

Compensation policy of the Chairman of the Board of Directors, of the Directors and of the Chief Executive Officer

General Shareholders' Meeting held on June 25, 2020

Outcome of the votes on resolutions
(Article R.225-29-1 IV of the French Commercial Code)

		Vote For
Sixth resolution	Approval of the compensation policy applying to the Chairman of the Board of Directors for the 2020 financial year, pursuant to Article L.225-37-2 of the French Commercial Code	98.90%
Seventh resolution	Approval of the compensation policy applying to the Directors for the financial year 2020, pursuant to Article L.225-37-2 of the French Commercial Code	99.92%
Eighth resolution	Approval of the compensation policy applying to the Chief Executive Officer for the financial year 2020, pursuant to Article L.225-37-2 of the French Commercial Code	97.21%

*Hereafter, the compensation policy
(extracts of the 2019 Universal Registration Document as amended)*

3.1 Compensation of corporate officers

In the context of the health and economic crisis related to Covid-19, the Board of Directors has decided, unanimously, in solidarity with the Group and its employees, to amend the compensation policy applicable to corporate officers for the financial year 2020. Pursuant to Article L.225-37-2 of the French Commercial Code, this policy is subject to the approval of the Combined General Meeting of June 25, 2020. The Chief Executive Officer also wished to be associated with the efforts made by waiving a part of his compensation.

These changes are intended to take into consideration the exceptional consequences of the Covid-19 pandemic on Rexel's business, financial situation, results and prospects, while ensuring that the Group's corporate interests are respected.

The decisions mentioned below, concerning the compensation of corporate officers, were made by the Board of Directors on April 22, 2020, following the recommendations of the Compensation Committee.

This paragraph only presents the proposed amendments, the other elements of the compensation policy for the financial year 2020 and the compensation for the financial year 2019 as set forth in paragraph 3.2 "Compensation of corporate officers" of the 2019 universal registration document remain unchanged and applicable.

3.1.1 Compensation policy applicable to corporate officers for the financial year 2020 subject to shareholders' approval (Article L.225-37-2 of the French Commercial Code)

3.1.1.1 General principles of the 2020 compensation policy

The Board of Directors has decided to reduce Directors' fixed and variable compensation by 20%, from April 1, 2020, for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.

In practice, the Directors' fixed portion will therefore be reduced by 20% during this period, as well as the variable portion relating to attendance at committees held in the course of the same period.

As a reminder, Directors' compensation is paid quarterly. The 20% reduction will apply accordingly from the second quarter of 2020.

3.1.1.2 Compensation policy applicable to the Chairman of the Board of Directors for the financial year 2020

The Board of Directors has decided to reduce Chairman of the Board of Directors' fixed compensation by 20%, from April 1, 2020, for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.

3.1.1.3 Compensation policy applicable to the Chief Executive Officer for the financial year 2020

As a reminder, as part of the succession plan approved by the Board of Directors, it is envisaged that Patrick Berard's term of office as Chief Executive Officer will be renewed in advance at the close of the Shareholders' Meeting, subject to the approval by said Shareholders' Meeting of the amendment to the Company's by-laws in order to raise the age limit for holding office as Chief Executive Officer from 68 to 70 years of age.

Following the postponement, by Rexel's Board of Directors, of the Combined Shareholders' Meeting to June 25, 2020, the date of renewal, if any, of Patrick Berard's term of office as Chief Executive Officer will be June 25, 2020 instead of April 23, 2020.

At its meeting of February 12, 2020, the Board of Directors proposed, upon recommendation of the Compensation Committee, an increase in the fixed compensation from €650,000 to €700,000 and an increase in the target variable compensation from 120% to 130%.

This proposition, in the event of early renewal of the term of office as Chief Executive Officer, was in line with the constant financial performance over the last fourteen quarters, since the appointment of Patrick Berard as Chief Executive Officer. Moreover, this financial performance was accompanied by a transformation of the Group that favored the alignment of long-term interests. In addition, the fixed compensation of the Chief Executive Officer has not been reviewed since his appointment on July 1, 2016.

The Board of Directors, at its meeting of April 22, 2020, has confirmed the decisions taken at its meeting of February 12, 2020. This choice reflects the long term of office of the Chief Executive Officer. It is a choice that is consistent with Rexel's compensation policy, according to which compensation levels are set at the beginning of the term of office and are not reviewed, except under exceptional circumstances, during the term of office.

Consequently:

Fixed compensation

The fixed compensation from January 1, 2020 until December 31, 2020 or, in the event of early renewal of Patrick Berard's term of office as Chief Executive Officer, until the date of said renewal, *i.e.*, until June 25, 2020, amounts to €650,000, it being specified that, in the event of early renewal of Patrick Berard's term of office as Chief Executive Officer, this amount will be adjusted *prorata temporis* for the period from January 1 to June 25, 2020.

The fixed compensation would represent 45% of the total compensation (*fixed compensation + target variable compensation*) per year.

As part of the compensation policy that will apply, if applicable, from the date of early renewal of Patrick Berard's term of office as Chief Executive Officer until December 31, 2020, the Board of Directors has set the compensation at €700,000; this amount will be adjusted *prorata temporis* for the period from June 26, 2020 to December 31, 2020.

The fixed compensation would represent 43% of the total compensation (*fixed compensation + target variable compensation*) per year.

Patrick Berard intends to be associated with the efforts made by the Group and its employees, and waives 20% of his fixed remuneration, from April 1 and for a minimum period of 3 months, that may, if applicable, be extended to cover the duration of the health crisis. In addition, Patrick Berard waives, in the event that his term of office is renewed and that this increase is granted to him, the increase in his compensation submitted to the approval of the shareholders, for the financial year 2020.

