

Compensation of Corporate Officers

Published pursuant to the recommendations of the AFEP-MEDEF Code of Corporate Governance

As part of Patrick Berard's succession plan and the appointment of Guillaume Texier as Chief Executive Officer with effect from September 1, 2021, the Board of Directors of Rexel, on its meeting of March 25, 2021, has decided to (i) adapt the compensation policy applicable to the Chief Executive Officer for the financial year 2021 in view of the termination of the duties of Patrick Berard as Chief Executive Officer expected on September 1, 2021 and (ii) amend the compensation policy applicable to the Chief Executive Officer for the financial year 2021 as from the appointment of Guillaume Texier as Chief Executive Officer, who will take office on September 1, 2021.

Compensation policy applicable to the Chief Executive Officer for the financial year 2021

Following the recommendation of the Compensation Committee, the Board of Directors of March 25, 2021 modified the compensation policy of the Chief Executive Officer set at its meeting of February 10, 2021, by setting a compensation policy that will be applicable as from the termination of Patrick Berard's term of office as Chief Executive Officer expected on September 1, 2021. This compensation policy will be detailed in the corporate governance report which will be included in Rexel's Universal registration document for 2020, as amended.

In accordance with Article L.22-10-8 of the French Commercial Code, the compensation policy applicable to the Chief Executive Officer for the financial year 2021 (1) until the end of Patrick Berard's term of office as Chief Executive Officer and (2) as from the appointment of Guillaume Texier as Chief Executive Officer will be submitted to the approval of Rexel General Shareholders' Meeting of April 22, 2021.

1. Compensation policy applicable to the Chief Executive Officer for the financial year 2021, until the end of Patrick Berard's term of office as Chief Executive Officer

The elements of the compensation policy as presented in the press release dated February 17, 2021 relating to the compensation of corporate officers remain unchanged and applicable to Patrick Berard until the end of his term of office as Chief Executive Officer.

As a result of the termination of Patrick Berard's duties expected on September 1, 2021, the following precisions are made to the compensation policy applicable to the Chief Executive Officer until the end of his term of office.

Fixed compensation

The fixed compensation will be calculated *pro rata temporis* for the period between January 1, 2021 and the date of the termination of Patrick Berard's term of office as Chief Executive Officer, i.e., an amount of €466,667 for the period from January 1, 2021 to August 31, 2021.

Short-term variable compensation

The short-term variable compensation will be calculated for the period between January 1, 2021 and August 31, 2021, and will be set out by the Board of Directors on February 2022.

Long-term variable compensation

Given the appointment of Guillaume Texier during the financial year 2021 in replacement of Patrick Berard, Patrick Berard will not be eligible for the 2021 free shares allocation.

Severance and/or non-compete indemnity

Specific situation

As a result of the termination of his duties as Chief Executive Officer as from September 1, 2021 and the reactivation of his employment contract which will be subsequent to the termination of his term of office, Patrick Berard will accept his notification of retirement for a retirement that will take effect upon expiry of a six-month notice period at the end of which Rexel Développement SAS will pay him a severance indemnity pursuant to the collective bargaining agreement (*indemnité conventionnelle de mise à la retraite*).

In accordance with the provisions of Article R.22-10-14, III, of the French Commercial Code and in accordance with the compensation policy applicable to the Chief Executive Officer, Patrick Berard will not be paid a severance indemnity (*indemnité de départ*) or a non-compete compensatory indemnity.

2. Compensation policy applicable to the Chief Executive Officer for the financial year 2021, as from the appointment of Guillaume Texier as Chief Executive Officer

The elements of the compensation policy as described below will be applicable to the Chief Executive Officer, as from the appointment of Guillaume Texier expected on September 1, 2021.

Fixed compensation

The annual fixed compensation of the Chief Executive Officer amounts to €800,000.

Short-term variable compensation

The annual variable target compensation is set at 120% of the annual fixed compensation if 100% of the financial and individual objectives are achieved.

The 2021 variable portion breaks down into 70% of financial and 30% of individual objectives. The quantitative objectives can reach a maximum result of 150% of the individual part of the variable compensation is capped at 100% of achievement. Thus, the maximum variable compensation cannot exceed 162% of the fixed compensation.

