of stock options, allotments of free shares or any other granting, allotment or sale of shares to the employees or the corporate officers of the Company or of an associated enterprise and establishing hedging operations relating to such transactions, in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or person acting upon the authority of the Board of Directors implements such actions;
- ensuring the coverage of the undertakings of the Company under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of the Company granted to the employees or the corporate officers of the Company or of an associated enterprise;
- retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions and within the limit of 5% of the share capital of Rexel;
- granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to Rexel shares;
- cancelling all or part of the shares so repurchased;
- any other action that is or will become permitted or accepted by French law or the AMF or any purpose that may comply with the regulations in force.

Terms of the share repurchase plan

Maximum portion of share capital subject to purchase authorization

The Board of Directors would be authorized to purchase or cause to be purchased a maximum number of Rexel shares representing up to 10% of Rexel's share capital.

Furthermore, the number of shares acquired by Rexel with a view to being retained and subsequently delivered as payment or exchange consideration in connection with a merger, demerger or contribution transaction could not exceed 5% of Rexel's share capital.

In accordance with article L.225-209 paragraph 2 of the French Commercial Code, when the shares are repurchased in order to encourage liquidity under the conditions defined by the General Regulation of the *Autorité des marchés financiers*, the number of shares taken into consideration for the calculation of the 10% limitation provided under the first paragraph of article L.225-209 shall be equal to the number of shares purchased, less the number of shares subsequently sold back during the authorization period.

In accordance with article L.225-210 of the French Commercial Code, the number of shares held by Rexel on any given may not exceed 10% of the shares comprised in the share capital of Rexel on the given date.

Considering that, as at December 31, 2014, Rexel held 1,737,761 of its shares representing 0.60% of Rexel's share capital, the maximum number of Rexel shares capable of being repurchased, as at December 31, 2014, represents 9.40% of Rexel's share capital, *i.e.*, 27,462,796 Rexel shares.

Maximum purchase price

The maximum purchase price per share would be set at €30, it being specified that in the event of a share capital transaction, including by way of a capitalization of reserves and free share allotment, share split or reverse share split, such price would be adjusted accordingly.

Maximum amount

The maximum amount allotted to the implementation of the share repurchase plan would amount to €250 million.

Terms of purchase and sale

The acquisition, sale or transfer of shares could be effected or paid for by all means, on the market or over the counter, including by means of block trade transactions or public offers, optional mechanisms, derivative instruments, purchases of options or securities, in compliance with applicable regulations.

The Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to pursue the implementation of its share repurchase program as from the filing by a third-party of a public offer on Rexel's securities and until the end of the offer period.

In the event of a public offer for Rexel's securities fully paid for in cash, Rexel would not be able to pursue the implementation of its share repurchase plan.

Duration of the share repurchase plan

The repurchase plan would have a duration of 18 months as from the shareholders' meeting, *i.e.* until November 26, 2016.

8.2.4 Other securities conferring access to the share capital

8.2.4.1 Subscription or purchase options for Rexel shares

Rexel has issued options to subscribe for shares under the terms and conditions described in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

8.2.4.2 Allotment of free shares

Rexel has granted free shares to certain employees and officers of the Rexel Group in accordance with the terms set forth in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

8.2.5 Terms governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid-up

Not applicable.

8.2.6 Share capital of Rexel Group companies subject to an option or in respect of which an agreement has been made that provides for placing such share capital subject to an option

Not applicable.

8.2.7 Changes in share capital

The table below shows changes in the share capital of Rexel from December 16, 2004, the date on which Rexel was created, until December 31, 2014.

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED/ CANCELLED	NOMINAL AMOUNT OF CAPITAL INCREASE/ REDUCTION (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES*	NOMINAL VALUE PER SHARE (€)
December 16, 2004	Incorporation	8,500	–	NA	85,000	8,500	10
March 9, 2005	Share capital increase in cash	5,490,000	54,900,000	NA	54,985,000	5,498,500	10
March 21, 2005	Share capital increase in cash	56,980,869	569,808,690	NA	624,793,690	62,479,369	10
June 30, 2005	Share capital increase in cash to the benefit of Rexdir S.A.S. by the issue of shares with share subscription warrants (ABSA)	304,404	3,044,040	NA	627,837,730	62,783,773	10
October 28, 2005	Share capital increase in cash to the benefit of Rexop S.A.S.	262,001	2,620,010	NA	630,457,740	63,045,774	10
April 4, 2007	Exercise by Rexdir S.A.S. and Rexop S.A.S. of share subscription warrants (BSA) issued by Rexel	1,518,854	15,188,540	NA	645,646,280	64,564,628	10
April 4, 2007	Absorption of Rexdir S.A.S. and Rexop S.A.S. by Rexel	2,085,259	20,852,590	0	666,498,870	66,649,887	10
April 4, 2007	Cancellation of treasury shares in the context of the merger	2,085,259 shares cancelled	20,852,590 (amount of share capital increase cancelled)	NA	Share capital decrease of 645,646,280	Cumulative number of shares reduced to 64,564,628	10
April 4, 2007	Division of the nominal value of shares	64,564,628	NA	NA	645,646,280	129,129,256	5
April 4, 2007	Share capital increase reserved for Ray Investment	63,813,323	319,066,615	733,853,214.5	964,712,895	192,942,579	5
April 11, 2007	Share capital increase in cash by public offering	60,606,060	303,030,300	696,969,690	1,267,743,195	253,548,639	5
April 18, 2007	Share capital increase reserved for employees	1,436,874	7,184,370	12,082,078	1,274,927,565	254,985,513	5
April 18, 2007	Share capital increase reserved for BNP Paribas Arbitrage SNC	1,008,314	5,041,570	8,268,174,8	1,279,969,135	255,993,827	5
April 14, 2009	Share capital increase following the vesting of free shares	2,151,817	10,759,085	NA	1,290,728,220	258,145,644	5

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED/ CANCELLED	NOMINAL AMOUNT OF CAPITAL INCREASE/ REDUCTION (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES*	NOMINAL VALUE PER SHARE (€)
October 30, 2009	Share capital increase following the vesting of free shares	7,474	37,370	NA	1,290,765,590	258,153,118	5
Exercise of share subscription options in 2009 (acknowledged by a decision of the Management Board of January 8, 2010)	Share capital increase further to the exercise of share subscription options	66,900	334,500	NA	1,291,100,090	258,220,018	5
Exercise of share subscription options in January and February 2010 (acknowledged by a decision of the Management Board of March 16, 2010)	Share capital increase further to the exercise of share subscription options	1,215,658	6,078,290	NA	1,297,178,380	259,435,676	5
Exercise of options between March 1, 2010 and April 30, 2010 (acknowledged by a decision of the Management Board of May 20, 2010)	Share capital increase further to the exercise of share subscription options	38,666	193,330	NA	1,297,371,710	259,474,342	5
Exercise of options between May 1, 2010 and May 31, 2010 (acknowledged by a decision of the Management Board of June 24, 2010)	Share capital increase further to the exercise of share subscription options	5,001	25,005	NA	1,297,396,715	259,479,343	5
June 24, 2010	Share capital increase further to the vesting of free shares	146,031	730,155	NA	1,298,126,870	259,625,374	5
Exercise of options between June 1, 2010 and August 30, 2010 (acknowledged by a decision of the Management Board of August 31, 2010)	Share capital increase further to the exercise of share subscription options	46,083	230,415	33,600	1,298,357,285	259,671,457	5
October 4, 2010	Share capital increase further to the vesting of free shares	1,732	8,660	NA	1,298,365,945	259,673,189	5
November 17, 2010	Share capital increase reserved for employees	356,123	1,780,615	1,747,137.80	1,300,146,560	260,029,312	5

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED/ CANCELLED	NOMINAL AMOUNT OF CAPITAL INCREASE/ REDUCTION (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES*	NOMINAL VALUE PER SHARE (€)
Exercise of options between August 31, 2010 and December 31, 2010 (acknowledged by a decision of the Management Board of February 1, 2011)	Share capital increase further to the exercise of share subscription options	183,684	918,420	222,966	1,301,064,980	260,212,996	5
April 21, 2011	Share capital increase further to the vesting of free shares	2,590,621	12,953,105	NA	1,314,018,085	262,803,617	5
May 12, 2011	Share capital increase further to the vesting of free shares	268,416	1,342,080	NA	1,315,360,165	263,072,033	5
June 30, 2011	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting May 19, 2011	5,376,107	26,880,535	59,137,177	1,342,240,700	268,448,140	5
Exercise of options between January 1, 2011 and June 30, 2011 (acknowledged by a decision of the Management Board of July 21, 2011)	Share capital increase further to the exercise of share subscription options	327,652	1,638,260	1,215,684	1,343,878,960	268,775,792	5
October 31, 2011	Share capital increase further to the vesting of free shares	24,467	122,335	NA	1,344,001,295	268,800,259	5
February 2, 2012	Share capital increase further to the exercise of share subscription options	19,500	97,500	2,100	1,344,098,795	268,819,759	5
April 12, 2012	Share capital increase further to the vesting of free shares	55	275	NA	1,344,099,070	268,819,814	5
May 14, 2012	Share capital increase further to the vesting of free shares	48,788	243,940	NA	1,344,343,010	268,868,602	5
June 25, 2012	Share capital increase further to the vesting of free shares	364,440	1,822,200	NA	1,346,165,210	269,233,042	5
June 25, 2012	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 16, 2012	2,273,474	11,367,370	19,074,446.86	1,357,532,580	271,506,516	5

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED/ CANCELLED	NOMINAL AMOUNT OF CAPITAL INCREASE/ REDUCTION (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES*	NOMINAL VALUE PER SHARE (€)
July 19, 2012	Share capital increase further to the exercise of share subscription options	36,336	181,680	10,350	1,357,714,260	271,542,852	5
October 2, 2012	Share capital increase further to the vesting of free shares	13,226	66,130	NA	1,357,780,390	271,556,078	5
November 23, 2012	Share capital increase reserved for employees	337,465	1,687,325	NA	1,359,467,715	271,893,543	5
February 5, 2013	Share capital increase further to the exercise of share subscription options	29,600	148,000	12,300	1,359,615,715	271,923,143	5
February 5, 2013	Share capital increase further to the vesting of free shares	86	430	NA	1,359,616,145	271,923,229	5
March 14, 2013	Share capital increase reserved for employees	45,953	229,765	485,033.91	1,359,845,910	271,969,182	5
May 13, 2013	Share capital increase further to the vesting of free shares	788,642	3,943,210	NA	1,363,789,120	272,757,824	5
July 2, 2013	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 22, 2013	10,287,149	51,435,745	98,653,758.91	1,415,224,865	283,044,973	5
July 22, 2013	Share capital increase further to the exercise of share subscription options	10,200	51,000	7,800	1,415,275,865	283,055,173	5
August 19, 2013	Share capital increase further to the vesting of free shares	166	830	NA	1,415,276,695	283,055,339	5
October 14, 2013	Share capital increase further to the vesting of free shares	1,048	5,240	NA	1,415,281,935	283,056,387	5
November 26, 2013	Share capital increase reserved for employees	237,210	1,186,050	2,259,670.65	1,416,467,985	283,293,597	5
December 27, 2013	Share capital increase reserved for employees	19,541	97,705	182,512.94	1,416,565,690	283,313,138	5
February 6, 2014	Share capital increase further to the exercise of share subscription options	24,076	120,380	900	1,416,686,070	283,337,214	5

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED/ CANCELLED	NOMINAL AMOUNT OF CAPITAL INCREASE/ REDUCTION (€)	SHARE/MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES*	NOMINAL VALUE PER SHARE (€)
March 13, 2014	Share capital increase further to the vesting of free shares	86	430	NA	1,416,686,500	283,337,300	5
March 13, 2014	Share capital increase reserved for employees	35,151	175,755	474,362.75	1,416,862,255	283,372,451	5
May 5, 2014	Share capital increase further to the vesting of free shares	11,879	59,395	NA	1,416,921,650	283,384,330	5
May 12, 2014	Share capital increase further to the vesting of free shares	834,862	4,174,310	NA	1,421,095,960	284,219,192	5
July 2, 2014	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 22, 2014	9,269,384	46,346,920	99,923,959.52	1,467,442,880	293,488,576	5
July 29, 2014	Share capital increase further to the exercise of share subscription options	6,100	30,500	2,250	1,467,473,380	293,494,676	5
October 28, 2014	Share capital reduction further to the cancellation of shares	1,500,000	7,500,000	14,075,710.03	1,459,973,380	291,994,676	5

* Number of shares as acknowledged by the competent bodies.

8.2.8 Pledges, guarantees and security interests

As of the date of this *Document de Référence* and to Rexel's knowledge, no Rexel shares have been pledged or are subject to a guarantee or security interest.

8.3 BY-LAWS *(STATUTS)*

The main provisions described below are drawn from the by-laws of Rexel as updated following the decisions of Rexel's Combined Ordinary and Extraordinary Shareholders' Meeting of May 22, 2014 pursuant to which Rexel was converted into a *société anonyme* with a board of directors.

8.3.1 Corporate purpose (article 3 of the by-laws)

Rexel's main 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 and assistance in their respective organization, investments and financing, and to coordinate their policies in the 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 of Rexel 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.

8.3.2 Management and administration bodies (articles 14 to 23 of the by-laws)

8.3.2.1 Board of Directors (articles 14 to 18 of the by-laws)

Composition (article 14 of the by-laws)

The Board of Directors is made up of a minimum of five members and a maximum of fifteen members, subject to the exceptions provided for by law in the event of a merger.

During the company's lifetime, members of the Board of Directors are appointed or reappointed by the ordinary shareholders' meeting.

They are appointed for a maximum term of four years.

However, the first directors who were appointed by the shareholders' meeting of May 22, 2014 and who were members of Rexel's Supervisory Board on the date of the shareholders' meeting of May 22, 2014, were appointed for a term equal to the remainder of their term of office as member of Rexel's Supervisory Board.

The term of office of a director expires at the end of the ordinary shareholders' meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of such director is due to expire.

The Board of Directors is renewed in quarters, rounded up to the nearest whole number every year so that it is fully renewed every four years. The order of early termination of the terms of office is determined by unanimous decision of the members of the Board of Directors present or represented or, if unanimity cannot be reached, by random draw. The mandate of the persons so designated lapse on the date set by the unanimous decision of the Board of Directors or on the date set by the Chairman of the Board of Directors before the draw. The renewal of the members of the Board of Directors is then carried out in the order of length of service.

Directors are always eligible for re-appointment.

They may be dismissed at any time by the ordinary shareholders' meeting.

No individual exceeding 70 years of age may be appointed as director where such appointment would raise the number of directors over 70 years of age to more than one-third.

Where, at the close of a financial year, the portion of share capital held – under article L.225-102 of the French Commercial Code – by the employees of Rexel and of its affiliated companies within the meaning of article L.225-180 of such Code, is above 3%, a director representing the employee shareholders is appointed by the shareholders' meeting in accordance with the terms and conditions of the laws and regulations in force and of the by-laws, to the extent the Board of Directors does not already include an employee shareholder and director, or elected employee director.

The candidates for appointment as employee shareholder director are appointed as follows:

a) Where the voting right attached to the shares held by the employees or by the mutual funds of which they are a member is exercised by the members of the supervisory board of such mutual funds, the candidates are appointed by such board from among its members; and

b) Where the voting right attached to the shares held by the employees (or by the mutual funds of which they are a member) is directly exercised by such employees, the candidates are appointed at the time of the consultation provided under article L.225-106 of the French Commercial Code, either by the employee shareholders in a special meeting called for this specific purpose, or pursuant to a written consultation. Only those candidacies presented by a group of shareholders representing at least 5% of the shares held by the employees who exercise their voting right in their personal capacity are admissible.

The directors may be individuals or legal entities. Any legal entities must, at the time of their appointment, appoint a Permanent Representative who is subject to the same conditions and obligations and who incurs the same liability as if he/she were a director in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents. This office of Permanent Representative is concurrent with the term of office of the legal entity that he/she represents. It must be renewed each time the term of office of the legal entity comes up for renewal.

Should the legal entity dismiss its representative, it must notify Rexel thereof without delay, by registered mail, and of the identity of its new Permanent Representative. The same shall also apply in the event of the death, resignation or disability of the Permanent Representative.

Should one or more seats on the Board of Directors become vacant between two shareholders' meetings, as a result of the death or resignation of members, the Board of Directors may co-opt one or more persons to serve as interim members.

Any cooptations of directors by the Board of Directors are subject to ratification by the shareholders at the next ordinary shareholders' meeting.

The resolutions adopted and actions carried out by the coopted directors shall be valid notwithstanding the absence of ratification.

Should the number of directors fall to less than three, the Board of Directors shall immediately convene an ordinary shareholders' meeting to bring the number of directors up to the required minimum.

A director who is appointed to replace another Board member shall remain in office only for the remainder of his predecessor's term.

No person may be appointed as member of the Board of Directors unless he/she complies with the rules on combining offices, conflicts of interests and disqualification or prohibitions as provided by law.

The number of directors who are linked to Rexel by an employment agreement may not exceed one third of the directors in office.

Shares held by members of the Board of Directors (article 15 of the by-laws)

The members of the Board of Directors are not required to own any share in Rexel.

The twenty-eighth resolution submitted to the ordinary and extraordinary shareholders' meeting of Rexel called to be held on May 27, 2015 aims at modifying article 15 of the by-laws of Rexel in order to provide that directors shall hold at least 1,000 shares of Rexel.

Chairman of the Board of Directors – Deputy Chairman of the Board of Directors – Officers of the Board of Directors (article 16 of the by-laws)

The Board of Directors elects from among its members who are individuals a Chairman and, as the case may be, a Deputy Chairman who shall serve in this capacity for the duration of their term of office as directors, unless the Board of Directors decides to appoint a new Chairman and, as the case may be, a new Deputy Chairman.

The Chairman of the Board of Directors may not be more than 65 years of age; his/her functions automatically lapse on December 31 of the year of his/her 65th birthday.

The Chairman of the Board of Directors represents the Board of Directors. The Chairman calls meetings of the Board of Directors and organizes and conducts the work of the Board of Directors and reports on such works to the shareholders' meeting. The Chairman sees to the proper operation of Rexel's bodies and, in particular, makes sure that the directors are able to discharge their duties.

Subject to complying with the provisions of the laws and regulations, the Chairman is always eligible for reappointment.

In the absence of the Chairman, the Deputy Chairman serves as Chairman and enjoys the same prerogatives as the Chairman.

The Deputy Chairman may also perform the functions of senior independent director. The senior independent director's functions are defined in the Rules of Procedure of the Board of Directors.

As an exception to the foregoing, the appointment of a Deputy Chairman is mandatory where the functions of Chairman of the Board of Directors and of Chief Executive Officer are exercised by the same person; in such case, the Deputy Chairman shall also perform the functions of senior independent director.

Subject to complying with the provisions of the laws and regulations, the Vice Chairman is always eligible for reappointment.

The Board of Directors also appoints a secretary who is not required to be a member of the Board and who serves as an officer of the Board, alongside the Chairman and the Deputy Chairman. In secretary's absence, the Board of Directors appoints one of its members or a third party to discharge the secretary's duties.

The Board of Directors is chaired by the Chairman or, in the Chairman's absence, by the Deputy Chairman or, in the Deputy Chairman's absence, by a director chosen by the Board at the beginning of the meeting.

Deliberations of the Board of Directors (article 17 of the by-laws)

The Board of Directors meets whenever the best interests of Rexel so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman.

Unless otherwise agreed by all members of the Board of Directors, meeting notices must be given in writing, including by fax or e-mail, at least three (3) days before the date of the meeting, together with the agenda of the meeting and all documents that have been prepared for submission to the Board of Directors. However, when all Board members are present or represented at a meeting (including if they are participating or represented during a telephone or videoconference), the meeting may be held without prior notice and without observing such three (3) day notice period.

Meetings are held at the registered office or at any other place specified in the notice of meeting.

However, if the Board of Directors has not met in more than two months, a group of directors representing at least one third of the directors in office may request the Chairman to call a meeting of the Board of Directors on a given agenda. In all other cases, the agenda is determined by the Chairman and must be mentioned in the meeting notice.

The Board of Directors is duly convened only if a quorum consisting of at least half of its members is in attendance.

Decisions are approved by a majority of votes of the members present or represented; each director has one vote and may not represent more than one fellow director.

In accordance with the applicable regulations, the Board of Director draws up the Rules of Procedure defining the methods of participating and voting at Board meetings held by videoconference or any other forms of telecommunication.

If allowed by the Rules of Procedure of the Board of Directors, directors members who participate in Board meetings by videoconference or any other forms of telecommunication shall be deemed be present for the purpose of calculating the quorum and majority, in accordance with the Rules of Procedure.

In the event of a tie, the Chairman of the meeting has a casting vote, if and only if the Board of Directors comprises an even number of directors in office and only at meetings chaired by the Chairman of the Board of Directors.

An attendance register is kept and signed by the directors who attend the Board meeting; such register must show the name of any directors who attended the meeting by videoconference or other forms of telecommunication.

The deliberations of the Board of Directors are recorded in minutes, which are drawn up in accordance with applicable law and signed by the Chairman of the meeting and at least one director or, if the Chairman is unavailable, by at least two directors.

Copies or excerpts of these minutes are certified by the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers, the director temporarily acting as Chairman or an authorized representative.

Powers of the Board of Directors (article 18 of the by-laws)

The Board of Directors defines Rexel's business orientations and sees to their implementation. Subject to the powers expressly assigned to the shareholders' meetings and within the scope of the corporate purpose, it handles matters relating to the proper operation of Rexel and settles Rexel's affairs through its deliberations.

In its relations with third parties, Rexel is bound even by the ultra vires acts of the Board of Directors, unless it is able to prove that the third party knew that the act was *ultra vires* or could not be unaware of it in the circumstances, provided always that the mere publication of the by-laws shall not suffice to establish such proof.

The Board of Directors conducts the controls and verifications it deems fit.

Each director receives all information required for the performance of his/her functions and may obtain copies of any and all documents it deems useful from the Chairman.

The Board of Directors grants the Chief Executive Officer the prior authorization to grant sureties, endorsements and other guarantees, to sell real property, to dispose of equity interests, in whole or in part, and to grant security interests.

The Rules of Procedure of the Board of Directors define the decisions requiring the prior authorization of the Board of Directors.

The Board of Directors may entrust one or more of its members or third parties who need not be shareholders with special mandates for one or more specific purposes.

The Board of Directors may, from among its members, appoint one or more special committees which operate under its responsibility, and determines their membership and responsibilities.

The rules of operation of such committees are determined by the Rules of Procedure of the Board of Directors and, as the case may be, detailed in the rules of procedure drawn up by each committee and approved by the Board of Directors.

Observers *(censeurs)* (article 21 of the by-laws)

The Board of Directors may appoint up to three observers *(censeurs)*. The observers are called to attend and participate in Board meetings an advisory capacity. They may be members of the committees created by the Board of Directors.

They may (but need not) be chosen from among the shareholders and may receive compensation, as defined by the Board of Directors.

The observers are appointed for a maximum term of four years. The observers may always be renewed in office. The functions of the observers may be terminated at any time.

8.3.2.2 Executive Management (article 19 of the by-laws)

Rexel's executive management is performed, under his/her responsibility, by the Chairman of the Board of Directors, or by another private person, who need not be a director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors elects one of the aforementioned two forms of executive management by majority decision as described in article 17§2 of the by-laws. The shareholders and third parties are informed of such election in accordance with the rules provided by law.