Short-term variable compensation

The target variable compensation from January 1, 2020 until December 31, 2020 or, in the event of early renewal of the term of office of Patrick Berard's Chief Executive Officer, until the date of such renewal, *i.e.*,

until June 25, 2020, is set at 120% of the annual fixed compensation.

The variable compensation would represent 55% of the total compensation (*fixed compensation + target variable compensation*) per year.

In the event of outperformance, the variable compensation is capped at 156% of the fixed compensation. Quantitative targets may achieve a maximum result of 150% and qualitative targets can achieve a maximum result of 100%.

In practice, the abovementioned decrease of 20% applies to the fixed compensation of the Chief Executive Officer, and mechanically to the basis used to calculate his target variable compensation.

As part of the compensation policy that will apply, where applicable, from the date of early renewal of Patrick Berard's term of office as Chief Executive Officer until December 31, 2020, the Board of Directors has set the variable compensation at 130% of the annual fixed compensation.

The variable compensation would represent 57% of the total compensation (*fixed compensation + target variable compensation*) per year.

In the event of outperformance, the variable compensation is capped at 169% of the fixed compensation. Quantitative targets may achieve a maximum result of 150% and qualitative targets can achieve a maximum result of 100%.

In addition, as stated above, Patrick Berard waives, in the event that his term of office is renewed and that this increase is granted to him, the increase in his compensation submitted to the approval of the shareholders, for 2020.

Moreover, given the crisis due to the Covid-19 pandemic, the annual targets initially published have been suspended by the Company. Given this, the Board of Directors has decided to abandon the performance criteria initially selected to assess the Chief Executive Officer's performance and to determine his variable compensation. As a reminder, these criteria were financial criteria for 75% (growth in gross margin in volume, growth in Adjusted EBITA in volume, average operating working capital requirement) and non-financial criteria for 25% (digital transformation, corporate social responsibility).

The Board of Directors decided to select criteria enabling the assessment of the Chief Executive Officer's ability, along with the Group and all of its employees, to effectively and rapidly respond to the consequences of the Covid-19 pandemic. As a

result, the target annual variable compensation will be assessed based on:

- Financial criteria representing 60% of the target annual variable compensation including:
 - Rigorous debt management (30%) as detailed in the press release of April 23, 2020 “First-quarter 2020 sales” with priority given to protecting the Group’s liquidity (15%) and controlling the Group’s financial indebtedness ratio (15%);
 - Digital sales (30%) with a quantitative target of increasing the digital penetration rate for the 2020 financial year.
- Non-financial criteria representing 40% of the target annual variable compensation including:
 - The business continuity and recovery plan (15%);

- The Corporate Social Responsibility (CSR) policy, revised to include health and safety aspects (10%);
- Relationships with key suppliers (15%).

3.1.1.4 Summary tables of the compensation policy for the financial year 2020 – (Say on Pay Ex-ante)

Taking into account the changes presented above, the elements of compensation of corporate officers for the financial year 2020 are as follows:

■ Directors

In accordance with the compensation policy that is determined for the duration of the term of office, the compensation of the directors has been unchanged for the 2020 financial year and is composed of the following items:

DESCRIPTION	AMOUNT
Fixed annual compensation	The annual gross fixed compensation of directors was maintained at €40,000. This fixed compensation is determined for the whole term of office. For the Deputy Chairman and Senior Independent Director of the Board of Directors: a fixed portion of €100,000. The Board of Directors has decided to reduce Directors’ compensation by 20% from April 1 and for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.
Variable annual compensation	The variable compensation is maintained at €8,000 per Committee meeting, up to a maximum amount of €40,000 per member. For the Deputy Chairman and Senior Independent Director of the Board of Directors: the fixed portion remains identical, i.e., €40,000. The Board of Directors has decided to reduce Directors’ variable compensation by 20% from April 1 and for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.
Deferred variable compensation	Directors do not benefit from any deferred variable compensation.
Multi-annual variable compensation	Directors do not benefit from any multi-annual variable compensation.
Exceptional compensation	Directors do not benefit from any exceptional variable compensation.
Benefits of any kind	Directors do not benefit from any benefit in kind.
Long-term compensation: performance share allocation	Directors do not benefit from any long-term compensation.
Severance indemnity	Directors do not benefit from any severance indemnity.
Non-compete indemnity	Directors do not benefit from any non-compete indemnity.
Supplemental retirement scheme	Directors do not benefit from any supplemental retirement scheme
Compensation as Committee Chairman	The Directors who chair the Audit and Risks, Nomination and Compensation Committees receive additional annual compensation of €25,000, €15,000 and €15,000 respectively. The Deputy Chairman and Senior Independent Director of the Board of Directors is not entitled to compensation in connection with the chairmanship of a Committee, if any. The Board of Directors decided to reduce Directors’ compensation as Committees’ Chairman by 20% from April 1 and for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.
Travel Allowance	Directors coming from a different continent to attend the Board of Directors meetings are entitled to a fixed travel allowance of €2,500 per stay.

■ Ian Meakins, Chairman of the Board of Directors

DESCRIPTION	AMOUNT
Fixed annual compensation	Ian Meakins' gross annual fixed salary is maintained at €500,000, unchanged since taking office on October 1, 2016. This fixed compensation is determined for the whole term of office. The Board of Directors decided to reduce Chairman of Board of Directors' fixed compensation by 20% from April 1 and for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.
Variable annual compensation	Ian Meakins does not benefit from any variable annual compensation.
Deferred variable compensation	Ian Meakins does not benefit from any deferred variable compensation.
Multi-annual variable compensation	Ian Meakins does not benefit from any multi-annual variable compensation.
Exceptional compensation	Ian Meakins does not benefit from any exceptional compensation.
Benefits of any kind	Ian Meakins does not benefit from any benefit in kind.
Long-term compensation: performance share allocation	Ian Meakins does not benefit from any other long-term compensation.
Severance indemnity	Ian Meakins does not benefit from any severance indemnity.
Non-compete indemnity	Ian Meakins does not benefit from any non-compete indemnity.
Supplemental retirement scheme	Ian Meakins does not benefit from any supplemental retirement scheme.

