

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

**General Shareholders' Meeting held on
April 22, 2021
Outcome of the votes on resolutions**

(Article R.225-29-1 IV of the French Commercial Code)

| Votes For | | |
|--------------------------------|--|---------|
| Fifth resolution | Approval of the compensation policy applying to the Chairman of the Board of Directors for the 2021 financial year, pursuant to Article L.22-10-8 of the French Commercial Code | 99,93 % |
| Sixth resolution | Approval of the compensation policy applying to the Directors for the financial year 2021, pursuant to Article L.22-10-8 of the French Commercial Code | 99,84 % |
| Seventh resolution | Approval of the compensation policy applying to the Chief Executive Officer for the financial year 2020, pursuant to Article L.22-10-8 of the French Commercial Code | 97,91 % |
| Twenty-fifth resolution | Approval of the compensation policy applying to the Chief Executive Officer for the financial year 2021, as from the appointment of Guillaume Texier as Chief Executive Officer, pursuant to Article L. 22- 10-8 of the French Commercial Code | 96,58 % |

***Hereafter, the compensation policy
(extracts of the 2020 Universal Registration Document as amended)***

Extracts of the 2020 Universal Registration Document

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3.2 Compensation of Corporate Officers

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The Board of Directors refers to the recommendations of the AFEP-MEDEF Code for the determination of corporate officers' compensation and benefits in kind. The Board of

Directors takes such decisions based on the recommendations of the Compensation Committee.

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3.2.1 Compensation policy applicable to corporate officers for the financial year 2021 subject to shareholders' approval (Article L.22-10-8 of the French Commercial Code)

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Pursuant to Article L.22-10-8 of the French Commercial Code, this section describes the

compensation policy applicable to corporate officers for the financial year 2021.

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3.2.1.1 General principles of the 2021 compensation policy

The compensation policy is set by the Board of Directors following the recommendation of the Compensation Committee. When the Board of Directors decides on an item or undertaking in favor of its Chairman or Chief Executive Officer, the interested parties may not take part in the deliberations or vote on the relevant item or undertaking.

The compensation policy covers non-executive corporate officers, *i.e.*, the directors.

It also covers managing corporate officers, who are, in accordance with the governance structure in place:

- The Chairman of the Board of Directors (non-executive corporate officer); and
- The Chief Executive Officer (executive corporate officer).

The policy submitted to the Shareholders' Meeting describes all items of compensation. It was established in compliance with all of the AFEP-MEDEF recommendations.

The compensation policy for corporate officers thus aims to take into account the company's best interest, market practices, the performance of its

executives and to promote the Group's performance and competitiveness.

Thus, all compensation and benefits of all kinds for corporate officers are analyzed in an exhaustive manner, in line with the Group's strategy. The compensation policy takes into account the Group's need to attract, motivate and retain high-performing and experienced managers in an environment marked by significant economic and financial, but also societal and environmental challenges and by strong competitiveness. It also takes into account the specific nature of the Group's activities. It is defined in accordance with the terms and conditions of compensation and employment of the Group's employees (in particular, the compensation structure, assessment criteria or changes in compensation depending on the business, geographical area or category of employees) as well as market practices observed in companies in the same business sector. It takes into account the expectations of shareholders and other stakeholders, particularly in terms of social and environmental responsibility, transparency and performance.

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The compensation items allocated to corporate officers are thus comprised of a fixed portion, which helps to retain and motivate managers, as well as a variable portion for executive corporate officers, based on financial criteria, established on the basis of the budget and performance indicators analyzed by Rexel and non-financial criteria, in particular with respect to social, societal and environmental matters. The Board of Directors thus ensures that the proportion of variable compensation is sufficiently significant in relation to fixed compensation. Thus, the compensation policy implemented is designed to maintain consistency between the total compensation of corporate officers and the development of the Group from both a financial and a non-financial point of view.

The 2021 compensation policy is identical to the 2020 compensation policy for directors, the Chairman of the Board and the Chief Executive Officer.

The compensation policies for the Chairman of the Board of Directors and the Chief Executive Officer are defined for the entirety of their terms of office and cannot be reviewed during the course thereof.

The 2021 compensation policy for the Chairman of the Board of Directors is subject to a derogation. Indeed, the Board of Directors decided, in full agreement with Ian Meakins, to reduce his gross annual fixed compensation as Chairman of the Board of Directors to €300,000 from January 1, 2021 due to market practices and the new functions he has assumed.

Furthermore, the Board of Directors analyzes and takes into account the votes of the last Shareholders' Meeting.

Below are the votes relating to the 2020 compensation policy and the votes relating to the compensation elements paid or granted for the 2019 financial year at the General Meeting of June 25, 2020:

| RESOLUTION | % VOTE | FAVORABLE OPINION / UNFAVORABLE OPINION |
|---|--------|---|
| #6 | 98.90% | Favorable opinion |
| <i>Approval of the compensation policy, attributable to the Chairman of the Board of Directors for the 2020 financial year, referred to in Article L.225-37-2 of the French Commercial Code⁽¹⁾</i> | | |
| #7 | 99.92% | Favorable opinion |
| <i>Approval of the compensation policy attributable to Directors for the 2020 financial year, referred to in Article L.225-37-2 of the French Commercial Code⁽¹⁾</i> | | |
| #8 | 97.21% | Favorable opinion |
| <i>Approval of the compensation policy attributable to the Chief Executive Officer for the 2020 financial year, referred to in Article L.225-37-2 of the French Commercial Code⁽¹⁾</i> | | |
| #9 | 98.82% | Favorable opinion |
| <i>Approval of information referred to in Article L.225-37, I of the French Commercial Code (former version) for the financial year ended December 31, 2019</i> | | |
| #10 | 98.89% | Favorable opinion |
| <i>Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or granted for the 2019 financial year to Mr. Ian Meakins, Chairman of the Board of Directors</i> | | |
| # 11 | 97.10% | Favorable opinion |
| <i>Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or granted for the 2019 financial year to Mr. Patrick Berard, Chief Executive Officer</i> | | |

(1) Former numbering of Article L.22-10-8 of the French Commercial Code, entered into force on January 1, 2021.

The compensation policy applicable to the directors, the Chairman of the Board of Directors and the Chief Executive Officer is determined by the

Board of Directors in order to preserve the company's corporate interest and contribute to its business strategy and sustainability.

Non-executive corporate officers (the Directors)

The compensation policy determined by the Board of Directors for Directors aims to attract Directors with a variety of profiles and skills, who participate in the work of the Committees, are concerned about their independence and contribute to the proper operation of the Board.

Thus, the levels of compensation, defined in the compensation policy, must make it possible to attract and retain directors who, through their contribution to the work of the Board and their involvement, are capable of contributing to the development of the company's business strategy, overseeing its implementation and ensuring its

long-term sustainability. These compensation levels remain reasonable, consistent with Rexel's market practices. The variable portion depends exclusively

on the level of attendance of the directors in the meetings of the specialized committees.

The executive corporate officers (the Chairman of the Board of Directors and the Chief Executive Officer)

The compensation policy determined by the Board of Directors for non-executive corporate officers (Chairman of the Board of Directors) aims at attracting and retaining executives who are able to develop an efficient working relationship with the members of the Board of Directors and to contribute to the strategic development of the Company.

The compensation policy determined by the Board of Directors for executive corporate officers (Chief Executive Officer) aims at attracting, retaining and motivating efficient executives who will develop the Group's performance and competitiveness in the medium and long term, by aligning their interest with that of the shareholders, and in order to preserve the company's best interest and contribute to its continuity and its commercial strategy. This compensation policy is determined by taking into account market practice, the executives' performance as well as the performance of other stakeholders in the company. This policy is in line with the policy applicable to other managers of the Group.

In order to achieve these objectives efficiently, the Board of Directors determines on an exhaustive basis and measures the various items of the compensation of executive corporate officers. Studies carried out annually by an independent consulting firm (Willis Towers Watson) on a panel of French and European companies in related sectors and of comparable size in terms of sales, headcount and market capitalization enable the Board of Directors to assess the competitiveness of executives' compensation.

The Board of Directors intends to position the fixed annual compensation of executive corporate officers at the median of the reference market and to propose for the Chief Executive Officer a more dynamic short-term target variable compensation and long-term target variable compensation, both of which are integrally subject to demanding performance criteria. The Board of Directors examines the balance of the various components of compensation. It is attentive to a consistent trend in the comparison between the compensation of the Chairman of the Board of Directors and the Chief Executive Officer on the one hand and the average and median compensation of the company on the other.

The compensation policy would apply to newly appointed corporate officers or those whose term of office is renewed.

In accordance with Article L.22-10-8 of the French Commercial Code, the Board of Directors may, in exceptional circumstances, derogate from the application of the compensation policy described herein, provided that such derogation is temporary, in accordance with the best interest of the Company and necessary to ensure the Group's continued existence or viability. In such circumstances, the derogatory compensation policy shall be defined by the Board of Directors, on the proposal of the Compensation Committee, taking into account the best interest of the Group and the particular situation it is going through. In order to best address these circumstances, the Board of Directors may waive all elements of compensation and/or benefits of any kind making up the compensation policy for corporate officers.

3.2.1.2 Compensation policy applicable to Directors for the financial year 2021

The Shareholders' Meeting of Rexel may allocate compensation pursuant to the provisions of article L.22-10-14 *et seq.* of the French Commercial Code. The provisions of this compensation policy would apply, under the same terms and conditions, to directors newly appointed or whose term of office would be renewed during the 2021 financial year.

Directors are appointed for a maximum term of 4 years. The term of office of each of the Directors in office on December 31, 2020 is specified in paragraph 3.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document. Each director may be removed from office at any time by the Company's ordinary general Meeting under the conditions set forth in article L.225-18 of the French Commercial Code and article 14.2 of the Company's by-laws.

Global envelope

On May 22, 2014, Rexel's Shareholders' Meeting granted an aggregate envelope of €1,315,000 in

attendance fees, that has not been modified since this date.

Rules of allocation of the compensation to be paid in respect of 2021

In connection with the global envelope for compensation for activities, the Board of Directors decided to renew for 2021 the rules of allocation of compensation defined for 2020, within the limit of the unchanged envelope of €1,315,000, *i.e.*:

- Fixed portion: €40,000;⁽¹⁾
- Variable portion: €8,000 per Committee meeting, up to a maximum amount of €40,000 per member⁽²⁾;
- For the members serving as Chairman of a Committee: an additional amount of €15,000 for the chairmanship of the Nomination Committee, an additional €15,000 for the chairmanship of the Compensation Committee and an additional amount of €25,000 for the chairmanship of the Audit and Risk 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 compensation in connection with the chairmanship of a Committee; and
- For members coming from a different continent to attend the Board of Directors meetings: a fixed travel allowance of €2,500 per stay.

It is restated that the directors must comply with an obligation to hold shares of the Company over their term of office, *i.e.*, 4 years (of an amount equivalent to the theoretical fixed portion of the annual activity-based compensation). This share retention obligation does not apply to the directors representing the employees.

Summary table of directors' compensation policy for 2021:

| STATUS | FIXED PORTION | COMMITTEE CHAIRMANSHIP | DEPUTY CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR | VARIABLE PORTION | TOTAL | MAXIMUM PERCENTAGE OF VARIABLE PORTION IN RESPECT OF THE WHOLE COMPENSATION |
|---|---------------|------------------------|---|------------------|---------|---|
| Director | 40,000 | - | - | 40,000 | 80,000 | 50% |
| Director and Chairman of the Audit and Risk Committee | 40,000 | 25,000 | - | 40,000 | 105,000 | 38% |
| Director and Chairman of Compensation / Nomination | 40,000 | 15,000 | - | 40,000 | 95,000 | 42% |
| Deputy Chairman and senior independent director | - | - | 100,000 | 40,000 | 140,000 | 29% |

This table allows to assess the importance of the variable portion as a proportion of total compensation, as well as the respective importance of the fixed and variable items making up the total

compensation and benefits of any kind that may be granted to directors.

