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Compensation of Corporate Officers

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The Board of Directors of February 12, 2020, decided the following in relation to the compensation of Corporate officers.

1. 2019 variable part

Upon recommendation of the Compensation committee, the Board of Directors of February 12, 2020 set the variable part of the Chief Executive Officer, Patrick Berard, and took the following decisions:

The 2019 variable target compensation of the CEO was set at 120% of the fixed annual compensation (€650,000) if 100% of the financial and individual targets were achieved.

The variable compensation for 2019 was based for 75% on financial criteria and for 25% on individual criteria.

The financial criteria for 2019 were sales growth in volume (40%), adjusted growth EBITA in volume (40%) and ATWC (20%). The targets to be reached were those set in the 2019 budget.

The qualitative objectives set for 2019 were the transformation, notably digital (60%) and corporate social responsibility (40%).

Having assessed the performance of the Chief Executive Officer, the Board determined a global performance of 84,2%, i.e., an amount of €656,565 to be paid for 2019.

Achievements are detailed as follows:

2019 fixed compensation	2019 target variable portion in percentage of fixed compensation	2019 target variable portion in €	Financial part of the target variable portion	Individual part of the target variable portion	Financial part 2019 result	Individual part 2019 result	Achievement of 2019 financial part	Achievement of 2019 individual part	Global achievement in percentage of target variable portion	Amount in € to be paid in respect of 2019 variable portion
A	B	(AxB)=C	D	E	F	G	(DxF)=H	(ExG)=I	(H+I)=J	(CxJ)
650,000	120%	780,000	75%	25%	80.9%	94.0%	60.7%	23.5%	84.2%	656,565

Financial results	Weight	Achievements (after weighting)
Sales growth in volume	40.0%	19.5%
Adjusted growth EBITA in volume	40.0%	36.9%
ATWC	20.0%	24.5%
2019 Financial part		80.9%

Individual results	Weight	Achievements (after weighting)
Transformation and Digital	60.0%	54.0%
Corporate Social Responsibility	40.0%	40.0%
2019 Individual part		94.0%

In accordance with the article L.225-100 of the French commercial code, the payment of the 2019 variable part is subject to the approval of Rexel General Shareholders Meeting on April 23, 2020.

2. Compensation policy applicable for 2020

Following recommendation from the Compensation Committee, the Board of Directors of February 12, 2020 adopted the compensation policy for corporate officers. The compensation policy will be detailed in the corporate governance report which will be included in Rexel Universal Registration Document for 2019.

The compensation policy applicable for 2020 is comparable to the 2019 compensation policy, for the Chairman of the Board of Directors and Directors. It would be reviewed for the Chief Executive Officer, subject to the approval by the General Meeting of the modification of the By-laws in order to raise the age limit to exercise the functions of Chief Executive Officer from 68 to 70 years old and subject to the early renewal of the CEO mandate of Patrick Berard.

As a reminder, the compensation policies for the Chairman to the Board of the Directors and the Chief Executive Officer are applicable for all their terms of office and cannot be reviewed during the duration of their mandate.

• CHAIRMAN OF THE BOARD OF DIRECTORS, IAN MEAKINS

There will be no change in the fixed compensation of the Chairman of the Board of Directors, which will remain at €500,000 per year. The Chairman of the Board of Directors does not benefit from any other compensation item.

Ian Meakins	2020	Evolution	2019
Fixed portion	500,000	0%	500,000
Variable portion	N/A		N/A

• DIRECTORS

According to the compensation policy, the compensation for Directors is unchanged for the financial year 2020.

• CHIEF EXECUTIVE OFFICER, PATRICK BERARD

The Board of Directors proposes an increase for fixed compensation from €650,000 to €700,000 euros as well as an increase for target variable part from 120% to 130%. The increase in compensation, in the event of an early renewal of the Chief Executive Officer, is part of a context of constant financial performance for fourteen quarters, from the appointment as Chief Executive Officer of Patrick Berard. In addition, this financial performance was accompanied by a transformation of the Group favoring the alignment of long-term interests. It is specified in addition, that the Chief Executive Officer's fixed compensation has not been reviewed since his appointment on July 1, 2016.

Fixed compensation and variable part for 2020

1. Compensation policy applicable from January 1, 2020 until December 31, 2020 or, in the event of early renewal of the mandate of the CEO Patrick Berard, until the date of such renewal:

The fixed annual compensation of the Chief Executive Officer is maintained at €650,000 and his target annual variable portion at 120% of his fixed portion, if 100% of the financial and individual objectives are achieved.

Patrick Berard	2020⁽¹⁾	Evolution	2019
Fixed portion	650,000	0%	650,000
Variable portion	780,000	0%	780,000

(1) For the period from January 1, 2020 to December 31, 2020 or, if applicable, until the date of early renewal of the mandate, ie April 23, 2020. This annual amount will be prorated in the event of renewal of the mandate of CEO.

2. Compensation policy applicable, from the date of early renewal of the mandate of Chief Executive Officer of Patrick Berard until December 31, 2020:

The fixed annual compensation of the Chief Executive Officer's is set at €700,000 and his target variable annual portion at 130% of his fixed portion, in the event of 100% achievement of financial and individual objectives.