■ Patrick Berard, Chief Executive Officer

i) Compensation policy applicable from January 1, 2020 until December 31, 2020 or, in the event of early renewal of the term of office of Patrick Berard's Chief Executive Officer, until the date of such renewal:

FIXED ANNUAL COMPENSATION

DESCRIPTION	AMOUNT
Fixed annual compensation	€650,000, unchanged since start of duties on July 1, 2016, determined for the whole term of office. Patrick Berard waived 20% of his fixed annual compensation from April 1 and for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.

VARIABLE ANNUAL COMPENSATION

The target variable annual compensation of Patrick Berard is maintained at 120% of his gross fixed annual compensation. The 2020 variable compensation is based for 60% on quantitative criteria and for 40% on qualitative criteria. The quantitative criteria can reach a maximum result of 150%, if the financial results exceed 100% of the quantitative criteria set. The individual portion of the variable compensation is capped at 100% of achievement. Maximum achievement of variable compensation thus cannot exceed 156% of fixed compensation.

The quantitative criteria are: rigorous debt management (30%); digital sales growth (30%).

The qualitative criteria are: the business continuity and recovery plan (15%), the revised CSR policy (10%) and the relationships with key suppliers (15%).

DESCRIPTION	AMOUNT
The annual variable compensation is made up of two parts:	The target variable compensation is unchanged since July 1, 2016, set at 120% of the annual gross fixed compensation for the term of office
<ul style="list-style-type: none"> • Quantitative objectives: <ul style="list-style-type: none"> - Target portion: 60% of target annual variable compensation $60\% \times 780,000 = \text{€}468,000$ - Maximum share 60% x 150% = 90% of the target variable annual compensation $150\% \times 468,000 = \text{€}702,000$ • Qualitative objectives: <ul style="list-style-type: none"> - Target portion: 40% of target annual variable compensation $40\% \times 780,000 = \text{€}312,000$ - Maximum share 40% x 100% = 40% of target annual variable compensation $100\% \times 312,000 = \text{€}312,000$ 	<ul style="list-style-type: none"> Target value: 120% of the fixed compensation $120\% \times 650,000 = \text{€}780,000$ Target value: 156% of the fixed compensation $(702,000 + 312,000) / 650,000 = 156\%$

Performance criteria

Quantitative target⁽¹⁾

FINANCIAL CRITERIA	WEIGHT	OBJECTIVES	PAYMENT ⁽²⁾
Rigorous debt management	50%	<ul style="list-style-type: none"> Up to 25%: preservation of the Group liquidity Cost management and free cash flow generation, with liquidity as a key indicator, are monitored on a daily basis, with indicators detailed in the April 23, 2020 press release "First quarter 2020 sales". - Dynamic inventory adaptation by product/customer category and geography - Close monitoring of customers - Tight management of payables - Suspension of capex projects pending reassessment on a case-by-case basis - Social and tax deferral authorized by governments in most countries Up to 25%: control of the indebtedness ratio 	Payment at 100% if result reaches 100% of target
Digital sales growth	50%	Quantified growth objective for the penetration rate of digital sales (defined as the proportion of web and EDI sales in total sales), for the financial year 2020	Payment at 100% if result reaches 100% of target
Total	100%	Calculation on a linear basis between the points	

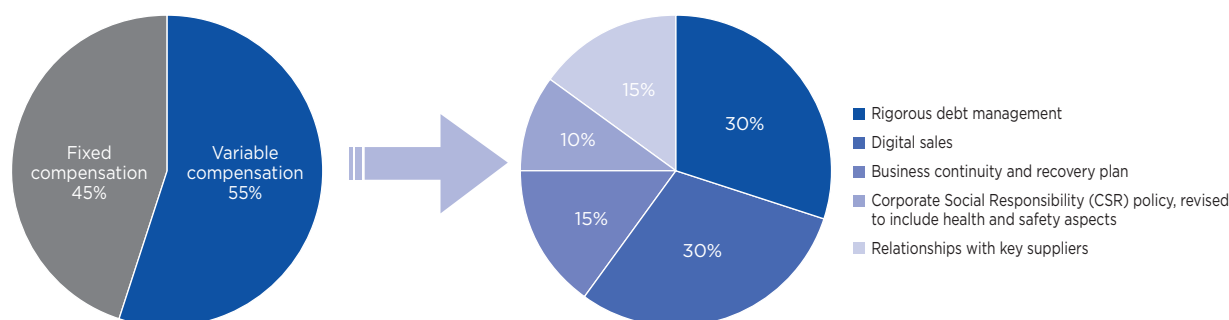
Qualitative objectives

NON-FINANCIAL CRITERIA	WEIGHT	DESCRIPTION
Business continuity and recovery plan	37.5%	<ul style="list-style-type: none"> A distribution network and a supply chain that are functional at 80% at minimum Continuous adjustment and rebalancing of resources (e.g. range of products, inventory management, supplier relations, organization) in levels, as part of the business continuity and recovery plan for the company
CSR – Corporate Social Responsibility – and Safety	25.0%	Ensuring business continuity in times of health crisis, following the Covid-19 pandemic, and enabling business rebound in the best possible. Participate in sustainable development and reduce the carbon impact on the environment
Relationships with key suppliers	37.5%	Enrich the interface with key suppliers in 3 global geographies by short term and long term (provide vision and new way of working)
Total	100%	

(1) The criteria and the expected level of achievement are clearly determined on an annual basis by the Board of Directors. The financial criteria are disclosed at the start of the financial year. The expected level of achievement and the performance reached are disclosed *ex-post* in this universal registration document. This *ex-post* disclosure is justified by the desire to protect the Group's interests by not disclosing *ex-ante* indications on its strategy that could be exploited by its competitors.