Directors are not eligible for the free share plan.

3.2.1.3 Compensation policy applicable to the Chairman of the Board of Directors for the financial year 2021

The term of office of the Chairman of the Board of Directors is specified in paragraph 3.1.1.1 "Composition of the Board of Directors" of this Universal Registration Document. The Chairman of

the Board of Directors may be dismissed at any time by the Board of Directors, under the conditions provided for in Article L.22-10-16 of the French Commercial Code.

Fixed compensation

The Chairman of the Board of Directors benefits from a fixed annual compensation, excluding any other compensation item. The fixed compensation

therefore represents 100% of the total compensation of the Chairman of the Board of Directors.

(1) The Chairman and Deputy Chairman of the Board of Directors do not qualify for this fixed portion.

(2) The Chairman of the Board of Directors does not qualify for this variable portion.

This fixed annual portion is determined by the Board of Directors at the beginning and for the whole term of office of the Chairman of the Board of Directors. The amount of this annual compensation is determined according to criteria specific to each person (experience, seniority, responsibilities, in particular) and criteria based on the sector's business activity and the general economic environment (in addition to the market studies referred to above).

The Board of Directors aims to position the annual fixed compensation of the Chairman of the Board of Directors at the median of the reference market.

The amount of the fixed compensation allocated to the Chairman of the Board of Directors was €500,000 until December 31, 2020 pursuant to the compensation policy applicable during the financial year. In view of market practices and of the new non-executive duties assumed by Ian Meakins as of December 1, 2020, the Board of Directors decided, in full agreement with him, to reduce his annual gross fixed compensation as Chairman of the Board of Directors to an amount of €300,000 as of January 1, 2021.

The compensation policy would apply under the same terms and conditions to the Chairman of the Board of Directors newly appointed or reappointed.

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Other compensation

The Chairman of the Board of Directors does not benefit from any other compensation item.

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

The compensation policy is applicable for the entire duration of the corporate office.

The term of office of the Chief Executive Officer is specified in paragraph 3.1.3 "Executive Management" of this Universal Registration Document. The Chief Executive Officer may be removed from office at any time by the Board of Directors under the conditions set forth in article L.225-55 of the French Commercial Code and article 19.2 of the Company's by-laws.

In addition to his duties as Chief Executive Officer of the Company, Patrick Berard also holds an employment contract for an indefinite term with Rexel Développement SAS, which has been suspended since July 1, 2016 and for the entire duration of his term of office. The employment agreement held by Patrick Berard may be

terminated by the employee in the event of resignation or retirement, or at the initiative of Rexel Développement SAS (in particular by way of dismissal), or in the event of termination agreement, under the conditions provided for by law and the applicable collective bargaining agreement, subject to a notice period of 6 months. The compensation due in this respect is described in the "Special situation" section of paragraph 3.2.1.4.

In order to assess the respective importance of the fixed, variable and exceptional components making up the total compensation and benefits of any kind that may be granted to the Chief Executive Officer in respect of his term of office, please refer to section 3.2.1.6 "Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)" of this Universal Registration Document.

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Fixed compensation

The compensation policy provides for the allocation of a fixed annual compensation to the Chief Executive Officer.

This fixed annual compensation is determined by the Board of Directors at the beginning and for the whole term of office of the Chief Executive Officer. The compensation policy would apply under the same terms and conditions to a Chairman of the Board of Directors newly appointed.

The amount of this annual compensation is determined according to criteria specific to each person (experience, seniority, responsibilities, in particular) and criteria based on the sector's

business activity and the general economic environment (in addition to the market studies referred to above).

The Board of Directors intends to position the fixed annual compensation of the corporate officers at the median of the reference market and to propose for the Chief Executive Officer a more dynamic short-term target variable compensation and long-term target variable compensation, both of which are integrally subject to demanding performance criteria. The Board of Directors shall examine the balance of these items.

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In accordance with the 2020 compensation policy, as determined by the Board of Directors in the meetings of February 12, 2020 and April 22, 2020 and as approved by the Shareholders' Meeting on June 25, 2020, in connection with the renewal of Patrick Berard's term of office as Chief Executive

Officer, the fixed compensation of Patrick Berard from January 1, 2021 to December 31, 2021 amounts to €700,000.

The fixed compensation is set for the entire duration of Patrick Berard's term of office as Chief Executive Officer.

Short-term variable compensation

The Chief Executive Officer qualifies to receive variable annual compensation.

The annual target variable compensation, defined as a percentage of the fixed compensation is also determined for the term of office. This variable compensation is set in order to correlate the compensation of the Chief Executive Officer with the results of the business of the Rexel Group. The variable compensation is calculated on the basis of the achievement of criteria relative to the performance of the Rexel Group and to the individual performance. In addition, variable compensation is limited to a cap expressed as a percentage of the target variable compensation.

The Board of Directors aims at setting the target short-term variable compensation above the market median and to making it fully subject to challenging performance criteria.

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation, it being specified, however, that the variable compensation due for a financial year may only be paid after the approval of the Shareholders' Meeting convened to approve the accounts for that financial year.

Under the 2020 compensation policy, as determined by the Board of Directors in the meetings of February 12, 2020 and April 22, 2020 and as approved by the Shareholders' Meeting of June 25, 2020, in connection with the renewal of the term of office of Patrick Berard as Chief Executive Officer, the variable compensation of Patrick Berard from January 1, 2021 to December 31, 2021 is set 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 179% of the fixed compensation. Quantitative targets can achieve a maximum result of 150% and qualitative targets can achieve a maximum result of 100%.

The variable compensation would only be subject to an effective payment if the demanding criteria defined by the Board of Directors are met.

The criteria used by the Board of Directors to assess the performance of variable compensation are, for the period from January 1 to December 31, 2021:

- On the one hand, financial criteria based on Rexel's results as well as the aggregates that the Group uses in the context of the analysis of its financial situation (the financial portion represents 75% of the annual variable compensation target). These criteria are gross margin in volume terms (40%), adjusted EBITA in volume terms (40%) and average operating working capital requirement (20%). The gross margin volume criterion has been retained since 2020, replacing the criterion linked to the sales volume growth. This choice is consistent with the Group's strategic plan to increase the Group's profitability; and
- On the other hand, non-financial criteria which represent 25% of the annual variable target compensation. These criteria are linked to the Group's continued transformation, particularly its digital transformation. These criteria also relate to the stability, the development of an efficient management team and compliance with a CSR (Corporate Societal Responsibility) policy.

These criteria are specified in 3.2.1.6 "Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)".

The combination of demanding financial criteria and non-financial criteria favoring the Group's development and competitiveness in a responsible and sustainable environment, is part of the compensation policy, aligning the interests of managers with those of shareholders, in line with the company's best interest and its commitments in terms of Corporate Societal Responsibility. The combination of these criteria thus contributes to the company's business strategy and sustainability.

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 achieved shall be communicated very precisely *ex-post* in the Universal Registration Document. This *ex-post* communication is justified by the desire to safeguard the company's interests by not communicating *ex-ante* indications on its

strategy that could be exploited by its competitors. In respect of non-financial criteria, they are also described in order to preserve the Rexel Group's interest in a highly competitive environment. Their rate of achievement is specified *ex-post*.

Long-term variable compensation

In order to involve the senior executives in the Group's development and performance and to align their interests with those of the shareholders, the Board of Directors may grant performance shares.

The Chief Executive Officer is eligible for the annual performance shares plan, which is the historical mechanism used to motivate and retain employees and top managers of the Group.

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

The performance criteria are in line with the mid-term guidance released to the markets and in line with the shareholders' interest:

- yearly average EBITA growth rate (30%),
- yearly average sales growth rate (30%),
- average free cash flow before interest and taxes/EBITDA ratio (20%),
- and the relative Rexel share performance compared to the SBF 120 GR index (20%).

As previously indicated regarding the annual variable compensation, the nature of the financial criteria, their weight and their level of achievements targeted are clearly defined by the Board of Directors at the time of the allocation on the basis of the mid-term guidance released to the markets. The expected level of achievements targeted and the achieved performance are disclosed in a precisely manner *ex-post* in the Universal Registration Document. This *ex-post* disclosure is justified by the willingness to preserve the Rexel Group's interests without disclosing *ex-ante* any sensitive indication on its long-term strategy in a highly competitive environment. The implementation of demanding financial criteria makes it possible to ensure the compensation of executives, to retain them over the long-term in line with the Group's performance, while respecting the corporate interest and contributing to the company's commercial strategy and sustainability.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of variable compensation items can only be made subject to the approval of the compensation items of the relevant person by a shareholders' meeting.

These shares are also allocated subject to presence criteria of 3 years.

As a result, the vesting period for the shares is 3 years, with no retention period.

The Chief Executive Officer has a retention obligation of at least 20% of the shares vested under these mechanisms until the end of his functions.

Furthermore, a limit was introduced during 2015 concerning corporate officers, aiming at ensuring a balance between their various components of compensation. Thus, the annual value of the performance shares allocated in respect of a given financial year to the Chief Executive Officer, cannot exceed 100% of his annual fixed and variable target compensation for the relevant financial year.

In accordance with the compensation policy, the cap of 100% would be €1,610,000 based on annual fixed and variable compensation for 2021.

An additional limit also provides that the number of shares allocated to corporate officers cannot exceed 10% of the aggregate amount of free shares allocated to all of the beneficiaries⁽¹⁾.

The performance share allotment plans provide for the loss of unvested shares in the event of a departure from the Group (except in the event of retirement, death or disability).

In accordance with the insider trading policy determined by the Board of Directors and with the AFEP-MEDEF Code, beneficiaries must formerly undertake not to use any hedging mechanisms in respect of the stock options and performance shares received from the Company.

The criteria, the choice of which must contribute to the achievement of the objectives of the compensation policy, are detailed in paragraph 3.2.1.6 "Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)" of this Universal Registration Document.

(1) i.e. a maximum of 0.14% of the share capital over a period of 26 months, based on the eighteenth resolution of the Shareholders' Meeting of June 25, 2020, which provides for a maximum ceiling of 1.4%.

The Board of Directors is committed to ensuring that the performance criteria adopted contribute to the stability of the Chief Executive Officer and reflect the Group's performance objectives and strategy in the short, medium and long term. The Board has thus ensured that these performance

criteria are demanding and correspond to the Group's key growth and profitability factors in order to maintain a balance between short and long-term performance and the promotion of the Group's development for all stakeholders.

Retirement Plan

Former Supplemental Retirement Plan

The Board of Directors of February 10, 2016 has decided to close, as from 2016, the supplemental defined-benefit retirement scheme (Article 39 of the French General Tax Code), within the meaning of article L.137-11 of the French Social security Code. This regime was set up on March 30, 2009 and became effective as of July 1, 2009.

The Board of Directors had considered, on February 10, 2016, in particular, that this scheme was no longer adapted to the profiles of the top managers of the Group (more international profiles, joining the Group in the middle of their career), with the exception of certain particular situations. Furthermore, the legislation relating to these schemes has continually changed in recent years, making the system unstable and substantially limiting the attractiveness of these schemes for companies, in particular due to the increase in social contributions and charges.

Only a few executives benefited from the upholding of the plan (see below).

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, approved by the Shareholders' Meeting of June 25, 2020, rights

were frozen, consisting of the interruption at December 31, 2019 of the acquisition of new contingent rights under the plan.

Medium-term collective savings scheme

The Board of Directors wished to put in place, as of 2016, a scheme allowing executives to progressively build up medium-term savings (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 Board of Directors has considered that this type of scheme was more adapted and attractive for executives of the Group than other schemes such as supplemental retirement schemes, and more favorable to the interests of the shareholders and the best interest of the company, taking into account in particular the payments made by the beneficiary.