This form of executive management remains valid until another decision is made, in accordance with the same rules.

The change in Rexel's executive management method does not entail any changes to the by-laws.

Where the Company's executive management is performed by the Chairman, the provisions of the laws and regulations and of the by-laws in relation to the Chief Executive Officer apply to the Chairman, who then bears the title of Chairman and Chief Executive Officer.

Where the Board of Directors elects to dissociate the functions of Chairman of the Board of Directors from the Company's executive management, the Board appoints the Chief Executive Officer and determines the Chief Executive Officer's term of office and scope of powers, in accordance with the law and the by-laws. The Board of Directors' decisions limiting the Chief Executive Officer's powers are ineffective vis-a-vis third parties.

To perform his/her functions, the Chief Executive Officer must be less than 65 years of age. If the Chief Executive Officer reaches the age of 65 while in office, such functions automatically lapse and the Board of Directors appoints a new Chief Executive Officer. The Chief Executive Officer however remains in office until the date of the meeting of the Board of Directors held to appoint his/her successor. Subject to the aforementioned age limit, the Chief Executive Officer is always eligible for reappointment.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

In the event of temporary unavailability of the Chief Executive Officer, the Board of Directors may appoint a director to perform the functions of Chief Executive Officer.

The Chief Executive Officer is vested with the broadest powers to act in the name of Rexel, in all circumstances. The Chief Executive Officer exercises such powers within the scope of the corporate purpose and subject to the powers which the law expressly assigns to the shareholders' meetings and the Board of Directors. The Chief Executive Officer represents Rexel in its dealings with third parties.

The Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors on a given agenda.

If the Chief Executive Officer is not also a director, he/she may attend Board meetings in an advisory capacity.

On a proposal from the Chief Executive Officer, the Board of Directors may appoint up to a maximum of five private persons to assist the Chief Executive Officer and bearing the title of Deputy Chief Executive Officer; the Board of Directors determines the scope and term of their powers, it being understood that, vis-a-vis third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

The Deputy Chief Executive Officer(s) may be dismissed at any time by the Board of Directors, on a proposal from the Chief Executive Officer.

In the event of unavailability or termination of the functions of the Chief Executive Officers, unless the Board of Directors decides otherwise, the Deputy Chief Executive Officer(s) retain their functions and powers until a new Chief Executive Officer is appointed.

The Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer(s), may be authorized to grant substitutions of powers, subject to the limitations provided by the laws and regulations in force.

8.3.2.3 Compensation of the directors, Chairman, Chief Executive Officer, Deputy Chief Executive Officer and officers of the Board of Directors (article 20 of the by-laws)

The ordinary shareholders' meeting may allocate a fixed annual amount, in lieu of attendance fees, to the directors as compensation for their activities; such amount is included in the operating expenses of Rexel and remains in effect until the shareholders' meeting decides otherwise.

The Board of Directors allocates this compensation among the directors as it deems fit.

The compensation of the Chairman of the Board of Directors, of the Chief Executive Officer and of the Deputy Chief Executive Officers are determined by the Board of Directors. Such compensation may be fixed or proportional, or both fixed and proportional.

The Board of Directors may allot exceptional compensation for special missions or duties assigned to Board members; any such compensation is recorded as operating expenses and is subject to approval by the ordinary shareholders' meeting in accordance with the procedure set forth in articles L.225-38 to L.225-42 of the French Commercial Code.

The Board of Directors may authorize the reimbursement of travel and other expenses incurred by its members in the best interest of Rexel.

No compensation other than that provided herein, whether permanent or temporary, may be allocated to the members of the Board of Directors, unless they are linked to Rexel by an employment agreement under the conditions authorized by law.

8.3.2.4 Agreements entered into by Rexel with its shareholders or managers (article 22 of the by-laws)

Any agreement entered into between Rexel and its shareholders or any one of them, or between Rexel and its managers or any one of them, in each case whether directly or through an intermediary, is subject to the applicable procedure as defined by law.

The foregoing provisions do not apply to agreements relating to ordinary transactions entered into on arms' length terms. However, each interested party is required to notify such agreements to the Chairman of the Board of Directors, who then forwards the list and purpose of such agreements to the members of the Board of Directors and to the statutory auditors, on or before the date of the meeting of the Board called to approve the financial statements for the previous financial year.

8.3.2.5 Liability (article 23 of the by-laws)

The directors and the Chief Executive Officer are individually or, as the case may be, jointly and severally liable towards Rexel and third parties for any breach of the provisions of the laws and regulations applying to *sociétés anonymes* or of the provisions of the by-laws, and for their personal negligence in the performance of their duties, in accordance with the provisions of the law.

8.3.3 Rights and obligations attached to shares (articles 8, 9, 11, 12 and 13 of the by-laws)

Payment of shares (article 8 of the by-laws)

Shares subscribed for in cash are issued and paid-up under the terms and conditions provided for by law.

Form of the shares (article 9 of the by-laws)

The Rexel shares may be in registered or bearer form, at the shareholder's discretion, notwithstanding certain legal or regulatory provisions that may in certain cases require that the shares be in registered form.

The Rexel shares are registered on a securities account under the terms and conditions provided for by law.

Sale and transfer of shares (article 11 of the by-laws)

The shares are freely tradable, notwithstanding any legal or regulatory provisions to the contrary. They are transferred between accounts under the terms and conditions provided for by law.

Rights and obligations attaching to the shares (article 12 of the by-laws)

Each share grants rights to a share of ownership in the corporate assets and in the distribution of profits, which is proportional to the percentage of the share capital that it represents.

Each share also gives its holder the right to vote and to be represented at shareholders' meetings under the terms and conditions provided for by law and by the by-laws.

Shareholders are responsible for the company's liabilities only up to the amount of their contributions.

The rights and obligations attached to the shares remain attached thereto irrespective of the transferee.

Owners of shares are automatically bound by the by-laws and by any decisions of the shareholders' meetings.

Whenever more than one share is required to exercise a particular right, in the event of a share exchange, consolidation or allotment, or as a result of an increase or reduction in share capital, or in the event of a merger or other transaction involving the share capital, shareholders who own only one share or who do not own the minimum number of shares required may at their own initiative consolidate their shares for the purpose of exercising said right, or buy or sell the requisite number of shares.

Indivisibility of the shares – Legal ownership *(nue propriété)* – Beneficial ownership *(usufruit)* (article 13 of the by-laws)

The shares are indivisible with regard to Rexel.

The co-owners of split shares must be represented vis-à-vis Rexel by only one of the co-owners or by a single representative. If no agreement can be reached concerning the appointment of a representative, such representative shall be appointed by order of the President of the commercial court acting at the request of the first owner to take the initiative to refer the matter to such court.

Voting rights attached to shares belong to the beneficial owner *(usufrutier)* at ordinary meetings and to the legal owner *(nu-propriétaire)* at extraordinary meetings.

8.3.4 Changes to shareholders' rights

Insofar as the by-laws contain no specific provisions covering changes to shareholders' rights attached to shares, such changes are subject to the provisions of the law.

8.3.5 Shareholders' meetings (articles 25 to 33 of the by-laws)

8.3.5.1 Shareholders' meetings (article 25 of the by-laws)

Shareholders' decisions are made at shareholders' meetings, which are either ordinary, extraordinary or special meetings depending on the type of decision on which the shareholders are requested to vote.

Any duly convened shareholders' meeting represents all the shareholders.

Decisions made in shareholders' meetings are binding upon all shareholders, including those who are absent, incapacitated or dissenting.

8.3.5.2 Notices of meetings (article 26 of the by-laws)

Shareholders' meetings are called by the Board of Directors or by any person authorized by the law for such purpose, within the time periods and in accordance with the conditions set forth by law.

Shareholders' meetings are held at the company's registered office or at any other location indicated in the meeting notice.

8.3.5.3 Agenda (article 27 of the by-laws)

The agenda of shareholders' meetings is set by the party that convened the meeting.

Shareholders, at a shareholders' meeting, may not deliberate on a matter that is not referred to in the agenda, which cannot be amended upon serving a second notice. They may, however, under any circumstances, dismiss one or more Board of Directors and appoint their replacements.

8.3.5.4 Access to shareholders' meetings (article 28 of the by-laws)

The right to participate in shareholders' meetings is subject to the following conditions:

- for holders of registered shares, the shares must be registered in the shareholder's name in Rexel's books at least three (3) business days before the date of the shareholders' meeting;
- for holders of bearer shares, a certificate of attendance from an authorized intermediary must be filed under the conditions provided for by law, within three (3) business days before the date of the shareholders' meeting.

A shareholder may be represented by another shareholder, by his or her spouse or by his or her civil solidarity pact

(PACS) partner. Furthermore, a shareholder may be represented by any other legal entity of individual of his / her choice:

(i) where the Rexel shares are admitted to trading on a regulated market;

(ii) where the Rexel shares are admitted to trading on a multilateral trading facility that complies with the legal and regulatory provisions aiming at protecting investors against insider trading, price manipulation and the dissemination of false information in accordance with the conditions laid down in the General Regulation of the *Autorité des marchés financiers*, appearing on a list drawn up by the AMF in accordance with the terms of its General Regulation.

The proxy, as well as the withdrawal of the proxy, if applicable, must be in writing and notified to the Company, in accordance with the provisions laid down by law.

Any shareholder may vote by mail, by sending a ballot to Rexel under the conditions provided for by law.

This form may be on the same document as the proxy form; in this case, the single document must contain the statements and information provided for by the regulations. In order for mail ballots to be counted, Rexel must receive the ballots three (3) days before the date of the meeting. The electronic signature may take the form of a procedure compliant with the first sentence of the second subparagraph of article 1316-4 of the French civil code.

If the Board of Directors so decides when it convenes the meeting, shareholders may also participate and vote in the meeting by electronic or another form of telecommunication that enables them to be identified under the conditions provided for by law.

Shareholders who participate in a meeting by videoconference or other forms of telecommunication that enable them to be identified under the conditions provided for by law are deemed to be present for purposes of calculating the quorum and majority.

The *décret* dated December 8, 2014 amended in particular articles R.225-71, R.225-73, R.225-85 and R.225-86 of the French Commercial Code relating to the date and the conditions for establishing the list of persons authorized to participate in the shareholders' meetings. In particular, the date to establish the list of shareholders (the record date) was changed from 3 to 2 days prior to the shareholders' meeting. The thirtieth resolution submitted to the ordinary and extraordinary shareholders' meeting of Rexel called to be held on May 27, 2015 therefore aims at modifying article 28 of the by-laws of the Company relating to the shareholders' access to the shareholders' meetings.

8.3.5.5 Attendance sheet – Officers of the meeting – Minutes of meetings (article 29 of the by-laws)

An attendance sheet containing the information required by law is kept for each meeting.

This attendance sheet, which is duly initialled by shareholders present and by any proxies, and to which any proxy forms and postal ballots are attached, is certified as true and accurate by the officers of the meeting.

Shareholders' meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman of the Board of Directors, or by a director specially authorized for this purpose.

If the shareholders' meeting is convened by the statutory auditor or auditors, by a representative of the court or by the receivers, the meeting is chaired by one of them.

In any event, in the absence of the person who is authorized or appointed to chair the meeting, the shareholders shall elect a chairman of the meeting.

Ballots are counted by the two shareholders in attendance who hold the largest number of shares, either personally or by proxy, and who agree to perform this task (they shall be known as officers of the meeting).

The officers of the meeting appoint a secretary who is not required to be a shareholder.

The duties of the officers of the meeting are to verify, certify and sign the attendance sheet; to ascertain that the deliberations are duly carried out; to settle any incidents arising at the meeting; to count the votes cast and to ascertain that they are valid; and to draw up the minutes of the meeting and to sign them.

Minutes of the meetings are drawn up and copies or excerpts thereof are delivered and certified in accordance with the law.

8.3.5.6 Quorum – Voting – Number of votes (article 30 of the by-laws)

The quorum for ordinary and extraordinary shareholders' meetings is calculated on the basis of the total number of shares comprising the share capital, less any shares disqualified from voting pursuant to the provisions of the law.

In the case of votes submitted by mail, only those ballots received by Rexel prior to the meeting within the time period and under the conditions set forth by law will count towards the quorum.

At ordinary and extraordinary shareholders' meetings, each shareholder shall have as many votes as shares he owns or represents, in his own name or by proxy, with no limitations of any kind.

Voting takes place and the votes are cast, as decided by the officers of the meeting, by a show of hands, by electronic means or by any form of telecommunication that enables the shareholders to be identified in accordance with the applicable regulations.

The twenty-ninth resolution submitted to the ordinary and extraordinary shareholders' meeting of Rexel called to be held on May 27, 2015 aims at using the ability provided under article L.225-123 paragraph 3 of the French Commercial Code and at deciding that fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years shall not benefit from a double voting right. Article 30-2 of the by-laws of the Company would be amended accordingly.

8.3.5.7 Ordinary shareholders' meetings (article 31 of the by-laws)

Ordinary shareholder's meetings are held to make all decisions that do not amend the by-laws.

Ordinary shareholders' meetings are held at least once each year, within the times specified by the applicable laws and regulations, to resolve on the financial statements and, if applicable, on the consolidated financial statements for the past financial year.

While voting in accordance with the quorum and majority requirements applicable to ordinary meetings, the ordinary shareholders' meeting exercises the powers assigned thereto by law.

8.3.5.8 Extraordinary shareholders' meetings (article 32 of the by-laws)

Only the extraordinary shareholders' meeting is authorized to amend any provision of the by-laws. However, it may not increase the obligations of shareholders, subject to transactions resulting from an exchange or consolidation of shares duly approved and carried out.

While voting in accordance with the applicable quorum and majority requirements, the extraordinary shareholders' meeting exercises the powers assigned thereto by law.

8.3.5.9 Shareholders' right to information (article 33 of the by-laws)

The shareholders have a right to receive the documents they need to take an informed decision on the management and operation of Rexel and to vote accordingly.

The type of such documents and the conditions under which they are sent or made available to shareholders are determined by law.

8.3.6 Provisions likely to have an impact on the control of Rexel

To Rexel's knowledge, there exists no provision in the by-laws that would result in delaying, deferring or preventing a change of control of Rexel.

Agreements entered into by Rexel's shareholders are described in paragraph 8.1.5 "Agreements potentially leading to a change of control" of this *Document de Référence*. Furthermore, provisions of the senior credit agreement and of the bonds likely to have an impact in case of change of control of Rexel are described in note 19.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*.

8.3.7 Ownership threshold disclosures and identification of shareholders (articles 10 and 11 of the by-laws)

8.3.7.1 Ownership threshold disclosures (article 11 of the by-laws)

In addition to the legal obligation to notify Rexel whenever the ownership thresholds provided by law are crossed, any individual or legal entity, acting alone or in concert, coming into possession, directly or indirectly within the meaning of the law (and in particular, of article L.233-9 of the French Commercial Code), of a number of shares representing 2.5% of the share capital or voting rights, is required to disclose to Rexel the total number of shares and voting rights it owns by sending a notice by registered mail with acknowledgement of receipt to the registered office or, for shareholders who are not French residents, by any equivalent means, within 5 trading days from the date it has crossed one of these thresholds, stating the total number of securities held giving future access to the share capital and the number of voting rights attached thereto. This declaration of crossing of threshold shall also state whether the shares or voting rights attached thereto are held on behalf of or in concert with other individual or legal entities and shall also indicate the date on which the threshold was crossed. Such disclosure must be made for any additional multiple of 2.5% of the share capital or voting rights without any limitation, including when it exceeds 5%.

Failure to duly make such disclosure under the conditions specified above shall result in the disqualification for voting purposes of the shares that should have been disclosed under the conditions provided for by law, if so requested by one or more shareholders separately or together owning at least 2.5% of the share capital or voting rights and duly recorded in the minutes of the shareholders' meeting.

Any shareholder whose ownership interest and/or voting rights in Rexel falls below one of the aforesaid thresholds, for any reason whatsoever, is also required to disclose this fact to Rexel, under the same conditions and within the same periods of time specified above.

In calculating the aforesaid thresholds, the denominator must take into account the total number of shares making up the share capital and to which voting rights are attached, including shares that are disqualified for voting purposes, as published by Rexel as required by law (Rexel must publish the total number of shares with voting rights and the number of such shares that have been disqualified for voting purposes).

8.3.7.2 Identification of shareholders (article 10 of the by-laws)

Rexel stays informed about the composition of its shareholder base in accordance with applicable laws. In this respect, Rexel may avail itself of all legal provisions, for identification of the holders of securities conferring immediate or future voting rights at Rexel's shareholders' meetings.

Rexel may, at any time, in accordance with the applicable laws and regulations, request that the central custodian in charge of the administration of its share issue account, in exchange for consideration paid by Rexel, identify the owners of securities giving immediate or future voting rights at shareholders' meetings, as well as the number of securities held by each such owner and any restrictions that may apply to such securities.

After following the procedure described in the previous paragraph and in the light of the list transmitted by the central custodian, Rexel may also request, either through such custodian or directly from the persons registered on this list and whom Rexel believes may be registered on behalf of third parties, information regarding the owners of the securities as provided in the preceding paragraph.

If the shares are in registered form, the intermediary registered as provided by law is required to disclose the identity of the owners of such shares and the number of shares held by each owner at the request of Rexel or its authorized representative, in accordance with the applicable laws and regulations, and such request may be presented at any time.

As long as Rexel believes that certain holders of shares whose identity has been disclosed hold such shares as nominees for third parties, it has the right to ask the nominees to reveal the identity of the owners of such shares.

Upon completion of the identification procedures, and without prejudice to the disclosure of material holdings as required by law, Rexel may ask any legal entity that owns its shares and holds interests exceeding one-fortieth of the share capital or voting rights to disclose the identity of any persons that directly or indirectly control more than one third of the share capital or voting rights of such legal entity.

Failure by the holders of shares or by the intermediaries to fulfil their obligation to disclose the aforesaid information may, as provided for by law, lead to suspension or even disqualification from voting and dividend rights attached to the shares.

8.3.8 Special provisions governing changes to share capital (article 7 of the by-laws)

Rexel's share capital may be increased or reduced in all ways and by all manners authorized by law. The extraordinary shareholders' meeting may also decide to carry out stock splits or reverse splits.

8.4 OTHER ELEMENTS THAT MAY HAVE AN IMPACT IN CASE OF TENDER OFFER

8.4.1 Control mechanisms in relation to employee shareholding

In the scope of the share capital increase reserved for employees, the employees' investments are carried out in certain jurisdiction through mutual funds *(fonds commun de placement)*. The "Rexel Actionnariat Classique France" and the "Rexel Actionnariat Classique International" funds have been created in this context.

Each of these funds has a supervisory board, the main powers of which are as follows:

- it reviews the management report and financial statements of the fund, the financial, administrative and accounting management and adopts its annual report;
- it exercises the voting rights attached to the shares issued by Rexel and decides on the contribution of shares, and, in this respects, appoints one or several representatives of the fund at the Rexel shareholders' meetings;
- it may submit resolutions at Rexel shareholders' meetings;
- it grants its prior agreement to certain amendments to the rules of the fund: change of management company, dissolution, merger/demerger, change in the orientations of management and classification;
- it may take legal action to defend or enforce the rights or interests of its shareholders.

Decisions of the supervisory board of the fund are approved by a majority of votes of the members present or represented. In the event of a tie, the Chairman of the meeting has a casting vote.

The means available for the supervisory board to support its decisions and carry out its duties are as follows: organization of telephone conferences, if applicable, beyond the formal scope of the meetings, various information provided by Rexel, in order to assess the economic and financial position of the Rexel Group and its outlook; information provided by the management company.

8.4.2 Agreements entered into by Rexel to be amended or terminated in case of change of control

The agreements entered into by Rexel or which may need to be amended or terminated in case of change of control are, in particular, the following:

- the Senior Credit Agreement (see note 19.1.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*);
- the 2011, 2012 and 2013 senior Bonds (see note 19.1.2 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*);
- the €45 million bilateral facility agreement entered into with Bayerische Landes Bank on September 2, 2013 (see note 19.1.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

8.5 MATERIAL AGREEMENTS

During the last two years, the Rexel Group's companies have been parties to the following material agreements: the various financings obtained by the Rexel Group companies (see note 19.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2014, set out in chapter 5 "Consolidated Financial Statements" of this *Document de Référence*).

8.6 DOCUMENTS AVAILABLE TO THE PUBLIC

8.6.1 Legal documents

During the period of validity of this *Document de Référence*, the following documents, or a copy thereof, may be consulted:

- Rexel's by-laws;
- all reports, correspondence and other documents, historical financial information, assessments and statements made by an expert at the request of Rexel, any part of which is included or referred to in this *Document de Référence*; and
- the historical financial information of Rexel and its subsidiaries for each of the three financial years prior to publication of this *Document de Référence*.

All of the above legal and financial documents in relation to Rexel and that must be made available to the shareholders in accordance with the applicable regulations may be consulted at the registered office of Rexel.

8.6.2 2014 annual financial report

A correlation table between the annual financial report and this *Document de Référence* is set out in chapter 10 "Correlation Tables" of this *Document de Référence*.

8.7 PERSON RESPONSIBLE FOR THE *DOCUMENT DE RÉFÉRENCE*

8.7.1 Person responsible for the *Document de Référence*

Rudy Provoost, Chairman and Chief Executive Officer of Rexel.

8.7.2 Responsibility statement

I hereby certify, having taken all reasonable steps to confirm it, that the information contained in this *Document de Référence* reflects, to my knowledge, the reality and that no omissions have been made that are likely to have a bearing thereon.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards, and give a true view of the assets, financial condition and results of operations of the company and of all of the companies included in the scope of consolidation and that the management report, comprising the chapters referred to in paragraph 9.1.1 of this *Document de Référence* provides an accurate description of the business trends, results of operations and financial condition of the company and all of the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties that are faced by the latter.

I have obtained from the statutory auditors a letter in which they indicate that they have verified the information concerning the financial condition and financial statements presented in this document and read the entire document.

The consolidated financial statements for the year ended December 31, 2012 set forth in the *Document de Référence* for the year ended December 31, 2012 filed with the AMF on March 13, 2013 under number D.13-0130, have been the subject of a report of the auditors, set forth in section 5.2 of the said *Document de Référence*, which contains the following note:

"Without qualifying our opinion, we draw your attention to note 2.2.1 to the consolidated financial statements which sets out the change in accounting policy related to the early adoption of the amendment to IAS 19 "Employee benefits"."

Rudy Provoost
Chairman and Chief Executive Officer of Rexel
Paris, March 24, 2015

8.7.3 Person responsible for Investors Relations

Marc Maillet
Vice President, Investors Relations
Address: 13, boulevard du Fort de Vaux, 75017 Paris
Telephone: +33 (0)1 42 85 85 00
Fax: +33 (0)1 42 85 92 05

8.7.4 Indicative financial information timetable

Financial information reported to the public by Rexel will be available on the Rexel website (www.rexel.com).