(2) As a reminder, and in line with previous years, in the event of outperformance, payments are capped at 150%. The demanding trigger thresholds will be communicated *ex-post*. They will be decided during the financial year 2020 and have not been decided at the date of publication of the 2019 universal registration document, in a particular context, related to the implications of the Covid-19 crisis.

Assuming that all of the objectives detailed above are achieved, the maximum fixed and variable annual compensation for the period from January 1, 2020 to December 31, 2020 or, in application of the applicable compensation policy, would be as follows:



2020 FIXED COMPENSATION IN €	TARGET 2020 VARIABLE COMPENSATION AS A PERCENTAGE OF FIXED COMPENSATION	VARIABLE COMPENSATION 2020 TARGET IN €	FIXED AND VARIABLE COMPENSATION 2020 TARGET IN €	FINANCIAL PART OF TARGET VARIABLE COMPENSATION IN% AND IN €	INDIVIDUAL PORTION OF TARGET VARIABLE COMPENSATION IN% AND IN €	MAXIMUM ACHIEVEMENT OF THE FINANCIAL PORTION	MAXIMUM ACHIEVEMENT OF THE INDIVIDUAL PORTION	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2020 AS A% OF TARGET AND IN €	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2020 AS A% OF FIXED COMPENSATION AND IN €
				60%	40%	(60% x 150%) = 90%	(40% x 100%) = 40%	130%	156%
650,000 ⁽¹⁾	120%	780,000	1,430,000	468,000	312,000	702,000	312,000	1,014,000	1,014,000
317,614 ⁽²⁾	120%	381,136	698,750	228,682	152,455	343,023	152,455	495,477	495,477

(1) For the period from January 1 to December 31, without taking into account the waiver of 20% of compensation.

(2) For the period from January 1 to June 25, 2020, without taking into account the waiver of 20% of compensation.

EXCEPTIONAL COMPENSATION

The compensation policy provides for the possibility of paying exceptional compensation under the restrictive conditions described in section 3.2.1.4 "Exceptional compensation" of the 2019 universal registration document.

BENEFITS OF ANY KIND

Patrick Berard receives benefits in kind consisting of a company car *inter alia* (in accordance with the policy applicable to Rexel's managers).

LONG-TERM VARIABLE COMPENSATION

The Board of Directors considers that share allocation mechanisms, which also benefit to other keys duties in the company, are particularly adapted to the duties of executive corporate officers, considering the level of responsibility of these duties as well as their capacity to contribute directly to the long-term performance of the company in line with the interests of the shareholders.

The shares allotted to the Chief Executive Officer are fully subject to performance criteria assessed over periods of at least 3 years.

These shares are also allotted subject to a presence criteria of 3 years. As a result, the vesting period is 3 years, with no further retention period.

Furthermore, the allotment is limited by two specific caps in value and in number of shares:

- the annual value of the performance shares granted to the Chief Executive Officer in respect of a financial year may not exceed 100% of his annual fixed and variable target compensation for that financial year (as defined in section "Long-term variable compensation" of paragraph 3.1.1.4 "Summary tables of the compensation policy for the financial year 2020 - (Say on Pay Ex-ante)" of this amendment to the 2019 universal registration document); and
- the number of shares allotted to the corporate officers cannot exceed 10% of the total performance shares allotted to all of the beneficiaries.

The Chief Executive Officer has a lock-up obligation in respect of 20% of the shares vested in connection with these schemes until the termination of his/her duties.

DESCRIPTION	AMOUNT
Allotments of shares fully subject to demanding performance conditions assessed over a period of 3 years (corresponding to the vesting period) and condition of presence, without additional retention period.	Maximum number of shares that may be allocated: 10% of the total amount allocated to all beneficiaries (within the overall limit of the percentage of share capital authorized by the General Meeting) ⁽¹⁾ . Maximum value of the shares at grant: 100% of the annual target fixed and variable compensation of Patrick Berard, <i>i.e.</i> , €1,430,000 in accordance with the compensation policy that will apply from January 1, 2020 until December 31, 2020 of the 18 th resolution.

(1) *i.e.* a maximum of 0.14% of the share capital over a period of 26 months, for a maximum ceiling of 1.4%, in the event of approval by the Shareholders' Meeting of June 25, 2020.

Performance criteria					
CRITERIA	WEIGHT	TRIGGERING THRESHOLD	TARGET	MAXIMUM	COMMENTS
Annual average of EBITA growth rates 2019-2022 (Medium Term Plan)	30%	50% of shares vest if the average performance reaches 75%	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least 125% of target	Calculation on a linear basis between the points
Annual average of organic sales growth rates 2019-2022 (Medium Term Plan)	30%	50% of shares vest if the average performance reaches 75%	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least 125% of target	Calculation on a linear basis between the points
Average free cash flow before interest and taxes/ EBITDA ratio between 2020, 2021 and 2022 (Medium Term Plan)	20%	50% of shares vest if the average performance reaches 90%	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least 120% of target	Calculation on a linear basis between the points
Relative performance of the Rexel share compared to the SBF 120 GR ⁽¹⁾ index	20%	Vesting equal to 50% if the performance of the Rexel share is equal to the performance of the SBF 120 GR index	Vesting equal to 100% if the performance of the Rexel share outperforms the SBF 120 GR index by 5%	Vesting equal to 150% if the performance of the Rexel share outperforms the SBF 120 GR index by 10%	
	100%	The performance level of each criterion is combined with the weight of each criterion in order to obtain a weighted global level of performance. In any case, said global level is limited to 100% of the initial allotment			