The main characteristics of this scheme are as follows:

| OBJECTIVE AND LINK WITH THE STRATEGY | APPLICATION | MAXIMUM POTENTIAL VALUE | PERFORMANCE METRICS |
|---|---|--|--|
| New medium-term collective savings scheme To allow the setting up of a medium-term savings scheme for senior executives. No long-term undertakings for Rexel | To offer an appropriate scheme for senior executives in mobility/ international profiles. | <p>The annual contribution is equal to:</p> <ul style="list-style-type: none"> • 20% on the portion of compensation paid ranging between 4 and 20 PASS (1 PASS = €41,136 in 2021), • plus 10% on the portion of compensation paid ranging between 20 and 40 PASS. <p>The variable compensation taken into consideration will be limited to 80% of the fixed annual compensation.</p> | The contribution is based on the effective fixed and variable compensation (capped). |

Specific situation

Some executives benefited from the upholding of the above-mentioned defined-benefit retirement scheme, in consideration of their career and seniority. Thus, the Chief Executive Officer, Patrick Berard, has been maintained in the defined-benefit retirement scheme taking into account his length of service within the Group and his career (Patrick Berard joined Rexel in 2003). The benefits of the defined-benefit retirement scheme in respect of the corporate office of Patrick Berard is subject to performance criteria (the performance criteria are the same than those used for the financial year ended December 31, 2020 and detailed in paragraph 3.2.2.3 “Compensation and other benefits paid or allocated to the Chief Executive Officer, Patrick Berard” of this universal registration document). 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, known as the “PACTE Law”), new contingent rights under the scheme from December 31, 2019 were frozen under the scheme from which Patrick Berard benefited. 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.

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

Other exceptional compensation

The Board of Directors considers that, for the best interest of the Group and of the stakeholders, it should not be excluded as a principle that exceptional compensation be allocated to executive corporate officers in very specific circumstances, as provided for by the AFEP-MEDEF Code (article 25.3.4), in particular in case of significant transactions because of their size or nature or because they result in a material change in the organization or activities or because of the involvement they require or because of the difficulties they present, or transactions that do not fall within the scope of routine missions of the executive corporate officer. The payment of such compensation items must be motivated and the

reasons having led to their implementation must be explained. In any case, this exceptional compensation would be capped at 100% of the annual fixed compensation of the relevant executive corporate officer and would only be considered if it contributes directly or indirectly to the objectives of the compensation policy.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of exceptional compensation items can only be made subject to the approval of the compensation items of the relevant person by a Shareholders’ Meeting.

It is reminded that Patrick Berard has not received any exceptional compensation since the beginning of his term of office as Chief Executive Officer.

Recruitment allowances

Similarly, if the Board of Directors intends to focus on the internal development of talents in succession plans, it also considers that the payment of a recruitment indemnity for an executive corporate officer may be envisaged, if justified by the best interest of the Group in order to attract a new talented top executive (Article 25.4 of the AFEP-MEDEF Code). This indemnity would be proportional to the loss effectively suffered by the executive upon his/her change of duties, in particular in respect of the annual variable compensation and long-term compensation. In any

event this indemnity would be capped at two thirds of two years of global compensation of the previous duties. In accordance with the requirements of the AFEP-MEDEF Code, total compensation includes the fixed and variable portions.

In any case, these compensation items would meet the requirements of the AFEP-MEDEF Code and comply, in particular, with the principles of measure and fair balance among the various interests in presence. These compensation items shall be properly disclosed and clearly justified.

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In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of a recruitment indemnity can only be made subject to the approval of the compensation

items of the relevant person by a Shareholders' Meeting.

Therefore, it is reminded that Patrick Berard did not receive any indemnity for taking office when he was appointed Chief Executive Officer.

Activity-based compensation

Further to the decision of the Board of Directors of February 10, 2016, no intragroup activity compensation is paid. Furthermore, no activity compensation shall be paid to an executive corporate officer who carries out the duties of director of the Rexel Group.

Therefore, it is reminded that Patrick Berard has not received any compensation for his activity within the meaning of Article L.22-10-14 of the French Commercial Code since his appointment as Chief Executive Officer.

Benefits in kind

Executive corporate officers may also be granted benefits in kind, in respect of the duties carried out within the Rexel Group, such as a healthcare/welfare collective coverage a basic and a

supplemental retirement scheme, a health checkup, tax and pension advice as well as the availability of a company car.

The Chief Executive Officer may also be granted benefits in kind, subject to the following conditions:

| OBJECTIVE AND LINK WITH THE STRATEGY | APPLICATION | MAXIMUM POTENTIAL VALUE |
|---|---|--|
| Company car To apply the policy applicable to the executives of Rexel. | Eligibility of executive officers in respect of the general policy of Rexel relating to vehicles. | Value of the policy applicable to the executives of Rexel. |
| Healthcare insurance/death and disability To protect the executive corporate officers by applying the same coverage as to other employees. | Eligibility of the executive officers to the coverage offered to employees. | Contribution to a collective insurance policy (the rules are identical for all employees). |
| Unemployment "GSC" coverage To protect executive corporate officers against unemployment. | Subscription of unemployment coverage for executive officers. | Contributions applicable based on the GSC set of criteria. |

It is reminded that Patrick Berard is not eligible to unemployment GSC coverage.

Multi-year compensation

The Board of Directors does not provide for any multi-year compensation at the benefit of executive corporate officers.

As a consequence, Patrick Berard has not received any multi-year compensation since his appointment as Chief Executive Officer.

Severance and/or non-compete indemnity

The compensation policy of executive corporate officers determined by the Board of Directors provides, under certain conditions, the payment of severance and/or non-compete compensatory allowance.

In order to protect the interests of the shareholders and the competitiveness of the Group, the Board of Directors, after receiving a favorable opinion from the Compensation Committee, may provide for the payment of a severance indemnity and/or a

non-compete compensatory allowance, within the limits provided for in Article R.22-10-14, III of the French Commercial Code and the recommendations provided for in Article 24 of the AFEP-MEDEF Code in force.

Pursuant to the recommendations referred to in article 25.5 of the AFEP-MEDEF Code, the compensation (severance and/or non-competition compensation) would be capped at an amount not exceeding 24 months of the monthly reference compensation of the relevant executive (compensation defined as the last annual fixed and variable compensation received, excluding any exceptional bonus, divided by 12).

The severance indemnity is not applicable in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or leave or compulsory retirement leave. The position adopted by the Board of Directors is more restrictive than the guidelines referred to in article 24.5.1 of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "independent of the form of such departure".

In addition, in accordance with the provisions of Article R.22-10-14, III, of the French Commercial Code, the payment of a non-compete indemnity is excluded if the Chief Executive Officer exercises his retirement rights after the termination of his duties in the Company.

Severance indemnities are subject to the following cumulative conditions: (i) in the event of forced departure (it is 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) and (ii) change of control or of strategy.

The payment of such indemnities is also 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. This payment would be due at 100% if the level of EBITA, calculated on the basis of the audited consolidated financial statements of Rexel for the last two financial years ended prior to the date of termination of the corporate office reached in average 60% of the budgeted values for these two financial years on average; and
- The payment of 40% of the indemnity would be dependent on the level of ATWC (average trade working capital requirement) of the Rexel Group. This payment would be due at 100% if the level of the ATWC, calculated on the basis of the audited consolidated financial statements of

Rexel for the last two financial years preceding the date of termination of the corporate office, reached a maximum of average 125% of the budgeted performance for these two financial years.

With respect to the non-compete allowance⁽¹⁾, the Board of Directors reserves the right to waive the application of this clause in the event of the executive's departure⁽²⁾.

The Board of Directors may decide that an executive will not qualify for severance indemnities and/or non-compete compensatory allowance in respect of his/her corporate office in consideration of specific circumstances (profile, career, etc.).

Thus, the Board of Directors has decided that Chief Executive Officer Patrick Berard did not qualify for severance and/or non-compete indemnities in respect of his corporate office in consideration of his career and profile.

Specific situation

Prior to his appointment as Chief Executive Officer, Patrick Berard, who joined the Rexel Group in 2003, has had a long career as an employee justifying the company's compliance with the applicable rules regarding the termination of employment contracts. In view of Patrick Berard's seniority and age at the time of his appointment as Chief Executive Officer, it was therefore decided to maintain and suspend his employment contract entered into with Rexel Développement SAS. In this context, the Board of Directors has decided that Patrick Berard will not receive any severance or non-compete indemnity in respect of his corporate office.

The methods of termination of the employment contract (except in cases of resignation and dismissal for serious or gross misconduct) involve the payment of a legal or contractual indemnity to the employee, in application of the French Labor Code.

In the event of dismissal of Patrick Berard, for whatever reason (with the exception of dismissal for serious or gross misconduct), Patrick Berard will receive a severance indemnity of a gross amount equivalent to 18 months of his monthly reference compensation. The monthly reference compensation is the gross annual compensation applicable 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 (*indemnité de licenciement légale*) or severance indemnity pursuant to the collective bargaining agreement (*indemnité conventionnelle de licenciement*) due, if

(1) For a limited period of 12 months.

(2) The Board of Directors has the possibility to assess the interest for the Group to activate the non-compete clause or to waive it depending on the effective risk of competition when the executive leaves (in particular in the event that the executive could continue to carry out missions or duties with competitors).

any, as well as any contractual indemnity due pursuant to a non-compete clause.

In the event of termination of his employment contract for any reason whatsoever, Patrick Berard may also receive a non-compete compensation indemnity equal to six months' gross compensation corresponding to the last monthly salary before termination, increased by the average bonus based on the last two years. The non-compete obligation incumbent upon Patrick Berard as well as the non-compete compensatory allowance to which he may be entitled may, however, be waived by Rexel Développement SAS, provided that Patrick Berard is informed thereof within four weeks following the date of termination of his employment agreement.

It is recalled that any severance and/or non-compete indemnity would be calculated in the context of his employment contract, without taking into account his seniority or the fixed or variable compensation received in respect of his duties as a corporate officer.

In addition, the payment of a severance indemnity and/or a non-compete compensatory allowance would be equal to a maximum of 18 months of reference compensation, which is less than the 24-month cap provided for in the compensation policy and in accordance with the recommendations set forth in articles 24.6 and 25.5 of the AFEP-MEDEF Code. Finally, it is specified that Patrick Berard would not benefit from the non-compete indemnity if he exercised his retirement rights, in accordance with legal provisions.

3.2.1.5 Compensation governance

The Compensation Committee ensures the proper implementation of all of the principles described above in connection of its works and recommendations to the Board of Directors, both in respect of the definition of the policies and of the implementation for the determination of the

amounts or valuation of the compensation or benefits.

It is reminded that when the Board of Directors decides on an item or undertaking in favor of its Chairman or Chief Executive Officer, the interested parties may not take part in the deliberations or vote on the relevant item or undertaking.

3.2.1.6 Summary tables of the compensation policy for the financial year 2021 - (Say on Pay Ex-ante)

At its meeting of February 10, 2021, the Board of Directors decided on the following items concerning the compensation of corporate officers for 2021.

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 2021 financial year and is composed of the following items:

■ Directors

| 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. |
| 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. |
| 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. |

| DESCRIPTION | AMOUNT |
|--|---|
| 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 Risk, 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. |
| 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 compensation amounts to €300,000 as from January 1, 2021. |
| 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

| FIXED ANNUAL COMPENSATION | |
|---------------------------|---|
| DESCRIPTION | AMOUNT |
| Fixed annual compensation | The fixed annual compensation is set to €700,000. |

VARIABLE ANNUAL COMPENSATION

The target variable annual compensation of Patrick Berard is set at 130% of his gross fixed annual compensation.

The 2021 variable compensation is based for 75% on quantitative criteria and for 25% 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 179% of fixed compensation.