For indicative purposes only, Rexel's financial information timetable up to December 31, 2015, should be as follows:

Q1, 2015 results	April 30, 2015
Shareholders' meeting	May 27, 2015
H1, 2015 results	July 29, 2015
Q3, 2015 results	October 29, 2015

8.8 STATUTORY AUDITORS

8.8.1 Principal Statutory Auditors

- Ernst & Young Audit
  Represented by Philippe Diu
  Tour Ernst & Young
  Faubourg de l'Arche
  92037 Paris La Défense Cedex

Ernst & Young Audit was appointed principal statutory auditor on the date of incorporation of Rexel on December 16, 2004. Its duties were renewed by Rexel's shareholders' meeting of May 20, 2010 for a term of six years expiring at the end of the shareholder's meeting which is to approve the financial statements for the financial year ending December 31, 2015.

Ernst & Young is a member of the regional body of statutory auditors of Versailles *("Compagnie Régionale des Commissaires aux Comptes de Versailles")*.

- PricewaterhouseCoopers Audit
  Represented by Christian Perrier
  63, rue de Villiers
  92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed principal statutory auditor at the shareholders' meeting of Rexel held on May 16, 2012, for a term of six financial years, in replacement of KPMG Audit. Its appointment shall therefore expire at the end of the shareholders' meeting convened to resolve on the financial statements for the year ending December 31, 2017.

PricewaterhouseCoopers Audit is a member of the regional body of statutory auditors in Versailles *("Compagnie Régionale des Commissaires aux Comptes de Versailles")*.

8.8.2 Deputy Statutory Auditors

- Auditex
  11, allée de l'Arche
  92400 Courbevoie

Auditex was appointed deputy statutory auditor by the shareholders' meeting of Rexel of May 20, 2010 for a term of six years which is to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2015.

- Anik Chaumartin
  63, rue de Villiers
  92208 Neuilly-sur-Seine Cedex

Anik Chaumartin was appointed deputy statutory auditor at the shareholders' meeting of Rexel held on May 16, 2012, for a term of six financial years. Her appointment shall therefore expire at the end of the shareholders' meeting convened to vote upon the financial statements for the year ending on December 31, 2017.

8.8.3 Fees paid to Statutory Auditors

The table below sets forth the fees paid to PricewaterhouseCoopers Audit and Ernst & Young Audit for services performed during 2014 and 2013:

	PRICEWATERHOUSECOOPERS AUDIT				ERNST & YOUNG AUDIT			
	AMOUNT		%		AMOUNT		%	
(in millions of euros)	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
AUDIT SERVICES								
Auditor fees and fees for other Audit work (1)								
Issuer	0.5	0.5	18.0%	17.2%	0.5	0.5	15.1%	13.8%
Consolidated entities	2.2	1.9	72.5%	65.5%	2.8	2.8	78.7%	73.0%
Sub-total (1)	**2.7**	**2.4**	**90.5%**	**82.8%**	**3.3**	**3.3**	**93.8%**	**86.8%**
Other work and services directly related to Audit work (2)								
Issuer	0.1	–	1.0%	3.4%	0.1	0.3	1.7%	6.6%
Consolidated entities	0.1	0.2	3.4%	69%	0.1	0.2	3.3%	5.1%
Sub-total (2)	**0.2**	**0.2**	**4.5%**	**10.3%**	**0.2**	**0.5**	**5.0%**	**11.7%**
Sub-total	**2.9**	**2.6**	**95.0%**	**93.1%**	**3.5**	**3.8**	**98.8%**	**98.5%**
OTHER SERVICES (3)								
Legal, tax, social	0.1	0.2	5.0%	6.9%	0.1	0.1	1.2%	1.5%
Other	–	–	–	1.1%	–	–	–	–
Sub-total (3)	**0.1**	**0.2**	**5.0%**	**6.9%**	**0.1**	**0.1**	**1.2%**	**1.5%**
TOTAL	**3.0**	**2.8**	**100.0%**	**100.0%**	**3.6**	**3.9**	**100.0%**	**100.0%**

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2015

9.1 REPORTS OF THE BOARD OF DIRECTORS

9.1.1 Management Report of the Board of Directors

The management report of the Board of Directors for the financial year ended December 31, 2014, is set out in chapter 1 "Overview of the Rexel Group", 2 "Risk Factors and Internal Control", 3 "Corporate Responsibility", 4 "Results of Operations and Financial Position of the Rexel Group", 7 "Corporate Governance" and 8 "Additional Information" of this *Document de Référence*.

9.1.2 Report of the Board of Directors on the share subscription or purchase options

The report of the Board of Directors on transactions carried out pursuant to the provisions of articles L.225-177 *et seq.* of the French Commercial Code, by Rexel and companies and groups related to Rexel, drawn up in accordance with article L.225-184 of the French Commercial Code, is comprised in paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares" of this *Document de Référence*.

9.1.3 Report of the Board of Directors on the free share allocations

The report of the Board of Directors on the transactions carried out by Rexel pursuant to the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code, drawn up in accordance with article L.225-197-4 of the French Commercial Code, is comprised in paragraph 8.1.2.6 "Allotment of free shares" of this *Document de Référence*.

9.2 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE OPERATION OF THE BOARD OF DIRECTORS AND ON INTERNAL CONTROL

9.2.1 Report of the Chairman of the Board of Directors on the operation of the Board of Directors and on internal control for the financial year 2014

The report of the Chairman of the Board of Directors on the operation of the Board of Directors and on internal control for the financial year 2014 was drawn up pursuant to Article L.225-37 of the French Commercial Code, in order to report on the conditions in which the work of the Board of Directors is prepared and organized, and on internal control procedures implemented by Rexel within the group of which it is the holding company.

This report has been drawn up by the Chairman of the Board of Directors in collaboration with the Group's Accounting Department, the Internal Control Department, the Internal Audit Department and the Legal Department based on the work carried out by the Rexel Group in 2014 in terms of internal control and risk management.

This report was reviewed by the Audit and Risks Committee in its meeting of February 11, 2015, in presence of the representatives of the statutory auditors of Rexel, then approved by the Board of Directors in its meeting of February 11, 2015, in presence of the representatives of the statutory auditors of Rexel.

This report is presented to you as part of the ordinary and extraordinary shareholders' meeting of Rexel to be held on May 27, 2015.

This report is comprised of this paragraph, as well as paragraph 2.3 "Internal control and risk management procedures", chapter 7 "Corporate governance", paragraph 8.1.2.5 "Subscription or purchase options for Rexel shares", paragraph 8.1.2.6 "Allotment of free shares", paragraph 8.3 "By-laws" and paragraph 8.4 "Other elements that may have an impact in case of tender offer" of this *Document de Référence*.

Signed in Paris
on February 11, 2015
Rudy Provoost
Chairman of the Board of Directors

9.2.2 Report of the Statutory Auditors

This is a free translation into English of the Statutory Auditors' report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable

Rexel

Year ended December 31, 2014

Statutory auditors' report prepared in accordance with article l.225-235 of the French Commercial Code *(Code de commerce)* on the report prepared by the Chairman of the Supervisory Board of Rexel

To the Shareholders,

In our capacity as Statutory Auditors of Rexel, and in accordance with article L.225 235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-68 of the French Commercial Code *(Code de commerce)* for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by article L.225-68 of the French Commercial Code *(Code de commerce)* in particular relating to corporate governance measures.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L.225-68 of the French Commercial Code *(Code de commerce)*, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Supervisory Board's report, prepared in accordance with article L.225-68 of the French Commercial Code *(Code de commerce)*.

Other information

We attest that the Chairman of the Supervisory Board's report sets out the other information required by article L.225-68 of the French Commercial Code *(Code de commerce)*.

Neuilly-sur-Seine and Paris-La Défense, March 20, 2015

The statutory auditors
French original signed by

PricewaterhouseCoopers Audit
Christian Perrier

ERNST & YOUNG Audit
Philippe Diu

9.3 RESOLUTIONS SUBMITTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 27, 2015

9.3.1 Report of the Board of Directors

Report of the Board of Directors to the Ordinary and Extraordinary Shareholders' Meeting of May 27, 2015

To the Shareholders,

The ordinary and extraordinary meeting of the shareholders of Rexel, a French *société anonyme*, having its registered office at 13, boulevard du Fort de Vaux 75017 Paris (**"Rexel"** or the **"Company"**) has been convened by the Board of Directors on May 27, 2015 at 10 a.m. at the Salons Eurosites George V, 28 avenue George V, 75008 Paris, in order to resolve upon the draft resolutions presented hereinafter (the **"Shareholders' Meeting"**).

In this report, we present you with the motives behind each of the resolutions being put to a vote at the Shareholders' Meeting.

1. Course of business

On May 22, 2014, Rexel's shareholders decided to change Rexel's governance model from a dual structure with a management board and a supervisory board to a single structure with a board of directors.

This change reflects the evolution of the shareholding structure of Rexel, which was formerly controlled by a consortium of investment funds and is now a non-controlled company.

With a single-body governance structure, Rexel's governance model is now aligned with the CAC 40 best practices and industry sector benchmark. It was aimed at:

- simplifying the decision-making process;
- speeding up the implementation of the Rexel Group's strategy;
- strengthening the board of directors' responsibility, and
- creating greater proximity between the members of the Board of Directors and the members of the Executive Committee.

The course of business and the financial condition of the Company during the financial year ended December 31, 2014 are described in the *Document de Référence* of the Company.

2. Resolutions submitted to the Ordinary Shareholders' Meeting

2.1. Approval of the annual and consolidated financial statements (first and second resolutions)

The first and second resolutions submit to the shareholders' approval the annual and consolidated financial statements of the Company for the financial year ended December 31, 2014, as drawn up by the Board of Directors.

The annual financial statements show a profit of €221,076,955.88.

The consolidated financial statements show a profit of €200.0 million.

In accordance with the provisions of article 223 quarter of the French General Tax Code, the first resolution also submits to the shareholders' approval the amount of costs and expenses referred to in article 39-4 of the French General Tax Code, which are not deductible from the results. For the financial year ended December 31, 2014, these costs and expenses amounted to €24,468.52. These costs and expenses represent an amount of income tax of €9,298.04 (at an income tax rate of 38%). These costs and expenses correspond to correspond to the non-deductible portion of the rents for the passenger cars attributed to the Company.

Rexel has not incurred any expenses referred to in article 223 quinquies of the French General Tax Code.

We suggest that you approve these resolutions.

2.2. Allocation of income – option for the payment of the dividend in new shares (third and fourth resolutions)

Subject to the annual and consolidated financial statements as presented by the Board of Directors being approved by the shareholders, the third resolution submits to the approval of the shareholders the following allocation of income for the financial year ended December 31, 2014:

Origin of the amounts to be allocated:

• Profits from the financial year 2014	€221,076,955.88
• Previous carry forward at December 31, 2014	€75,145,964.64
Total	**€296,222,920.52**

Allocation of profit:

• 5% to the statutory reserve	€11,053,847.79
• Dividend	€217,700,861.25
Through a deduction from:	
– profits from the financial year 2014	€210,023,108.09
– Previous carry forward at December 31, 2014	€7,677,753.16
• The balance, to the carry forward account	€67,468,211.48
Total	**€296,222,920.52**

The "carry forward" account would therefore amount to €67,468,211.48.

Each of the shares making up the share capital and conferring rights to dividends would be paid a dividend of €0.75.

Dividend detachment from the share on the regulated market of Euronext in Paris would take place on June 3, 2015. The dividend payment would take place on July 1, 2015.

This is in line with Rexel's policy of paying out at least 40% of recurring net income, reflecting the Rexel Group's confidence in its structural ability to generate strong cash-flow throughout the cycle.

The dividends and income per share in respect of the last three financial years have been as follows:

	2013	2012	2011
Dividend per share (euros)	0.75 euro (1)	0.75 euro (1)	0.65 euro (1)
Number of shares eligible	282,485,976	270,850,933	266,856,328
Total Dividend (euros)	211,864,482 euros (1)	203,138,199.75 euros (1)	173,456,613.20 euros (1)

(1) Amount(s) eligible for the 40% tax rebate benefitting to individuals residing in France for tax purposes, in accordance with article 158-3-2°of the French General Tax Code.

Furthermore, in accordance with articles L.232-18 *et seq.* of the French Commercial Code and article 37 of the by-laws of the Company, the fourth resolution submits to the approval of shareholders the possibility for each shareholder to opt either for payment in cash or in new shares of the Company for the payment of the dividend.

In the event of exercise of the option and in accordance with the provisions of article L.232-19 of the French Commercial Code, the new shares will be issued at a price equal to 90% of the average opening share price on the regulated market of Euronext in Paris within the twenty trading days prior to the date of the decision of the Shareholders' Meeting less the net amount of the dividend and rounded to the cent immediately above. This price will be acknowledged by the Board of Directors prior to the Shareholders' Meeting.

The request shall be sent between June 3, 2015 (inclusive) and June 23, 2015 (inclusive) to the relevant financial intermediaries. Further to June 23, 2015, the dividend may only be paid in cash. Delivery of the shares shall take place concomitantly to the dividend payment in cash, *i.e.*, on July 1, 2015.

If the amount of dividend does not match a whole number of shares, the shareholder may obtain the whole number of shares immediately below, together with a cash adjustment *(soulte)* paid by the Company.

The new shares will be fully fungible with existing shares, will be submitted to all legal and statutory provisions, and will bear dividend rights as from January 1, 2015.

We suggest that you approve these resolutions.

2.3. Related-party agreements (fifth resolution)

The fifth resolution regards the shareholders' approval of agreements referred to in articles L.225-38 *et seq.* of the French Commercial Code, meaning the "related-party" agreements that were authorized by the Supervisory Board or the Board of Directors prior to their conclusion in the course of the financial year ended December 31, 2014.

In accordance with the provisions of article L.225-40 of the French Commercial Code, these agreements were the subject of a report by the statutory auditors of the Company and must be submitted for approval at the ordinary shareholders' meeting of the Company.

During the financial year ended December 31, 2014, in addition to the commitments that are the subject of the sixth and seventh resolutions, only one "related-party" agreement has been entered into. These are the pension commitments taken by Rexel to the benefit of Catherine Guillouard, following her appointment as Deputy Chief Executive Officer. These commitments have been authorized by the Board of Directors, during its meeting of May 22, 2014.

The objective is to allow Catherine Guillouard to benefit from the supplementary pension plan (article 39). The granting of this benefit is justified by the necessity to offer Catherine Guillouard, as compensation for the management functions exercised within the Rexel Group and for the responsibilities related thereto, an attractive compensation aligned with market practices.

The additional pension under this plan is equal to product of the reference compensation, the years of seniority and a yearly acquisition factor ranging between 0% and 1% according to the level of reference compensation.

The reference compensation used to calculate the additional pension is equal to the average of the three highest calendar years of gross compensation received for the period in which the potential beneficiary can justify seniority and eligibility.

This compensation includes:

- salary and/or compensation as a corporate officer,
- exclusively contractual annual bonuses classified as "annual variable compensation" not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account for an amount of up to 80% of the fixed base salary.

The reference compensation does not include the amount or nature of special bonuses, particularly payments made upon retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by settlement. It also does not include benefits in kind.

The reference compensation is globally capped at 40 times of the yearly French Social Security ceiling.

The amount of the benefit is subject to a certain number of limits:

- the amount of the additional retirement pension under the new rules is limited to 20% of the reference compensation;
- the amount of the additional retirement pension under all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation; and
- the aggregate amount of mandatory pension schemes and all supplementary plans in force within Rexel may not exceed 50% of the reference compensation.

On the basis of the information available on the date hereof, Catherine Guillouard's annual pension under this additional retirement plan should not exceed 13% of the reference compensation upon retirement.

This agreement did not have any impact on the financial statements of Rexel for the year ended December 31, 2014.

The supplementary pension plan is described in paragraph 7.3.4 of the *Document de Référence* of the Company for the year ended December 31, 2014.

We suggest that you approve these agreements and the relating resolution.

In addition, the shareholders will be invited to acknowledge the continuation during the financial year ended December 31, 2014 of the agreements entered into during the preceding years. These agreements are described in the *Document de Référence* of the Company for the year ended Decembre 31, 2014 and in the special report of the auditors.

2.4. Approval of the commitments taken to the benefit of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer in case of termination or change of duties (sixth and seventh resolutions)

Under the provisions of article L.225-42-1 of the French Commercial Code, the Board of Directors, upon the proposal of the Nomination and Compensation Committee, must set the performance conditions associated with the deferred compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer. These deferred compensations and the related conditions must then be approved by the shareholders' meeting of the Company.

In the event of termination of his corporate office, Rudy Provoost shall benefit from a severance indemnity, subject to certain performance criteria decided upon by the Board of Directors on May 22, 2014 and which are submitted to the approval of the Shareholders' Meeting.

The employment agreement of Catherine Guillouard provides for, under certain conditions, a severance indemnity, subject to certain performance criteria decided upon by the Board of Directors on May 22, 2014 and which are submitted to the approval of the Shareholders' Meeting.

As a consequence, the sixth resolution regards the approval of the commitments taken to the benefit of Rudy Provoost and the performance criteria related thereto. The seventh resolution regards the approval of the commitments taken to the benefit of Catherine Guillouard and the performance criteria related thereto.

Severance indemnity of Rudy Provoost

Rudy Provoost does not have an employment contract with any of the Rexel Group companies.

In the event that his corporate functions are terminated, Rudy Provoost shall benefit from a gross contractual severance payment equal to 24 months of a monthly reference compensation. Monthly reference compensation is understood as the amount of the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid, excluding any exceptional bonus, with this sum being divided by 12.

This gross severance indemnity is deemed to include the compensating indemnity for honoring the non-compete clause, if any. It shall not apply in the event of termination for gross negligence *(faute grave)* or wilful misconduct *(faute lourde)* or retirement leave or compulsory retirement leave.

In addition, regardless of the cause of departure from Rexel, a non-competition clause is stipulated. The Board of Directors may waive this non-competition clause. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the corporate mandate. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Severance indemnity of Catherine Guillouard

Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013.

In the event of termination of her corporate office within Rexel, Catherine Guillouard's employment contract with Rexel Développement would be reinstated with a compensation package equivalent to that from which she benefitted in her capacity as a corporate officer.

The employment agreement of Catherine Guillouard provides, as from April 30, 2013, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence *(faute grave)* or wilful misconduct *(faute lourde)* or compulsory retirement leave, that Catherine Guillouard 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 exceptional bonus, divided by 12 months. The monthly reference compensation includes any potential compensation received as an executive in the course of this period.

This contractual indemnity is deemed to include the statutory severance indemnity *(indemnité de licenciement légale)* or severance indemnity pursuant to the collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the compensating indemnity for honoring the non-compete clause. It shall not apply in the event of a retirement leave or compulsory retirement leave. In these hypothesis, only the severance indemnity pursuant to the collective bargaining agreement will be due and, as the case may be, the compensating indemnity for honoring the non-compete clause.

The notice period for breach of contract at the option of the employer is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in her capacity as officer or as employee of the company, whichever the highest.

In addition, a non-competition clause is stipulated in Catherine Guillouard's suspended employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Performance conditions to which the severance indemnities are subject

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Rudy Provoost's severance indemnities (which are subject to the approval of the Shareholders' Meeting), other than the competition clause compensatory indemnity, as well as the contractual indemnities for termination of the employment contracts of Catherine Guillouard (subject to the approval of the Shareholders' Meeting), other than the competition clause compensatory indemnity, are subject to performance criteria.

On May 22, 2014, the Board of Directors retained the following performance criteria:

- the payment of 60% of the indemnity would be dependent on the level of EBITA of the Rexel Group. This payment would 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 functions or employment contract (the reference period), reaches in average a minimum of 60% of the amount budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee (which became the Nomination and Compensation Committee), and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation; and
- the payment of 40% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital) of the Rexel Group. This payment would be 100% if the level of average operating WCR, 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 functions or employment contract (the reference period), reaches in average a maximum of 125% of the performance budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee (which became the Nomination and Compensation Committee), and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation.

These indemnities will only be paid after a decision of the Board of Directors acknowledging the fulfillment of these conditions.

The granting of these indemnities is justified by the necessity to offer Rudy Provoost and Catherine Guillouard, as compensation for the management functions exercised within the Rexel Group and for the responsibilities related thereto, an attractive compensation aligned with market practices.

These commitments are globally in line with the recommendations of the Code of corporate governance for listed companies drawn up by the AFEP and the MEDEF.

Accordingly, we submit for your approval the commitments taken by the Board of Directors to the benefit of Rudy Provoost and Catherine Guillouard as well as the performance criteria related thereto, as described above.

We suggest that you approve the above-mentioned performance criteria.

2.5. Advisory vote on the elements of compensation due or granted for the financial year 2014 to Rudy Provoost, Chairman of the Management Board and then Chairman and Chief Executive Officer, to Catherine Guillouard, member of the Management Board and then Deputy Chief Executive Officer, and to Pascal Martin, member of the Management Board (eighth to tenth resolutions)

In accordance with the recommendations of paragraph 24.3 of the AFEP-MEDEF Code on corporate governance, revised in June 2013, to which the Company refers in application of article L.225-37 of the French Commercial Code, the eighth to tenth resolutions submit to your opinion the elements of compensation due or granted for the financial year 2014 to Rudy Provoost, as Chairman of the Management Board and then as Chairman and Chief Executive Officer, to Catherine Guillouard, as member of the Management Board and then Deputy Chief Executive Officer, and to Pascal Martin, as former member of the Management Board.

The relevant elements of compensation relate to: (i) the fixed portion, (ii) the annual variable portion and, as the case may be, the multiannual variable portion with the objectives contributing to the setting of this variable portion, (iii) exceptional compensations, (iv) shares options, performance-based shares and any other long-term element of compensation, (v) indemnities related to the appointment or to the termination of office, (vi) supplementary pension plan and (vii) benefits of any nature.

The above-mentioned elements of compensation are set out in paragraph 7.3.5 of the *Document de Référence* of the Company for the financial year ended December 31, 2014.

We suggest you to give a favourable opinion on the elements of compensation due or granted for the 2014 financial year to Rudy Provoost, as Chairman of the Management Board and then Chief Executive Officer, to Catherine Guillouard, as member of the Management Board and then Deputy Chief Executive Officer, and to Pascal Martin, as former member of the Management Board.

2.6. Approval of the co-option of Maria Richter as director (eleventh resolution)

Within the context of the change of Rexel's shareholdings, Roberto Quarta has resigned from his functions as member of the Board of Directors. Consequently, on May 22, 2014, the Board of Directors decided to co-opt Maria Richter in replacement of Roberto Quarta for the remainder of the term of her predecessor, *i.e.*, until the shareholders' meeting which will be called to approve the financial statements for the financial year ending December 31, 2015, to be held in 2016.

The eleventh resolution submits to the approval of the shareholders the approval of the co-option of Maria Richter as director.

Maria Richter meets the criteria to qualify as independent director within the meaning of the Code of corporate governance for listed companies drawn up by the AFEP and the MEDEF.

Monika Ribar was born on October 19, 1954, is a dual citizen of the Republic of Panama and the United States and resides at 1185 Park Avenue, New York NY 10128, United States.