The quantitative objectives are: adjusted gross margin in volume terms (40%), adjusted EBITA in volume terms (40%) and average operating working capital requirement (20%).

The individual objectives are the development of an efficient management team (33.4%), the update of the medium term plan and in particular the construction of the Budget 2022 (33.3%), and the production of a report on the first 100 days of the term of office (33.3%).

Those objectives will be precisely detailed in Rexel's Universal registration document for 2020, as amended.

2021 FIXED COMPENSATION IN €	TARGET 2021 VARIABLE COMPENSATION AS A PERCENTAGE OF FIXED COMPENSATION	VARIABLE COMPENSATION 2021 TARGET IN €	FIXED AND VARIABLE COMPENSATION 2021 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 2021 AS A % OF TARGET AND IN €	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2021 AS A % OF FIXED COMPENSATION AND IN €
				70%	30%	105%	30%	135%	162%
800,000	120%	960,000	1,760,000	672,000	288,000	1,008,000	288,000	1,296,000	1,296,000

The Chief Executive Officer will also benefit from the following other benefits: unemployment “GSC” coverage, health and welfare insurance, basic and supplementary pension, health checkup, tax/retirement advice, and a company car.

Long-term variable compensation

The Chief Executive Officer is eligible for the annual performance shares plan.

Recruitment allowance

The Chief Executive Officer is eligible for the payment of a recruitment indemnity proportional to the loss effectively suffered upon his/her change of duties, in particular in respect of the annual variable compensation and long-term compensation.

In particular, it is intended to pay Guillaume Texier a recruitment indemnity amounting €800.000, which is proportional to the compensation loss (corresponding to the benefit of free shares allocation plans for the last 3 years) suffered by Guillaume Texier as a result of the termination of his current duties in the Saint-Gobain group.

Severance and/or non-compete indemnity

The Chief Executive Officer is eligible for the payment of a severance indemnity.

Pursuant to the recommendations of the Afep-Medef Code, the compensation would be capped at an amount not exceeding 18 months of the monthly reference compensation of the Chief Executive Officer.

The severance indemnity may only be paid in the event of the removal of the Chief Executive Officer from his duties, except for gross negligence (*faute grave*) or wilful misconduct (*faute lourde*), being specified that the absence of renewal of the term of office as corporate officer is not deemed an event of forced departure and does not entail the payment of the relevant indemnities. By way of exception, such indemnity may be paid when the absence of renewal of the Chief Executive Officer’s term of office is caused by an acquisition or a change of control of Rexel.

In addition, the payment of such severance indemnity would be subject to performance criteria to be assessed over 2 years, set forth below:

- The payment of 60% of the indemnity would be dependent on the level of EBITA of the Rexel Group.
- The payment of 40% of the indemnity would be dependent on the level of ATWC of the Rexel Group.

The Board of Directors considered that the Chief Executive Officer, Guillaume Texier, is not eligible for a non-compete compensatory allowance resulting from the termination of his duties as Chief Executive Officer, in consideration of his career and profile.

Supplemental retirement scheme

The Chief Executive Office may be eligible for the medium-term savings scheme (Article 82 of the French General Tax Code).

This scheme provides for the payment of an annual contribution at the benefit of the executive, in proportion with the compensation effectively received and capped. This defined contribution is subject to social security charges and income tax for the beneficiary. This defined contribution is paid by Rexel partly on mid-term investment vehicle (such as life insurance), and partly in cash in order to allow the beneficiary to pay for taxes and social charges due in respect of all of the contribution. This yearly system may be terminated upon each new calendar year.

The contribution is based on the effective fixed and variable compensation (capped).

The annual contribution is equal to:

- 20% on the portion of compensation paid ranging between 4 and 20 PASS;
- plus 10% on the portion of compensation paid ranging between 20 and 40 PASS.

The variable compensation taken into consideration will be limited to 80% of the fixed annual compensation.

In particular, Guillaume Texier does not benefit from the medium-term savings scheme (Article 82 of the French General Tax Code) for the financial year 2021. His eligibility for a supplemental retirement scheme, of this nature or another, will be examined during his term of office and will give rise, as the case may be, to an update of the compensation policy in respect of retirement.

Benefits in kind

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