

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 20, 2023
Outcome of the votes on resolutions
(Article R.225-29-1 IV of the French Commercial Code)

		Vote For
Fifth resolution	Approval of the compensation policy applying to the Chairman of the Board of Directors for the 2023 financial year, pursuant to Article L.22-10-8 of the French Commercial Code	99.84%
Sixth resolution	Approval of the compensation policy applying to the Directors for the 2023 financial year, pursuant to Article L.22-10-8 of the French Commercial Code.	98.73%
Seventh resolution	Approval of the compensation policy applying to the Chief Executive Officer for the 2023 financial year, pursuant to Article L.22-10-8 of the French Commercial Code	91.59%

Hereafter, the compensation policy, extracts of the 2022 Universal Registration Document

3.2 Compensation of Corporate Officers

The Board of Directors refers to the recommendations of the AFEP-MEDEF Code for determining the corporate officers' compensation

and benefits in kind. It also makes such decisions based on the recommendations of the Compensation Committee.

3.2.1 Compensation policy applicable to corporate officers for the financial year 2023 subject to shareholders' approval (Article L.22-10-8 of the French Commercial Code)

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

the compensation policy applicable to corporate officers for the financial year 2023.

3.2.1.1 General principles of the 2023 compensation policy

The compensation policy is set by the Board of Directors following the recommendation of the Compensation Committee. The Board of Directors may decide on an item or undertaking in favor of its Chairman or Chief Executive Officer. In that case, the latter 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 accordance 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.

It allows to promote the Group's performance and competitiveness. Thus, the compensation and

benefit items of all kinds for corporate officers are analyzed in line with the Group's strategy.

The compensation policy takes into account the need to attract, motivate and retain high-performing and experienced managers. The business sector of the Group is, indeed, characterized by strong competitiveness. It is distinguished by major economic and financial challenges, as well as societal and environmental ones.

The compensation policy also takes into account the specific nature of the Group's activities, in line with the compensation and employment conditions of its employees⁽¹⁾. It conforms to market practices observed in companies in the same sector. It takes into account the expectations of shareholders and other stakeholders. These expectations relate in particular to social and environmental responsibility, transparency and performance.

The compensation items paid to corporate officers consists of a fixed and a variable component. The fixed component is used to retain and motivate executives. The variable component is based on financial and non-financial criteria. The financial criteria are based on the budget and on performance indicators analyzed by Rexel. The non-financial criteria include social, societal, environmental and sound governance criteria. The Board of Directors ensures that the variable compensation component is sufficiently significant

(1) In particular, the compensation structure, the assessment criteria or the evolution of compensation according to business lines, geographies or employee categories.

in relation to the fixed compensation. The compensation policy thus maintains consistency between the overall compensation of corporate officers and the Group's financial and non-financial performance.

The 2023 compensation policy is identical to the 2022 compensation policy for the Directors and the Chairman of the Board of Directors.

The 2023 compensation policy for the Chief Executive Officer is identical to the 2022 compensation policy for 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.

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

Below are the votes relating to the 2022 compensation policy and the votes relating to the compensation elements paid or granted for the 2021 financial year at the Shareholders' Meeting of April 21, 2022:

RESOLUTION	% VOTE ⁽¹⁾	FAVORABLE OPINION / UNFAVORABLE OPINION
#5	99.80%	Favorable opinion
<i>Approval of the compensation policy, attributable to the Chairman of the Board of Directors for the 2022 financial year, referred to in Article L.22-10-8 of the French Commercial Code</i>		
#6	98.66%	Favorable opinion
<i>Approval of the compensation policy attributable to Directors for the 2021 financial year, referred to in Article L.22-10-8 of the French Commercial Code</i>		
#7	95.00%	Favorable opinion
<i>Approval of the compensation policy attributable to the Chief Executive Officer for the 2022 financial year</i>		
#8	96.19%	Favorable opinion
<i>Approval of information referred to in Article L.22-10-9, I of the French Commercial Code for the financial year ended December 31, 2021</i>		
#9	99.79%	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 2021 financial year to Mr. Ian Meakins, Chairman of the Board of Directors</i>		
#10	81.98%	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 2021 financial year to Mr. Patrick Berard, Chief Executive Officer until September 1, 2021</i>		
#11	94.37%	Favorable opinion
<i>Approval of the fixed, variable and exceptional items making up the total compensation and benefits of any kind paid or granted to Guillaume Texier, Chief Executive Officer, for the 2021 financial year, as from September 1, 2021</i>		

(1) The target approval rates are consistent with the data published by the Group.