Maria Richter is a former Investment Banker and currently sits as a Non-Executive Director on public and private company Boards. From 2003 to July 2014, she was a Non-Executive Director of National Grid plc and Chairman of its Finance Committee and a member of its Audit Committee and Nominations Committee. She is currently on the Board of Directors of Bessemer Trust (since 2008), a US wealth management company and is a member of its Remuneration Committee. As of January 1, 2015 she is also a Non-Executive Director of Johannesburg based Anglo Gold Ashanti and a member of the company's Audit and Risk Committee and Human Resources & Compensation Committee. Maria Richter is also on the Board of Pro Mujer International, a women's microfinance network and Chairman of the Board of Trustees of Pro Mujer UK. Maria Richter began her career as an attorney for the then law firm Dewey Ballantine (1980-1985) before joining The Prudential (1985-1992) where she held a number of executive positions latterly as a Vice President of Prudential Power Funding Associates. She joined Salomon Brothers (1992-1993) as Vice President and then joined Morgan Stanley (1993-2002) as Executive Director and Head of Independent Power and Structured Finance and later became Managing Director and Head of South America Investment Banking and Managing Director of Corporate Finance Retail. Maria. Richter has a Bachelor of Arts degree from Cornell University and a JurisDoctor degree from Georgetown University Law Center.

The detail of her functions and mandates is included in chapter 7 of the *Document de Référence* of Rexel for the financial year 2014.

As at December 31, 2014, Maria Richter held no share of Rexel.

We suggest that you approve this resolution.

2.7. Approval of the co-option of Isabel Marey-Semper as director and renewal of her term of office as director (twelfth and thirteenth resolutions)

Within the context of the change of Rexel's shareholdings, Vivianne Akriche has resigned from her functions as member of the Board of Directors. Consequently, on May 22, 2014, the Board of Directors decided to co-opt Isabel Marey-Semper in replacement of Vivianne Akriche for the remainder of the term of her predecessor, *i.e.*, until the shareholders' meeting which will be called to approve the financial statements for the financial year ending December 31, 2014, to be held in 2015.

The twelfth resolution submits to the approval of the shareholders the approval of the co-option of Isabel Marey-Semper as director. Insofar as her co-option may be made only for the remainder of the term of her predecessor, her term of office will terminate after the Shareholders' Meeting. As a consequence, the thirteenth resolution submits to the approval of the shareholders the renewal of her term of office for a duration of for years.

Isabel Marey-Semper meets the criteria to qualify as independent director within the meaning of the Code of corporate governance for listed companies drawn up by the AFEP and the MEDEF.

Isabel Marey-Semper was born on September 12, 1967, is a French citizen and resides at 61, rue Claude Bernard, 75005 Paris, France.

Isabel Marey-Semper is Project Manager in the General Management of L'Oréal. She was previously Director of Advanced Research of L'Oréal Group (2011-2014), Director of Shared Services of L'Oreal Recherche & Innovation (2010-2011). She was previously Chief Financial Officer, Executive Vice President in charge of strategy and financial services of PSA Peugeot Citroen (2007-2009), Chief Operating Officer of the Intellectual Property and Licensing Business Unit of Thomson (2006-2007), Vice President Corporate Planning at Saint-Gobain (2004-2005) and Director of Corporate Planning, High Performance Materials of Saint-Gobain (2002-2004) and a Principal of A.T. Kearney (Telesis, prior to acquisition by A.T. Kearney) (1997-2002). She was also a member of the Board of Directors of Faurecia S.A. (2007-2009) and a member of the board of directors and audit committee of Nokia Oyj (2009-2013). Isabel Marey-Semper holds an MBA from the Collège des Ingénieurs (Paris) and a Ph.D. in neuro-pharmacology from the University of Paris Pierre et Marie Curie-Collège de France. She is also a graduate of École Normale Supérieure.

The detail of her functions and mandates is included in chapter 7 of the *Document de Référence* of Rexel for the financial year 2014.

As at December 31, 2014, Isabel Marey-Semper held no share of Rexel.

We suggest that you approve this resolution.

2.8. Renewal of the term of office of Maria Richter as director (fourteenth resolution)

In accordance with article 14.2 of the by-laws of the Company and the unanimous decision of the members of the Board of Directors of February 11, 2015, the term of office as director of Maria Richter will expire after the Shareholders' Meeting.

This early termination aims at allowing the Board of Directors to be renewed in quarters each year and, thus, the terms of office of the members of the Board of Directors to be fully renewed every four years.

Therefore, the fourteenth resolution submits to the approval of the shareholders the renewal of the term of office of Maria Richter as director.

This renewal would be made for a term of four years, *i.e.*, until the shareholders' meeting which will be called to approve the financial statements of the financial year ending December 31, 2018, to be held in 2019.

Details regarding Maria Richter are presented in paragraph 2.6 above.

We suggest that you approve this resolution.

2.9. Renewal of the term of office of Fritz Fröhlich as director (fifteenth resolution)

In accordance with article 14.2 of the by-laws of the Company and the unanimous decision of the members of the Board of Directors of February 11, 2015, the term of office as director of Fritz Fröhlich will expire after the Shareholders' Meeting.

This early termination aims at allowing the Board of Directors to be renewed in quarters each year and, thus, the terms of office of the members of the Board of Directors to be fully renewed every four years.

Therefore, the fifteenth resolution submits to the approval of the shareholders the renewal of the term of office of Fritz Fröhlich as director.

This renewal would be made for a term of four years, *i.e.*, until the shareholders' meeting which will be called to approve the financial statements of the financial year ending December 31, 2018, to be held in 2019.

Fritz Fröhlich was born on March 19, 1942, is a German citizen and resides at Saschsenstr. 25, 4287 Wuppertal, Germany.

Fritz Fröhlich served as Deputy Chairman and chief financial officer of AKZO Nobel from 1998 to 2004 and member of the executive board in charge of fibers from 1991 to 1998. Prior to joining AKZO Nobel, Fritz Fröhlich was CEO of Krupp Widia from 1984 to 1991 and CEO of Sachs Dolmar from 1976 to 1984. He began his career by working in the fields of Marketing and Economic studies. Fritz Fröhlich is a member of the supervisory boards of Allianz Nederland Groep N.V., ASML N.V. and Prysmian SpA, as well as Chairman of the supervisory board of Randstad Holding N.V. He holds a doctorate in economics from Cologne University and a Master of Business Administration (MBA).

The detail of his functions and mandates is included in chapter 7 of the *Document de Référence* of Rexel for the financial year 2014.

As at December 31, 2014, Fritz Fröhlich held no share of Rexel.

We suggest that you approve this resolution.

2.10. Authorization to repurchase stock (sixteenth resolution)

The ordinary and extraordinary shareholders' meeting of May 22, 2014 authorized the Board of Directors to carry out transactions on the Company's shares for a period of 18 months as of the date of said meeting.

This authorization was implemented by the Board of Directors in the conditions described in the *Document de Référence* for the year ended December 31, 2014, in particular under a liquidity agreement entered into with an investment services provider and in order to repurchase 1.5 million shares of Rexel that have subsequently been cancelled. This authorization expires in 2015.

Accordingly, the sixteenth resolution proposes to the shareholders' meeting to authorize the Board of Directors to repurchase shares of the Company within the limits set by the shareholders of the Company and in accordance with the legal and regulatory provisions.

Particularly, the authorization may be implemented with a view to (i) ensuring liquidity in the market, (ii) setting up any share purchase option plan, any allotment of free shares, and any granting, allotment or transfer of shares to the benefit of the Group employees and carrying out any hedging operation relating to such transactions, (iii) ensuring the coverage of the undertakings of the Company under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of the Company granted to the employees or the corporate officers of the Company or of an associated enterprise, (iv) delivering shares in the context of external growth transactions, (v) delivering shares in connection with the exercise of rights attached to securities, (vi) cancelling all or part of the shares so repurchased.

The authorization that would be, as the case may be, granted to the Board of Directors provides for limitations regarding the maximum repurchase price (€30), the maximum amount for the implementation of the repurchase program (€250 million) and the amount of securities which may be repurchased (10% of the share capital of the Company on the date of the repurchases) or delivered in the context of external growth transactions (5% of the share capital of the Company).

The Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to pursue the implementation of its share repurchase program as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period.

This authorization would be granted for a term of 18 months and would supersede the prior authorization granted to the Board of Directors in respect of the unused portion thereof.

We suggest that you approve this resolution.

3. Resolutions to be submitted to the Extraordinary Shareholders' Meeting

3.1. Authorization to be granted to the Board of Directors to carry out a share capital decrease by cancelling shares (seventeenth resolution)

We suggest that you authorize the Board of Directors to reduce the share capital by cancellation of all or part of the Company's shares acquired pursuant to any share repurchase plans authorized by the shareholders' meeting of the Company providing for this objective.

The share capital decreases that the Board of Directors may carry out under this authorization would be limited to 10% of the Company's share capital as of the date of the cancellation per a period of 24 months.

This authorization would be granted for a term of 18 months.

We suggest that you approve this resolution.

3.2. Financial delegations and authorizations (eighteenth to twenty-seventh resolutions)

The shareholders' meeting regularly granted to the Management Board and the Board of Directors the authority or the powers necessary to proceed with the issuance of ordinary shares and/or securities, with upholding or cancellation of shareholders' preferential subscription right, in order to meet the financing needs of the Rexel Group.

As such, the extraordinary shareholders' meeting of May 16, 2012, May 22, 2013 and May 22, 2014 granted the Management Board and the Board of Directors with the delegations of authority and authorizations as described in the table provided at **Schedule 1** attached to this report, it being specified that said table specifies the cases and conditions in which certain of these delegations and authorizations have been used until the date of this report.

These delegations of authority and authorizations have been granted for terms that have expired. Thus, the Company may not have the necessary delegations and authorizations in the event where the Company should decide to proceed with issuances of ordinary shares and/or securities.

Accordingly, it is proposed to the shareholders of the Company to grant the Board of Directors new delegations of authority and authorizations in order to ensure the Company the flexibility to proceed with issuances of ordinary shares and/or securities according to the market and to the growth of the Rexel Group, and, as the case may be, to rapidly gather the financial means necessary to the implementation of the growth strategy of the Rexel Group, as described in the *Document de Référence* for the year ended December 31, 2014, in particular in section 1.4.

In the event of an issuance of ordinary shares and/or securities, the Company intends to give priority to transactions upholding the shareholders' preferential subscription right. Nevertheless, particular circumstances may justify the cancellation of the preferential subscription right of shareholders, in accordance with their interests. Accordingly, the Company may seize the opportunities offered by the financial markets, especially considering the markets' current situation. The Company may also involve employees of the Rexel Group in its development, notably by way of a share capital increase reserved to said employees or the allotment of free shares. The Company may also carry out the issuance of securities underlying the securities issued by the Company or the Rexel Group's subsidiaries. The cancellation of the preferential subscription right would also allow the realization of public exchange or acquisitions offers paid entirely in securities. Finally, the issuance of securities may remunerate contributions in kind of financial securities that would not be traded on a regulated market or its equivalent.

These delegations and authorizations shall cancel and supersede any prior delegations and authorizations granted to the Management Board and the Board of Directors, as regards the unused portion thereof.

These delegations and authorizations could not be used during the period of a public offer on the securities of the Company initiated by a third-party, except with the prior authorization of the shareholders' meeting. This restriction would not apply to the issuances reserved to employees, the allotment of free shares or the issuances resulting from the capitalization of premiums, reserves, profits or other items that may be capitalized.

The maximum amount of all the share capital increases (excluding share capital increases by means of capitalization of reserves or premium and allotment of free shares) would be of €720 million, *i.e.*, 144 million shares, representing less than 50% of the share capital and voting rights of the Company.

In addition, the maximum amount of all the share capital increases with cancellation of the shareholders' preferential subscription right (excluding share capital increases reserved to the employees and allotment of free shares) would be of €140 million, *i.e.*, 28 million shares, representing less than 10% of the share capital and voting rights of the Company.

Thus, the draft resolutions being put to the vote of the shareholders' are relative to:

3.2.1. Issuance of securities with upholding of the shareholders' preferential subscription right (eighteenth resolution)

The eighteenth resolution aims at granting to the Board of Directors a delegation of authority to carry out a share capital increase with the upholding of the shareholders' preferential subscription right.

The transactions would be reserved to the Company's shareholders which would receive a preferential subscription right that would be tradable on the market. These transactions would therefore have a limited dilutive impact for the existing shareholders which may decide to participate in the transaction or to sell their rights on the market.

The transactions would comprise the issuance of ordinary shares, or of securities that are equity securities giving right, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, or of securities giving access, immediately or in the future, to equity securities to be issued. The securities could be in the form of equity or debt securities. Access to the share capital of the Company would take place, *inter alia*, by the conversion or exchange of a security or by the presentation of a warrant *(bon)*. These issuances may be used to finance external growth transactions.

Share capital increases carried out under this delegation would not exceed a maximum nominal amount of €720 million (*i.e.*, 144 million shares with a nominal value of €5). The nominal amount of the share capital increases that may be carried out pursuant to this delegation as well as under the nineteenth to twenty-fifth resolutions, may not exceed this global amount of €720 million.

The issuance of debt securities would be limited to a maximum nominal amount of €1 billion. The amount of all the debt securities, the issuance of which may be carried out pursuant to this delegation as well as under the nineteenth to twenty-fifth resolutions may not exceed this global amount of €1 billion.

The subscription price of shares and/or securities which may be issued in application of this delegation would be set by the Board of Directors, in accordance with the legal and regulatory provisions.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third-party, except with the prior approval of the shareholders' meeting.

This delegation of authority would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.2.2. Issuance of securities with cancellation of the shareholders' preferential subscription right by way of a public offering (nineteenth resolution)

The nineteenth resolution aims at granting a delegation of authority to the Board of Directors in order to carry out a share capital increase with the cancellation of the shareholders' preferential subscription right, by way of public offering, including by way of an offer comprising a public offering.

The transactions would be open to the public and would have a dilutive impact for the existing shareholders that would be treated as other investors. The Board of Directors would however be able to grant a priority right (which would not be tradable) to the existing shareholders.

This delegation could also be used in order to compensate the securities brought to a public exchange offering on the securities of the Company or the securities of another company listed on a regulated market. In this context, the Board of Directors would have the power to determine the exchange ratios and, if required, the amount of the cash bonus *(soulte en espèces)* to be paid.

The transactions would comprise the issuance of ordinary shares, or of securities that are equity securities giving right, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, or of securities giving access, immediately or in the future, to equity securities to be issued. The securities could be in the form of equity or debt securities.

Access to the share capital of the Company would take place, *inter alia*, by the conversion or exchange of a security or by the presentation of a warrant *(bon)*.

Share capital increases carried out under this delegation would not exceed a maximum nominal amount of €140 million (*i.e.*, 28 million shares with a nominal value of €5). In addition, the maximum amount of all the authorized share capital increases with cancellation of the shareholders' preferential subscription right (excluding share capital increases reserved to employees and allotment of free shares) may not exceed this amount of €140 million.

The issuance of debt securities would be limited to a maximum nominal amount of €1 billion.

These limits would be deducted respectively from the limits set forth in the eighteenth resolution described in the preceding paragraph.

The issuance price of the new shares issued in application of this delegation of authority would be at least equal to the minimum stipulated by the applicable regulatory provisions as of the issue date (*i.e.* at the date hereof, the average weighted share price of the company's shares over the last three trading days on the regulated market of Euronext in Paris prior to the date of determination of such price, reduced, as the case may be, by a maximum discount of 5%).

In addition, the issuance price of the securities giving access to the share capital of the Company issued in application of this delegation of authority would be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issue of such securities, to the issue price determined in the paragraph above.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third-party, except with the prior approval of the shareholders' meeting.

This delegation of authority would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.2.3. Issuance of securities with cancellation of the shareholders' preferential subscription right by way of private placement (twentieth resolution)

The twentieth resolution aims at granting to the Board of Directors, by a distinct vote by the shareholders in accordance with the guidelines of the *Autorité des marchés financiers*, a delegation of authority to carry out a share capital increase with the cancellation of shareholders' preferential subscription right, by way of an offering as defined in article L.411-2 II of the French monetary and financial Code.

The transactions would thus be carried out by way of private placements with persons providing investment services consisting in portfolio management for third-parties, qualified investors or a limited group of investors, to the extent that such investors are acting on their own behalf, in accordance with the provisions of article L.411-2 II of the French monetary and financial Code. These transactions would have a dilutive impact for the existing shareholders that may not be able to participate in the issuance.

The transactions would comprise the issuance of ordinary shares, or of securities that are equity securities giving right, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, or of securities giving access, immediately or in the future, to equity securities to be issued. The securities could be in the form of equity or debt securities. Access to the share capital of the Company would take place, *inter alia*, by the conversion or exchange of a security or by the presentation of a warrant *(bon)*.

Share capital increases carried out under this delegation would not exceed a maximum nominal amount of €140 million (*i.e.*, 28 million shares with a nominal value of €5). This limit would be deducted from the limits set forth in the eighteenth and nineteenth resolutions, described above.

The issuance of debt securities would be limited to a maximum nominal amount of €1 billion. This limit would be deducted from the limit set forth in the eighteenth resolution described above.

In addition, the issuance of equity or debt securities carried out by way of private placement could not exceed the limits stipulated by the law applicable on the issue date. As of the date of this report, issuances of equity securities carried out by way of an offer as defined in article L.411-2 II of the French monetary and financial Code are limited to 20% of the share capital of the Company per year.

The issuance price of the new shares issued pursuant to this delegation of authority would be at least equal to the minimum stipulated by the regulatory provisions applicable as of the issue date (at the date hereof, the average weighted share price of the company's shares over the last three trading days on the regulated market of Euronext in Paris prior to the date of determination of such price, reduced, as the case may be, by a maximum discount of 5%).

In addition, the issuance price of the securities giving access to the share capital of the Company issued in application of this delegation of authority would be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issuance of such securities, to the above-mentioned issuance price.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third-party, except with the prior approval of the shareholders' meeting.

This delegation of authority would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.2.4. Increase of the amount of initial issuances (twenty-first resolution)

The twenty-first resolution aims to grant a delegation of authority to the Board of Directors to increase the amount of the initial issuances decided pursuant to the eighteenth, nineteenth and/or twentieth resolutions above, carried out with the upholding or cancellation of shareholders' preferential subscription right.

This delegation of authority is intended to allow the Company to accommodate potential oversubscriptions in the event of the issue of securities reserved to shareholders or realized by way of a public offering or an offering as defined in article L.411-2 II of the French monetary and financial Code.

The transactions carried out in the context of this delegation could not exceed 15% of the initial issuance, this limit would be deducted from the limit applicable to the initial issuance and the limit set by the eighteenth resolution.

The subscription price for shares or securities issued pursuant to this delegation would correspond to the initial issuance price, decided pursuant to the eighteenth, nineteenth and/or twentieth resolutions described above.

The Board of Directors could use this delegation of authority within the time limits stipulated by the law, or, as of the date of this report, for a period of 30 days from the end of the subscription period.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third-party, except with the prior approval of the shareholders' meeting.

This delegation of authority would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.2.5. Determination of the price of issuances with cancellation of the shareholders' preferential subscription right (twenty-second resolution)

The twenty-second resolution aims at granting an authorization to the Board of Directors to derogate to the conditions relating to the determination of the price set forth in the nineteenth and twentieth resolutions relating to the issuances realized by way of a public offering or of an offering as defined in article L.411-2 II of the French monetary and financial Code, with cancellation of shareholders' preferential subscription right.

Therefore, the shares' issuance price would be at least equal to the weighted average price of the Company's shares on the regulated market of Euronext in Paris on the last trading day preceding the date of issuance, less, as the case may be, a discount of up to 5%. For securities giving access to the share capital of the Company, the issuance price shall be determined so that the amount received immediately by the Company increased by, as the case may be, any amount which may be received subsequently by the Company, for each Company share issued as a result of the issuance of these securities, be at least equal to the amount referred to above.

The Board of Directors could use this means within the limit of 10% of the share capital per year.

The limit specific to this authorization would be deducted from the limit applicable to the initial issuance and from the limit set forth in the eighteenth resolution.

This authorization could not be used during the period of a public offer on the securities of the Company initiated by a third-party, except with the prior approval of the shareholders' meeting.

This delegation of authority would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.2.6. Issuance of securities in consideration for contributions in kind with cancellation of the shareholders' preferential subscription right (twenty-third resolution)

The twenty-third resolution aims at granting a delegation of powers to the Board of Directors to decide upon an increase of the share capital through the issuance of ordinary shares and securities giving access to the share capital, immediately or in the future, of the Company in consideration for contributions in kind granted to the Company and consisting of equity securities or securities conferring access to the share capital.

The issuances carried out in the context of this delegation of powers could not exceed 10% of the share capital, appraised as of the date of the decision of the Board of Directors. This limit would be deducted from the limit set forth in the eighteenth resolution and the limit set forth in the nineteenth resolution.

The Board of Directors would have the power necessary to decide, upon the report of the valuing auditor(s) *(commissaire(s) aux apports)*, on the valuation of the contributions in kind and the granting of special benefits as well as their valuation.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third-party, except with the prior approval of the shareholders' meeting.

This delegation of powers would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.2.7. Share capital increases reserved to employees (twenty-fourth resolution)

The twenty-fourth resolution aims at granting an authorization to the Board of Directors to increase the share capital of the Company, with cancellation of the preferential subscription right, reserved for employees of the Rexel Group who are members of a company savings plan *(plan d'épargne d'entreprise)* or group savings plan *(plan d'épargne groupe)* established by the Company and the French or foreign companies that are linked to the Company within the meaning of article L.225-180 of the French Commercial Code and of article L.3344-1 of the French Labor Code.

The issuances would comprise the issuance of ordinary shares, or of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, or of securities giving access, immediately or in the future, to equity securities to be issued.

This authorization would be limited to 2% of the share capital of the Company. The amount of issuances carried out pursuant to the twenty-fourth and the twenty-fifth resolutions may not exceed a limit of 2% of the share capital of the Company. This limit would be deducted from the limit set forth in the eighteenth resolution.

The subscription price(s) would be determined by the Board of Directors pursuant to articles L.3332-19 *et seq.* of the French Labor Code. As a result, concerning the securities that are already traded on a regulated market, the subscription price could not be greater than the average share price for the twenty trading days prior to the date of the decision setting the subscription period opening date. In addition, the subscription price could not be inferior to more than 20% of this average.

In addition, pursuant to the provisions of article L.3332-21 of the French Labor Code, the Board of Directors may decide on the allotment of shares to be issued or existing, or of other securities giving access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution *(abondement)* that may be paid pursuant to the regulations of the employee savings plans of the Company or of the Group and/or (ii) if applicable, the discount *(décote)*.

This authorization would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.2.8. Issuance reserved to certain categories of beneficiaries in order to implement employee shareholding transactions (twenty-fifth resolution)

The twenty-fifth resolution aims at granting an authorization to the Board of Directors to increase the share capital of the Company by the issuance of securities with cancellation of the preferential subscription right, reserved for certain categories of beneficiaries listed in the resolution (employees of non-French companies of the Rexel Group and certain intermediaries acting on their behalf) in order to allow the such employees to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which the other Rexel employees would benefit under the twenty-fourth resolution, and would benefit, as the case may be, from a more favorable tax and legal regime than the one proposed under the twenty-fourth resolution.

The issuances would comprise the issuance of ordinary shares, or of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, or of securities giving access, immediately or in the future, to equity securities to be issued.

This authorization would be limited to 1% of the share capital of the Company. The amount of the issuances carried out pursuant to the twenty-fourth and twenty-fifth resolutions may not exceed a limit of 2% of the share capital of the Company. This limit would be deducted from the limits set forth in the eighteenth resolution.

The subscription price(s) of the new shares shall be determined pursuant to the same conditions as set forth in Article L.3332-19 of the French Labor Code. The discount shall be set at a maximum of 20% of the average of Company's share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. The Board of Directors may reduce or eliminate the discount so granted as it deems appropriate in order to take into account, in particular, the local regulations applicable in the relevant countries.