(1) The relative performance criterion of the Rexel share compared to the SBF 120 GR index has replaced the previously determined TSR criterion based on a panel of selected companies. This change is due to the difficulty to establish and update a representative panel of companies comparable to Rexel (in particular from a geographical, strategic challenges, digital transformation in product and services sales point of view). The SBF 120 GR index, which Rexel is part of, better integrates some of these criteria. The weighting of this criterion, the triggering threshold, the target and maximum vesting have been determined based on a comparable structure to that of the TSR criterion previously used, in line with market practices.

SEVERANCE INDEMNITY AND/OR NON-COMPETE COMPENSATORY ALLOWANCE

The Board of Directors decided not to grant to Patrick Berard any severance indemnity resulting from the termination of his duties as Chief Executive Officer, nor any non-compete indemnity in connection with the termination of such duties, taking into account his career and profile.

The employment contract of Patrick Berard, suspended during the performance of his duties as Chief Executive Officer, provides, under certain conditions, in the event of termination at the initiative of the employer⁽¹⁾, for the payment of severance and/or non-compete indemnities, up to a total amount corresponding to 18 months of the monthly reference compensation (*i.e.*, the last fixed annual compensation plus the average amount of the last two bonuses received, divided by 12)⁽²⁾. It is specified by the Board of Directors that in case of reactivation of the employment agreement of Patrick Berard, these potential severance indemnities would be calculated without taking into account the vesting period of the corporate office (without considering his seniority or fixed or variable compensation received as a corporate officer).

It is specified that the payment of a severance indemnity and/or the payment of a non-compete compensatory allowance would be less than the 24-month cap provided for in the compensation policy and the guidelines referred to in article 25.5 of the AFEP-MEDEF Code.

The payment of a non-compete indemnity would be precluded if Patrick Berard were to exercise his retirement rights.

SUPPLEMENTAL RETIREMENT SCHEME

Patrick Berard was maintained in the defined-benefit retirement plan in view of his seniority within the Group and his career (Patrick Berard joined Rexel in 2003). The benefit of the defined-benefit retirement scheme in respect of the corporate office of Patrick Berard is subject to performance criteria. This scheme complies with the guidelines of the AFEP-MEDEF Code.

In accordance with the applicable laws and regulations (Law n° 2019-486 of May 22, 2019 relating to the growth and transformation of companies, known as the "PACTE Law" and Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes), and following the decision of the Board of Directors, at its meeting of December 17, 2019, rights were frozen, consisting of the interruption at December 31, 2019 of the acquisition of new contingent rights under the plan. Periods of employment after December 31, 2019 will therefore not be taken into account for the assessment of seniority used to calculate the amount of the additional pension. On the other hand, end-of-career compensation will be taken into account, in accordance with the terms of the plan's regulations and Order No. 2019-697 of July 3, 2019.

It is restated that Patrick Berard is not eligible for the medium-term savings scheme (Article 82 of the French General Tax Code), as an exception to the compensation policy applicable to the Chief Executive Officer.

(1) Except in cases of gross or serious misconduct or retirement.

(2) This amount also includes any statutory or contractual indemnity.

Any allocation of shares to Chief Executive Officer Patrick Berard will be subject to the achievement of demanding performance objectives adapted to Rexel's current environment. These objectives will be determined in accordance with Rexel's Medium-Term Plan (MTP), as approved by the Board of Directors, the MTP specifying the Group's objectives for the next three years.

The performance levels relating to the internal performance criteria will be assessed at the end of the three-year period and will correspond to the average annual performance (annualization of MTP targets). The performance level relating to the Rexel share will be also assessed after the three-year period.

These demanding targets have resulted in very moderate levels of vesting for the latest plans delivered: respectively 35.2% for the April 2013 plan, 36% for the May 2014 Transition 2+2 plan, 31% for the May 2014 Key Managers plan, 18% for the July 2015 Key Managers 3+2 plan and 45% for the June 23, 2016 (3+2) and (4+0) plans.

The expected level of achievement and the performance reached will be disclosed *ex-post* in detail in the 2020 universal registration document. An *ex-ante* disclosure of objectives would not allow the company's interests to be safeguarded by

communicating indications of its long-term strategy in a highly competitive environment. The main financial criteria (sales and EBITA growth) over three years are intended to be more stringent than the annual guidelines.

The performance criteria used for the short-term and long-term variable compensation may be partly of the same nature (in some cases, they are key indicators for assessing Rexel's financial performance). However, the compensated performance may vary to the extent that the target short-term variable compensation includes 25% of non-financial criteria and the long-term compensation includes 20% of the relative performance of the Rexel share compared to the SBF 120 GR index. In addition, the financial criteria for short-term variable compensation are based on annual objectives, whereas the objectives for long-term compensation are those of the three-year Medium-Term Plan (recognizing sustainable growth).