The Board of Directors determines the compensation policy applicable to the Directors, the Chairman of the Board of Directors and the Chief Executive Officer in order to preserve the

company's corporate interest. The compensation policy also contributes to its business strategy and sustainability.

Non-executive corporate officers (the Directors)

The compensation policy for Directors aims to attract members with a variety of profiles and skills. Their task consists in:

- participating in the work of the Committees;
- guarantee their independence;
- contribute to the proper operation of the Board.

Therefore, 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 of non-executive corporate officers, *i.e.*, the 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 of executive corporate officers, *i.e.*, the Chief Executive Officer, aims at attracting, retaining and motivating efficient executives. These executives will develop the Group's performance and competitiveness in the medium and long term, by aligning their interest with that of the shareholders, in order to preserve the company's best interest, while contributing to its continuity and its commercial strategy and to promote social and environmental responsibility. The compensation policy takes into account market practice. It relies on the executives' performance and of other stakeholders in the company. It 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. To this end, studies are carried out annually by independent consulting firm Willis Towers Watson. They are based on a panel of French and European companies in related sectors and of comparable size in terms of sales, headcount and market capitalization. They thus allow 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. It ensures that it proposes for the Chief Executive Officer a more dynamic short-term target variable compensation and long-term target variable compensation. Nonetheless, these compensation items are fully subject to demanding performance criteria. The Board of Directors examines the balance of the various components of compensation. It seeks a consistent trend in the compensation of the Chairman of the Board of Directors and of the Chief Executive Officer, compared to the average and median compensation of the company.

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

Exceptional circumstances may lead the Board of Directors to derogate from the implementation of the compensation policy, in accordance with Article L22-10-8 of the French Commercial Code. This measure should be temporary, consistent with the corporate interest and necessary to guarantee the sustainability or viability of the Group. In such circumstances, the exceptional compensation policy would be defined by the Board of Directors, on the proposal of the Compensation Committee. It would take into account the interests of the Group

and the particular situation it is going through. The derogation from the compensation policy for corporate officers, decided by the Board of Directors would, in any case, be limited to the short-term and long-term variable compensation. The

amounts paid under the derogatory compensation policy may not exceed the maximum defined in the remuneration policy, as approved by the shareholders "ex-ante".

3.2.1.2 Compensation policy applicable to Directors for the financial year 2023

The Shareholders' Meeting of Rexel may allocate compensation pursuant to the provisions of articles L.225-45 and 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 2023 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, 2022 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 Shareholders' 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

Directors' attendance fees. This envelope has not been modified since this date.

Rules of allocation of the compensation to be paid in respect of 2023

The Board of Directors decided to renew for 2023 the rules of allocation of compensation defined for 2022, 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.

(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.

Summary table of Directors' compensation policy for 2023:

STATUS	FIXED PORTION	COMMITTEE CHAIRMANSHIP	DEPUTY CHAIRMAN AND SENIOR INDEPENDENT DIRECTOR	VARIABLE PORTION ⁽¹⁾	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%

(1) The variable portion is capped at €40,000.

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 2023

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.225-47 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.

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 takes into account two categories of criteria:

- criteria specific to each person, such as experience, seniority, responsibilities; and
- criteria based on the sector's business activity and the general economic environment, based on the market studies carried out by independent consultancy firm Willis Towers Watson.

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 amounts to €300,000 for the 2023 financial year.