The subscription price may also, in accordance with the local regulations applicable to the Share Incentive Plan that may be proposed under UK legislation, be equal to the lower share price between (i) the share price on the regulated market of Euronext in Paris at the opening of the reference period of this plan, such period not to exceed 12 months, and (ii) the share price recorded following the close of such period within a given timeframe determined in accordance with said regulations. This price shall be set without a discount in relation to the share price retained.

This authorization would be granted for a term of 18 months.

We suggest that you approve this resolution.

3.2.9. Allotment of free shares (twenty-sixth resolution)

In accordance with the provisions of articles L.225-129 *et seq.* and L.229-197-1 *et seq.* of the French Commercial Code, the twenty-sixth resolution relates to the authorization to be granted to the Board of Directors to allocate free existing and/or newly-issued shares of the Company, in one or several occurrences, to the salaried personnel members and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in article L.225-197-2 of the French Commercial Code.

The number of free shares that may be allocated could not exceed 1.5% of the Company's share capital, calculated at the moment when the Board of Directors makes its decision.

The Board of Directors would determine the terms of the allotment and, as the case may be, the eligibility criteria for the allotment of the shares. The Board of Directors (i) shall subordinate to presence and collective performance criteria the allotment of shares to the corporate officers and the members of the Comex of the Company, and (ii) shall have the power to do so for the allotment of shares to the other salaried personnel members of the Company and/or the companies or groups that are, directly or indirectly, linked to it.

The allotment of shares would become vested after a minimum acquisition period of 3 years and the beneficiaries will be required to retain such shares for an additional minimum period of 2 years as from the final allotment of the shares. In addition, and notwithstanding the above, when the allotment of said shares to their beneficiaries will be vested after a minimum vesting period of 4 years, the beneficiaries shall not be bound by any retention period.

As an exception to the foregoing, if the legislative or regulatory provisions applicable to free shares would come to be modified, and if, in particular, these modifications would reduce or cancel the minimum duration of the acquisition and/or retention period(s), the Board of Directors would be able to reduce the acquisition and/or retention period(s) or to cancel the acquisition and/or retention period(s) within the limits set forth by the new applicable provisions, it being specified that, in any event, the vesting period shall not be less than 3 years.

Furthermore, the final allotment of the shares may take place prior to the end of the acquisition period in case of disability of the beneficiaries ranked in the 2nd and 3rd categories referred to in article L.341-4 of the French Social Security Code (or equivalent provisions outside of France). The shares would then be immediately transferable.

This authorization would be granted for a term of 26 months.

The granting of this authorization would allow the Board of Directors to put in place free shares plans to the benefit of the managers and the employees of the Rexel Group, in France and abroad, and thus to pursue its policy which aims at associating its employees to its results and its development and to ensure the international competitiveness of their compensation.

In the context of its corporate project and its mi-term objectives which require an important involvement of the teams in order to successfully carry out the major evolutions that are necessary to the development of Rexel Group, Rexel contemplates in particular allocating to its corporate officers and the executive staff of the Rexel Group, involved in the current and future projects, free shares which would be fully submitted to performance criteria determined on the basis of its strategy and to a presence criteria.

The limit of 1.5% of the share capital of the Company for a 26 month-period has been determined on the basis of the number of employees of the Rexel Group, the current organization and the strategic challenge. This percentage has been reduced compared to previous years to be aligned with market practices.

Under the free share plan to be put in place, vesting of free shares would be subject to the fulfillment of performance criteria equivalent to those applicable to the free share plans "Key managers" authorized by the Board of Directors on May 22, 2014 (see paragraph 8.1.2.6 "Allotment of free shares" of the 2014 *Document de Référence*).

We suggest that you approve this resolution.

3.2.10. Incorporation of premiums, reserves, profits or other items (twenty-seventh resolution)

The twenty-seventh resolution aims at granting a delegation of authority to the Board of Directors to decide to increase the share capital by incorporation of premiums, reserves, profits or other items that may be capitalized.

Share capital increases carried out under this delegation would not exceed the maximum nominal amount of €200 million (*i.e.*, 40 million shares with a nominal value of €5).

The Board of Directors would have the power to determine the amount and nature of sums to be capitalized, determine the number of new shares to be issued and/or the amount by which the existing nominal value of the shares of the Company will be increased.

This delegation of authority would be granted for a term of 26 months.

We suggest that you approve this resolution.

3.3. Amendments to the by-laws (twenty-eighth to thirtieth resolutions)

The twenty-eighth to thirtieth resolutions aims at modifying the by-laws, in particular to take into account changes in legislative and regulatory provisions that occurred in 2014.

3.3.1. Amendment of article 15 of the by-laws relating to the shares of the members of the Board of Directors (twenty-eighth resolution)

In accordance with article L.225-25 of the French Commercial Code, article 15 of the by-laws of the Company provides that directors are not obliged to hold shares of the Company.

The Code of corporate governance of listed companies drawn-up by the AFEP and the MEDEF, to which the Company refers in application of article L.225-37 of the French Commercial Code, recommends that the by-laws or the internal rules set forth a minimum number of shares that each director shall held personally.

As a consequence, the twenty-eighth resolution aims at modifying article 15 of the by-laws of Rexel in order to provide that directors shall hold at least 1,000 shares of Rexel.

We suggest that you approve this resolution.

3.3.2. Amendment of article 30-2 of the by-laws relating to the voting right in shareholders' meeting (twenty-ninth resolution)

Article L.225-123 of the French Commercial Code, amended by law of March 29, 2014, provides that, in respect of companies which shares are listed on a regulated market, a double voting right will be granted to fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years shall not benefit from a double voting right. The same article provides that by-laws may provide to the contrary.

As a consequence, the twenty-ninth resolution aims at using the ability provided under article L.225-123 paragraph 3 of the French Commercial Code and at deciding that fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years shall not benefit from a double voting right. Article 30-2 of the by-laws of the Company would be amended accordingly.

This amendment aims at maintaining the principle "one share – one vote" and at ensuring that all the shareholders of the Company will be treated equally. The creation of double voting rights may indeed create an inconsistency between the political power and the economic power which may be detrimental to the shareholders.

We suggest that you approve this resolution.

3.3.3. Amendment of article 28 of the by-laws relating to the access to shareholders' meeting (thirtieth resolution)

The *décret* dated December 8, 2014 amended in particular articles R.225-71, R.225-73, R.225-85 and R.225-86 of the French Commercial Code relating to the date and the conditions for establishing the list of persons authorized to participate in the shareholders' meetings.

In particular, the date to establish the list of shareholders (the record date) was changed from 3 to 2 days prior to the shareholders' meeting.

It is therefore necessary to amend the by-laws of the Company to take into account this update.

The thirtieth resolution therefore aims at modifying article 28 of the by-laws of the Company relating to the shareholders' access to the shareholders' meetings.

We suggest that you approve this resolution.

3.4. Powers for legal formalities (thirty-first resolution)

The thirty-first resolution concerns the powers to be granted in order to carry out formalities subsequent to the Shareholders' Meeting, particularly publication and filing formalities.

We suggest that you approve this resolution.

Signed in Paris
on February 11, 2015
The Board of Directors

Schedule 1 Delegations and authorizations

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
SHARE CAPITAL INCREASE							
Issuance with upholding of preferential subscription rights	May 16, 2012 (resolution 26)	26 months (July 15, 2014)	Shares: €800,000,000 (*i.e.* 160,000,000 shares) Debt securities: €800,000,000 Joint maximum amount applicable to all resolutions relating to the issuance of shares and/or debt securities	Deduction of: • Allotment of free shares of July 26, 2012: 243,080 shares • Allotment of free shares of November 23, 2012 (Opportunity 12): 145,634 shares • Share capital increase of November 23, 2012 (Opportunity 12): 337,465 shares, *i.e.* €1,687,325 • Share capital increase of March 14, 2013 (Opportunity 12 – UK): 45,953 shares, *i.e.* €229,765 • Allotment of free shares of April 30, 2013: 2,574,729 shares, *i.e.* €12,873,645 • Allotment of free shares of July 25, 2013: 78,410 shares, *i.e.* €392,050 • Share capital increase of November 26, 2013 (Opportunity 13): 237,210 shares, *i.e.* €1,186,050 • Allotment of free shares of November 26, 2013 (Opportunity 13): 94,289 shares, *i.e.* €471,445 • Share capital increase of December 27, 2013 (Opportunity 13 – China): 19,541 shares, *i.e.* €97,705 • Allotment of free shares of December 27, 2013 (Opportunity 13 – China): 10,380 shares, *i.e.* €51,900 • Share capital increase of March 13, 2014 (Opportunity 13 – UK) : 35,151 shares, *i.e.* €175,755 Balance: €780,890,790	18	26 months	Shares: €720,000,000 (*i.e.* 144,000,000 shares) This maximum amount is applicable to resolutions 18 to 25 Debt securities: €1,000,000,000 This maximum amount is applicable to resolutions 18 to 25

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
Issuance by way of public offering with cancellation of the preferential subscription right	May 16, 2012 (resolution 27)	26 months (July 15, 2014)	Shares: €400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	19	26 months	Shares: €140,000,000 (*i.e.* 28,000,000 shares) This maximum amount is applicable to resolutions 19, 20 and 23 This maximum amount is deductible from the maximum amount provided under resolution 18 Debt securities: €1,000,000,000 This maximum amounts is deductible from the maximum amount provided under resolution 18
Issuance by way of offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of the preferential subscription right	May 16, 2012 (resolution 28)	26 months (July 15, 2014)	Shares: €400,000,000 (*i.e.* 80,000,000 shares) Debt securities: €500,000,000 These maximum amounts are deductible from the maximum amounts provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	20	26 months	Shares: €140,000,000 (*i.e.* 28,000,000 shares) This maximum amount is deductible from the maximum amounts provided under resolution 18 and resolution 19 Debt securities: €1,000,000,000 This maximum amount is deductible from the maximum amount provided under resolution 18
Authorization to increase the amount of the initial issuance, in the event of a share issue for which shareholders' preferential subscription rights are maintained or cancelled	May 16, 2012 (resolution 29)	26 months (July 15, 2014)	15% of initial issuance This maximum amount is deductible from the maximum amount applicable for the initial issuance and from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	21	26 months	15% of initial issuance This maximum amount is deductible from the maximum amount applicable to the initial issuance and from the maximum amount provided under resolution 18

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	**DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)**	**DURATION (EXPIRY DATE)**	**MAXIMUM AUTHORIZED AMOUNT**	**UTILIZATION**	**RESOLUTION N°**	**DURATION**	**MAXIMUM AMOUNT**
Determination of price of issuances carried out by way of public offering or offering referred to in section II of article L.411-2 of the French monetary and financial code, with cancellation of preferential subscription rights of shareholders, up to a maximum of 10 % of the share capital per year	May 22, 2014 (resolution 26)	26 months (July 21, 2016), it being noted that the maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	10% of the share capital on the date of the decision of the Board of Directors determining the offering price per 12-month period This maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	N/A	22	26 months	10% of the share capital on the date of the decision of the Board of Directors determining the offering price per 12-month period This maximum amount is deductible from the maximum amount applicable to the initial issuance and from the maximum amount provided under resolution 18
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 22, 2014 (resolution 29)	26 months (July 21, 2016), it being noted that the maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	10% of Rexel's share capital on the date of the decision of the Board of Directors approving the issuance This maximum amount is deductible from the maximum amount provided under resolution 22 of the shareholders' meeting of May 22, 2014 which has not been approved	N/A	23	26 months	10% of Rexel's share capital on the date of the decision of the Board of Directors approving the issuance This maximum amount is deductible from the maximum amount provided under resolution 18 and resolution 19
Issuance in consideration for shares contributed under a public exchange offering	May 16, 2012 (resolution 36)	26 months (July 15, 2014)	€250,000,000 (*i.e.* 50,000,000 shares) This maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012	N/A	N/A	N/A	NA (see issuance by way of public offering with cancellation of the preferential subscription right)
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 22, 2014 (resolution 31)	26 months (July 21, 2016)	€200,000,000 (*i.e.* 40,000,000 shares) This maximum amount is not deductible from any maximum amount	N/A	27	26 months	€200,000,000 (*i.e.* 40,000,000 shares) This maximum amount is not deductible from any maximum amount

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
STOCK-OPTIONS, FREE SHARE ALLOTMENT AND EMPLOYEE SAVINGS PLAN							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	May 22, 2014 (resolution 27)	26 months (July 21, 2015) it being noted that the maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	2% of the share capital on the date of the decision of the Board of Directors This maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014 Issuances carried out on the basis of resolution 28 of the shareholders' meeting of May 22, 2014 should be deducted from this maximum amount	N/A	24	26 months	2% of the share capital on the date of the decision of the Board of Directors This maximum amount is deductible from the maximum amount provided under resolution 18 This maximum amount is applicable to resolutions 24 and 25
Issuances reserved to certain categories of beneficiaries in order to implement employee shareholding transactions	May 22, 2014 (resolution 28)	18 months (November 21, 2015), it being noted the maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	1% of the share capital on the date of the decision of the Board of Directors This maximum amount shall be deducted from the 2% maximum amount of resolution 27 of the shareholders' meeting of May 22, 2014 and from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	N/A	25	18 months	1% of the share capital on the date of the decision of the Board of Directors This maximum amount shall be deducted from the 2% maximum amount of resolution 24 and from the maximum amount provided under resolution 18
Free Allotment of ordinary shares	May 22, 2013 (resolution 15)	26 months (July 21, 2015), the maximum amount is deductible from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	2.5% of the share capital on the date of the decision of the Board of Directors This maximum amount should be deducted from the maximum amount provided under resolution 26 of the shareholders' meeting of May 16, 2012 which ended on July 15, 2014	• Allotment of free shares of July 25, 2013: 78,410 shares, *i.e.* €392,050 • Allotment of free shares of November 26, 2013 (Opportunity 13): 94,289 shares, *i.e.* €471,445 • Allotment of free shares of December 27, 2013 (Opportunity 13 – China): 10,380 shares, *i.e.* €51,900	26	26 months	1.5% of the share capital on the date of the decision of the Board of Directors

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 27, 2015		
NATURE OF THE AUTHORIZATION	DATE OF THE SHAREHOLDERS' MEETING (RESOLUTION N°)	DURATION (EXPIRY DATE)	MAXIMUM AUTHORIZED AMOUNT	UTILIZATION	RESOLUTION N°	DURATION	MAXIMUM AMOUNT
DECREASE IN THE SHARE CAPITAL BY CANCELLING SHARES							
Decrease in the share capital by cancelling shares	May 22, 2014 (resolution 21)	18 months (November 21, 2015)	10% of the share capital on the date of cancellation by 24-month period	• October 28, 2014: cancellation of 1,500,000 shares (0.51% of the share capital)	17	18 months	10% of the share capital on the date of cancellation by 24-month period
BUY-BACK BY REXEL OF ITS OWN SHARES							
Shares repurchases	May 22, 2014 (resolution 18)	18 months (November 21, 2015)	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €30	• Between July and September 2014: 1,500,000 shares for a global amount of €21,575,710.03 • Utilization under the Natixis liquidity contract for market-making purposes: purchase of 6,420,817 shares at an average price of €16.5042 and sale of 6,160,809 shares at an average price of €16.4736	16	18 months	10% of the share capital on the completion date Aggregate maximum amount: €250,000,000 Maximum buy-back price: €30

9.3.2 Text of the draft resolutions submitted to the Ordinary and Extraordinary Shareholders' meeting of May 27, 2015

Text of the draft resolutions submitted to the Ordinary and Extraordinary Shareholders' Meeting of May 27, 2015

I. Resolutions submitted to the Ordinary Shareholders' Meeting

First resolution

(Approval of the annual financial statements for the financial year ended December 31, 2014)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the reports of the Board of Directors and of the statutory auditors on the annual financial statements for the financial year ended December 31, 2014,

Approved the annual financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2014, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The annual financial statements show a profit of €221,076,955.88.

In accordance with the provisions of article 223 quarter of the French General Tax Code, the Shareholders' Meeting approved the global amount of the costs and expenses referred to under article 39-4 of the French General Tax Code which stood at €24,468.52 for the closed financial year, corresponding to an assumed income tax amounting to €9,298.04.

Second resolution

(Approval of the consolidated financial statements for the financial year ended December 31, 2014)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings, Having reviewed the reports of the Board of Directors and of the statutory auditors on the consolidated financial statements for the financial year ended December 31, 2014,

Approved the consolidated financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2014, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The consolidated financial statements show a profit of €200.0 million.

Third resolution

(Allocation of profit for the financial year ended December 31, 2014 and payment of the dividend)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

Decided to allocate the profits for the year ended December 31, 2014, which amounted to €221,076,955.88 as follows:

Origin of the amounts to be allocated:

• Profits from the financial year 2014	€221,076,955.88
• Previous carry forward at December 31, 2014	€75,145,964.64
Total	**€296,222,920.52**

Allocation of profit :

• 5% to the statutory reserve	€11,053,847.79
• Dividend	€217,700,861.25
Through a deduction from:	
– profits from the financial year 2014	€210,023,108.09
– previous carry forward at December 31, 2014	€7,677,753.16
• The balance, to the carry forward account	€67,468,211.48
Total	**€296,222,920.52**

The Shareholders' Meeting decided to set the dividend in respect of the year ended 31 December 2014 at €0.75 per share giving right to such dividend.

The detachment of the coupon shall occur on June 3, 2015. The payment of the dividend shall occur on July 1, 2015.

The aggregate amount of dividend of €217,700,861.25 was determined on the basis of a number of shares composing the share capital of 292,005,576 as at December 31, 2014 and a number of 1,737,761 shares held by the Company at the same date.

The aggregate amount of the dividend and, consequently, the amount of the carry forward shall be adjusted in order to take into account in particular the number of shares held by the Company at the date of payment of the dividend which do not give right to dividends and, if applicable, the new shares granting right to dividends issued upon exercise of options to subscribe for shares or in case of definitive acquisition of freely allocated shares until the date of this Shareholders' Meeting. Before the payment of the dividend, the Board of Directors or, upon delegation, the Chief Executive Officer, will acknowledge the number of shares held by the Company as well as the number of supplementary shares which will have been issued as a result of the exercise of options to subscribe for shares or in case of definitive acquisition of freely allocated shares between January 1 and the date of this Shareholders' Meeting. The amounts necessary to the payment of the dividend attached to the shares issued during this period will be deducted from the carry forward account.

The dividend is eligible to the 40% tax allowance benefiting to the natural persons which are residents in France for tax purposes, in accordance with article 158-3-2° of the French General Tax Code.

During the last three financial years, the Company has made the following net dividend payments per share:

	2013	2012	2011
Dividend per share (euros)	0.75 euro (1)	0.75 euro (1)	0.65 euro (1)
Number of shares eligible	282,485,976	270,850,933	266,856,328
Total Dividend (euros)	211,864,482 euros (1)	203,138,199.75 euros (1)	173,456,613.20 euros (1)

(1) Amount(s) eligible to the 40% tax allowance benefiting to the natural persons which are residents in France for tax purposes, in accordance with article 158-3-2° of the French General Tax Code.

Fourth resolution

(Option for the payment of the dividend in new shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors, in accordance with articles L.232-18 *et seq.* of the French Commercial Code and article 37 of the Company's by-laws:

1. Decided to offer each shareholder the possibility to opt for the payment in new shares of the Company for

the payment of the dividend distributed in accordance with the third resolution. Each shareholder shall be able to exercise this option only for the total amount of the dividend for which it is offered;

2. Decided that the new shares, issued if the option referred to at paragraph 1 above is exercised, shall be issued at a price equal to 90% of the average of the opening prices listed on the 20 trading days preceding the date of this Shareholders' Meeting reduced by the net amount of the dividend and rounded to the cent immediately above;
3. Decided that the new shares, issued if the option referred to at paragraph 1 above is exercised, shall carry right as from January 1, 2015;
4. Decided that the shareholders shall be entitled to exercise the option referred to at paragraph 1 of this resolution between June 3, 2015 (included) and June 23, 2015 (included) by request formulated to the concerned financial intermediaries and, in case of non-exercise of the option before June 23, 2015 (included), the dividend shall be paid entirely in cash. The delivery of the shares shall occur concomitantly with the payment of the dividend in cash, *i.e.* on July 1, 2015;
5. Decided that if the amount of the dividends for which the option is exercised does not correspond to an integer number of shares, the shareholder shall be entitled to receive the immediately inferior number of shares, completed by an adjustment payment *(soulte)* in cash made by the Company and equal to the difference between the amount of the dividends for which the option is exercised and the subscription price of the immediately inferior number of shares; and
6. Decided that all powers are conferred to the Board of Directors, with the option to subdelegate such powers to any duly empowered person to the full extent permitted by law, in order to implement this resolution, to ensure the implementation of the payment of the dividend in new shares, to specify its modalities and execution, acknowledge the number of shares issued pursuant to this resolution and modify accordingly the provisions of article 6 of the Company's by-laws regarding the share capital and the number of shares composing the share capital.

Fifth resolution

(Authorization of related-party agreements referred to in articles L.225-38 et seq. *of the French Commercial Code)*

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report on related-party transactions governed by articles L.225-38 *et seq.* of the French Commercial Code,

Acknowledged the information relating to the agreements entered into and the commitments taken during previous financial years which are mentioned in the special report of the statutory auditors' on related-party transactions governed by articles L.225-38 *et seq.* of the French Commercial Code; and

Approved the following agreement entered into during the financial year ended December 31, 2014, which has been authorized by the Board of Directors of the Company:

- The retirement undertakings made by Rexel to the benefit of Mrs. Catherine Guillouard. These commitments have been authorized by the Board of Directors, during its meeting of May 22, 2014.

Sixth resolution

(Authorization of the commitments taken to the benefit of Mr. Rudy Provoost in case of termination of, or change in, his duties referred to in article L.225-42-1 of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report,

Approved the commitments taken by the Board of Directors on May 22, 2014 to the benefit of Mr. Rudy Provoost as Chairman and Chief Executive Officer *(Président-Directeur Général)*, due or likely to become due from as a result of the termination of, or a change in, his duties or subsequent to such termination or change, and acknowledged and approved, in accordance with the provisions of article L.225-42-1 of the French Commercial Code, the agreement relative to Mr. Rudy Provoost set forth in the report.

Seventh resolution

(Authorization of the commitments taken to the benefit of Mrs. Catherine Guillouard in case of termination, or change in, her duties referred to in article L.225-42-1 of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report,

Approved the commitments taken by the Board of Directors on May 22, 2014 to the benefit of Mrs. Catherine

Guillouard as Deputy Chief Executive Officer *(Directeur Général Délégué)*, due or likely to become due from as a result of the termination of, or a change in, her duties or subsequent to such termination or change, and acknowledged and approved, in accordance with the provisions of article L.225-42-1 of the French Commercial Code, the agreement relative to Mrs. Catherine Guillouard set forth in the report.