Patrick Berard	2020 ⁽¹⁾	Evolution ⁽²⁾	2019
Fixed portion	700,000	8%	650,000
Variable portion	910,000	17%	780,000

1) From April 24, 2020, in the event of an early renewal of the Chief Executive Officer. This annual amount will be prorated.

(2) This is equivalent to an annual increase of 1.5% since Patrick Berard took office as Chief Executive Officer on July 1st, 2016 until April 23, 2020.

Financial targets can achieve a maximum result of 150%. Individual goals are capped at 100% achievement. Criterion used by the Board of Directors to assess the performance of variable compensation are, for the period from January 1st to December 31, 2020:

- financial criteria based on results of Rexel and aggregates that the Group uses for the analysis of its financial situation (the financial part represents 75% of the target annual variable compensation). These criteria are growth in gross margin in volume (40%), growth in adjusted EBITA in volume (40%) and average operating ATWC (20%). The gross volume margin criteria was chosen for 2020, replacing the criterion linked to growth in volume sales. This choice is consistent with the Group' strategic plan aiming at increasing the Group's profitability; and
- qualitative criteria which represent 25% of the target annual variable compensation. These criteria are linked to the Group's transformation, notably digital. These criteria also relate to compliance with Corporate Social Responsibility policy.

Compensation policy applicable from January 1st, 2020 until December 31, 2020 or, in the event of early renewal of the mandate of the Chief Executive Officer of Patrick Berard, until the date of such renewal:

Fixed 2020 compensation	2020 Variable compensation target in % of the fixed compensation	2020 Target variable compensation in €	Fixed and variable 2020 compensation target in €	Financial part of the target variable compensation in % and in €	Individual part of the target variable compensation in % and in €	Maximum achievement of the financial part	Maximum achievement of the individual part	Maximum achievement of the 2020 variable compensation in % of the target and in €	Maximum achievement of the 2020 variable compensation in % of the fixed compensation and in €
				75%	25%	(75% x 150%) = 112.5%	(25% x 100%) = 25%	137.50%	165%
650,000	120%	780,000	1,430,000	585,000	195,000	877,500	195,000	1,072,500	1,072,500

The above amounts will be prorated for the relevant period.

Compensation policy applicable, from the date of early renewal of the mandate of Chief Executive Officer of Patrick Berard until December 31, 2020

Fixed 2020 compensation	2020 Variable compensation target in % of the fixed compensation	2020 Target variable compensation in €	Fixed and variable 2020 compensation target in €	Financial part of the target variable compensation in % and in €	Individual part of the target variable compensation in % and in €	Maximum achievement of the financial part	Maximum achievement of the individual part	Maximum achievement of the 2020 variable compensation in % of the target and in €	Maximum achievement of the 2020 variable compensation in % of the fixed compensation and in €
				75%	25%	(75% x 150%) = 112.5%	(25% x 100%) = 25%	137.50%	179%
700,000	130%	910,000	1,610,000	682,500	227,500	1,023,750	227,500	1,251,250	1,251,250

The above amounts will be prorated for the relevant period.

The other benefits are renewed (health and welfare insurance, basic and supplementary pension, health checkup, tax/retirement advice, company car).

In accordance with the article L.225-37-2 of the French commercial code, the 2020 compensation policy for Corporate officers will be submitted to Rexel Shareholders' General Meeting on April 23, 2020.

Additional defined-benefit retirement plan

The Board of Directors of July 1, 2016 decided to maintain the benefit of the additional defined-benefit retirement plan that Patrick Berard benefited from prior to accepting his duties as Chief Executive Officer. Pursuant to article L. 225-42-1 of the French commercial code, the Board of Directors decided that the contingent rights that may be acquired by Patrick Berard in respect of his duties as Chief Executive Officer in connection with this scheme will only be granted subject to the achievement of the annual performance conditions set (taking into account the activity period and the compensation in his capacity as corporate officer).

The performance criteria determined by the Board of Directors have been aligned with those of the annual variable portion of the Chief Executive Officer (financial portion and individual portion). The performance criteria shall be considered as satisfied if the payment level of the annual variable portion reaches at least 60% of the target variable portion.

The Board of Directors of February 12, 2020 acknowledged the achievement of the performance criteria for the 2019 financial year (the payment level of the variable portion for 2019 over the exercise period of the corporate office having reached 80.4%). The activity period and the compensation received in respect of the duties of corporate officer over the considered period shall be taken into consideration for the calculation of the contingent rights.

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", 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. Patrick Berard does not benefit from the collective medium-term savings scheme (Article 82 of the French General Tax Code).

Severance indemnities

The Chief Executive Officer does not qualify for any severance indemnity in respect of his corporate office. 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 of the Company, nor any non-compete compensation indemnity in connection with the termination of such duties, taking into account his career and profile.

It is reminded that the employment agreement of Patrick Berard, suspended during the exercise of his duties as Chief Executive Officer of the Company, provides under certain conditions for the payment of such indemnities, within the limits of a global amount of 18 months of monthly reference compensation. 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 exercise period of the corporate office (without considering his seniority or fixed or variable compensation received as a corporate officer).

Benefit in kind

The Chief Executive Officer receives benefits in kind including the provision of a company car.