- The quantitative criteria are: adjusted gross margin in volume (40%), adjusted EBITA in volume (40%) and average operating working capital (20%).
- The qualitative criteria are: the digital transformation (33.34%), the Corporate Societal Responsibility policy (33.33%) and the stability and development of an efficient management team (33.33%).

| 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. |
| • Quantitative objectives: | Target value: 130% of the fixed compensation $130\% \times 700,000 = €910,000$ |
| – Target portion: 75% of target annual variable compensation $75\% \times 910,000 = €682,500$ | Maximum value: 179% of the fixed compensation $(1,023,750 + 227,500) / 700,000 = 179\%$ |
| – Maximum share $75\% \times 150\% = 112.5\%$ of the target annual variable compensation $150\% \times 682,500 = €1,023,750$ | |
| • Qualitative objectives: | |
| – Target portion: 25% of target annual variable compensation $25\% \times 910,000 = €227,500$ | |
| – Maximum share $25\% \times 100\% = 25\%$ of target annual variable compensation $100\% \times 227,500 = €227,500$ | |

Quantitative targets⁽¹⁾

| FINANCIAL CRITERIA | WEIGHT | MINIMUM | TARGET | MAXIMUM |
|---|--------|--|---|--|
| Adjusted margin in volume terms | 40% | Payment of the first euro if the result reaches 95% target | 100% payout if result reaches 100% target | Payout limited to 150% if result reaches 150% target |
| Adjusted EBITA in volume terms ⁽²⁾ | 40% | 50% payment if the result reaches 95% target | 100% payout if result reaches 100% target | Payout limited to 150% |
| Average operating working capital requirement | 20% | 50% payment at the achievement of 95% of the objective | 100% payout if result reaches 100% target | Payout limited to 150% if result reaches 105% target |
| Total ⁽³⁾ | 100% | Calculation on a linear basis between the points. | | |

(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) The financial criteria for EBITA and Gross Margin are considered to be adjusted, as they are adjusted for the non-recurring effect of changes in copper prices. As a reminder, the non-recurring effect is the of charges changes in the price of copper in inventories. There is no adjustment to EBITA, nor to Gross Margin, for the so-called recurring effect of copper, *i.e.*, the impact of the variation in copper prices on sales.

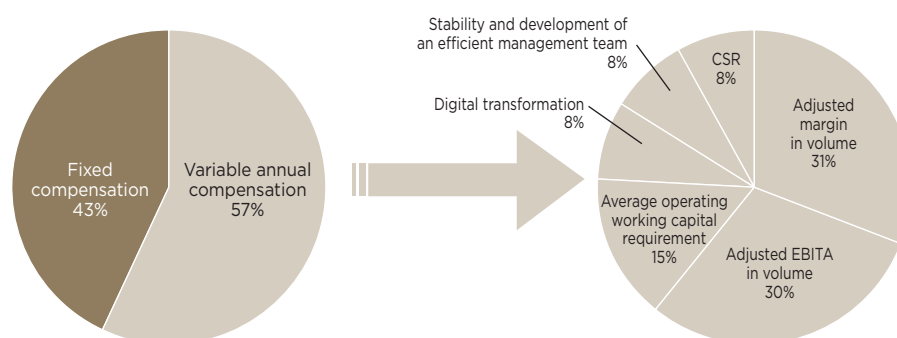
(3) As a reminder, and in line with previous years, in the event of outperformance, payments are capped at 150%. The demanding trigger thresholds will be communicated *ex-post*.

Qualitative objectives

| NON-FINANCIAL CRITERIA | WEIGHT | DESCRIPTION ⁽¹⁾ |
|---|--------|---|
| Digital transformation | 33.34% | <ul style="list-style-type: none"> Quantified target for growth in the penetration rate of digital sales (defined as the ratio of web sales and EDI to total sales), for the financial year 2021. This quantitative objective, as well as the penetration rate of digital sales in 2021, will be subject to an <i>ex post</i> communication. Deployment of the digital transformation program in line with the 2021 roadmap. The details of this program are not communicated <i>ex-ante</i>, as this information is considered confidential in a competitive environment. These details and their realization or their non-realization, will be subject to a detailed <i>ex-post</i> communication. |
| Stability and development of an efficient management team | 33.33% | <ul style="list-style-type: none"> The right talent in all positions in the management team, with clear objectives and development plans. A well performing and motivated team that is committed to the long term. Succession plan of the CEO. |
| Corporate Societal Responsibility | 33.33% | <ul style="list-style-type: none"> Environment: reduce the carbon footprint by 2.5% per year. This reduction is in line with the Group's commitment to reduce the carbon footprint from 2016 to 2030 by 35% (SBTI – Science Based Target Initiative). This objective is measured over a period of two years. The carbon footprint measurement, as proposed, is audited and certified by an independent auditing firm. Diversity, Equality and Inclusion Plan: this is a five-year plan, with annual milestones. Its objectives as well as its achievements will be subject to an <i>ex-post</i> communication, since the five-year plan will not be finalized until the end of the first quarter of 2021. |
| Total | 100% | |

(1) The non-financial criteria are disclosed at the start of the financial year, on the basis of precise, concrete and measurable objectives. 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. As a reminder, and in line with previous years, in the event of outperformance, payments are capped at 100%.

Assuming that all of the objectives detailed above are achieved, the maximum fixed and variable annual compensation from January 1 to December 31, 2021 or, in application of the applicable compensation policy, would be as follows:



| 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 € |
|---------------------------------|--|--|---|---|---|--|---|--|--|
| | | | | 75% | 25% | 112.5% | 25% | 137.5% | 179% |
| 700,000 | 130% | 910,000 | 1,610,000 | 682,500 | 227,500 | 1,023,750 | 227,500 | 1,251,250 | 1,251,250 |

EXCEPTIONAL COMPENSATION

The compensation policy provides for the possibility of paying exceptional compensation under the restrictive conditions described in section “Exceptional compensation” of paragraph 3.2.1.4 “Compensation policy applicable to the Chief Executive Officer for the 2021 financial year” of this 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, that also benefit to other keys functions in the company, are particularly adapted to the duties of executive corporate officer, 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 three years.

These shares are also allotted subject to a presence criterion of three 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 3.2.1.6 “Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)” of this 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 criteria 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.e. €1,610,000. This amount corresponds to the theoretical amount based on the fixed and variable compensation increase.</p> |

Performance criteria

| CRITERIA | WEIGHT | TRIGGERING THRESHOLD | TARGET | MAXIMUM | COMMENTS |
|---|--------|---|--|---|--|
| Annual average of EBITA growth rates 2020-2023 | 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 2020-2023 | 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 2021, 2022 and 2023 | 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 ⁽²⁾ 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) i.e. a maximum of 0.14% of the share capital over a period of 26 months, for a maximum ceiling of 1.4%.

(2) 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, approved by the Shareholders' Meeting held on June 25, 2020, 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 Patrick Berard, Chief Executive Officer will be subject to the achievement of demanding performance objectives adapted to Rexel's current environment. These objectives will be determined in accordance with the mid-term guidance released to the markets as approved by the Board of Directors.

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 targets on a three-year horizon). The performance level relating to the Rexel share will be also assessed after the three-year period.

These demanding targets have resulted in 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, 31.0% for the May 2014 Key Managers plan, 18.0% for the July 2015 Key Managers 3+2 plan, 45% for the June 23, 2016 (3+2) and (4+0) plans and 74% for the May 23, 2017 (3+2) and (4+0) plans.

The expected level of achievement and the performance reached are disclosed *ex-post* in detail in this Universal Registration Document. The main financial criteria over three years are based on the mid-term guidance which is the object of a communication published during the "capital market day".

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 Board of Directors, on the basis of a three-year horizon (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.

Extracts of the Addendum to the 2020 Universal Registration Document

2.3 Compensation of Corporate Officers

On its meeting of March 25, 2021, the Board of Directors decided, on the occasion of the appointment of Guillaume Texier as Chief Executive Officer of the Company, to amend the remuneration policy applicable to the Chief Executive Officer for the financial year 2021, as from the termination of Patrick Berard's term of office as Chief Executive Officer.

Pursuant to Article L.22-10-8 of the French Commercial Code, this policy is subject to the approval of the Shareholders' Meeting of April 22, 2021.

The elements mentioned below concerning the compensation of Guillaume Texier as Chief Executive Officer, have been adopted by the Board of Directors on March 25, 2021, on the recommendation of the Remuneration Committee.

This paragraph only presents the proposed amendments of the compensation policy, the other elements of the compensation policy for the financial years 2021 and the compensation for the financial year 2020 as set forth in paragraph 3.2 "Compensation of Corporate Officers" of the 2020 Universal Registration Document remain unchanged and applicable.

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

The Board of Directors of March 25, 2021 has decided to amend the compensation policy applicable to the Chief Executive Officer for the financial year 2021, as from the termination of Patrick Berard's term of office as Chief Executive Officer.

This change is motivated by the need, in a competitive environment, to be able to recruit, as Chief Executive Officer, a profile with significant experience in listed companies and who will be able to achieve Rexel's strategic ambitions in a difficult market context, in particular due to the Covid-19 pandemic.

The content of the paragraph 3.2.1.4 "Compensation policy applicable to the Chief Executive Officer for the financial year 2021" of the 2020 Universal Registration Document is replaced by the two following paragraphs: 3.2.1.4.1 "Compensation policy applicable to the Chief Executive Officer for the financial year 2021, until the termination of Patrick Berard's term of office as Chief Executive Officer" and 3.2.1.4.2 "Compensation policy applicable to the Chief Executive Officer for the financial year 2021, as from the appointment of Guillaume Texier as Chief Executive Officer" of the 2020 Universal Registration Document.

“3.2.1.4.1 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 compensation policy is applicable for the entire duration of the corporate office.

The term of office of the Chief Executive Officer is specified in paragraph 3.1.3 “Executive Management” of the 2020 Universal Registration Document. The Chief Executive Officer may be removed from office at any time by the Board of Directors under the conditions set forth in article L.225-55 of the French Commercial Code and article 19.2 of the Company’s by-laws.

In addition to his duties as Chief Executive Officer of the Company, Patrick Berard also holds an employment contract for an indefinite term with Rexel Développement SAS, which has been suspended since July 1, 2016 and for the entire duration of his term of office. The employment agreement held by Patrick Berard may be terminated by the employee in the event of resignation or retirement, or at the initiative of Rexel Développement SAS (in particular by way of dismissal), or in the event of termination agreement, under the conditions provided for by law and the applicable collective bargaining agreement, subject to a notice period of 6 months. The compensation due in this respect is described in the “Special situation” section of paragraph 3.2.1.4.1.

The duties of Patrick Berard as Chief Executive Officer will end on September 1, 2021. On such

date, Patrick Berard’s employment contract will be reactivated. Patrick Berard has agreed to stay on until March 1, 2022 to work alongside Mr. Texier and ensure a smooth handover in the implementation of Rexel’s strategic roadmap presented in February 2021. As a consequence, Patrick Berard will accept the notification of retirement from the employer for a retirement that will take effect upon expiry of a six-month notice period from the reactivation of his employment contract, *i.e.*, March 1, 2022. On this occasion, in accordance with the compensation policy applicable to the Chief Executive Officer, Patrick Berard will not receive a severance indemnity, other than the retirement indemnity pursuant to the collective bargaining agreement (*indemnité conventionnelle de mise à la retraite*), nor a non-compete indemnity. Patrick Berard will only benefit from his retirement regime, under the conditions described below.

In order to assess the respective importance of the fixed, variable and exceptional components making up the total compensation and benefits of any kind that may be granted to the Chief Executive Officer in respect of his term of office, please refer to section 3.2.1.6 “Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)” of the 2020 Universal Registration Document, as amended.

Fixed compensation

The compensation policy provides for the allocation of a fixed annual compensation to the Chief Executive Officer.