Eighth resolution

(Opinion on the elements of compensation due or granted for the financial year 2014 to Mr. Rudy Provoost, Chairman of the Management Board until May 22, 2014 and Chairman and Chief Executive Officer since this date)

The Shareholders' Meeting, consulted in accordance with the recommendations of paragraph 24.3 of the AFEP-MEDEF Code of corporate governance of June 2013, to which the Company refers in application of article L.225-37 of the French Commercial Code, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the *Document de Référence* of the Company for the financial year ended December 31, 2014,

Give a favourable opinion on the elements of compensation due or granted in respect of the financial year ended December 31, 2014 to Mr. Rudy Provoost, Chairman of the Management Board until May 22, 2014 and Chairman and Chief Executive Officer since then, as described in the *Document de Référence* of the Company for the financial year ended December 31, 2014, Section 7.3.5 "Consultation on the corporate officers' individual compensation".

Ninth resolution

(Opinion on the elements of compensation due or granted for the financial year 2013 to Mrs. Catherine Guillouard, member of the Management Board until May 22, 2014 and Deputy Chief Executive Officer since this date)

The Shareholders' Meeting, consulted in accordance with the recommendations of paragraph 24.3 of the AFEP-MEDEF Code of corporate governance of June 2013, to which the Company refers in application of article L.225-37 of the French Commercial Code, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the *Document de Référence* of the Company for the financial year ended December 31, 2014,

Give a favourable opinion on the elements of compensation due or granted in respect of the financial year ended December 31, 2014 to Mrs. Catherine Guillouard, member of the Management Board until May 22, 2014 and Deputy Chief Executive Officer since then, as described in the *Document de Référence* of the Company for the financial year ended December 31, 2014, Section 7.3.5 "Consultation on the corporate officers' individual compensation".

Tenth resolution

(Opinion on the elements of compensation due or granted for the financial year 2014 to Mr. Pascal Martin, member of the Management Board until May 22, 2014)

The Shareholders' Meeting, consulted in accordance with the recommendations of paragraph 24.3 of the AFEP-MEDEF Code of corporate governance of June 2013, to which the Company refers in application of article L.225-37 of the French Commercial Code, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the *Document de Référence* of the Company for the financial year ended December 31, 2014,

Give a favourable opinion on the elements of compensation due or granted in respect of the financial year ended December 31, 2014 to Mr. Pascal Martin, member of the Management Board until May 22, 2014, as described in the *Document de Référence* of the Company for the financial year ended December 31, 2014, Section 7.3.5 "Consultation on the corporate officers' individual compensation".

Eleventh resolution

(Approval of the co-option of Mrs. Maria Richter as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

In accordance with article L.225-24 of the French Commercial Code, decided to confirm the co-option of Mrs. Maria Richter as director in replacement of Mr. Roberto Quarta, for the remainder of the term of her predecessor, *i.e.*, until the shareholders' meeting which will be called to approve the financial statements for the financial year ending December 31, 2015, to be held in 2016. This co-option was approved by the Board of Directors on May 22, 2014.

Twelfth resolution

(Approval of the co-option of Mrs. Isabel Marey-Semper as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

In accordance with article L.225-24 of the French Commercial Code, decided to confirm the co-option of Mrs. Isabel Marey-Semper as director in replacement of Mrs. Vivianne Akriche, for the remainder of the term of her predecessor, *i.e.*, until the shareholders' meeting which will be called to approve the financial statements for the financial year ending December 31, 2014, to be held in 2015. This co-option was approved by the Board of Directors on May 22, 2014.

Thirteenth resolution

(Renewal of the term of office of Mrs. Isabel Marey-Semper as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

In accordance with article L.225-18 of the French Commercial Code:

1. Acknowledged the end of the duties of Mrs. Isabel Marey-Semper as director, effective as of the end of this Shareholders' Meeting;
2. Decided to renew the term of office as director of Mrs. Isabel Marey-Semper for a term of four years which is to expire upon the end of the shareholders' meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2018, to be held in 2019.

Fourteenth resolution

(Renewal of the term of office of Mrs. Maria Richter as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

In accordance with article L.225-18 of the French Commercial Code:

1. Acknowledged the end of the duties of Mrs. Maria Richter as director effective as of the end of the shareholders' meeting, in accordance with the stipulations of article 14.2 of the by-laws of the Company;
2. Decided to renew the term of office as director of Mrs. Maria Richter, for a term of four years, which is to expire upon the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2018, to be held in 2019.

Fifteenth resolution

(Renewal of the term of office of Mr. Fritz Fröhlich as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

In accordance with article L.225-18 of the French Commercial Code:

1. Acknowledged the end of the duties of Mr. Fritz Fröhlich as director effective as of the end of the shareholders' meeting, in accordance with the stipulations of article 14.2 of the by-laws of the Company;
2. Decided to renew the term of office as director of Mr. Fritz Fröhlich, for a term of four years, which is to expire upon the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2018, to be held in 2019.

Sixteenth resolution

(Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

Decided to authorize the Board of Directors, with the option to delegate such authorization, in accordance with the provisions of article L.225-209 of the French Commercial Code, of articles 241-1 to 241-6 of the General Regulations of the French financial markets authority (the **"AMF"**) and of the European regulation relating to market abuse, to purchase or cause to be purchased shares of the Company, in order of highest to lowest priority, with a view to:

- ensuring liquidity and activity in the market for the shares of the Company through an investment services provider, acting independently under a liquidity agreement in accordance with a market ethics charter acknowledged by the AMF;
- satisfying the obligations arising out of allocations of stock options, allocations of free shares or any other granting, allocation or sale of shares to the employees or the corporate officers of the Company or of an associated enterprise and carrying out any hedging

operation relating to such transactions, in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or any person acting upon the authority of the Board of Directors implements such actions;

- ensuring the coverage of the undertakings of the Company under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of the Company granted to the employees or the corporate officers of the Company or of an associated enterprise;
- retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions, in accordance with acknowledged market practices and applicable regulations;
- granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to shares of the Company;
- cancelling all or part of the shares so repurchased, in accordance with applicable laws and subject to an authorization being granted by the extraordinary shareholders' meeting;
- any other action that is or will become permitted by French law or the AMF or any purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares shall be carried out or paid by any means, on the market or over the counter, including through transactions involving blocks of securities or takeover bids, option mechanisms, derivatives, purchase of options or of securities in conformity with the applicable regulatory conditions. The portion of the plan carried out through transactions involving blocks of shares may reach the total amount of the share repurchase plan.

This authorization shall be implemented pursuant to the following conditions:

- the maximum number of shares that the Company may purchase under this resolution shall not exceed 10% of the shares making up the share capital as at the date of completion of the repurchase of the shares of the Company;
- the number of shares acquired by the Company in view of holding them for subsequent payment or exchange in a merger, spin-off or contribution may not exceed 5% of the Company's share capital;
- the total maximum amount allocated to the repurchase of the shares of the Company shall not exceed €250 million;
- the maximum purchase price per share of the Company has been set at €30, it being specified that in the event of transactions on the share capital, in particular by way of incorporation of reserves and allocation of free shares, division or grouping of shares, this maximum purchase price shall be adjusted accordingly by using a multiplying factor equal to the ratio between the number of shares making up the share capital prior to the relevant transaction, and the number of shares further to such transaction.

The shares repurchased and retained by the Company will be deprived of voting rights and will not give right to the payment of dividends.

The Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to pursue the implementation of its share repurchase program as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period.

Full powers were granted to the Board of Directors, with the option to delegate such powers to any person so authorized in accordance with the legislative and regulatory provisions, to achieve this share repurchase program of the Company's shares, and in particular to give any stock exchange orders, enter into any agreement for the keeping of the purchase and sale registers, make any disclosures to the AMF and any other authorities, prepare any documents, in particular information documentation, allocate and, as the case may be, reallocate, subject to the conditions provided by the law, the shares acquired for the various purposes envisaged, carry out any formalities and, more generally, do as necessary.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

This authorization shall cancel, to the extent of the unused portion, and supersede the authorization granted by the eighteenth resolution of the ordinary shareholders' meeting of the Company of May 22, 2014.

The Board of Directors will, every year, inform the shareholders' meeting of the operations carried out pursuant to this resolution, in compliance with article L.225-211 of the French Commercial Code.

II. Resolutions submitted to the Extraordinary Shareholders' Meeting

Seventeenth resolution

(Authorization to be granted to the Board of Directors to carry out a share capital decrease by cancellation of shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report, Authorized the Board of Directors to reduce the share capital, in one or several occurrences, in the proportions and at the times that it shall deem appropriate, by cancellation of all or part of the Company's shares acquired pursuant to any share repurchase programs authorized by the shareholders' meeting, within the limits of 10% of the share capital of the Company as at the date of the cancellation per period of 24 months, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

Full powers were granted to the Board of Directors, with the power to delegate such powers, in order to:

- reduce the share capital by cancellation of the shares;
- determine the final amount of the share capital decrease;
- determine the terms and conditions thereof and acknowledge its completion;
- deduct the difference between the book value of the cancelled shares and their nominal amount from any available reserve and premium accounts;
- and, in general, do as necessary for the proper performance of this authorization, amend the by-laws accordingly and carry out any required formalities.

This authorization shall cancel and supersede any prior authorization with the same purpose, in particular the authorization granted by the twenty-first resolution of the extraordinary shareholders' meeting of the Company of May 22, 2014.

Eighteenth resolution

(Delegation of authority to be granted to the Board of Directors in order to decide upon the issuance, with upholding of the shareholders' preferential subscription right, of ordinary shares or of securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report, having acknowledged that the share capital has been fully paid-up, and deciding in accordance with the provisions of article L.225-129 *et seq.* of the French Commercial Code, in particular articles L.225-129-2, L.225-132, L.225-133 and L.225-134, and the provisions of article L.228-91 *et seq.* thereof:

1. Delegated its authority to the Board of Directors, with the option to delegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, to decide the issuance, in one or several occurrences, to the extent and at the times that it deems appropriate, both in France and abroad, in euros, foreign currencies or units determined by reference to several currencies, of (i) ordinary shares, or (ii) securities that are equity securities giving access, immediately or in the future, to other equity securities of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, or giving right, immediately or in the future, to the allocation of debt securities, or (iii) securities giving access, immediately or in the future, to equity securities to be issued of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, which may be subscribed in cash, including by offsetting due and payable receivables, or partly in cash and partly by capitalization of reserves, profits or issuance premiums;
2. Decided that this delegation of authority expressly excludes any issuance of preferred shares and of securities conferring access by any means, immediately or in the future, to preferred shares;
3. Decided that the maximum nominal amount of the share capital increases to be carried out, immediately or in the future, pursuant to this resolution shall be €720 million, it being specified that:
   - the global maximum nominal amount of the share capital increases that may be carried out pursuant to this delegation, as well as under the nineteenth to twenty-fifth resolutions submitted to this Shareholders' Meeting, may not exceed this global amount of €720 million;
   - this global cap may be complemented, as the case may be, by the additional nominal amount of the ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
4. Decided that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €1 billion or the equivalent value in euros as at the date of issuance, it being specified that:
   - the amount of all the debt securities, the issuance of which may be carried out pursuant to this resolution as well as under the nineteenth to twenty-fifth resolutions submitted to this Shareholders' Meeting may not exceed this global amount of €1 billion;
   - this limit does not apply to debt securities the issuance of which may be decided or authorized by

the Board of Directors pursuant to article L.228-40 of the French Commercial Code nor to the other debt securities referred to under articles L.228-92 last paragraph, L.228-93 last paragraph and L.228-94 last paragraph of the French Commercial Code;
- this limit shall be increased, if necessary, by any redemption premium in excess of the par value;

5. Decided that, in accordance with the legal provisions and the conditions set by the Board of Directors, the shareholders shall have, in proportion to their number of shares, a preferential subscription right on an irreducible basis in respect of the ordinary shares, of the securities that are equity securities giving access to other equity securities of the Company or giving right to the allocation of debt securities as well as of the securities giving access to equity securities to be issued, issued pursuant to this delegation of authority. The Board of Directors may establish a preferential subscription right on a reducible basis to the benefit of the shareholders, which shall be exercised in proportion to their rights and, in any case, to the extent of their applications.

   If subscriptions on an irreducible basis and, where applicable, on a reducible basis, do not result in the full subscription of an issuance of shares, of securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, as well as of securities giving access to equity securities to be issued of the Company, decided pursuant to this delegation of authority, the Board of Directors may use, in the order that it deems appropriate, one or several of the options provided by article L.225-134 of the French Commercial Code, *i.e.*:
   - limit, where appropriate, the issuance to the amount subscribed, subject to the reaching by said issuance of at least three-fourths of the issuance initially decided;
   - freely allot all or part of the unsubscribed securities among any persons at its discretion; or
   - offer to the public all or part of the unsubscribed shares;
6. Acknowledged that this delegation of authority automatically implies waiver by the shareholders, to the benefit of the holders of securities conferring access to the share capital of the Company, of their preferential subscription right in respect of the ordinary shares of the Company that such securities may be entitled to;
7. Decided that the issuances of share subscription warrants *(bons de souscription d'actions)* of the Company may be carried out either by subscription in cash under the terms set forth above, or by allocation free of charge to the owners of the existing shares.

   In case of allocation free of charge of individual subscription warrants *(bons autonomes de souscription)*, the Board of Directors will have the option to decide that the fractional allocation rights are not tradable, and that the relevant securities will be sold;
8. Decided that the Board of Directors will have full powers, with the option to delegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, to perform this delegation of authority, *inter alia* for the purposes of:
   - deciding the issuance of the securities and determining the terms and conditions of any issuance, including the amount, the dates, the issuance price, the way they shall be paid-up, their dividend entitlement date (with a retroactive dividend entitlement date, where applicable), the terms under which the securities issued pursuant to this delegation will give right to equity securities of the Company;
   - determining the nature, the number and the characteristics of the securities to be issued (including, where applicable, rights to conversion, exchange, redemption, including through the delivery of assets of the Company, attached to the shares or securities giving access to the share capital to be issued) and, if the securities to be issued consist in or are associated with debt securities, their term (fixed or open-ended), whether they are subordinated or not (and, where applicable, their subordination ranking), their remuneration, the compulsory or optional events of suspension or non-payment of interest, the ability to reduce or increase the nominal amount of the securities and other terms of issuance (including the fact of granting guarantees or security thereon) and of redemption (including redemption by delivery of assets of the Company); modifying, during the term of the relevant securities, the characteristics described above, in accordance with applicable formalities;
   - determining the terms under which the Company will have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued immediately or in the future, with the purpose of canceling such securities or not, taking into account the applicable legal provisions;
   - provide for the ability to potentially suspend the exercise of the rights attached to these securities in accordance with legislative and regulatory provisions;
   - determining and implementing any adjustments aiming at taking into account the impact of

transactions on the share capital of the Company, and determining any other modalities allowing to maintain, as the case may be, the rights of the holders of securities or other rights giving access to the share capital;

- at its sole option, charging the expenses of the share capital increase against the amount of the relevant premiums and deducting from such amount the necessary amounts for the legal reserve; and
- taking all appropriate actions and entering into any agreements in view of the performance of this delegation of powers, in particular in view of the proper performance of the contemplated issuances, acknowledging their completion and amend the by-laws accordingly, and carrying out any appropriate formalities and declarations for the issuance, listing and financial servicing of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto, and applying for any necessary authorizations for the completion and proper performance of these issuances;

9. Decided that the Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to use this delegation of authority as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period;
10. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting.
11. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Nineteenth resolution

(Delegation of authority to be granted to the Board of Directors in order to decide upon the issuance, with cancellation of the shareholders' preferential subscription right, by way of a public offering, of ordinary shares or of securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report, having acknowledged that the share capital has been fully paid-up, and deciding in accordance with the provisions of article L.225-129 *et seq.* of the French Commercial Code, in particular articles L.225-129-2, L.225-135 and L.225-136, the provisions of article L.225-148 of the French Commercial Code, and the provisions of articles L.228-91 *et seq.* of the French Commercial Code:

1. Delegated its authority to the Board of Directors, with the option to delegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to decide the issuance, by way of public offering as defined at articles L.411-1 *et seq.* of the French monetary and financial Code, including by way of an offer including a public offering, in one or several stages, to the extent and at the times that it deems appropriate, both in France and abroad, in euros, foreign currencies or units determined by reference to several currencies, of (i) ordinary shares, or (ii) securities that are equity securities giving access, immediately or in the future, to other equity securities of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, or giving right, immediately or in the future, to the allocation of debt securities, or (iii) securities giving access, immediately or in the future, to equity securities to be issued of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, which may be subscribed in cash, including by offsetting due and payable receivables;
2. Decided that this delegation of authority expressly excludes any issuance of preferred shares and of securities conferring access by any means, immediately or in the future, to preferred shares;
3. Decided that the maximum nominal amount of the share capital increases to be carried out, immediately and/or in the future, pursuant to this resolution shall be €140 million, it being specified that:
   - the nominal amount of the share capital increases that may be carried out pursuant to this delegation shall be deducted from the global nominal limit of €720 million determined by the eighteenth resolution above;
   - the nominal amount of the share capital increases that may be carried out pursuant to this delegation and to the twentieth and twenty-third resolutions shall be deducted from this limit of €140 million;
   - this global cap may be complemented, as the case may be, by the additional nominal amount of the ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;

4. Decided that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €1 billion or the equivalent value in euros as at the date of issuance, it being specified that:
   - this limit shall be increased, if necessary, by any redemption premium in excess of the par value;
   - this limit does not apply to debt securities the issuance of which may be decided or authorized by the Board of Directors pursuant to article L.228-40 of the French Commercial Code nor to the other debt securities referred to under articles L.228-92 last paragraph, L.228-93 last paragraph and L.228-94 last paragraph of the French Commercial Code; and
   - this amount shall be deducted from the total limit of €1 billion for the issuance of debt securities determined by the eighteenth resolution above;
5. Decided to cancel the preferential subscription right of the shareholders in respect of the securities which may be issued pursuant to this delegation, and that the Board of Directors shall nevertheless be left with the option to establish, to the benefit of the shareholders, a right of priority on an irreducible basis and/or on a reducible basis which does not entitle to the creation of tradable rights, pursuant to the provisions of article L.225-135 of the French Commercial Code;
6. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
7. Decided that, without prejudice to the terms of the twenty-second resolution below:
   - the issuance price of the new shares issued shall be determined in accordance with the applicable legal provisions on the date of issuance (at the date of this meeting, the average weighted trading price of the Company's shares over the last three trading days on the regulated market of Euronext in Paris prior to the determination of such price, reduced, as the case may be, by a maximum discount of 5%);
   - the issuance price of the securities giving access to the share capital of the Company shall be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issuance of such securities, to the issuance price determined in the paragraph above;
8. Decided that, if subscriptions of shareholders and of the public do not result in the full subscription of an issuance of shares or securities giving access to the share capital as defined above, the Board of Directors may use, in the order that it deems appropriate, one or more of the following options:
   - limit, where appropriate, the issuance to the amount subscribed, subject to said issuance reaching at least three-fourths of the issuance initially decided;
   - freely allot all or part of the unsubscribed securities among any persons at its discretion; or
   - offer to the public all or part of the unsubscribed shares;
9. Decided that the Board of Directors may use this delegation in consideration of the shares brought to a public exchange offer initiated by the Company on its own shares or the shares of another company, within the limits and under the conditions set forth under article L.225-148 of the French Commercial Code;
10. Decided that the Board of Directors shall have full powers, with the option to delegate such powers to any duly empowered person in accordance with the law, to perform this delegation of authority, *inter alia* for the purposes of:
    - deciding the issuance of the securities and determining the terms and conditions of any issuance, including the amount, the dates, the issuance price, the way they shall be paid-up, their dividend entitlement date (with a retroactive dividend entitlement date, where applicable), the terms under which the securities issued pursuant to this delegation will give right to equity securities of the Company;
    - determining the nature, the number and the characteristics of the securities to be issued (including, where applicable, rights to conversion, exchange, redemption, including through the delivery of assets of the Company, attached to the shares or securities giving access to the share capital to be issued) and, if the securities to be issued consist in or are associated with debt securities, their term (fixed or open-ended), whether they are subordinated or not (and, where applicable, their subordination ranking), their remuneration, the compulsory or optional events of suspension or non-payment of interest, the ability to reduce or increase the nominal amount of the securities and other terms of issuance (including the fact of granting guarantees or security thereon) and of redemption (including redemption by delivery of assets of the Company); modifying, during the term of the relevant securities, the characteristics described above, in accordance with applicable formalities;
    - determining the terms under which the Company will have the option, where applicable, to purchase or exchange on the market, at any time or during

specific time periods, the securities issued or to be issued immediately or in the future, with the purpose of canceling such securities or not, taking into account the applicable legal provisions;

- provide for the ability to potentially suspend the exercise of the rights attached to these securities in accordance with legislative and regulatory provisions;
- determining and implementing any adjustments aiming at taking into account the impact of transactions on the share capital of the Company, and determining any other modalities allowing to maintain, as the case may be, the rights of the holders of securities or other rights giving access to the share capital;
- in case of issuance of securities in consideration of securities brought to a public exchange offer, determining the exchange ratio and, if applicable, the amount of the cash adjustment *(soulte)* to be paid, it being specified that the price determination modalities set for under paragraph 7 of this resolution shall not apply, acknowledging the number of shares contributed to the exchange, and determining the issuance modalities;
- at its sole option, charging the expenses of the share capital increase against the amount of the relevant premiums and deducting from such amount the necessary amounts for the legal reserve; and
- taking all appropriate actions and entering into any agreements in view of the performance of this delegation of powers, in particular in view of the proper performance of the contemplated issuances, acknowledging their completion and amend the by-laws accordingly, and carrying out any appropriate formalities and declarations for the issuance, listing and financial servicing of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto, and applying for any necessary authorizations for the completion and proper performance of these issuances;

11. Decided that the Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to use this delegation of authority as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period;
12. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting;
13. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Twentieth resolution

(Delegation of authority to be granted to the Board of Directors in order to decide upon the issuance, with cancellation of the shareholders' preferential subscription right, by way of an offering as defined in article L.411-2 II of the French monetary and financial Code, of ordinary shares or of securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report, having acknowledged that the share capital has been fully paid-up, and deciding in accordance with the provisions of article L.225-129 *et seq.* of the French Commercial Code, in particular articles L.225-129-2, L.225-135, L.225-136 and the provisions of articles L.228-91 *et seq.* of the French Commercial Code:

1. Delegated its authority to the Board of Directors, with the option to delegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to decide upon the issuance, by way of an offering as defined in article L.411-2 II. of the French monetary and financial Code (meaning an offering exclusively to the benefit of (i) persons providing investment services consisting in portfolio management for third parties or (ii) qualified investors or a limited group of investors, to the extent that such investors are acting on their own behalf), in one or several occurrences, to the extent and at the time that it deems appropriate, both in France and abroad, in euros, foreign currencies or units determined by reference to several currencies, of (i) ordinary shares, or (ii) securities that are equity securities giving access, immediately or in the future, to other equity securities of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, or giving right, immediately or in the future, to the allocation of debt securities, or (iii) securities giving access, immediately or in the future, to equity securities to be issued of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, which may be subscribed in cash, including by offsetting due and payable receivables;
2. Decided that this delegation of authority expressly excludes any issuance of preferred shares and of securities conferring access by any means, immediately or in the future, to preferred shares;