The compensation policy would apply under the same terms and conditions to the Chairman of the Board of Directors newly appointed or reappointed, it being specified that the fixed yearly compensation normally awarded to the Chairman of the Board of Directors amounts to €500,000, which was reduced to €300,000 for Ian Meakins, taking into account market practices and the duties he has been carried out since December 1, 2020.

Other compensation

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

3.2.1.4 Compensation policy applicable to the Chief Executive Officer for the financial year 2023

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 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 2023 - (*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 the annual fixed compensation is determined according to criteria specific to each person, such as experience, seniority and responsibilities. It also takes into account criteria relating to the sector’s business activity and the general economic environment, based on studies carried out by independent consultancy 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. It also ensures

that it proposes 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 on February 15, 2023 and submitted to the Shareholders’ Meeting for approval, the fixed annual compensation of Guillaume Texier as Chief Executive Officer amounts to €800,000.

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

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

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Short-term variable compensation

The Chief Executive Officer qualifies to receive variable annual compensation.

The annual target variable compensation is defined as a percentage of the fixed

compensation. It is also determined for the term of office. Its aim is to correlate the compensation of the Chief Executive Officer with the results of operations 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. However, the variable compensation due for a financial year may only be paid after the approval of the Shareholders' Meeting approving the accounts for that financial year.

In accordance with the compensation policy adopted by the Board of Directors at its meeting of February 15, 2023 and submitted for approval to the Shareholders' Meeting of April 20, 2023, the target variable compensation is set at 120% of the annual fixed compensation.

The variable compensation would represent 55% of the total target 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 are capped at a maximum result of 150% and qualitative targets are capped at 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, 2023:

- 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 target compensation. These criteria are:
 - gross margin in volume terms (40%);
 - adjusted EBITA in volume terms (40%); and
 - average operating working capital requirement as a percentage of sales (20%).

- On the other hand, non-financial criteria which represent 30% of the annual variable target compensation. These criteria are:

- ESG (25%);
- Strategy (25%);
- Digital (25%); and
- Talents (25%).

Non-financial criteria include several criteria linked to social and environmental responsibility, including in relation to Rexel's climate objectives.

These criteria are specified in 3.2.1.6 "Summary tables of the compensation policy for the financial year 2023 - (*Say on Pay Ex-ante*)" of this Universal Registration Document.

Demanding financial criteria are thus combined with non-financial criteria favoring the Group's development and competitiveness in a responsible and sustainable environment. This formula is part of the compensation policy, aligning the interests of managers with those of shareholders. It is 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 Board of Directors determines on an annual basis the criteria and the expected level of achievement. The financial criteria are disclosed at the start of the financial year.

These quantified objectives and the performance actually achieved by criterion shall be communicated very precisely *ex-post* in the Universal Registration Document. Their *ex-post* communication is justified by the desire to safeguard the company's interests. It allows not communicating *ex-ante* indications on its strategy that may be exploited by its competitors. The non-financial criteria are also described in order to preserve the Rexel Group's interest in a 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.

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

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.

Performance criteria

In accordance with resolution no. 22 approved by the shareholders at the 2022 General Meeting, the performance criteria on the basis of which the shares will be allotted and the respective weightings are as follows:

- yearly average EBITA growth rate (40%);
- average free cash flow before interest and taxes/ EBITDAAL ratio (20%);
- the achievement of an ESG index consisting in internal multi-criteria relating to the implementation of the Corporate Social Responsibility policy (20%): carbon footprint reduction scopes 1 and 2, carbon footprint reduction scope 3, sustainability stakeholder engagement, gender diversity across the organization and for the management bodies, reduced frequency of working accidents, high level of adherence of employees to ethics and compliance values as captured by the employee satisfaction survey; 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 for each criterion, including the ESG criterion, at the time of the allocation on the basis of the targets determined by its meeting.

The expected level of achievements targeted and the achieved performance are disclosed in a precise manner *ex-post* in the Universal Registration Document. Their *ex-post* disclosure is justified by the willingness to preserve the Rexel Group's interests. It allows not to disclose *ex-ante* any sensitive indication on its long-term strategy in a 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. It respects the corporate best interest while contributing to the company's commercial strategy and sustainability.

