
**COMPENSATION OF CORPORATE OFFICERS
PUBLISHED PURSUANT TO THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE OF CORPORATE
GOVERNANCE AND OF THE FRENCH COMMERCIAL CODE**

Rexel's Board of Directors meeting of June 25, 2020, held following the Shareholders' General Meeting, decided the following in relation to the compensation of Corporate officers.

- **DIRECTORS**

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

The Board of Directors of April 22, 2020 had decided to reduce the fixed and variable compensation of Directors by 20% as from April 1, 2020, for a minimum period of three months, which may, if applicable, be extended for the duration of the health crisis. The Board of Directors held today decided to extend this period from July 1, 2020 for three additional months.

- **CHAIRMAN OF THE BOARD OF DIRECTORS, IAN MEAKINS**

The Board of Directors renewed the mandate of the Chairman of the Board of Directors, Ian Meakins, for the duration of his mandate as Director, i.e. until the end of the Shareholders' General Meeting called to decide in 2024 on the accounts for the year 2023.

The Board of Directors decided on the compensation of its Chairman, in application of the 2020 compensation policy approved by today's Shareholders' General Meeting.

The 2019 compensation of the Chairman of the Board of Directors has been maintained for the 2020 financial year, i.e. a fixed compensation of €500,000. The Chairman of the Board of Directors does not receive any other compensation.

The Board of Directors of April 22, 2020 has decided to reduce the compensation of the Chairman of the Board of Directors by 20%, as of April 1, 2020, for a minimum period of three months, which may, if applicable, be extended for the duration of the health crisis. The Board of Directors held today decided to extend this period from July 1, 2020 for three additional months.

- **CHIEF EXECUTIVE OFFICER, PATRICK BERARD**

Taking note of the approval by the Shareholders' General Meeting held today of the postponement of the statutory age limit for the position of Chief Executive Officer from 68 to 70 years of age and of the approval of the compensation policy for 2020, the Board of Directors renewed in advance the mandate of the Chief Executive Officer, Patrick Berard, for a period expiring at the end of the Shareholders General Meeting to be held in 2023¹ and decided on the compensation policy as described below.

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

¹ Subject to the age limit as per the By-laws

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

(1) From June 25, 2020. This annual amount will be prorated.

(2) This is equivalent to an annual increase of 1.9% since Patrick Berard took office as Chief Executive Officer on July 1, 2016 until June 25, 2020

Given the crisis due to the Covid-19 pandemic and in order to join in the efforts agreed by the Group and its employees, the Chief Executive Officer, Patrick Berard decided:

- To waive for 2020 his fixed and variable compensation increase, approved by the Shareholders' Meeting; and
- To waive 20% of his fixed compensation with effect from April 1, 2020 for an initial period of 3 months, extended from July 1, 2020 to September 30, 2020.

As a result, for 2020, the annual fixed compensation of the Chief Executive Officer is maintained at €650,000 and his target annual variable compensation at 120% of the fixed portion, if 100% of the financial and individual targets are achieved. These amounts will then be reduced proportionally, as a result of the waiver of 20% of the fixed compensation indicated above.

Moreover, the previously-published annual targets have been suspended by the Company. As a consequence, 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:
 - Continued rigorous management of debt (30%) as presented in the press release of April 23, 2020 "First quarter sales," with priority given to maintaining the Group's liquidity (15%) and managing the Group's financial debt ratio (15%).
 - Digital sales (30%) with a quantitative target of increasing the 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 with the inclusion of a health component (10%).
 - Relations with strategic suppliers (15%).

Compensation of the Chief Executive Officer from 25 June 2020 until 31 December 2020

Fixed 2020 compensation in €	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 €
				60%	40%	$(60\% \times 150\%) = 90\%$	$(40\% \times 100\%) = 40\%$	130%	169%
700,000	130%	910,000	1,610,000	546,000	364,000	819,000	364,000	1,183,000	1,183,000

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).

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.

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

The plan freeze, effective January 1, 2020, was approved by Shareholders General Meeting held today, June 25, 2020.

In accordance with Article L. 225-38 of the French Commercial Code, the Board of Directors authorized today the continuation of this defined benefit pension plan for the benefit of Patrick Berard as part of the renewal of his mandate as Chief Executive Officer.

Severance indemnities

The Chief Executive Officer does not qualify for any severance indemnity in respect of his corporate office. The Board of Directors of July 1st, 2016 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.

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.

ABOUT REXEL GROUP

Rexel, worldwide expert in the multichannel professional distribution of products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports its residential, commercial and industrial customers by providing a tailored and scalable range of products and services in energy management for construction, renovation, production and maintenance. Rexel operates through a network of more than 1,900 branches in 26 countries, with more than 26,000 employees. The Group's sales were €13.74 billion in 2019.

Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, Ethibel Sustainability Index Excellence Europe, Euronext VigeoEiris Europe 120 Index, Dow Jones Sustainability Index Europe and STOXX® Global Climate Change Leaders, in recognition of its performance in corporate social responsibility (CSR). Rexel is on the CDP "Climate A List".

For more information, visit Rexel's web site at www.rexel.com/en

CONTACTS

FINANCIAL ANALYSTS / INVESTORS

Ludovic DEBAILLEUX

+33 1 42 85 76 12

ludovic.debailleux@rexel.com

PRESS

Brunswick: Thomas KAMM

+33 1 53 96 83 92

tkamm@brunswickgroup.com