3. Decided that the maximum nominal amount of the share capital increases to be carried out, immediately and/or in the future, pursuant to this resolution shall be €140 million, it being specified that:
   - issuances of equity securities carried out under this delegation by an offer as defined in article L.411-2 II of the French monetary and financial Code may not exceed the limits set forth by applicable laws as of the date of the issuance (for illustration purposes, at the date of this Shareholders' Meeting, issuances of equity securities by way of an offering as described in article L.411-2 II of the French monetary and financial Code are limited to 20% of the share capital of the Company per year, with such share capital being considered on the date of the decision of the Board of Directors to use such delegation);
   - the nominal amount of the share capital increases that may be carried out pursuant to this delegation shall be deducted from the maximum nominal limit of €140 million determined by the nineteenth resolution above and from the global nominal limit of €720 million determined by the eighteenth resolution above;
   - this global cap may be complemented, as the case may be, by the additional nominal amount of the ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
4. Decided that the nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €1 billion or the equivalent value in euros as at the date of issuance, it being specified that:
   - this limit shall be increased, if necessary, by any redemption premium in excess of the par value;
   - this limit does not apply to debt securities the issuance of which may be decided or authorized by the Board of Directors pursuant to article L.228-40 of the French Commercial Code nor to the other debt securities referred to under articles L.228-92 last paragraph, L.228-93 last paragraph and L.228-94 last paragraph of the French Commercial Code; and
   - this amount shall be deducted from the global limit of €1 billion for the issuance of debt securities determined by the eighteenth resolution above;
5. Decided to cancel the shareholders' preferential subscription right to the securities that may be issued in application of this delegation;
6. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
7. Decided that, without prejudice to the terms of the twenty-second resolution below:
   - the issuance price of the new shares issued shall be determined in accordance with the applicable legal provisions on the date of issuance (at the date of this meeting, the average weighted trading price of the Company's shares over the last three trading days on the regulated market of Euronext in Paris prior to the determination of such price, reduced, as the case may be, by a maximum discount of 5%);
   - the issuance price of the securities giving access to the share capital of the Company shall be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issuance of such securities, to the issuance price determined in the paragraph above;
8. Decided that the Board of Directors shall have full powers, with the option to delegate such powers to any duly empowered person in accordance with the law, to perform this delegation of authority, *inter alia*, for the purposes of:
   - deciding the issuance of the securities and determining the terms and conditions of any issuance, including the amount, the dates, the issuance price, the way they shall be paid-up, their dividend entitlement date (with a retroactive dividend entitlement date, where applicable), the terms under which the securities issued pursuant to this delegation will give right to equity securities of the Company;
   - determining the nature, the number and the characteristics of the securities to be issued (including, where applicable, rights to conversion, exchange, redemption, including through the delivery of assets of the Company, attached to the shares or securities giving access to the share capital to be issued) and, if the securities to be issued consist in or are associated with debt securities, their term (fixed or open-ended), whether they are subordinated or not (and, where applicable, their subordination ranking), their remuneration, the compulsory or optional events of suspension or non-payment of interest, the ability to reduce or increase the nominal amount of the securities and other terms of issuance (including the fact of granting

guarantees or security thereon) and of redemption (including redemption by delivery of assets of the Company); modifying, during the term of the relevant securities, the characteristics described above, in accordance with applicable formalities;

- determining the terms under which the Company will have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued immediately or in the future, with the purpose of cancelling such securities or not, taking into account the applicable legal provisions;
- provide for the ability to potentially suspend the exercise of the rights attached to these securities in accordance with legislative and regulatory provisions;
- determining and implementing any adjustments aiming at taking into account the impact of transactions on the share capital of the Company, and determining any other modalities allowing to maintain, as the case may be, the rights of the holders of securities or other rights giving access to the share capital;
- at its sole option, charging the expenses of the share capital increase against the amount of the relevant premiums and deducting from such amount the necessary amounts for the legal reserve; and
- taking all appropriate actions and entering into any agreements in view of the performance of this delegation of powers, in particular in view of the proper performance of the contemplated issuances, acknowledging their completion and amend the by-laws accordingly, and carrying out any appropriate formalities and declarations for the issuance, listing and financial servicing of the securities issued pursuant to this delegation and for the exercise of the rights attached thereto, and applying for any necessary authorizations for the completion and proper performance of these issuances;

9. Decided that the Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to use this delegation of authority as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period;
10. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting;
11. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Twenty-first resolution

(Delegation of authority to be granted to the Board of Directors to increase the amount of issuances, with upholding or cancellation of the shareholders' preferential subscription right, pursuant to the eighteenth, nineteenth and twentieth resolutions)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report, and deciding in accordance with article L.225-135-1 of the French Commercial Code:

1. Delegated to the Board of Directors the authority, with the option to delegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, to decide to increase the number of shares, of equity securities or of other securities to be issued in the context of any issuance undertaken pursuant to the eighteenth, nineteenth and twentieth resolutions above, at the same price as that applied to the initial issuance, within a time period and subject to the limitations set forth by the applicable regulations at the date of the issuance (at the date of this Shareholders' Meeting, for a period of 30 days as from the closing of the subscription period and within a limit of 15% of the initial issuance);
2. Decided that the nominal amount of the issuances decided in application of this delegation shall be deducted from the cap applicable to the initial issuance and from the global nominal limit set by the eighteenth resolution of this Shareholders' Meeting;
3. Decided that the Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to use this delegation of authority as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period;
4. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting;
5. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Twenty-second resolution

(Authorization to be granted to the Board of Directors to determine the price of issuances of ordinary shares or of securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity

securities to be issued, by way of public offering as defined in article L.411-2 II of the French monetary and financial Code, with cancellation of the shareholders' preferential subscription right, within the limit of 10% of share capital per year)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report, and deciding in accordance with article L.225-136 of the French Commercial Code:

1. Authorized the Board of Directors, with the option to delegate such authorization to any duly empowered person in accordance with the legislative and regulatory provisions, in respect of issuance of (i) ordinary shares, or (ii) securities that are equity securities giving access, immediately or in the future, to other equity securities of the Company or giving right, immediately or in the future, to the allocation of debt securities, or (iii) securities giving access, immediately or in the future, to equity securities to be issued of the Company, issued under the nineteenth and twentieth resolutions of this Shareholders' Meeting, to derogate to the conditions relating to the determination of the price set forth in the abovementioned nineteenth and twentieth resolutions, in accordance with the provisions of article L.225-136 1° §2, and set such price in accordance with the following conditions:
   - the issuance price for shares will be at least equal to the weighted average price of the Company's shares on the regulated market of Euronext in Paris on the last trading day preceding the issuance, less, as the case may be, a discount of up to 5%;
   - for securities conferring access to the share capital of the Company, the issuance price shall be determined so that the amount received immediately by the Company increased by, as the case may be, any amount which may be received subsequently by the Company, for each Company share issued as a result of the issuance of these securities, be at least equal to the amount referred to above;
2. Decided that the maximum nominal amount of any share capital increase resulting from the implementation of this authorization may not exceed 10% of the share capital, over a 12-month period (such share capital to be considered on the day of the decision by the Board of Directors determining the price for the issuance) it being specified that this limit shall be deducted from the amount of the applicable limit determined in the nineteenth or the twentieth resolution, as the case may be, and from the global nominal limit set by the eighteenth resolution of this Shareholders' Meeting;
3. Decided that the Board of Directors shall have full powers, with the option to delegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of entering into any agreements in such respect, in particular in view of the proper performance of any issuance, to acknowledge the completion thereof and amend the by-laws accordingly, as well as to carry out any formalities and declarations and apply for any necessary authorizations for the completion and proper performance of any issuance;
4. Decided that the Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to use this authorization as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period;
5. Decided that this authorization be granted for a term of 26 months as from the date of this Shareholders' Meeting;
6. Decided that this authorization shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

Twenty-third resolution

(Delegation of powers to be granted to the Board of Directors to decide to issue ordinary shares or securities giving access to the share capital of the Company within the limit of 10% of the share capital, with cancellation of the shareholders' preferential subscription rights, in consideration for contributions in kind granted to the Company)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report and deciding in accordance with the provisions of articles L.225-129 *et seq.* and L.225-147 §6 of the French Commercial Code:

1. Delegated its authority to the Board of Directors, when the provisions of article L.225-148 of the French Commercial Code are not applicable, with the option to delegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to decide, based on the report of the valuing auditor(s) *(commissaire(s) aux apports)* referred to in §2 of article L.225-147 of the French Commercial Code, upon the issuance of ordinary shares and/or securities giving access, immediately or in the future, to equity securities of the Company as a consideration for the contributions in kind granted to the Company

and consisting of equity securities or securities giving access to the share capital;

2. Decided that the limit of the nominal amount of the share capital increase(s) that may be carried out, immediately or in the future, pursuant to this delegation may not exceed 10% of the share capital of the Company considered as at the date of the decision of the Board of Directors, it being specified that:
   - this limit shall be deducted from the maximum nominal limit of €140 million set by the nineteenth resolution and from the global nominal limit of €720 million set by the eighteenth resolution of this Shareholders' Meeting;
   - this limit does not include the nominal amount of the additional shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with the legal and regulatory provisions and with any applicable contractual provisions providing for other cases of adjustment;
3. Decided to cancel, as necessary, the preferential subscription right of the shareholders in respect of these ordinary shares or securities at the benefit of the holders of equity securities or securities, subjects of the contribution in kind, and acknowledged that this delegation implies a waiver by the shareholders of their preferential subscription right for the equity securities of the Company to which the securities that may be issued pursuant to this delegation may give right;
4. Decided that the Board of Directors will have full powers, with the option to delegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, to perform this delegation of authority, *inter alia* for the purposes of:
   - deciding, on the basis of the report of the valuing auditor(s) *(commissaire(s) aux apports)* referred to in §2 of article L.225-147 of the French Commercial Code, on the valuation of the contributions in kind and, as the case may be, the granting of special benefits and their valuation;
   - determining the number of shares to be issued in consideration of the contributions as well as the dividend entitlement date of the shares to be issued,
   - deducting, if applicable and if it deems appropriate, from the relevant premiums, the expenses, costs and fees resulting from the issuances and charge against such amounts the amounts necessary to increase the legal reserve to one tenth of the new share capital,
   - acknowledging the final completion of the share capital increases carried out pursuant to this delegation of powers, amending the by-laws accordingly, carrying out any formalities and declarations and applying for any necessary authorizations for the completion of such contributions;
5. Decided that the Board of Directors will not be able, except with the prior approval of the shareholders' meeting, to use this delegation of powers as from the filing by a third-party of a public offer on the Company's securities and until the end of the offer period;
6. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting;
7. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Twenty-fourth resolution

(Authorization to be granted to the Board of Directors to increase the share capital through the issuance of ordinary shares or securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right for the benefit of members of a company savings plan)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the statutory auditors' special report and deciding in accordance with, on the one hand, the provisions of articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code and, on the other hand, the provisions of articles L.3332-1 *et seq.* of the French Labor Code:

1. Authorized the Board of Directors to increase, with the option to delegate such authorization to any duly empowered person in accordance with legislative and regulatory provisions, in one or several occurrences, at its sole option, at the times and under the terms that it shall determine, the share capital of the Company by the issuance of (i) ordinary shares, or (ii) securities that are equity securities giving access, immediately or in the future, to other equity securities of the Company or giving right, immediately or in the future, to the allocation of debt securities, or (iii) securities giving access, immediately or in the future, to equity securities to be issued of the Company, reserved for members of one or several company savings plan(s) *(plan d'épargne entreprise)* or group savings plan(s) *(plan d'épargne de groupe)* established by the Company and the French or foreign companies

that are linked to the Company within the meaning of article L.225-180 of the French Commercial Code and of article L.3344-1 of the French Labor Code;

2. Decided to cancel the shareholders' preferential subscription rights in respect of securities to be issued pursuant to this authorization for the benefit of the beneficiaries referred to in the first paragraph above;
3. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
4. Decided that the issuance price(s) of the new shares or of the securities giving access to the share capital shall be determined in accordance with the provisions of articles L.3332-19 *et seq.* of the French Labor Code and decided that the maximum discount shall amount to 20% of the average of the first trading prices during the 20 trading days preceding the date of the Board of Directors decision determining the opening date of the subscription period. However, the Shareholders' Meetings expressly authorized the Board of Directors to reduce the discount or to grant no discount, in particular in order to take into account the regulations applicable in the countries where the offer will be implemented;
5. Decided that the maximum nominal amount of the share capital increase(s) which may be carried out pursuant to this authorization may not exceed 2% of the share capital of the Company considered as at the date of the decision of use of this authorization by the Board of Directors, it being specified that:
   - the maximum nominal amount of the share capital increase(s) that may be carried out pursuant to this delegation, as well as under the twenty-fifth resolution, may not exceed an amount of 2% of the share capital of the Company;
   - the maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from the global limit of €720 million set by the eighteenth resolution of this Shareholders' Meeting or by any resolution of a same nature that would be substituted to this resolution; and
   - these amounts do not include the nominal amount of the additional ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
6. Decided, pursuant to the provisions of article L.3332-21 of the French Labor Code, that the Board of Directors may decide on the allocation to the beneficiaries referred to in the first paragraph above, free of charge, of shares to be issued or existing, or of other securities giving access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution *(abondement)* that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group and/or (ii) if applicable, the discount;
7. Decided that, should the beneficiaries referred to in the first paragraph above not subscribe to the share capital increase in full within the allocated time period, such share capital increase would only be completed for the amount of subscribed shares and that unsubscribed shares may be offered again to such beneficiaries in the context of a subsequent share capital increase;
8. Granted full powers to the Board of Directors, with the option to delegate or sub delegate such powers, in accordance with the legislative and regulatory provisions, to carry out this authorization, and in particular, for the purposes of:
   - determining the eligibility criteria for companies whose employees may benefit from the share capital increases carried out pursuant to this authorization, establishing the list of such companies;
   - determining the terms and conditions of the transactions, the characteristics of the shares, and if applicable, of the other securities, determining the subscription price calculated in accordance with the method defined in this resolution, determine the dates of opening and of closing of the subscription and the dividend entitlement dates and determining the dates and terms and conditions of payment of the subscribed shares;
   - taking any necessary action for the admission to trading of the issued shares in any place where it shall deem appropriate;
   - deducting from the "issuance premiums" account the amount of the expenses relating to these share capital increases and charging, if it deems fit, on this account the necessary amounts to increase the legal reserve to one tenth of the new share capital after each issuance, amending the by-laws accordingly and, in general, carrying out directly or indirectly, any transactions and formalities related to the share capital increases carried out pursuant to this authorization;
9. Decided that the authorization granted to the Board of Directors pursuant to this resolution shall be effective for a term of 26 months as from the date of this Shareholders' Meeting;

10. Decided that this authorization shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

Twenty-fifth resolution

(Delegation of authority to the Board of Directors to decide upon the issuance of ordinary shares or securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right for the benefit of certain categories of beneficiaries in order to allow the implementation of employee shareholding transactions)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the special report of the statutory auditors, deciding in accordance with the provisions of articles L.225-129-2 *et seq.* and L.225-138 of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to delegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, the authority necessary to increase, on one or more occasions, at such time or times and in the amounts that it shall decide, the share capital through the issue of (i) ordinary shares or (ii) securities that are equity securities giving access, immediately or in the future, to other equity securities of the Company or giving right, immediately or in the future, to the allocation of debt securities, or (iii) securities giving access, immediately or in the future, to equity securities to be issued of the Company, such an issue being reserved for persons meeting the criteria in the categories defined in paragraph 3. below;
2. Decided that the maximum nominal amount of the share capital increase(s) that may be carried out pursuant to this delegation shall not exceed 1% of the share capital of the Company considered as at the date of the decision of use of this authorization by the Board of Directors, it being specified that:
   - the maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this delegation, as well as under the twenty-fourth resolution, may not exceed a limit of 2% of the share capital of the Company;
   - the maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from the global limit of €720 million set by the eighteenth resolution of this Shareholders' Meeting or by any resolution of a same nature that would be substituted to this resolution; and
   - these amounts do not include the nominal amount of the additional ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
3. Decided to eliminate shareholders' preferential subscription rights to securities which may be issued pursuant to this delegation, and to reserve the right to subscribe to beneficiaries satisfying the following criteria:
   a) employees and corporate officers of foreign companies which are related to the Company within the meaning of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code; and/or
   b) employee shareholding UCITS or other entities, with or without an independent legal existence, which are invested in securities of the Company, and whose unitholders or shareholders are comprised of the individuals described in (a) above; and/or
   c) any banking institution or subsidiary of such an institution involved upon the Company's request for the purposes of implementing a shareholding or savings plan for the benefit of the persons mentioned in (a) of this paragraph, insofar as recourse to the subscription of the person authorized in accordance with this resolution would allow the employees or corporate officers mentioned above to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which the other Rexel employees would benefit in comparable situations; and/or
   d) one or several financial institutions mandated in connection with the Share Incentive Plan (SIP) established for the benefit of employee and corporate officers of companies of the Rexel Group which are related to the Company within the meaning of article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code whose registered offices are located in the United Kingdom;
4. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
5. Decided that the issue price of the new shares shall be determined in the following manner:
   a) in case of issuance referred to in paragraph 3 (a) to (c) above, to the share price(s) may be determined pursuant to the same conditions as set forth in article

L.3332-19 of the French Labor Code. The discount shall be set at a maximum of 20% of the average of Company's share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. The Shareholders' Meeting expressly authorized the Board of Directors to reduce or eliminate the discount, in order to take into account, in particular, the regulation applicable in the countries where the offer will be implemented;

b) in case of issuance referred in paragraph 3(d) above, in accordance with the local regulations applicable to the SIP, the subscription price may be equal to the lower share price between (i) the share price on the regulated market of Euronext in Paris at the opening of the reference period of this plan, such period shall not exceed 12 months, and (ii) the share price recorded following the close of such period within a given timeframe determined in accordance with said regulations. This price shall be set without a discount in relation to the retained share price;

6. Decided that the Board of Directors shall have full powers, with the option to delegate or subdelegate such powers, in accordance with the legislative and regulatory provisions, under the limits and conditions set forth above, particularly in order to:
   - determine the list of beneficiary(ies), from among the categories above, in favor of whom the preferential subscription rights have been eliminated as well as the number of shares to be subscribed by each of them;
   - set the amounts of the issuances that will be carried out pursuant to this delegation of authority and to fix the issue price, the dates, the time limits, methods and terms and conditions of subscription, payment, delivery, entitlement to dividends, the rules in reducing the subscriptions in the event of an over-subscription as well as any other terms and conditions of the issuances, within the legislative and regulatory limits in force;
   - to acknowledge the share capital increase up to the amount of the shares subscribed (after any potential reduction in the event of an over-subscription);
   - as applicable, charge the expenses related to the share capital increase to the premiums from this increase, and deduct from that amount the amounts necessary to bring the legal reserve to one-tenth of the new share capital after the share capital increase;
7. Decided that this delegation shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations;
8. Decided that this delegation to the Board of Directors is granted for a period of 18 months as from the date of this Shareholders' Meeting.

Twenty-sixth resolution

(Authorization to be granted to the Board of Directors to grant free shares to the employees and to the corporate officers of the Company and its subsidiaries)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and of the statutory auditors' special report, in accordance with the provisions of articles L.225-129 *et seq.* and L.225-197-1 *et seq.* of the French Commercial Code:

1. Authorized the Board of Directors to carry out, with the option to subdelegate to any duly empowered person in accordance with the legislative and regulatory provisions, in one or several occurrences, the allocation of free existing and/or newly-issued shares of the Company to employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in article L.225-197-2 of the French Commercial Code;
2. Decided that the Board of Directors will determine the beneficiaries of the allocations and the number of shares granted to each of them, the terms of the allocation and, as the case may be, the eligibility criteria for the allocation of the shares. The Board of Directors (i) shall subordinate to presence and performance criteria the allocation of shares to the corporate officers and the members of the Comex of the Company and (ii) shall have the power to do so for the allocation of shares to the other salaried personnel members of the Company and/or the companies or groups that are, directly or indirectly, linked to it;
3. Decided that the number of shares that may be freely granted pursuant to this resolution may not exceed 1.5% of the share capital of the Company considered as at the date of the decision by the Board of Directors, it being specified that this limit do not take into account the regulatory adjustments necessary to maintain the beneficiaries' rights;
4. Decided that the shares allocated to their beneficiaries will become vested after a minimum period of acquisition of 3 years and that the beneficiaries will be required to retain such shares for an additional minimum period of 2 years as from the final allocation of the shares. Notwithstanding the above, the Shareholders' Meeting authorized the Board of Directors to decide that, when the allocation of said shares to their beneficiaries will

be vested after a minimum vesting period of 4 years, the beneficiaries shall then be bound by no retention period;

5. As an exception to the foregoing, if the legislative or regulatory provisions applicable to free shares would come to be modified, and if, in particular, these modifications would reduce or cancel the minimum duration of the acquisition and/or retention period(s), the Board of Directors would be able to reduce the acquisition and/or retention period(s) or to cancel the acquisition and/or retention period(s) within the limits set forth by the new applicable provisions, it being specified that, in any event, the vesting period shall not be less than 3 years;
6. Decided that the shares may become vested before the term of the period of acquisition in the event that the beneficiaries become invalid and that such invalidity correspond to the second or third category set forth under article L.341-4 of the Social security Code (or equivalent provisions outside of France) and that the shares will immediately become freely transferable;
7. Authorized the Board of Directors to carry out, as the case may be, during the period of acquisition, adjustments relating to the numbers of free shares granted on the basis of the potential transactions affecting the share capital of the Company in order to maintain the rights of the beneficiaries;
8. In the event of free shares being issued, authorized the Board of Directors to carry out one or several increase(s) in the share capital by capitalization of reserves, profits or issuance premiums reserved for the beneficiaries of such free shares and acknowledged that this authorization includes the related waiver of the shareholders' preferential subscription rights with respect to such shares and to the portion of the reserves, profits and issuance premiums thus capitalized, to the benefit of the beneficiaries; the Board of Directors is granted a delegation of authority in respect of this transaction in accordance with article L.225-129-2 of the French Commercial Code;
9. Decided that the Board of Directors will have full powers, with the option to delegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of:
   - determining whether the free shares shall be newly-issued shares or existing shares;
   - determining the beneficiaries and the number of free shares granted to each of them;
   - setting the dates on which free shares shall be allocated, in the conditions and limits of applicable law;
   - deciding upon the other terms and conditions of the allocation of shares, particularly the period of acquisition and the period of retention of the shares thus allocated, in rules for the allocation of free shares;
   - deciding upon the conditions under which the number of free shares to be allocated shall be adjusted, in accordance with applicable provisions of the law and the by-laws;
   - more generally, entering into any agreements, executing any documents, acknowledging the share capital increases resulting from definitive allocations, changing the by-laws accordingly, and carrying out any formality or declaration with any organization;
10. Decided that this authorization is granted for a term of 26 months as of the date of this Shareholders' Meeting;
11. Decided that this authorization shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

Twenty-seventh resolution

(Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by incorporation of premiums, reserves, profits or other items that may be capitalized)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and deciding in accordance with the provisions of articles L.225-129 *et seq.* and L.225-130 of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to subdelegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, the authority to decide make one or several increases to the share capital, in proportion to and at such times as it deems appropriate by successive or simultaneous incorporation of reserves, profits, issuance, contribution or merger premiums, or any other item that may be capitalized, in the form of an allocation of free shares and/or an increase in the nominal value of existing shares;
2. Decided that the nominal amount of the share capital increase that may be carried out pursuant to this delegation may not exceed €200 million it being specified that:
   - this limit may be complemented, as the case may be, by the additional amount of the ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights conferring access to

the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment,

- the nominal amount of the share capital increases which may be carried out pursuant to this resolution will not be deducted from the global limit determined by the eighteenth resolution of this Shareholders' Meeting;

3. Decided that in the event of a share capital increase in the form of an allocation of free shares and in accordance with the provisions of article L.225-130 of the French Commercial Code, the Board of Directors may decide that the allocation rights on fractional shares will not be tradable and that the corresponding shares will be sold, with the proceeds of the sale being allocated to the holders of such rights in accordance with legal and regulatory requirements;
4. Decided that the Board of Directors shall have full powers, with the option to delegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of:
   - determining the amount and nature of the amounts to be capitalized,
   - determining the number of new shares to be issued and/or the nominal amount by which the amount of existing shares shall be increased, the date, including a retroactive date, as of which the new shares shall be entitled to dividend rights or the effective date of the increase in the nominal value of the shares;
   - acknowledging the completion of each share capital increase and in general, taking any action and carrying out any required formalities for the proper performance of each share capital increase and amending the by-laws accordingly;
5. Decided that this delegation of authority be granted for a period of 26 months, as from the date of this Shareholders' Meeting;
6. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Twenty-eighth resolution

(Amendment to article 15 of the Company's by-laws relating to the shares of the members of the Board of Directors in order to introduce a clause providing for a minimum number of shares to be held by the members of the Board of Directors)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors:

- decided that the members of the Board of Directors should, during the whole duration of their term of office, hold at least one thousand (1,000) shares of the Company;
- decided, as a consequence, to amend accordingly the Company's by-laws and to replace article 15 of the Company's by-laws by the following text:

  "ARTICLE 15 – SHARES OWNED BY THE MEMBERS OF THE BOARD OF DIRECTORS

  During the whole duration of their term of office, the members of the Board of Directors should hold at least one thousand (1,000) shares of the Company. Should a director not own the required number of shares on the date of his appointment or should he cease to own them during his term of office, he shall be deemed to have resigned from office if he has not regularized the situation within the time limits provided for by applicable laws and regulations."