The performance criteria used for long-term compensation have included, since financial year 2022, an environmental, social and sound governance criterion, in accordance with the commitments made by the Group when it published its 2022 financial results.

The Board of Directors decided, on the recommendation of the Compensation Committee, to replace the financial criterion relating to sales and to retain an ESG index based on internal criteria, in order to implement practices that take into account the recommendations of the AFEP-MEDEF Code, which recommends the presence of an ESG criterion in variable compensation schemes. This decision is in line with the Group's ESG ambitions.

The non-financial criteria include several social and environmental responsibility criteria, including those related to Rexel's climate objectives.

Structure of the Plan

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.

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Furthermore, a limit was introduced in 2015, aiming at ensuring a balance between the various components of the corporate officers' compensation. Thus, for a given financial year, the annual value of the performance shares allocated to the Chief Executive Officer, cannot exceed 100% of his annual fixed and variable target compensation (120% of the annual fixed compensation).

In accordance with the compensation policy, the cap of 100% is €1,760,000 based on annual fixed and variable compensation for 2023.

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).

Beneficiaries undertake to waive all hedging mechanisms for stock options and performance shares received from the Company, in accordance with the insider trading policy adopted by the Board of Directors and the AFEP-MEDEF Code.

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 2023 - (Say on Pay Ex-ante)" of this Universal Registration Document.

The Board of Directors is committed to ensuring that the performance criteria adopted contribute to the stability of the Chief Executive Officer. They are to 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. This allows to maintain a balance between short and long-term performance and the promotion of the Group's development for all stakeholders.

Performance history

These demanding objectives have resulted in the latest plans delivered by moderate acquisition levels:

PLAN	PERFORMANCE
2019	100%
2018	40%
2017	74%
2016	45%
2015	18%

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 objectives determined by the Board of Directors.

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. This annual contribution is calculated on the basis of the reference compensation effectively received during the financial year by the beneficiary and capped at 40 annual social security limits ("PASS").

For the calculation of the contribution for the 2023 financial year, the base of the reference

compensation used to determine the annual contribution will be composed of the following elements:

- Fixed compensation paid during the 2023 fiscal year; and
- Variable compensation paid in financial year 2023 (awarded in respect of financial year 2022) up to a maximum of 80% of the fixed annual compensation paid in 2022.

This reference compensation is thus inherently variable and correlated to the Group's performance. The variable compensation will have been voted on in advance by the 2023 Shareholders' Meeting.

(1) *i.e.*, a maximum of 0.14% of the share capital over a period of 26 months, based on the twenty-second resolution of the Shareholders' Meeting of April 21, 2022, which provides for a maximum ceiling of 1.4%.

The annual contribution is paid by Rexel in two forms:

- a medium-term life insurance-type investment vehicle and ;
- a cash portion to allow the beneficiary to pay the tax and social security contributions due on the entire contribution.

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. Also, it is 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
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.	The annual contribution is equal to: <ul style="list-style-type: none"> • 20% on the portion of compensation paid ranging between 4 and 20 PASS (1 PASS = €43,992 in 2023), • 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 actually paid during the financial year (capped).

The amount of the annual contribution is subject to social security contributions and personal income tax.

Specific situation

As a reminder, Guillaume Texier did not benefit from the collective medium-term savings scheme (Article 82 of the French General Tax Code) for the period from September 1, 2021 to December 31, 2021.

The Board of Directors, on the recommendation of the Compensation Committee, has decided that the collective medium-term savings plan of Article 82 of the French General Tax Code will be applicable as of January 1, 2022, in application of the compensation policy applicable to the Chief Executive Officer.