More generally, performance shares are granted to a significant number of employees (between 800 and 1,000 on average per year) and it is important that these key financial criteria measuring the Group's performance can also be used for these plans.

ii) Compensation policy applicable, if applicable, until the date of early renewal of the term of office of Patrick Berard's Chief Executive Officer, until December 31, 2020:

FIXED ANNUAL COMPENSATION	
DESCRIPTION	AMOUNT
Fixed annual compensation	<p>The fixed annual compensation is set at €700,000.</p> <p>Patrick Berard waives, in the event that his term of office is renewed and that this increase is granted to him, the increase in his compensation submitted to the approval of the shareholders, for 2020.</p> <p>Patrick Berard waived 20% of his fixed annual compensation from April 1 and for a minimum period of 3 months that may, if applicable, be extended to cover the duration of the health crisis.</p>

VARIABLE ANNUAL COMPENSATION	
<p>The target variable annual compensation of Patrick Berard is maintained at 130% of his gross fixed annual compensation.</p> <p>Patrick Berard waives, in the event that his term of office is renewed and under the assumption this increase is granted to him, the increase in his target variable compensation from 120% to 130%, submitted to shareholders' approval for 2020.</p> <p>The 2020 variable compensation is based for 60% on quantitative criteria and for 40% on qualitative criteria. The quantitative criteria can reach a maximum result of 150%, if the financial results exceed 100% of the quantitative criteria set. The individual portion of the variable compensation is capped at 100% of achievement. Maximum achievement of variable compensation thus cannot exceed 169% of fixed compensation.</p> <p>The quantitative criteria are: rigorous debt management (30%), digital sales growth (30%).</p> <p>The qualitative criteria are: the business continuity and recovery plan (15%), the revised CSR policy (10%) and the relationships with key suppliers (15%).</p>	

DESCRIPTION	AMOUNT
The annual variable compensation is made up of two parts:	The target variable compensation is set at 130% of the annual gross fixed compensation for the term of office.
<ul style="list-style-type: none"> Quantitative objectives: <ul style="list-style-type: none"> Target portion: 60% of target annual variable compensation $60\% \times 910,000 = \text{€}546,000$ Maximum share 60% x 150% = 90% of the target variable annual compensation $150\% \times 546,000 = \text{€}819,000$ Qualitative objectives: <ul style="list-style-type: none"> Target portion: 40% of target annual variable compensation $40\% \times 910,000 = \text{€}364,000$ Maximum share 40% x 100% = 40% of target annual variable compensation $100\% \times 364,000 = \text{€}364,000$ 	<ul style="list-style-type: none"> Target value: 130% of the fixed compensation $130\% \times 700,000 = \text{€}910,000$ Target value: 169% of the fixed compensation $(819,000 + 364,000) / 700,000 = 169\%$

Performance criteria

Quantitative target⁽¹⁾

FINANCIAL CRITERIA	WEIGHT	MINIMUM	PAYMENT ⁽²⁾
Rigorous debt management	50%	<ul style="list-style-type: none"> Up to 25%: preservation of the Group liquidity Cost management and free cash flow generation, with liquidity as a key indicator, are monitored on a daily basis, with indicators detailed in the April 23, 2020 press release "First quarter 2020 sales". Dynamic inventory adaptation by product/customer category and geography Close monitoring of customers Tight management of payables Suspension of capex projects pending reassessment on a case-by-case basis Social and tax deferral authorized by governments in most countries 	Payment at 100% if result reaches 100% of target
Digital sales growth	50%	Quantified growth objective for the penetration rate of digital sales (defined as the proportion of web and EDI sales in total sales), for the financial year 2020	Payment at 100% if result reaches 100% of target
Total	100%	Calculation on a linear basis between the points	

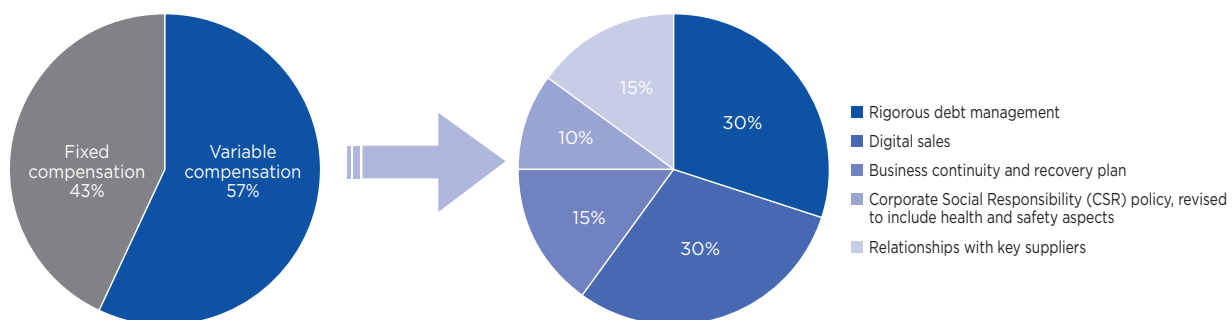
Qualitative objectives

NON-FINANCIAL CRITERIA	WEIGHT	DESCRIPTION
Business continuity and recovery plan	37.5%	<ul style="list-style-type: none"> A distribution network and a supply chain that are functional at 80% at minimum Continuous adjustment and rebalancing of resources (e.g. range of products, inventory management, supplier relations, organization) in levels, as part of the business continuity and recovery plan for the company
CSR – Corporate Social Responsibility – and Safety	25.0%	Ensuring business continuity in times of health crisis, following the Covid-19 pandemic, and enabling business rebound in the best possible. Participate in sustainable development and reduce the carbon impact on the environment
Relationships with key suppliers	37.5%	Enrich the interface with key suppliers in 3 global geographies by short term and long term (provide vision and new way of working)
Total	100%	

(1) The criteria and the expected level of achievement are clearly determined on an annual basis by the Board of Directors. The financial criteria are disclosed at the start of the financial year. The expected level of achievement and the performance reached are disclosed *ex-post* in the universal registration document. This *ex-post* disclosure is justified by the desire to protect the Group's interests by not disclosing *ex-ante* indications on its strategy that could be exploited by its competitors.