This fixed annual compensation is determined by the Board of Directors at the beginning and for the whole term of office of the Chief Executive Officer. The compensation policy would apply under the same terms and conditions to a Chairman of the Board of Directors newly appointed.

The amount of this annual compensation is determined according to criteria specific to each person (experience, seniority, responsibilities, in particular) and criteria based on the sector’s business activity and the general economic environment, on the basis of the studies carried out by an independent consulting firm, Willis Towers Watson.

The Board of Directors intends to position the fixed annual compensation of the corporate officers at the median of the reference market and to propose for the Chief Executive Officer a more dynamic short-

term target variable compensation and long-term target variable compensation, both of which are integrally subject to demanding performance criteria. The Board of Directors shall examine the balance of these items.

In accordance with the 2020 compensation policy, as determined by the Board of Directors in the meetings of February 12, 2020 and April 22, 2020 and as approved by the Shareholders’ Meeting on June 25, 2020, in connection with the renewal of Patrick Berard’s term of office as Chief Executive Officer, the fixed compensation of Patrick Berard from January 1, 2021 to December 31, 2021 amounts to €700,000. Such compensation will be calculated *pro rata temporis* for the period between January 1, 2021 and the date of 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 Chief Executive Officer qualifies to receive variable annual compensation.

The annual target variable compensation, defined as a percentage of the fixed compensation is also determined for the term of office. This variable compensation is set in order to correlate the compensation of the Chief Executive Officer with the results of the business of the Rexel Group. The variable compensation is calculated on the basis of the achievement of criteria relative to the performance of the Rexel Group and to the individual performance. In addition, variable compensation is limited to a cap expressed as a percentage of the target variable compensation.

The Board of Directors aims at setting the target short-term variable compensation above the market median and to making it fully subject to challenging performance criteria.

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation, it being specified, however, that the variable compensation due for a financial year may only be paid after the approval of the Shareholders' Meeting convened to approve the accounts for that financial year.

Under the 2020 compensation policy, as determined by the Board of Directors in the meetings of February 12, 2020 and April 22, 2020 and as approved by the Shareholders' Meeting of June 25, 2020, in connection with the renewal of the term of office of Patrick Berard as Chief Executive Officer, the variable compensation of Patrick Berard from January 1, 2021 to December 31, 2021 is set at 130% of the annual fixed compensation. Such 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 of February 2022.

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 179% of the fixed compensation. Quantitative targets can achieve a maximum result of 150% and qualitative targets can achieve a maximum result of 100%.

The variable compensation would only be subject to an effective payment if the demanding criteria defined by the Board of Directors are met.

The criteria used by the Board of Directors to assess the performance of variable compensation are, for the period from January 1, 2021 to December 31, 2021:

- On the one hand, financial criteria based on Rexel's results as well as the aggregates that the Group uses in the context of the analysis of its financial situation (the financial portion represents 75% of the annual variable compensation target). These criteria are gross margin in volume terms (40%), adjusted EBITA in volume terms (40%) and average operating working capital requirement (20%). The gross margin volume criterion has been retained since 2020, replacing the criterion linked to the sales volume growth. This choice is consistent with the Group's strategic plan to increase the Group's profitability; and
- On the other hand, non-financial criteria which represent 25% of the annual variable target compensation. These criteria are linked to the Group's continued transformation, particularly its digital transformation. These criteria also relate to the stability, the development of an efficient management team and compliance with a CSR (Corporate Societal Responsibility) policy.

These criteria are specified in 3.2.1.6 "Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)" of the 2020 Universal Registration Document, as amended.

The combination of demanding financial criteria and non-financial criteria favoring the Group's development and competitiveness in a responsible and sustainable environment, is part of the compensation policy, aligning the interests of managers with those of shareholders, in line with the company's best interest and its commitments in terms of Corporate Societal Responsibility. The combination of these criteria thus contributes to the company's business strategy and sustainability.

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 achieved shall be communicated very precisely *ex-post* in the Universal Registration Document. This *ex-post* communication is justified by the desire to safeguard the company's interests by not communicating *ex-ante* indications on its strategy that could be exploited

by its competitors. In respect of non-financial criteria, they are also described in order to preserve the Rexel Group's interest in a highly competitive environment. Their rate of achievement is specified *ex-post*.

Long-term variable compensation

In order to involve the senior executives in the Group's development and performance and to align their interests with those of the shareholders, the Board of Directors may grant performance shares.

The Chief Executive Officer is eligible for the annual performance shares plan, which is the historical mechanism used to motivate and retain employees and top managers of the Group.

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

The performance criteria are in line with the mid-term guidance released to the markets and in line with the shareholders' interest:

- yearly average EBITA growth rate (30%),
- yearly average sales growth rate (30%),
- average free cash flow before interest and taxes/ EBITDA ratio (20%), and
- the relative Rexel share performance compared to the SBF 120 GR index (20%).

As previously indicated regarding the annual variable compensation, the nature of the financial criteria, their weight and their level of achievements targeted are clearly defined by the Board of Directors at the time of the allocation on the basis of the mid-term guidance released to the markets. The expected level of achievements targeted and the achieved performance are disclosed in a precisely manner *ex-post* in the Universal Registration Document. This *ex-post* disclosure is justified by the willingness to preserve the Rexel Group's interests without disclosing *ex-ante* any sensitive indication on its long-term strategy in a highly competitive environment. The implementation of demanding financial criteria makes it possible to ensure the compensation of executives, to retain them over the long-term in line with the Group's performance, while respecting the corporate interest and contributing to the company's commercial strategy and sustainability.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of variable compensation items can only be made subject to the approval of the compensation items of the relevant person by a shareholders' meeting.

These shares are also allocated subject to presence criteria of 3 years.

As a result, the vesting period for the shares is 3 years, with no retention period.

The Chief Executive Officer has a retention obligation of at least 20% of the shares vested under these mechanisms until the end of his functions.

Furthermore, a limit was introduced during 2015 concerning corporate officers, aiming at ensuring a balance between their various components of compensation. Thus, the annual value of the performance shares allocated in respect of a given financial year to the Chief Executive Officer, cannot exceed 100% of his annual fixed and variable target compensation for the relevant financial year.

In accordance with the compensation policy, the cap of 100% would be €1,610,000 based on annual fixed and variable compensation for 2021. Such compensation will be calculated *pro rata temporis* for the period between January 1, 2021 and the date of termination of Patrick Berard's term of office as Chief Executive Officer, *i.e.*, an amount of €1,073,334 for the period between January 1, 2021 and August 31, 2021. As a result of the appointment of Guillaume Texier during the 2021 financial year in replacement of Patrick Berard, Patrick Berard will not be eligible for the 2021 free shares allocation.

An additional limit also provides that the number of shares allocated to corporate officers cannot exceed 10% of the aggregate amount of free shares allocated to all of the beneficiaries⁽¹⁾.

The performance share allotment plans provide for the loss of unvested shares in the event of a departure from the Group (except in the event of retirement, death or disability).

In accordance with the insider trading policy determined by the Board of Directors and with the AFEP-MEDEF Code, beneficiaries must formerly undertake not to use any hedging mechanisms in

(1) *i.e.* a maximum of 0.14% of the share capital over a period of 26 months, based on the eighteenth resolution of the Shareholders' Meeting of June 25, 2020, which provides for a maximum ceiling of 1.4%.

respect of the stock options and performance shares received from the Company.

The criteria, the choice of which must contribute to the achievement of the objectives of the compensation policy, are detailed in paragraph 3.2.1.6 “Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)” of the 2020 Universal Registration Document, as amended.

The Board of Directors is committed to ensuring that the performance criteria adopted contribute to the

stability of the Chief Executive Officer and reflect the Group’s performance objectives and strategy in the short, medium and long term. The Board has thus ensured that these performance criteria are demanding and correspond to the Group’s key growth and profitability factors in order to maintain a balance between short and long-term performance and the promotion of the Group’s development for all stakeholders.

Retirement Plan

Former Supplemental Retirement Plan

The Board of Directors of February 10, 2016 has decided to close, as from 2016, the supplemental defined-benefit retirement scheme (Article 39 of the French General Tax Code), within the meaning of article L.137-11 of the French Social security Code. This regime was set up on March 30, 2009 and became effective as of July 1, 2009.

The Board of Directors had considered, on February 10, 2016, in particular, that this scheme was no longer adapted to the profiles of the top managers of the Group (more international profiles, joining the Group in the middle of their career), with the exception of certain particular situations. Furthermore, the legislation relating to these schemes has continually changed in recent years, making the system unstable and substantially limiting the attractiveness of these schemes for companies, in particular due to the increase in social contributions and charges.

Only a few executives benefited from the upholding of the plan (see below).

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,

The main characteristics of this scheme are as follows:

2019, approved by the Shareholders’ Meeting of June 25, 2020, rights were frozen, consisting of the interruption at December 31, 2019 of the acquisition of new contingent rights under the plan.

Medium-term collective savings scheme

The Board of Directors wished to put in place, as of 2016, a scheme allowing executives to progressively build up medium-term savings (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 Board of Directors has considered that this type of scheme was more adapted and attractive for executives of the Group than other schemes such as supplemental retirement schemes, and more favorable to the interests of the shareholders and the best interest of the company, taking into account in particular the payments made by the beneficiary.

| OBJECTIVE AND LINK WITH THE STRATEGY | APPLICATION | MAXIMUM POTENTIAL VALUE | PERFORMANCE METRICS |
|---|---|--|--|
| New medium-term collective savings scheme To allow the setting up of a medium-term savings scheme for senior executives. No long-term undertakings for Rexel | To offer an appropriate scheme for senior executives in mobility/ international profiles. | <p>The annual contribution is equal to:</p> <ul style="list-style-type: none"> • 20% on the portion of compensation paid ranging between 4 and 20 PASS (1 PASS = €41,136 in 2021), • plus 10% on the portion of compensation paid ranging between 20 and 40 PASS. <p>The variable compensation taken into consideration will be limited to 80% of the fixed annual compensation.</p> | The contribution is based on the effective fixed and variable compensation (capped). |

Specific situation

Some executives benefited from the upholding of the above-mentioned defined-benefit retirement scheme, in consideration of their career and seniority. Thus, the Chief Executive Officer, Patrick Berard, has been maintained in the defined-benefit retirement scheme taking into account his length of service within the Group and his career (Patrick Berard joined Rexel in 2003). The benefits of the defined-benefit retirement scheme in respect of the corporate office of Patrick Berard is subject to performance criteria (the performance criteria are the same than those used for the financial year ended December 31, 2020 and detailed in paragraph 3.2.2.3 “Compensation and other benefits paid or allocated to the Chief Executive Officer, Patrick Berard” of the 2020 Universal Registration Document, as amended). 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, known as the “PACTE Law”), new contingent rights under the scheme from December 31, 2019 were frozen under the scheme from which Patrick Berard benefited. 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.

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

Other exceptional compensation

The Board of Directors considers that, for the best interest of the Group and of the stakeholders, it should not be excluded as a principle that exceptional compensation be allocated to executive corporate officers in very specific circumstances, as provided for by the AFEP-MEDEF Code (article 25.3.4), in particular in case of significant transactions because of their size or nature or because they result in a material change in the organization or activities or because of the involvement they require or because of the difficulties they present, or transactions that do not fall within the scope of routine missions of the executive corporate officer. The payment of such compensation items must be motivated and the reasons having led to their implementation

must be explained. In any case, this exceptional compensation would be capped at 100% of the annual fixed compensation of the relevant executive corporate officer and would only be considered if it contributes directly or indirectly to the objectives of the compensation policy.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of exceptional compensation items can only be made subject to the approval of the compensation items of the relevant person by a Shareholders’ Meeting.

It is reminded that Patrick Berard has not received any exceptional compensation since the beginning of his term of office as Chief Executive Officer.