Twenty-ninth resolution

(Amendment to article 30-2 of the Company's by-laws relating to the voting rights in shareholders' meeting in order to introduce a clause maintaining a single voting right)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors:

- decided to use the ability provided for under article L.225-123 of the French Commercial Code and that fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years shall not benefit from a double voting right;
- decided, as a consequence, to amend accordingly the Company's by-laws and to replace article 30-2 of the Company's by-laws by the following text:

  "2. In Ordinary and Extraordinary Shareholders Meetings, the shareholder has as many votes as he or she owns or represents shares, without limitation. In accordance with the ability provided for under article L.225-123 of the French Commercial Code, fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years shall not benefit from a double voting right."

The rest of the article remains unchanged.

Thirtieth resolution

(Amendment to article 28 of the Company's by-laws relating to the shareholders' access to shareholders' meetings)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors:

- decided to amend the Company's by-laws and to replace article 28 of the Company's by-laws by the following text:

  "ARTICLE 28 – ACCESS TO SHAREHOLDERS MEETINGS

  1. *The right to attend shareholders meetings is subject to the registration or the recording of the shares under the conditions and in the time limits provided for by applicable regulation.*
  2. *A shareholder may be represented by any other shareholder, by his or her spouse or by the person with whom he or she has entered into a civil solidarity pact* (pacte civil de solidarité)*. In addition, a shareholder may be represented by any other individual or entity of its choice:*

     (i) when the shares of the Company are listed on a regulated market;

     (ii) when the shares of the Company are listed on a multilateral trading facility that submits itself to legislative or regulatory provisions which aims at protecting investors against insider trading, market manipulation and diffusion of false information under the conditions set forth in the general rules of the Autorité des marchés financiers*, mentioned on a list drawn up by the* Autorité des marchés financiers *under conditions set forth in its general rules.*

     The proxy and, as the case may be, its withdrawal must be in writing and provided to the Company, under the conditions set forth by the Law.
  3. *A shareholder may vote by mail on a form completed and sent to the Company within the conditions stipulated by law.*

     This form may appear, as the case may be, on the same document as the proxy form; in this case, the sole document must comprise the references and information stipulated by regulatory provisions. The form must be received by the Company at least three (3) days prior to the date of the meeting, failing which, no account will be taken thereof. An electronic signature can take the form of a process meeting the conditions defined in the first sentence of the second paragraph of article 1316-4 of the French civil code.

     A shareholder may also, if the Board of Directors so decides at the time of the convening of the shareholders meeting, attend and vote in the shareholders meeting using electronic telecommunication or transmission means permitting his or her identification within the conditions stipulated by law.
  4. *Shareholders who take part in the shareholders meeting by videoconference or electronic telecommunications or transmission means permitting their identification on the conditions determined by law will be considered as present for calculating the quorum and the majority."*

Thirty-first resolution

(Powers to carry out legal formalities)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings, conferred full powers to bearers of originals, copies or extracts of these minutes in order to carry out publication, filing and other necessary formalities.

[This page is intentionally left blank]

CORRELATION TABLES

10.1 CORRELATION TABLE WITH REGULATION (EC) 809/2004

The following correlation table allows to identify, in this *Document de Référence*, the information required by Regulation (EC) 809/2004 of the European Commission dated April 29, 2004.

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	PERSONS RESPONSIBLE	8.7	299 to 300
1.1	Persons responsible for the information contained in the registration document	8.7.1	299
1.2	Declaration of persons responsible for the information contained in the registration document	8.7.2	299
2.	STATUTORY AUDITORS	8.8	300 to 301
2.1	Name and address of the issuer's statutory auditors	8.8.1, 8.8.2	300 to 301
2.2	Statutory auditors having resigned, dismissed or not reappointed during the relevant period	8.8.1, 8.8.2	300 to 301
3.	SELECTED FINANCIAL DATA	1.1	8 to 9
3.1	Selected historical financial information	1.1	8 to 9
3.2	Selected financial information for interim periods	Not applicable	
4.	RISK FACTORS	2	39 to 55
5.	INFORMATION ABOUT THE ISSUER	1.2, 1.3, 1.7	10 to 11 and 34
5.1	History and development of the company	1.2	10
5.1.1	Corporate name and trade name	1.2.1	10
5.1.2	Place and name of incorporation	1.2.2	10
5.1.3	Date of incorporation and term	1.2.3	10
5.1.4	Registered office, legal form, jurisdiction, country of origin, address and phone number of registered office	1.2.4	10
5.1.5	Material events in business development	1.2.5	10
5.2	Investments	1.7	34
5.2.1	Completed investments	1.3, 1.7.1	11 and 34
5.2.2	Ongoing investments	1.3, 1.7.2	11 and 34
5.2.3	Future investments	1.3, 1.7.3	11 and 34
6.	BUSINESS OVERVIEW	1.4	11 to 29
6.1	Principal activities	1.4.2, 1.4.3, 1.4.4	15 to 29
6.1.1	Nature of the issuer's operations and its principal activities	1.4.2, 1.4.3, 1.4.4	15 to 29
6.1.2	New products and/or services	1.4.2, 1.4.3, 1.4.4	15 to 29
6.2	Principal Markets	1.4.1	11 to 15
6.3	Exceptional factors having influenced the information given pursuant to items 6.1 and 6.2	1.4, 4	11 to 29 and 89 to 106
6.4	Information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.4.5	29
6.5	Basis for any statements made by the issuer regarding its competitive position	General remarks	

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
7.	ORGANIZATIONAL STRUCTURE	1.5	30 to 33
7.1	Description of the group and the issuer's position within the group	1.5.1	30
7.2	List of the issuer's significant subsidiaries	1.5.2	31 to 33
8.	PROPERTY, PLANTS AND EQUIPMENT	1.6, 3.2, 3.3, 3.4	33 and 68 to 86
8.1	Existing or planned material tangible fixed assets	1.6	33
8.2	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	3.2, 3.3, 3.4	68 to 86
9.	OPERATING AND FINANCIAL REVIEW	4	89 to 106
9.1	Issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required	4.1, 4.2	90 to 100
9.2	Operating Results	4.1, 4.2	90 to 100
9.2.1	Important factors materially impacting the operating income	4.1, 4.2	90 to 100
9.2.2	Material changes in sales	4.1, 4.2	90 to 100
9.2.3	Government, economic, budget, currency or political strategy or factor	4.1, 4.2	90 to 100
10.	CAPITAL RESOURCES	4.3, 4.4	101 to 104
10.1	Information concerning the issuer's capital resources	4.3, 4.4	101 to 104
10.2	Sources and amounts of and narrative description of the issuer's cash flows	4.3	101 to 103
10.3	Information on the borrowing requirements and funding structure of the issuer	4.4	104
10.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	4.4	104
10.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3 and 8.1	1.3, 1.7, 4.1, 4.4	11, 34, 90 to 92 and 104
11.	RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	1.4.5	29
12.	TREND INFORMATION	1.4, 4	11 to 29 and 89 to 106
12.1	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document	1.4, 4	11 to 29 and 89 to 106
12.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	4.5.1, 4.5.2, 4.5.3	105 to 106
13.	PROFIT FORECASTS OR ESTIMATES	4.5.1, 4.5.2	105 and 106
13.1	Statement setting out the principal assumptions upon which the issuer has based its forecast or estimate	4.5.2	105 and 106
13.2	Report prepared by independent accountants or auditors	Not applicable	
13.3	Profit forecast or estimate prepared on a basis comparable with the historical financial information	4.5.2	105 and 106
13.4	Statement setting out whether or not that forecast is still correct as of the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case	4.5.1	105
14.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	7.1	194 to 221

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	*DOCUMENT DE RÉFÉRENCE*	
N°	**SECTION**	**PARAGRAPH(S)**	**PAGE(S)**
14.1	Information in relation to members of the administrative, management, and supervisory bodies	7.1.1 to 7.1.7	194 to 221
14.2	Administrative, management, and supervisory bodies and senior management conflicts of interests	7.1.6, 7.4	221 and 247
15.	REMUNERATION AND BENEFITS	7.3	224 to 246
15.1	Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	7.3.1 to 7.3.3, 7.3.5	224 to 237 and 238 to 246
15.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefit	7.3.4	237 to 238
16.	BOARD PRACTICES	7.1	194 to 221
16.1	Date of expiration of the current term of office and period during which the person has served in that office	7.1.1, 7.1.3	194 to 214 and 219 to 221
16.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement	7.1.7	221
16.3	Information about the issuer's audit committee and remuneration committee	7.1.2	214 to 219
16.4	Statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime	7.2	222 to 223
17.	EMPLOYEES	3.1, 3.4	58 to 68 and 85 to 86
17.1	Number of employees at the end of the period or average for each financial year for the period covered by the historical financial information and breakdown of persons employed by main category of activity and geographic location	3.1, 3.4	58 to 68 and 85 to 86
17.2	Shareholdings and stock options	8.1.2.4 to 8.1.2.7	263 to 275
17.3	Arrangement for involving the employees in the capital of the issuer	3.1.5.3, 8.1.2.4	66 to 67 and 263 to 264
18.	PRINCIPAL SHAREHOLDERS	8.1	260 to 275
18.1	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, appropriate negative statement	8.1.1, 8.1.2	260 to 275
18.2	Different voting rights, or appropriate negative statement	8.1.3	275
18.3	Direct or indirect ownership or control of the issuer	8.1.4	275
18.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	8.1.5	275
19.	RELATED PARTY TRANSACTIONS	7.5	248 to 256
20.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	5, 6	109 to 191
20.1	Historical financial information	5, 6	109 to 191
20.2	Pro forma financial information	Not applicable	
20.3	Financial statements	5.1 and 6.1	110 to 165 and 169 to 189
20.4	Auditing of historical annual financial information	5.2 and 6.2	166 to 167 and 190 to 191
20.4.1	Statement that the historical financial information has been audited	5.2 and 6.2	166 to 167 and 190 to 191
20.4.2	Other information which has been audited by the auditors	3.4	85 to 86

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
20.4.3	Information not coming from audited financial information	Not applicable	
20.5	Date of latest financial information	5 and 6	109 to 191
20.6	Interim and other financial information	Not applicable	
20.6.1	Quarterly or half-year financial information	Not applicable	
20.6.2	Interim financial information for the first half of the new financial year	Not applicable	
20.7	Dividend policy	8.1.6	275
20.7.1	Amount of dividend per share	8.1.6	275
20.8	Legal proceedings and arbitration	2.1.2.1, 5.1 (note 24)	43 to 44 and 110 to 165
20.9	Significant changes in the issuer's financial or trading position	4.6	106
21.	ADDITIONAL INFORMATION	8	259 to 301
21.1	Share capital	8.2	276 to 288
21.1.1	Amount of subscribed share capital	8.2.1	276 to 280
21.1.2	Shares not representative of share capital	8.2.2	280
21.1.3	Shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	8.2.3	280 to 283
21.1.4	Convertible securities, exchangeable securities or securities with warrants	8.2.4	283
21.1.5	Right of acquisition and/or any obligation attached to the capital subscribed	8.2.5	283
21.1.6	Capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option	8.2.6	283
21.1.7	Share capital history	8.2.7	284 to 288
21.2	Memorandum of association and by-laws	8.3	289 to 297
21.2.1	Corporate purpose	8.3.1	289
21.2.2	Members of the administrative, management and supervisory bodies	8.3.2	289 to 293
21.2.3	Rights, preferences and restrictions attaching to each class of the existing shares	8.3.3	293 to 294
21.2.4	Changes to shareholders' rights	8.3.4	294
21.2.5	Shareholders' meetings	8.3.5	294 to 296
21.2.6	Provisions of the issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying, deferring or preventing a change in control of the issuer	8.3.6	296
21.2.7	Provisions of the articles of association, statutes, charter or by-law provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed	8.3.7	296 to 297
21.2.8	Conditions imposed by the memorandum and articles of association statutes, charter or by-laws governing changes in the capital	8.3.8	297
22.	MATERIAL AGREEMENTS	8.5	298
23.	INFORMATION FROM THIRD PARTIES, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST	Not applicable	
23.1	Statement or report attributed to a person acting as expert	Not applicable	
23.2	Third-party information	Not applicable	
24.	DOCUMENTS AVAILABLE TO THE PUBLIC	8.6	299
25.	INFORMATION ON EQUITY INTERESTS	1.3, 1.5	11 and 30 to 33

10.2 CORRELATION TABLE WITH THE ANNUAL FINANCIAL REPORT

The following correlation table allows to identify, in this *Document de Référence*, the information that are comprised in the annual financial report to be published pursuant to the articles L.451-1-2 of the French monetary and financial code and 222-3 of the General rules of the French *Autorité des marchés financiers*.

ANNUAL FINANCIAL REPORT		***DOCUMENT DE RÉFÉRENCE***	
N°	**SECTION**	**PARAGRAPH(S)**	**PAGE(S)**
1.	Annual financial statements	6.1	170 to 189
2.	Consolidated financial statements	5.1	110 to 165
3.	Management report	1 to 4, 7 to 8	7 to 106 and 193 to 301
3.1	Information referred to in articles L.225-100 and L.225-100-2 of the French Commercial Code		
	Analysis of the evolution of the business	1.4, 4.2, 4.3, 4.4, 4.5, 4.6	11 to 29 and 93 to 106
	Analysis of the results	4.2	93 to 100
	Analysis of the financial situation	4.3, 4.4	101 to 104
	Main risks and uncertainties	2	39 to 55
	Table regarding current delegations and authorizations	8.2.1	295 to 299
3.2	Information referred to in article L.225-100-3 of the French Commercial Code		
	Elements that may have an impact in case of tender offer	7, 8.1 to 8.5	193 to 256 and 260 to 298
3.3	Information referred to in article L.225-211 §2 of the French Commercial Code		
	Share repurchase plan	8.2.3	280 to 283
4.	Declaration of persons responsible for the information contained in the registration document	8.7	299 to 300
5.	Report of the Statutory Auditors on the annual financial statements	6.2	190 to 191
6.	Report of the Statutory Auditors on the consolidated financial statements	5.2	166 to 167
7.	Statutory Auditors' fees	8.8.3	301
8.	Report of the Chairman of the Board of Directors on the functioning of the Board of Directors and on internal control	9.2.1	304
9.	Report of the Statutory Auditors on the report of the Chairman of the Board of Directors	9.2.2	305

10.3 CORRELATION TABLE WITH THE MANAGEMENT REPORT

The following correlation table allows to identify, in this *Document de Référence*, the information that is comprised in the management report:

MANAGEMENT REPORT		*DOCUMENT DE RÉFÉRENCE*	
N°	**SECTION**	**PARAGRAPH(S)**	**PAGE(S)**
1.	Activity and financial position	1.2, 1.3, 1.4, 4.1, 4.2, 4.3, 4.4	10 to 29 and 90 to 104
2.	Recent events, trends and prospects	4.2, 4.3, 4.4, 4.5, 4.6, 5.1 (note 25), 6.1 (note 5.7)	93 to 106, 110 to 165 and 170 to 189
3.	Research and development	1.4.5	29
4.	Description of main risks and uncertainties	2	39 to 55
5.	Use of financial instruments	2, 5.1 (notes 2.8, 8, 10, 13, 20, 21), 6.1 (note 2.6, 4)	39 to 55, 110 to 165 and 170 to 189
6.	Corporate and social responsibility (see paragraph 10.4)	3	57 to 86
7.	Subsidiaries and holdings	1.5, 5.1, 6.1	30 to 33, 110 to 165 and 170 to 189
8.	Corporate officers (list of corporate offices and functions, compensation, securities transactions)	7, 8.1.2.3	193 to 256 and 262
9.	Share capital, shareholding structure and employee shareholding	8.1	260 to 275
10.	Dividend distributions over the past three financial years	8.1.6	275
11.	Purchases and sales of own shares	8.2.3	280 to 283
12.	Items likely to have an impact in the event of a public offer	7, 8.1 to 8.4	193 to 256, 260 to 298
13.	Other information (payment periods, etc.)	5.1 (note 20), 6.1 (note 4)	110 to 165 and 170 to 189
	SCHEDULES		
14.	Summary table of current delegations	8.2.1	276 to 280
15.	Table of the company's results for the past five financial years	6.1	173
16.	Report of the Chairman of the Board of Directors	9.2.1	304

10.4 CORRELATION TABLE WITH THE INFORMATION ON CORPORATE AND ENVIRONMENTAL RESPONSIBILITY

The following correlation table allows to identify, in this *Document de Référence*, the information on corporate and environmental responsibility:

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		*DOCUMENT DE RÉFÉRENCE*	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	**Social information**	**3.1**	**58 to 68**
	a) Employment		
	Total headcount and breakdown of employees	3.1.1	58 to 60
	Hires and dismissals	3.1.2	60 to 61
	Compensation and changes	3.1.3.1	61 to 62
	b) Work organisation		
	Organisation of working hours	3.1.3.2	62
	Absenteeism	3.1.5.2	66
	c) Social relationships		
	Organisation of the social dialogue	3.1.5.3	66 to 67
	Overview of collective agreements	3.1.5.3	66 to 67
	d) Health and safety		
	Health and safety at work	3.1.3.3	62 to 64
	Overview of agreements signed	3.1.5.3	66 to 67
	Accidents at work and occupational diseases	3.1.3.3	62 to 64
	e) Training		
	Policies applied	3.1.3.3, 3.1.4	62 to 64 and 64 to 65
	Total number of training hours	3.1.3.3, 3.1.4	62 to 64 and 64 to 65
	f) Equal treatment		
	Measures taken in favour of gender equality	3.1.3.4	64
	Measures taken in favor of the employment and insertion of disabled persons	3.1.3.4	64
	Anti-discrimination policy	3.1.3.4	64
	g) Promotion of and compliance with the provisions of the core conventions of the International Labour Organization		
	Respect of the freedom of association and right to collective bargaining	3, 3.1.6	57 to 86 and 67
	Elimination of discrimination in respect of employment and occupation	3, 3.1.6	57 to 86 and 67
	Elimination of forced or compulsory labor	3, 3.1.6	57 to 86 and 67
	Effective abolition of child labor	3, 3.1.6	57 to 86 and 67
2.	**Environmental information**	**3.3**	**72 to 84**
	a) General environmental policy		
	Organisation of hte company	3.3.1	72 to 74
	Employee training and information actions	3.3.1	72 to 74
	Means devoted to the prevention of environmental risks and pollution	3.3.2	74 to 75

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		*DOCUMENT DE RÉFÉRENCE*	
N°	**SECTION**	**PARAGRAPH(S)**	**PAGE(S)**
	Amount of provisions and guarantees for environmental risks	3.3.2.6, 3.3.2.7	75
	b) Pollution and waste management		
	Emission prevention, reduction and remediation measures	3.3.3.4, 3.3.4	79 to 80 and 81 to 82
	Waste prevention, recycling and disposal measures	3.3.3.4	79 to 80
	Means of addressing noise pollution and other pollution generated by a given activity	3.3.3.5	80
	c) Sustainable use of ressources		
	Water consumption and procurement	3.3.3.2	78
	Consumption of raw materials and measures taken to improve their efficient use	3.3.3.3	78 to 79
	Energy consumption and measures taken to improve energy efficiency and the use of renewable energies	3.3.3.1, 3.3.4	75 to 78 and 81 to 82
	Land use	3.3.3.5	80
	d) Climate change		
	Greehouse gas emissions	3.3.3.6	81
	Adaptation to the consequences of climate change	3.3.2.5, 3.3.3.6	75 and 81
	e) Protection of biodiversity		
	Measures taken to preserve or develop biodiversity	3.3.3.5	80
3.	**Information on corporate commitments in favour of sustainable development**	**3.2**	**68 to 71**
	a) Territorial, economic and social impact of the company's business		
	In relation to employment and regional development	3.2.1, 3.2.2	69 to 71
	On neighbouring or local populations	3.2.1, 3.2.2	69 to 71
	b) Relationships with the persons or organisations having an interest in the company's business, particularly associations promoting integration, education institutions, associations for the defence of the environment, consumer associations and neighbouring populations		
	Organisation of the dialogue with these persons or organisations	3.2.1, 3.2.2	69 to 71
	Partnership or philanthropic actions	3.2.1, 3.2.2, 3.2.3	69 to 71
	c) Sub-contracting and suppliers		
	Means of addressing social and environmental challenges in the purchasing policy	3.2.1, 3.2.2	69 to 71
	Importance of sub-contracting and consideration given to the social and environmental responsibility of suppliers and sub-contractors	3.2.1, 3.2.2	69 to 71
	d) Fair practices		
	Anti-bribery actions	3, 3.1.6	57 to 86 and 67
	Measures taken in favor of consumer health and safety	3, 3.1.6	57 to 86 and 67
	e) Other actions in favour of human rights	3, 3.1.6	57 to 86 and 67

[Cette page est intentionnellement laissée en blanc]

This document was produced in France by an IMPRIM'VERT® certified printer on a recycled "balance pure" paper.

IMPRIM'VERT®

RECYCLED
Paper made from recycled material
FSC
www.fsc.org
FSC® C120343

Photo credit: © Michael Blann/gettyimages

Designed & published by DESIGN MEDIA +33 (0)1 40 55 16 66

REXEL
13, boulevard du Fort-de-Vaux - 75838 Paris Cedex 17 - France
Tél. : + 33 (0)1 42 85 85 00 - Fax : + 33 (0)1 42 85 92 02
www.rexel.com