Exceptional compensation

The Board of Directors believes that the possibility of granting exceptional compensation to executive corporate officers should not be excluded. This principle is based on the best interests of the Group and its stakeholders. Exceptional compensation occurs in very specific circumstances, as provided for in the AFEP-MEDEF Code (article 25.3.4), in particular in the event of significant transactions for the Rexel Group due to:

- their size or nature;
- the changes implied in the organization or activities of the Rexel Group;

- the involvement they require or 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 for 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. They would only be considered if they contribute 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 Guillaume Texier has not received any exceptional compensation since the beginning of his term of office as Chief Executive Officer.

Recruitment allowances

Similarly, the Board of Directors intends to focus on the internal development of talents in succession plans. Nevertheless, it considers that a recruitment indemnity for an executive corporate officer may be envisaged. This indemnity would be justified by the best interest of the Group in order to attract a new talented top executive (article 26.4 of the AFEP-MEDEF Code). It would be proportional to the loss effectively suffered by the executive upon his/her change of duties. It would, in particular, take into account 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.

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. These benefits result from the duties carried out within the Rexel Group. These may include:

- a healthcare/welfare collective coverage;
- a basic and a supplemental retirement scheme;
- a health checkup;
- tax advice;
- pension advice; and
- 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 of Article R.22-10-14, III of the French Commercial Code and the recommendations provided for in Article 25 of the AFEP-MEDEF Code in force.

Pursuant to the recommendations referred to in article 26.5 of the AFEP-MEDEF Code (which provides for a maximum amount of 24 months of reference compensation), the severance and/or non-compete compensation would be capped at an amount not exceeding 18 months of the monthly reference compensation of the relevant executive (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 compensation items received, excluding any exceptional bonus, divided by 12). In the event that the executive is dismissed or his/her term of

office is not renewed due to an acquisition or change of control before he/she has received gross annual variable compensation for two financial years, the monthly reference compensation shall be defined as the sum of (i) the last gross annual fixed compensation received divided by 12, and (ii) the amount corresponding to any variable compensation (excluding any exceptional bonus) awarded to the executive until the date of termination of his/her duties, divided by the number of whole months elapsed between the date of taking office and the date of termination of his/her duties.

Severance payments may only be paid in the event of dismissal, other than for gross negligence or gross misconduct, of the duties of the Chief Executive Officer, it being specified that the non-renewal of the term of office of the Chief Executive Officer does not qualify as a forced departure and does not result in the payment of the indemnities referred to above. As an exception, severance payments may be paid if the non-renewal of the term of office of the Chief Executive Officer results from an acquisition or change of control of Rexel within the meaning of Article L.233-3 of the French Commercial Code for the benefit of any person acting alone or in concert, including as a result of a public tender offer under 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.

The position adopted by the Board of Directors is more restrictive than the guidelines referred to in article 25.5.1 of the AFEP-MEDEF Code. These provide 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. The level of EBITA is 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. The payment would be due at 100% if the

level of EBITA reached on 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. The level of the ATWC is 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. This payment would be due at 100% if the level of ATWC reached a maximum on 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. This decision would rely on specific circumstances, taking into account the profile, career, etc.

The Board of Directors has decided that Chief Executive Officer Guillaume Texier would qualify for severance indemnity. Guillaume Texier does not qualify for a non-compete indemnity.

3.2.1.5 Compensation governance

The Compensation Committee ensures the proper implementation of the principles described above in connection of its works and recommendations to the Board of Directors. It relies on these principles to define the policies and implement them when determining 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.

(1) For a limited period of 12 months.

(2) The Board of Directors can 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).

3.2.1.6 Summary tables of the compensation policy for the financial year 2023 – (Say on Pay Ex-ante)

At its meeting of February 15, 2023, the Board of Directors decided on the following items concerning the compensation of corporate officers for 2023.

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 2023 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>i.e.</i> , €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 compensation.
Benefits of any kind	Directors do not benefit from any benefit in kind.
Long-term compensation: performance share allocation	Directors do not benefit from any long-term compensation.
Severance indemnity	Directors do not benefit from any severance indemnity.
Non-compete indemnity	Directors do not benefit from any non-compete indemnity.
Supplemental retirement scheme	Directors do not benefit from any supplemental retirement scheme.
Compensation as Committee Chairman	The Directors who chair the Audit and Risk Committee, the Nomination Committee and the Compensation Committee 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 does not receive 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, unchanged since 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.