(2) As a reminder, and in line with previous years, in the event of outperformance, payments are capped at 150%. The demanding trigger thresholds will be communicated *ex-post*. They will be decided during the financial year 2020 and have not been decided at the date of publication of the 2019 universal registration document, in a particular context, related to the implications of the Covid-19 crisis.

Assuming that all of the objectives detailed above are achieved, the maximum fixed and variable annual compensation for the period from January 1, 2020 to December 31, 2020, would be as follows:



2020 FIXED COMPENSATION IN €	TARGET 2020 VARIABLE COMPENSATION AS A PERCENTAGE OF FIXED COMPENSATION	VARIABLE COMPENSATION 2020 TARGET IN €	FIXED AND VARIABLE COMPENSATION 2020 TARGET IN €	FINANCIAL PART OF TARGET VARIABLE COMPENSATION IN% AND IN €	INDIVIDUAL PORTION OF TARGET VARIABLE COMPENSATION IN% AND IN €	MAXIMUM ACHIEVEMENT OF THE FINANCIAL PORTION	MAXIMUM ACHIEVEMENT OF THE INDIVIDUAL PORTION	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2020 AS A% OF TARGET AND IN €	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2020 AS A% OF FIXED COMPENSATION AND IN €
				60%	40%	(60% x 150%) = 90%	(40% x 100%) = 40%	130%	169%
700,000 ⁽¹⁾	130%	910,000	1,610,000	546,000	364,000	819,000	364,000	1,183,000	1,183,000
357,955 ⁽²⁾	130%	465,341	823,295	279,205	186,136	418,807	186,136	604,943	604,943

(1) For the period from 1 January to 31 December 2020 without taking into account, on the one hand, the waiver of the salary increase from €650,000 to €700,000 for the fixed part and from 120% to 130% for the variable part, and on the other hand, the waiver of 20% of the remuneration.

(2) For the period from June 26 to December 31, 2020 without taking into account, on the one hand, the waiver of the salary increase from €650,000 to €700,000 for the fixed portion and from 120% to 130% for the variable portion, and, on the other hand, the waiver of 20% of the compensation.

EXCEPTIONAL COMPENSATION

The compensation policy provides for the possibility of paying exceptional compensation under the restrictive conditions described in paragraph 3.2.1.4 "Exceptional compensation" of the 2019 universal registration document.

BENEFITS OF ANY KIND

Patrick Berard receives benefits in kind consisting of a company car *inter alia* (in accordance with the policy applicable to Rexel's managers).

LONG-TERM VARIABLE COMPENSATION

The Board of Directors considers that share allocation mechanisms, which also benefit to other keys duties in the company, are particularly adapted to the duties of executive corporate officers, considering the level of responsibility of these duties as well as their capacity to contribute directly to the long-term performance of the company in line with the interests of the shareholders.

The shares allotted to the Chief Executive Officer are fully subject to performance criteria assessed over periods of at least 3 years.

These shares are also allotted subject to a presence criteria of 3 years. As a result, the vesting period is 3 years, with no further retention period.

Furthermore, the allotment is limited by two specific caps in value and in number of shares:

- the annual value of the performance shares granted to the Chief Executive Officer in respect of a financial year may not exceed 100% of his annual fixed and variable target compensation for that financial year (as defined in section "Long-term variable compensation" of paragraph 3.1.1.4 "Summary tables of the compensation policy for the financial year 2020 - (Say on Pay Ex-ante)" of this amendment to the 2019 universal registration document); and
- the number of shares allotted to the corporate officers cannot exceed 10% of the total performance shares allotted to all of the beneficiaries.

The Chief Executive Officer has a lock-up obligation in respect of 20% of the shares vested in connection with these schemes until the termination of his/her duties.

DESCRIPTION	AMOUNT
Allotments of shares fully subject to demanding performance conditions assessed over a period of 3 years (corresponding to the vesting period) and condition of presence, without additional retention period.	<p>Maximum number of shares that may be allocated: 10% of the total amount allocated to all beneficiaries (within the overall limit of the percentage of share capital authorized by the General Meeting of June 25, 2020)⁽¹⁾.</p> <p>Maximum value of the shares at grant: 100% of the annual target fixed and variable compensation of Patrick Berard, <i>i.e.</i>, €1,610,000. The amount of €1,610,000 corresponds to the theoretical amount based on the increase in the fixed and variable compensation.</p>

Performance criteria

CRITERIA	WEIGHT	TRIGGERING THRESHOLD	TARGET	MAXIMUM	COMMENTS
Annual average of EBITA growth rates 2019-2022 (Mid-term Plan)	30%	50% of shares vest if the average performance reaches 75%	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least 125% of target	Calculation on a linear basis between the points
Annual average of organic sales growth rates 2019-2022 (Medium Term Plan)	30%	50% of shares vest if the average performance reaches 75%	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least 125% of target	Calculation on a linear basis between the points
Average free cash flow before interest and taxes/ EBITDA ratio between 2020, 2021 and 2022 (Medium Term Plan)	20%	50% of shares vest if the average performance reaches 90%	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least 120% of target	Calculation on a linear basis between the points
Relative performance of the Rexel share compared to the SBF 120 GR index ⁽²⁾	20%	Vesting equal to 50% if the performance of the Rexel share is equal to the performance of the SBF 120 GR index	Vesting equal to 100% if the performance of the Rexel share outperforms the SBF 120 GR index by 5%	Vesting equal to 150% if the performance of the Rexel share outperforms the SBF 120 GR index by 10%	
	100%	The performance level of each criterion is combined with the weight of each criterion in order to obtain a weighted global level of performance. In any case, said global level is limited to 100% of the initial allotment			

SEVERANCE INDEMNITY AND/OR NON-COMPETE COMPENSATORY ALLOWANCE

The Board of Directors decided not to grant to Patrick Berard any severance indemnity resulting from the termination of his duties as Chief Executive Officer, nor any non-compete indemnity in connection with the termination of such duties, taking into account his career and profile.