Recruitment allowances

Similarly, if the Board of Directors intends to focus on the internal development of talents in succession plans, it also considers that the payment of a recruitment indemnity for an executive corporate officer may be envisaged, if justified by the best interest of the Group in order to attract a new talented top executive (Article 25.4 of the AFEP-MEDEF Code). This indemnity would be proportional to the loss effectively suffered by the executive upon his/her change of duties, in particular in respect of the annual variable compensation and long-term compensation. In any event this indemnity would be capped at two thirds of two years of global compensation of the previous duties. In accordance with the requirements of the AFEP-MEDEF Code, total compensation includes the fixed and variable portions.

In any case, these compensation items would meet the requirements of the AFEP-MEDEF Code and comply, in particular, with the principles of measure and fair balance among the various interests in presence. These compensation items shall be properly disclosed and clearly justified.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of a recruitment indemnity can only be made subject to the approval of the compensation items of the relevant person by a Shareholders’ Meeting.

Therefore, it is reminded that Patrick Berard did not receive any indemnity for taking office when he was appointed Chief Executive Officer.

Activity-based compensation

Further to the decision of the Board of Directors of February 10, 2016, no intragroup activity compensation is paid. Furthermore, no activity compensation shall be paid to an executive corporate officer who carries out the duties of director of the Rexel Group.

Therefore, it is reminded that Patrick Berard has not received any compensation for his activity within the meaning of Article L.22-10-14 of the French Commercial Code since his appointment as Chief Executive Officer.

Benefits in kind

Executive corporate officers may also be granted benefits in kind, in respect of the duties carried out within the Rexel Group, such as a healthcare/welfare collective coverage a basic and a supplemental

retirement scheme, a health checkup, tax and pension advice as well as the availability of a company car.

The Chief Executive Officer may also be granted benefits in kind, subject to the following conditions:

| OBJECTIVE AND LINK WITH THE STRATEGY | APPLICATION | MAXIMUM POTENTIAL VALUE |
|---|---|--|
| Company car To apply the policy applicable to the executives of Rexel. | Eligibility of executive officers in respect of the general policy of Rexel relating to vehicles. | Value of the policy applicable to the executives of Rexel. |
| Healthcare insurance/death and disability To protect the executive corporate officers by applying the same coverage as to other employees. | Eligibility of the executive officers to the coverage offered to employees. | Contribution to a collective insurance policy (the rules are identical for all employees). |
| Unemployment "GSC" coverage To protect executive corporate officers against unemployment. | Subscription of unemployment coverage for executive officers. | Contributions applicable based on the GSC set of criteria. |

It is reminded that Patrick Berard is not eligible to unemployment GSC coverage.

Multi-year compensation

The Board of Directors does not provide for any multi-year compensation at the benefit of executive corporate officers.

As a consequence, Patrick Berard has not received any multi-year compensation since his appointment as Chief Executive Officer.

Severance and/or non-compete indemnity

The compensation policy of executive corporate officers determined by the Board of Directors provides, under certain conditions, the payment of severance and/or non-compete compensatory allowance.

In order to protect the interests of the shareholders and the competitiveness of the Group, the Board of Directors, after receiving a favorable opinion from the Compensation Committee, may provide for the payment of a severance indemnity and/or a non-compete compensatory allowance, within the limits provided for in Article R.22-10-14, III of the

French Commercial Code and the recommendations provided for in Article 24 of the AFEP-MEDEF Code in force.

Pursuant to the recommendations referred to in article 25.5 of the AFEP-MEDEF Code, the compensation (severance and/or non-competition compensation) would be capped at an amount not exceeding 24 months of the monthly reference compensation of the relevant executive (compensation defined as the last annual fixed and variable compensation received, excluding any exceptional bonus, divided by 12).

The severance indemnity is not applicable in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or leave or compulsory retirement leave. The position adopted by the Board of Directors is more restrictive than the guidelines referred to in article 24.5.1 of the AFEF-MEDEF Code that provides for the payment of indemnities in case of forced departure “independent of the form of such departure”.

In addition, in accordance with the provisions of Article R.22-10-14 III, of the French Commercial Code, the payment of a non-compete indemnity is excluded if the Chief Executive Officer exercises his retirement rights after the termination of his duties in the Company.

Severance indemnities are subject to the following cumulative conditions: (i) in the event of forced departure (it is 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) and (ii) change of control or of strategy.

The payment of such indemnities is also 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. This payment would be due at 100% if the level of EBITA, calculated on the basis of the audited consolidated financial statements of Rexel for the last two financial years ended prior to the date of termination of the corporate office reached in average 60% of the budgeted values for these two financial years on average; and
- The payment of 40% of the indemnity would be dependent on the level of ATWC (average trade working capital requirement) of the Rexel Group. This payment would be due at 100% if the level of the ATWC, calculated on the basis of the audited consolidated financial statements of Rexel for the last two financial years preceding the date of termination of the corporate office, reached a maximum of average 125% of the budgeted performance for these two financial years.

With respect to the non-compete allowance⁽¹⁾, the Board of Directors reserves the right to waive the application of this clause in the event of the executive's departure⁽²⁾.

The Board of Directors may decide that an executive will not qualify for severance indemnities and/or non-compete compensatory allowance in respect of his/her corporate office in consideration of specific circumstances (profile, career, etc.).

Thus, the Board of Directors has decided that Chief Executive Officer Patrick Berard did not qualify for severance and/or non-compete indemnities in respect of his corporate office in consideration of his career and profile.

Specific situation

Prior to his appointment as Chief Executive Officer, Patrick Berard, who joined the Rexel Group in 2003, has had a long career as an employee justifying the company's compliance with the applicable rules regarding the termination of employment contracts. In view of Patrick Berard's seniority and age at the time of his appointment as Chief Executive Officer, it was therefore decided to maintain and suspend his employment contract entered into with Rexel Développement SAS. In this context, the Board of Directors has decided that Patrick Berard will not receive any severance or non-compete indemnity in respect of his corporate office.

The methods of termination of the employment contract (except in cases of resignation and dismissal for serious or gross misconduct) involve the payment of a legal or contractual indemnity to the employee, in application of the French Labor Code.

In the event of dismissal of Patrick Berard, for whatever reason (with the exception of dismissal for serious or gross misconduct), Patrick Berard will receive a severance indemnity of a gross amount equivalent to 18 months of his monthly reference compensation. The monthly reference compensation is the gross annual compensation applicable 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 (*indemnité de licenciement légale*) or severance indemnity pursuant to the collective bargaining agreement (*indemnité conventionnelle de licenciement*) due, if any, as well as any contractual indemnity due pursuant to a non-compete clause.

In the event of termination of his employment contract for any reason whatsoever, Patrick Berard

(1) For a limited period of 12 months.

(2) The Board of Directors has the possibility to assess the interest for the Group to activate the non-compete clause or to waive it depending on the effective risk of competition when the executive leaves (in particular in the event that the executive could continue to carry out missions or duties with competitors).

may also receive a non-compete compensation indemnity equal to six months' gross compensation corresponding to the last monthly salary before termination, increased by the average bonus based on the last two years. The non-compete obligation incumbent upon Patrick Berard as well as the non-compete compensatory allowance to which he may be entitled may, however, be waived by Rexel Développement SAS, provided that Patrick Berard is informed thereof within four weeks following the date of termination of his employment agreement.

It is recalled that any severance and/or non-compete indemnity would be calculated in the context of his employment contract, without taking into account his seniority or the fixed or variable compensation received in respect of his duties as a corporate officer.

In addition, the payment of a severance indemnity and/or a non-compete compensatory allowance would be equal to a maximum of 18 months of reference compensation, which is less than the 24-month cap provided for in the compensation policy and in accordance with the recommendations set forth in articles 24.6 and 25.5 of the AFEP-MEDEF Code. Finally, it is specified that Patrick Berard would not benefit from the non-compete indemnity if he

exercised his retirement rights, in accordance with legal provisions.

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 the notification of retirement from the employer 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 retirement indemnity pursuant to the collective bargaining agreement (*indemnité conventionnelle de mise à la retraite*). Thus, such retirement indemnity will be paid to him on March 1, 2022. The years of length of service retained for the calculation of this indemnity are the years during which Patrick Berard was an employee of Rexel, prior to his appointment as Chief Executive Officer.

It is reminded that, in accordance with the provisions of Article R.22-10-14, III, of the French Commercial Code, to the extent that Patrick Berard exercises his retirement rights after the termination of his duties, he will not be paid a severance indemnity (*indemnité de départ*) or a non-compete compensatory indemnity.

3.2.1.4.2 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 compensation policy is applicable for the entire duration of the corporate office.

The term of office of the Chief Executive Officer is specified in paragraph 3.1.3 "Executive Management" of the 2020 Universal Registration Document, as amended, being specified that the Board of Directors of March 25, 2021 has decided to appoint Guillaume Texier as Chief Executive Officer, for a term of four years with effect from September 1, 2021. The Chief Executive Officer may be removed from office at any time by the Board of Directors under the conditions

set forth in article L.225-55 of the French Commercial Code and article 19.2 of the Company's by-laws.

In order to assess the respective importance of the fixed, variable and exceptional components making up the total compensation and benefits of any kind that may be granted to the Chief Executive Officer in respect of his term of office, please refer to section 3.2.1.6 "Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)" of the 2020 Universal Registration Document, as amended.

Fixed compensation

The compensation policy provides for the allocation of a fixed annual compensation to the Chief Executive Officer.

This fixed annual compensation is determined by the Board of Directors at the beginning and for the whole term of office of the Chief Executive Officer. The compensation policy would apply under the same terms and conditions to a Chairman of the Board of Directors newly appointed.

The amount of this annual compensation is determined according to criteria specific to each person (experience, seniority, responsibilities, in particular) and criteria based on the sector's business activity and the general economic environment, on the basis of the studies carried out by an independent consulting firm, Willis Towers Watson.

The Board of Directors intends to position the fixed annual compensation of the corporate officers at the median of the reference market and to propose for the Chief Executive Officer a more dynamic short-term target variable compensation and long-term target variable compensation, both of which are integrally subject to demanding performance criteria. The Board of Directors shall examine the balance of these items.

In accordance with the compensation policy adopted by the Board of Directors of March 25, 2021 and submitted to the approval of the Shareholders' Meeting, the fixed annual compensation of Guillaume Texier as Chief Executive Officer amounts to

€800,000. Such compensation will be calculated *prorata temporis* for the period between the date of appointment of Guillaume Texier as Chief Executive Officer and December 31, 2021, *i.e.* a fixed annual compensation amounting to €266,667 for the period from September 1, 2021 to December 31, 2021.

Guillaume Texier's fixed compensation would represent 45% of the total annual compensation (fixed + variable target compensation).

The fixed compensation is set for the entire duration of Guillaume Texier's term of office as Chief Executive Officer.

Short-term variable compensation

The Chief Executive Officer qualifies to receive variable annual compensation.

The annual target variable compensation, defined as a percentage of the fixed compensation is also determined for the term of office. This variable compensation is set in order to correlate the compensation of the Chief Executive Officer with the results of the business of the Rexel Group. The variable compensation is calculated on the basis of the achievement of criteria relative to the performance of the Rexel Group and to the individual performance. In addition, variable compensation is limited to a cap expressed as a percentage of the target variable compensation.

The Board of Directors aims at setting the target short-term variable compensation above the market median and to making it fully subject to challenging performance criteria.

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation, it being specified, however, that the variable compensation due for a financial year may only be paid after the approval of the Shareholders' Meeting convened to approve the accounts for that financial year.

Under the compensation policy adopted by the Board of Directors in its meeting of March 25, 2021 and submitted to the approval of the Shareholders' Meeting of April 22, 2021, the variable compensation of Guillaume Texier is set at 120% of the annual fixed compensation. This compensation will be calculated *prorata temporis* for the period from the effective date of his duties as Chief Executive Officer to December 31, 2021.