■ Guillaume Texier, Chief Executive Officer

FIXED ANNUAL COMPENSATION	
DESCRIPTION	AMOUNT
Fixed annual compensation	The fixed annual compensation is set to €800,000.

VARIABLE ANNUAL COMPENSATION

Guillaume Texier's target annual variable compensation is set at 120% of his gross fixed annual compensation.

Variable compensation for 2022 is made up of 70% quantitative criteria and 30% qualitative criteria. The quantitative criteria may reach a maximum of 150% if the financial results exceed 100% of the quantitative criteria set. The individual portion of the variable compensation is capped at 100% achievement.

The maximum variable compensation may not exceed 162% of the fixed compensation.

The quantitative criteria are: volume-adjusted gross margin (40%), volume-adjusted EBITA (40%) and average operating working capital as a percentage of sales (20%).

The qualitative criteria are: digital (25%), ESG (25%), strategy (25%) and talents (25%).

DESCRIPTION	AMOUNT
The annual variable compensation is made up of two parts:	The target variable compensation is set at 120% of the gross fixed annual compensation for the duration of the mandate.
<ul style="list-style-type: none"> • Quantitative Objectives: <ul style="list-style-type: none"> – Target portion: 70% of annual variable target compensation $70\% \times 960,000 = \text{€}672,000$ – Maximum share $70\% \times 150\% = 105\%$ of annual variable target compensation $\times 960,000 = \text{€}1,008,000$ • Qualitative Objectives: <ul style="list-style-type: none"> – Target portion: 30% of annual variable target compensation $30\% \times 960,000 = \text{€}288,000$ – Maximum share $30\% \times 100\% = 30\%$ of annual variable target compensation $\times 960,000 = \text{€}288,000$ 	<ul style="list-style-type: none"> Target value: 120% of fixed compensation $120\% \times 800,000 = \text{€}960,000$ Maximum value: 162% of fixed compensation $(1,008,000 + 288,000) / 800,000 = 162\%$

Quantitative targets⁽¹⁾

FINANCIAL CRITERIA	WEIGHT	MINIMUM	TARGET	MAXIMUM
Adjusted margin in volume terms ⁽²⁾	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 105% 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% if result reaches 105% target
Average operating working capital requirement as a percentage of sales	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 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 referred to as adjusted, as they are adjusted for the non-recurring effect of changes in copper prices. As a reminder, the non-recurring effect is the effect of changes in the price of copper on 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%. Demanding trigger thresholds will be communicated *ex-post*.

Qualitative Objectives⁽¹⁾

NON-FINANCIAL CRITERIA	WEIGHT	DESCRIPTION ⁽¹⁾
ESG	25%	<ul style="list-style-type: none"> • Reduction of Rexel's operations energy consumption; • Further engagement of suppliers in ESG collaboration programs; • Accelerated growth of green and electrification sales.
Strategy	25%	<ul style="list-style-type: none"> • Successful integration of recent acquisitions; • Roll out of Power Up 2025; • Strategic focus on selected vertical opportunities.
Digital	25%	<ul style="list-style-type: none"> • Growth in digital sales; • Further improvement of webshop user experience; • Successful completion of logistics investment plan.
Talents	25%	<ul style="list-style-type: none"> • Training strategy and programs in place for Rexel employees and top talents; • Top managers succession planning progress.
Total	100%	

- (1) Non-financial criteria are communicated at the beginning of the financial year, based on precise, concrete and measurable objectives. The expected level of achievement and the performance achieved are communicated *ex-post* in the Universal Registration Document. This *ex-post* communication is justified by the desire to protect the Group's interests by not communicating *ex-ante* indications of 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, 2023 or, in application of the applicable compensation policy, would be as follows:



2023 FIXED COMPENSATION IN €	TARGET 2023 VARIABLE COMPENSATION AS A PERCENTAGE OF FIXED COMPENSATION	VARIABLE COMPENSATION 2023 TARGET IN €	FIXED AND VARIABLE COMPENSATION 2023 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 2023 AS A % OF TARGET AND IN €	MAXIMUM ACHIEVEMENT OF VARIABLE COMPENSATION 2023 AS A % OF FIXED COMPENSATION AND IN €
800,000	120%	960,000	1,760,000	70% 672,000	30% 288,000	150%	100%	135% 1,296,000	162% 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 "Compensation policy applicable to the Chief Executive Officer for the 2023 financial year" of this Universal Registration Document.

RECRUITMENT INDEMNITY

The compensation policy provides for the possibility of paying a recruitment indemnity proportional to the loss actually incurred by the executive when changing duties, and in particular on the annual variable portion and long-term compensation.

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. They reflect the level of responsibility of these duties and 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 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 2023 - (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.

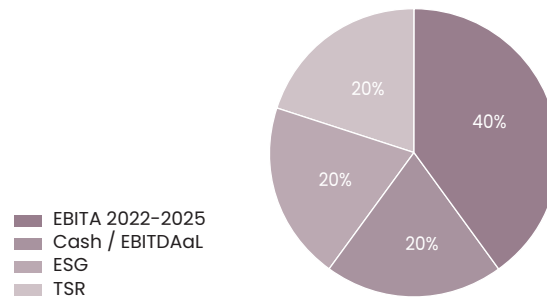
DESCRIPTION	AMOUNT
Allotments of shares fully subject to demanding performance criteria assessed over a period of 3 years (corresponding to the vesting period) and condition of presence, without additional retention period.	Maximum number of shares that may be allocated: 10% of the total amount allocated to all beneficiaries (within the overall limit of the percentage of share capital authorized by the Shareholders' Meeting of April 21, 2022) ⁽¹⁾ .
	Maximum value of the shares at grant: 100% of the annual target fixed and variable compensation of Guillaume Texier.

(1) *i.e.*, a maximum of 0.14% of the share capital over a period of 26 months, for a maximum limit of 1.4% over the same period.

Performance criteria

CRITERIA	WEIGHT	TRIGGERING THRESHOLD	TARGET	MAXIMUM	COMMENTS
Average growth of EBITA 2022-2025	40%	50% of shares vest if the average performance reaches 85%	100% of shares vest if the target is reached	115% of shares vest if the average performance reaches at least 125% of target	Calculation on a linear basis between the points
Average between years 2023, 2024 and 2025 of the free cash flow before interest and taxes/EBITDAaL ratio	20%	50% of shares vest if the average performance reaches 90%	100% of shares vest if the target is reached	115% of shares vest if the average performance reaches at least 120% of target	Calculation on a linear basis between the points
ESG index - 6 criteria to capture the ESG roadmap roll out	20%	50% of shares vest if the average performance reaches 85%	100% of shares vest if the target is reached	115% of shares vest if the average performance reaches at least 125% 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 115% 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 AND/OR NON-COMPETITION CLAUSE

Guillaume Texier may be entitled to a severance payment upon termination of his duties as Chief Executive Officer, in accordance with the terms of the compensation policy.

The Board of Directors considered that Guillaume Texier would not be eligible for a non-compete indemnity in respect of his corporate office.

SUPPLEMENTAL RETIREMENT SCHEME

Guillaume Texier benefits from the collective medium-term savings scheme (Article 82 of the French General Tax Code). The amount of the annual contribution is calculated on the basis of a reference compensation approved by the Shareholders' Meeting.

This reference compensation is made up of two items:

- the fixed compensation effectively paid during the 2022 financial year under consideration; and
- the variable compensation effectively paid during the financial year in question, up to a maximum of 80% of the fixed salary effectively paid during the previous financial year.

The amount of the annual contribution is then determined by applying a progressive scale linked to the annual social security limit.