The employment contract of Patrick Berard, suspended during the performance of his duties as Chief Executive Officer, provides, under certain conditions, in the event of termination at the initiative of the employer⁽³⁾, for the payment of severance and/or non-compete indemnities, up to a total amount corresponding to 18 months of the monthly reference compensation (*i.e.*, the last fixed annual compensation plus the average amount of the last two bonuses received, divided by 12)⁽⁴⁾. It is specified by the Board of Directors that in case of reactivation of the employment agreement of Patrick Berard, these potential severance indemnities would be calculated without taking into account the vesting period of the corporate office (without considering his seniority or fixed or variable compensation received as a corporate officer).

It is specified that the payment of a severance indemnity and/or the payment of a non-compete compensatory allowance would be less than the 24-month cap provided for in the compensation policy and the guidelines referred to in article 25.5 of the AFEP-MEDEF Code.

The payment of a non-compete indemnity would be precluded if Patrick Berard were to exercise his retirement rights.

(1) *i.e.* a maximum of 0.14% of the share capital over a period of 26 months, for a maximum ceiling of 1.4%, in the event of approval by the Shareholders' Meeting of June 25, 2020.

(2) The relative performance criterion of the Rexel share compared to the SBF 120 GR index has replaced, in 2018, the previously determined TSR criterion based on a panel of selected companies. This change is due to the difficulty to establish and update a representative panel of companies comparable to Rexel (in particular from a geographical, strategic challenges, digital transformation in product and services sales point of view). The SBF 120 GR index, which Rexel is part of, better integrates some of these criteria. The weighting of this criterion, the triggering threshold, the target and maximum vesting have been determined based on a comparable structure to that of the TSR criterion previously used, in line with market practices.

(3) Except in cases of gross or serious misconduct or retirement.

(4) This amount also includes any statutory or contractual indemnity.

SUPPLEMENTAL RETIREMENT SCHEME

Patrick Berard was maintained in the defined-benefit retirement plan in view of his seniority within the Group and his career (Patrick Berard joined Rexel in 2003). The benefit of the defined-benefit retirement scheme in respect of the corporate office of Patrick Berard is subject to performance criteria. This scheme complies with the guidelines of the AFEF-MEDEF Code.

In accordance with the applicable laws and regulations (Law n° 2019-486 of May 22, 2019 relating to the growth and transformation of companies, known as the "PACTE Law" and Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes), and following the decision of the Board of Directors, at its meeting of December 17, 2019, rights were frozen, consisting of the interruption at December 31, 2019 of the acquisition of new contingent rights under the plan. Periods of employment after December 31, 2019 will therefore not be taken into account for the assessment of seniority used to calculate the amount of the additional pension. On the other hand, end-of-career compensation will be taken into account, in accordance with the terms of the plan's regulations and Order No. 2019-697 of July 3, 2019.

It is restated that Patrick Berard is not eligible for the medium-term savings scheme (Article 82 of the French General Tax Code), as an exception to the compensation policy applicable to the Chief Executive Officer.

Any allocation of shares to Chief Executive Officer Patrick Berard will be subject to the achievement of demanding performance objectives adapted to Rexel's current environment. These objectives will be determined in accordance with Rexel's Medium-Term Plan (MTP), as approved by the Board of Directors, the MTP specifying the Group's objectives for the next three years.

The performance levels relating to the internal performance criteria will be assessed at the end of the three-year period and will correspond to the average annual performance (annualization of MTP targets). The performance level relating to the Rexel share will be also assessed after the three-year period.

These demanding targets have resulted in very moderate levels of vesting for the latest plans delivered: respectively 35.2% for the April 2013 plan, 36% for the May 2014 Transition 2+2 plan, 31% for the May 2014 Key Managers plan, 18% for the July 2015 Key Managers 3+2 plan and 45% for the June 23, 2016 (3+2) and (4+0) plans.

The expected level of achievement and the performance reached will be disclosed *ex-post* in detail in the universal registration document. An *ex-ante* disclosure of objectives would not allow the company's interests to be safeguarded by communicating indications of its long-term strategy in a highly competitive environment. The main financial criteria (sales and EBITA growth) over three years are intended to be more stringent than the annual guidelines.

The performance criteria used for the short-term and long-term variable compensation may be partly of the same nature (in some cases, they are key indicators for assessing Rexel's financial performance).

However, the compensated performance may vary to the extent that the target short-term variable compensation includes 25% of non-financial criteria and the long-term compensation includes 20% of the relative performance of the Rexel share compared to the SBF 120 GR index. In addition, the financial criteria for short-term variable compensation are based on annual objectives, whereas the objectives for long-term compensation are those of the three-year Medium-Term Plan (recognizing sustainable growth).

More generally, performance shares are granted to a significant number of employees (between 800 and 1,000 on average per year) and it is important that these key financial criteria measuring the Group's performance can also be used for these plans.

3.1.2 Compensation of corporate officers for the financial year 2019 (Articles L.225-37-3 I and L.225-100 II of the French Commercial Code)

The elements of compensation of corporate officers for the financial year 2019 as presented in paragraph 3.2.2 "Compensation of corporate officers for the financial year 2019 (Articles L.225-37-3 I and L.225-100 II of the French Commercial Code)" of the 2019 universal registration document remain unchanged.

In the same concern to be associated with the efforts made by the Group and its employees, the Chief Executive Officer proposed that his variable compensation for 2019, if approved by the next General Meeting of shareholders, should not be paid at the end following the said meeting but only in December 2020.