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 162% of the fixed compensation. Quantitative targets can achieve a maximum result of 150% and qualitative targets can achieve a maximum result of 100%.

The variable compensation would only be subject to an effective payment if the demanding criteria defined by the Board of Directors are met.

The criteria used by the Board of Directors to assess the performance of variable compensation are, for the period between the termination of Patrick Berard's term of office as Chief Executive Officer and December 31, 2021:

- On the one hand, financial criteria based on Rexel's results as well as the aggregates that the Group uses in the context of the analysis of its financial situation (the financial portion represents 70% of the annual variable compensation target). These criteria are gross margin in volume terms (40%), adjusted EBITA in volume terms (40%) and average operating working capital requirement (20%). The gross margin volume criterion has been retained since 2020, replacing the criterion linked to the sales volume growth. This choice is consistent with the Group's strategic plan to increase the Group's profitability; and
- On the other hand, non-financial criteria which represent 30% of the annual variable target compensation. These criteria are linked to 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%).

These criteria are specified in 3.2.1.6 “Summary tables of the compensation policy for the financial year 2021 - (Say on Pay Ex-ante)” of the 2020 Universal Registration Document, as amended.

The combination of demanding financial criteria and non-financial criteria favoring the Group’s development and competitiveness in a responsible and sustainable environment, is part of the compensation policy, aligning the interests of managers with those of shareholders, in line with the company’s best interest and its commitments in terms of Corporate Societal Responsibility. The combination of these criteria thus contributes to the company’s business strategy and sustainability.

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 achieved shall be communicated very precisely *ex-post* in the Universal Registration Document. This *ex-post* communication is justified by the desire to safeguard the company’s interests by not communicating *ex-ante* indications on its strategy that could be exploited by its competitors. In respect of non-financial criteria, they are also described in order to preserve the Rexel Group’s interest in a highly competitive environment. Their rate of achievement is specified *ex-post*.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of variable compensation items can only be made subject to the approval of the compensation items of the relevant person by a shareholders’ meeting.

Long-term variable compensation

In order to involve the senior executives in the Group’s development and performance and to align their interests with those of the shareholders, the Board of Directors may grant performance shares.

The Chief Executive Officer is eligible for the annual performance shares plan, which is the historical mechanism used to motivate and retain employees and top managers of the Group. For the 2021 financial year, to the extent that his duties will start from September 1, 2021 and in order to enable him to benefit from the annual performance shares plan that will be implemented, the Chief Executive Officer will benefit from an exceptional allotment on the beginning of his term of office, the amount of which will be calculated *pro rata temporis* for the period from the effective date of the duties as Chief Executive Officer to December 31, 2021.

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

The performance criteria are in line with the mid-term guidance released to the markets and in line with the shareholders’ interest:

- yearly average EBITA growth rate (30%),
- yearly average sales growth rate (30%),
- average free cash flow before interest and taxes/ EBITDA ratio (20%), and
- the relative Rexel share performance compared to the SBF 120 GR index (20%).

As previously indicated regarding the annual variable compensation, the nature of the financial criteria, their weight and their level of achievements targeted are clearly defined by the Board of Directors at the time of the allocation on the basis of the mid-term guidance released to the markets. The expected level of achievements targeted and the achieved performance are disclosed in a precisely manner *ex-post* in the Universal Registration Document. This *ex-post* disclosure is justified by the willingness to preserve the Rexel Group’s interests without disclosing *ex-ante* any sensitive indication on its long-term strategy in a highly competitive environment. The implementation of demanding financial criteria makes it possible to ensure the compensation of executives, to retain them over the long-term in line with the Group’s performance, while respecting the corporate interest and contributing to the company’s commercial strategy and sustainability.

These shares are also allocated subject to presence criteria of 3 years.

As a result, the vesting period for the shares is 3 years, with no retention period.

The Chief Executive Officer has a retention obligation of at least 20% of the shares vested under these mechanisms until the end of his functions.

Furthermore, a limit was introduced during 2015 concerning corporate officers, aiming at ensuring a balance between their various components of compensation. Thus, the annual value of the performance shares allocated in respect of a given

financial year to the Chief Executive Officer, cannot exceed 100% of his annual fixed and variable target compensation (120% of the annual fixed compensation) for the relevant financial year.

In accordance with the compensation policy, the cap of 100% would be €586,667 based on annual fixed and variable compensation for 2021, calculated *prorata temporis* for the period from the effective date of his duties as Chief Executive Officer to December 31, 2021.

An additional limit also provides that the number of shares allocated to corporate officers cannot exceed 10% of the aggregate amount of free shares allocated to all of the beneficiaries.

The performance share allotment plans provide for the loss of unvested shares in the event of a departure from the Group (except in the event of retirement, death or disability).

In accordance with the insider trading policy determined by the Board of Directors and with the AFEP-MEDEF Code, beneficiaries must formerly

undertake not to use any hedging mechanisms in respect of the stock options and performance shares received from the Company.

The criteria, the choice of which must contribute to the achievement of the objectives of the compensation policy, are detailed in paragraph 3.2.1.6 “Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)” of the 2020 Universal Registration Document, as amended.

The Board of Directors is committed to ensuring that the performance criteria adopted contribute to the stability of the Chief Executive Officer and reflect the Group’s performance objectives and strategy in the short, medium and long term. The Board has thus ensured that these performance criteria are demanding and correspond to the Group’s key growth and profitability factors in order to maintain a balance between short and long-term performance and the promotion of the Group’s development for all stakeholders.

Retirement Plan

Medium-term collective savings scheme

The Board of Directors wished to put in place, as of 2016, a scheme allowing executives to progressively build up medium-term savings (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 Board of Directors has considered that this type of scheme was more adapted and attractive for executives of the Group than other schemes such as supplemental retirement schemes, and more favorable to the interests of the shareholders and the best interest of the company, taking into account in particular the payments made by the beneficiary.

The main characteristics of this scheme are as follows:

| OBJECTIVE AND LINK WITH THE STRATEGY | APPLICATION | MAXIMUM POTENTIAL VALUE | PERFORMANCE METRICS |
|---|---|---|--|
| New medium-term collective savings scheme To allow the setting up of a medium-term savings scheme for senior executives. No long-term undertakings for Rexel | To offer an appropriate scheme for senior executives in mobility/ international profiles. | <p>The annual contribution is equal to:</p> <ul style="list-style-type: none"> • 20% on the portion of compensation paid ranging between 4 and 20 PASS (1 PASS = €41,136 in 2021) • plus 10% on the portion of compensation paid ranging between 20 and 40 PASS. <p>The variable compensation taken into consideration will be limited to 80% of the fixed annual compensation.</p> | The contribution is based on the effective fixed and variable compensation (capped). |

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.

Other exceptional compensation

The Board of Directors considers that, for the best interest of the Group and of the stakeholders, it should not be excluded as a principle that exceptional compensation be allocated to executive corporate officers in very specific circumstances, as provided for by the AFEP-MEDEF Code (article 25.3.4), in particular in case of significant transactions because of their size or nature or because they result in a material change in the organization or activities or because of the involvement they require or because of the difficulties they present, or transactions that do not fall within the scope of routine missions of the executive corporate officer. The payment of such compensation items must be motivated and

the reasons having led to their implementation must be explained. In any case, this exceptional compensation would be capped at 100% of the annual fixed compensation of the relevant executive corporate officer and would only be considered if it contributes directly or indirectly to the objectives of the compensation policy.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of exceptional compensation items can only be made subject to the approval of the compensation items of the relevant person by a Shareholders' Meeting.

Recruitment allowances

Similarly, if the Board of Directors intends to focus on the internal development of talents in succession plans, it also considers that the payment of a recruitment indemnity for an executive corporate officer may be envisaged, if justified by the best interest of the Group in order to attract a new talented top executive (Article 25.4 of the AFEP-MEDEF Code). This indemnity would be proportional to the loss effectively suffered by the executive upon his/her change of duties, in particular in respect of the annual variable compensation and long-term compensation. In any event this indemnity would be capped at two thirds of two years of global compensation of the previous duties. In accordance with the requirements of the AFEP-MEDEF Code, total compensation includes the fixed and variable portions.

In any case, these compensation items would meet the requirements of the AFEP-MEDEF Code and comply, in particular, with the principles of measure and fair balance among the various interests in presence. These compensation items shall be properly disclosed and clearly justified.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of a recruitment indemnity can only be made subject to the approval of the compensation items of the relevant person by a Shareholders' Meeting.

Specific situation

In accordance with the compensation policy adopted by the Board of Directors of March 25, 2021, it is intended to pay Guillaume Texier a recruitment indemnity amounting to €800.000, which is proportional to the compensation loss (corresponding to the benefit of free shares allocation plans for the last three years) suffered by Guillaume Texier as a result of the termination of his current duties in the Saint-Gobain Group. This recruitment indemnity, which can only be paid after the approval of the compensation elements of Guillaume Texier by the Shareholders' Meeting, is made in the interest of the Group insofar as it enables the Group to attract talents with the skills and experience required to perform the duties of Chief Executive Officer of Rexel. It is specified that this recruitment indemnity would be capped at two thirds of two years of the global compensation of the previous position.

Activity-based compensation

Further to the decision of the Board of Directors of February 10, 2016, no intragroup activity compensation is paid. Furthermore, no activity

compensation shall be paid to an executive corporate officer who carries out the duties of director of the Rexel Group.

Benefits in kind

Executive corporate officers may also be granted benefits in kind, in respect of the duties carried out within the Rexel Group, such as a healthcare/welfare collective coverage a basic and a supplemental

retirement scheme, a health checkup, tax and pension advice as well as the availability of a company car.

The Chief Executive Officer may also be granted benefits in kind, subject to the following conditions:

| OBJECTIVE AND LINK WITH THE STRATEGY | APPLICATION | MAXIMUM POTENTIAL VALUE |
|---|---|--|
| Company car To apply the policy applicable to the executives of Rexel. | Eligibility of executive officers in respect of the general policy of Rexel relating to vehicles. | Value of the policy applicable to the executives of Rexel. |
| Healthcare insurance/death and disability To protect the executive corporate officers by applying the same coverage as to other employees. | Eligibility of the executive officers to the coverage offered to employees. | Contribution to a collective insurance policy (the rules are identical for all employees). |
| Unemployment "GSC" coverage To protect executive corporate officers against unemployment. | Subscription of unemployment coverage for executive officers. | Contributions applicable based on the GSC set of criteria. |

Multi-year compensation

The Board of Directors does not provide for any multi-year compensation at the benefit of executive corporate officers.

Severance and/or non-compete indemnity

The compensation policy of executive corporate officers determined by the Board of Directors provides, under certain conditions, the payment of severance and/or non-compete compensatory allowance.

In order to protect the interests of the shareholders and the competitiveness of the Group, the Board of Directors, after receiving a favorable opinion from the Compensation Committee, may provide for the payment of a severance indemnity and/or a non-compete compensatory allowance, within the limits provided for in Article R.22-10-14, III of the French Commercial Code and the recommendations provided for in Article 24 of the AFEP-MEDEF Code in force.

Pursuant to the recommendations referred to in article 25.5 of the AFEP-MEDEF Code, the compensation (severance and/or non-competition compensation) would be capped at an amount not exceeding 18 months of the monthly reference compensation of the relevant executive (compensation defined as the sum of (i) the last gross annual fixed compensation received, divided

by 12, and (ii) the average of the last two gross annual variable remunerations received excluding any exceptional bonus, divided by 12). In the event that the executive would be removed or his term of office would not be renewed for a new term as a result of an acquisition or a change of control before having been granted two annual gross variable compensation, the reference compensation will be defined as the sum of (i) the last gross annual fixed compensation received, divided by 12, and (ii) the amount corresponding to any annual variable compensation (excluding any exceptional bonus) granted to the officer until the date of termination of his duties, divided by the number of full months between the effective date of his corporate office and its termination date.

Severance indemnities 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 willful 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, severance indemnities 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 within the meaning of Article L.233-3 of the French Commercial Code to the benefit of any person or persons acting alone or in concert (*agissant de concert*), including as a result of a takeover bid pursuant to French regulations.

The severance indemnity is not applicable in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or retirement leave or compulsory retirement leave or the absence of renewal of the term of office of corporate officer. The position adopted by the Board of Directors is more restrictive than the guidelines referred to in article 24.5.1 of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "independent of the form of such departure".

In addition, in accordance with the provisions of Article R.22-10-14, III of the French Commercial Code, the payment of a non-compete indemnity is excluded if the Chief Executive Officer exercises his retirement rights after the termination of his duties in the Company.

The payment of such indemnities is also 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. This payment would be due at 100% if

the level of EBITA, calculated on the basis of the audited consolidated financial statements of Rexel for the last two financial years ended prior to the date of termination of the corporate office reached in average 60% of the budgeted values for these two financial years on average; and

- The payment of 40% of the indemnity would be dependent on the level of ATWC (average trade working capital requirement) of the Rexel Group. This payment would be due at 100% if the level of the ATWC, calculated on the basis of the audited consolidated financial statements of Rexel for the last two financial years preceding the date of termination of the corporate office, reached a maximum of average 125% of the budgeted performance for these two financial years.

With respect to the non-compete allowance⁽¹⁾, the Board of Directors reserves the right to waive the application of this clause in the event of the executive's departure⁽²⁾.

The Board of Directors may decide that an executive will not qualify for severance indemnities and/or non-compete compensatory allowance in respect of his/her corporate office in consideration of specific circumstances (profile, career, etc.).

Accordingly, 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."

(1) For a limited period of 12 months.

(2) The Board of Directors has the possibility to assess the interest for the Group to activate the non-compete clause or to waive it depending on the effective risk of competition when the executive leaves (in particular in the event that the executive could continue to carry out missions or duties with competitors).

2.3.2 Summary tables of the compensation policy for the financial year 2021 - (Say on Pay Ex-ante)

As a result of the amendments presented above, Guillaume Texier's elements of compensation for the period between the date of termination of Patrick Berard's term of office as Chief Executive Officer and

December 31, 2021 are the following, being specified that such elements will be calculated *prorata temporis* for the period from the effective date of the duties of the Chief Executive Officer to December 31, 2021:

■ Guillaume Texier, Chief Executive Officer

| FIXED ANNUAL COMPENSATION | |
|---------------------------|---|
| DESCRIPTION | AMOUNT |
| Fixed annual compensation | The fixed annual compensation is set to €800,000, <i>i.e.</i> , €266,667 after <i>prorata temporis</i> adjustment for the period from September 1, 2021 to December 31, 2021. |

| VARIABLE ANNUAL COMPENSATION | |
|---|--|
| The target variable annual compensation of Guillaume Texier is set at 120% of his gross fixed annual compensation. | |
| The 2021 variable compensation is based for 70% on quantitative criteria and for 30% 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 162% of fixed compensation. | |
| <ul style="list-style-type: none"> The quantitative criteria are: adjusted gross margin in volume (40%), adjusted EBITA in volume (40%) and average operating working capital (20%). The qualitative criteria are: the development of an efficient management team (33.4%), the update of the mid-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%). | |

| DESCRIPTION | AMOUNT |
|--|---|
| The annual variable compensation is made up of two parts: | The target variable compensation is 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: 70% of target annual variable compensation $120\% \times 800,000 = €672,000$ Maximum share $70\% \times 150\% = 105\%$ of the target annual variable compensation $\times 960,000 = €1,008,000$ Qualitative objectives: <ul style="list-style-type: none"> Target portion: 30% of target annual variable compensation $120\% \times 800,000 = €288,000$ Maximum share $30\% \times 100\% = 30\%$ of target annual variable compensation $100\% \times 288,000 = €288,000$ | <ul style="list-style-type: none"> Target value: 120% of the fixed compensation $120\% \times 800,000 = €960,000$ Maximum value: 162% of the fixed compensation $(1,008,000 + 288,000) / 800,000 = 162\%$ |
| Taking into account a term of office starting on September 1, 2021, the variable annual compensation, adjusted <i>prorata temporis</i> , will be calculated as follows: | Taking into account a term of office starting on September 1, 2021, the variable annual compensation, adjusted <i>prorata temporis</i> , will be calculated as follows: |
| <ul style="list-style-type: none"> Quantitative objectives: <ul style="list-style-type: none"> Target portion: 70% of target annual variable compensation $120\% \times 266,667 = €224,000$ Maximum share $70\% \times 150\% = 105\%$ of the target annual variable compensation $\times 320,000 = €336,000$ Qualitative objectives: <ul style="list-style-type: none"> Target portion: 30% of target annual variable compensation $120\% \times 266,667 = €96,000$ Maximum share $30\% \times 100\% = 30\%$ of target annual variable compensation $100\% \times 96,000 = €96,000$ | <ul style="list-style-type: none"> Target value: 120% of the fixed compensation $120\% \times 266,667 = €320,000$ Maximum value: 162% of the fixed compensation $(336,000 + 96,000) / 266,667 = 162\%$ |

Quantitative targets⁽¹⁾

| FINANCIAL CRITERIA | WEIGHT | MINIMUM | TARGET | MAXIMUM |
|---|-------------|--|---|--|
| Adjusted margin in volume terms | 40% | Payment of the first euro if the result reaches 95% target | 100% payout if result reaches 100% target | Payout limited to 150% if result reaches 150% target |
| Adjusted EBITA in volume terms ⁽²⁾ | 40% | 50% payment if the result reaches 95% target | 100% payout if result reaches 100% target | Payout limited to 150% |
| Average operating working capital requirement | 20% | 50% payment at the achievement of 95% of the objective | 100% payout if result reaches 100% target | Payout limited to 150% if result reaches 105% target |
| Total⁽³⁾ | 100% | Calculation on a linear basis between the points. | | |

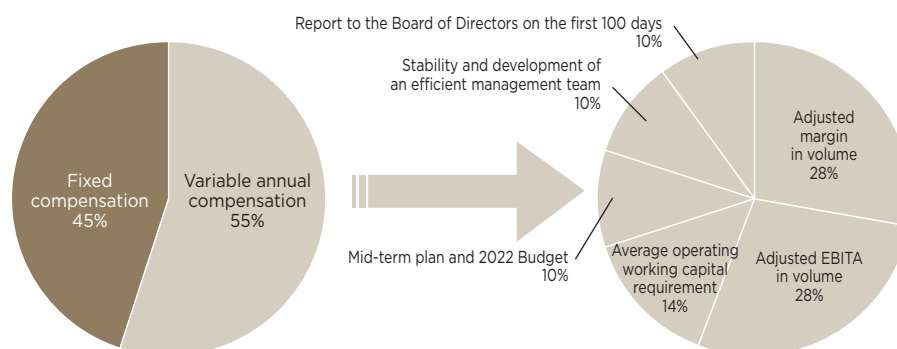
- (1) The criteria and the expected level of achievement are clearly determined on an annual basis by the Board of Directors. The financial criteria are disclosed at the start of the financial year. The expected level of achievement and the performance reached are disclosed *ex-post* in this Universal 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) The financial criteria for EBITA and Gross Margin are considered to be adjusted, as they are adjusted for the non-recurring effect of changes in copper prices. As a reminder, the non-recurring effect is the of charges changes in the price of copper in inventories. There is no adjustment to EBITA, nor to Gross Margin, for the so-called recurring effect of copper, *i.e.*, the impact of the variation in copper prices on sales.
- (3) 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*.

Qualitative objectives

| NON-FINANCIAL CRITERIA | WEIGHT | DESCRIPTION ⁽¹⁾ |
|--|-------------|--|
| Development of an efficient management team | 33.4% | <ul style="list-style-type: none"> The right talent in all positions in the management team, with clear objectives and development plans. A well performing and motivated team that is committed to the long term. |
| Update of the mid-term plan | 33.3% | <ul style="list-style-type: none"> Update of the mid-term plan and ensuring commitments made at the Strategic update of February 11, 2021. Construction of the Budget 2022. |
| Production of a report on the first 100 days of the term of office | 33.3% | <ul style="list-style-type: none"> Production of a report to the Board of Directors on the first 100 days. |
| Total | 100% | |

- (1) The non-financial criteria are disclosed at the start of the financial year, on the basis of precise, concrete and measurable objectives. 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. As a reminder, and in line with previous years, in the event of outperformance, payments are capped at 100%.

Assuming that all of the objectives detailed above are achieved and that the term office takes effect as from September 1, 2021, the maximum fixed and variable annual compensation from September 1 to December 31, 2021 or, in application of the applicable compensation policy, would be as follows:



| 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 |

EXCEPTIONAL COMPENSATION

The compensation policy provides for the possibility of paying exceptional compensation under the restrictive conditions described in section “Exceptional compensation” of paragraph 3.2.1.4.2 “Compensation policy applicable to the Chief Executive Officer for the 2021 financial year, as from the termination of Patrick Berard’s term of office as Chief Executive Officer” of the 2020 Universal Registration Document, as amended.

RECRUITMENT ALLOWANCE

The compensation policy provides for the possibility of paying a recruitment indemnity proportional to the loss effectively suffered by the executive upon his/her change of duties, in particular in respect of the annual variable compensation and long-term compensation.

In accordance with the compensation policy set out by the Board of Directors of March 25, 2021, 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 a free shares allocation plan for the last three years) suffered by Guillaume Texier as a result of the termination of his current duties in the Saint-Gobain group.

BENEFITS OF ANY KIND

Guillaume Texier 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, that also benefit to other keys functions in the company, are particularly adapted to the duties of executive corporate officer, 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 Guillaume Texier are fully subject to performance criteria assessed over periods of at least three years. These shares are also allotted subject to a presence criterion of three 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 (120% of the annual fixed compensation) for that financial year (as defined in section “Long-term variable compensation” of paragraph 3.2.1.6 “Summary tables of the compensation policy for the financial year 2021 - (*Say on Pay Ex-ante*)” of the 2020 Universal Registration Document, as amended); 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 criteria 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 Guillaume Texier, prorated from September 1, 2021 to December 31, 2021, i.e., €586,667.</p> |

(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%.

| Performance criteria | | | | | |
|--|-------------|---|--|---|--|
| CRITERIA | WEIGHT | TRIGGERING THRESHOLD | TARGET | MAXIMUM | COMMENTS |
| Annual average of EBITA growth rates 2020-2023 | 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 2020-2023 | 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 2021, 2022 and 2023 | 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

Guillaume Texier could benefit from a severance indemnity resulting from the termination of his duties as Chief Executive Officer under the conditions of the compensation policy.

The Board of Directors has not granted to Guillaume Texier any non-compete indemnity in connection with the termination of his duties of Chief Executive Officer, in consideration of his career and profile.

SUPPLEMENTAL RETIREMENT SCHEME

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.

Any allocation of shares to Guillaume Texier, Chief Executive Officer will be subject to the achievement of demanding performance objectives adapted to Rexel's current environment. These objectives will be determined in accordance with the mid-term guidance released to the markets as approved by the Board of Directors.

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 targets on a three-year horizon). The performance level relating to the Rexel share will be also assessed after the three-year period.

These demanding targets have resulted in 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, 31.0% for the May 2014 Key Managers plan, 18.0% for the July 2015 Key Managers 3+2 plan, 45% for the June 23, 2016 (3+2) and (4+0) plans and 74% for the May 23, 2017 (3+2) and (4+0) plans.

The expected level of achievement and the performance reached are disclosed *ex-post* in detail in this Universal Registration Document. The main financial criteria over three years are based on the mid-term guidance which is the object of a communication published during the "Strategic update" of February 11, 2021.

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 30% 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 Board of Directors, on the basis of a three-year horizon (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.

