URD – 2020

Universal Registration Document

a world of energy

Rexel, a French *société anonyme*
with a share capital of €1,522,125,530
Registered office:
13, boulevard du Fort de Vaux – 75017 Paris
479 973 513 R.C.S.Paris

2020

UNIVERSAL REGISTRATION DOCUMENT

The French version of this universal registration document has been filed on March 11, 2021 with the AMF in its capacity as competent authority in accordance with Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of the said Regulation.

The French version of this universal registration document may be used for the purpose of a public offering of securities or the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments to the universal registration document. The entire package thus formed is approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

This document is a free translation in English of the original document, which was prepared in French. In all matter of interpretation, views or opinions expressed in the original language of the document in French take precedent over the translation.

Copies of this universal registration document are available at no cost at the registered office of Rexel, 13, boulevard du Fort de Vaux, 75017 Paris – France. This universal registration document is also available on the website of Rexel (**www.rexel.com**) and on the website of the *Autorité des marchés financiers* (**www.amf-france.org**).

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General information

This universal registration document was prepared in connection with Rexel's disclosure obligations and for the purpose of the Rexel's Combined Shareholders' Meeting convened for April 22, 2021 (the **"Shareholders' Meeting"**).

In this universal registration document, **"Rexel"** refers to the company Rexel. References to **"Rexel Développement"** are to Rexel Développement S.A.S., a direct subsidiary of Rexel. References to **"Rexel Distribution"** are to Rexel Distribution, an indirect subsidiary of Rexel, which merged into Rexel Développement during the 2011 financial year. The **"Rexel Group"** and the **"Group"** refer to Rexel and its subsidiaries and, before 2005, to Rexel Distribution and its subsidiaries.

This universal registration document contains information about the Rexel Group's markets and competitive position, including information relating to market size and market shares. Unless otherwise stated, this information is based on the Rexel Group's estimates and is provided solely for indicative purposes.

To the Rexel Group's knowledge, there are no authoritative external reports in relation to the market and providing comprehensive coverage or analysis of the professional distribution of low and ultra-low voltage electrical products. Consequently, the Rexel Group has made estimates based on a number of sources, including internal surveys, studies and statistics from independent third parties or professional federations of electrical products distributors, specialist publications (such as Electrical Business News and Electrical Wholesaling), figures published by the Rexel Group's competitors and data from operational subsidiaries. These various studies, which the Rexel Group considers reliable, have not been verified by independent experts. The Rexel Group does not guarantee that a third party using other methods to analyze or compile market data would obtain the same results. In addition, the Rexel Group's competitors may define their markets differently. The data relating to market shares and market size included in this universal registration document thus do not constitute official data.

This universal registration document contains information on the trends, objectives and prospects of development of the Rexel Group. Such information should not be interpreted as guarantees of future performance. Such information is based on data, assumptions, and estimates that the Rexel Group considers reasonable. They are likely to change or be modified due to the uncertainties of the economic, financial, competitive or regulatory environment. In addition, such trends, objectives and prospects of development may be affected by the materialization of one or more risk factors as described in chapter 2 "Risk factors and internal control" of this universal registration document.

The forward-looking statements provided in this universal registration document are made as of the date of this universal registration document. Excluding any applicable legal or regulatory requirements, the Rexel Group does not make any commitment to supplement, update and amend these forward-looking statements provided to reflect any changes in its targets or events, conditions or circumstances on which such forward-looking statements are based. The Rexel Group operates in a competitive environment subject to rapid change. Therefore, it is not able to anticipate all risks, uncertainties or other factors that may affect its activities, their potential impact on its activities or the extent to which the occurrence of a risk or combination of risks could have significantly different consequences from those set out in any forward-looking statements, it being noted that such forward-looking statements do not constitute a projection or guarantee of actual results. In addition, such forward-looking statements may be affected by the materialization of one or more risk factors as described in chapter 2 "Risk factors and internal control" of this universal registration document.

1

Presentation of the Rexel Group

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Message from Patrick Berard

Chief Executive Officer of Rexel

Who could have imagined at the start of 2020 that we would experience one of the most difficult peacetime moments in over a century? For Rexel, this year was expected to mark a new step forward in the implementation of its transformation plan, but was instead suddenly transformed into a full-scale stress test – a challenge that Rexel met with agility and resilience, thereby demonstrating the solidity of its business model.

Agility, because governments had barely declared a health emergency due to the COVID-19 pandemic when Rexel swiftly moved to maintain the continuity of its operations while ensuring that the health and safety of its employees and customers remained the chief priority. Almost overnight, the entire work organization was rearranged. Faced with this unprecedented turnaround, affecting supply as much as demand, our entire community mobilized, whether on-site or at home, in order to continue to serve our customers.

In two days, all of our branches switched to "drive" mode, enabling our customers to pick up their orders contact-free. In three days, our customer relations and expertise centers changed to 100% remote working, in complete transparency with customers. And while a handful of branches had no choice but to close temporarily, Rexel's activity was never interrupted. This continuity was crucial to maintaining the functions of essential services and structures such as hospitals, certain public buildings, vital industries, and local shops selling essential items. And I would like to take this opportunity to express my deep gratitude to all Rexel employees for the extraordinary dedication they showed to serving our customers and the greater community.

Next, resilience, because this remarkable mobilization had, and continues to have, a major impact on the quality of our results. While the first weeks after the start of the pandemic witnessed a sharp drop in activity, our teams' efforts swiftly enabled us to rectify the situation and deliver a financial performance for the year that surpassed expectations. Our annual sales, at around €12.6 billion, are only down 6.5% on a constant basis. Our Adjusted EBITA margin comes to 4.2% with a limited margin decline of 78 bps thanks to our proven ability to control our costs.

We considerably increased our free cash flow, which reached €613 million, an improvement of €151 million in one year. This enabled us to lower our debt to €1.3 billion, a decrease of €611 million for the year, and our indebtedness ratio[1] reached 2.14 times. Thus, our debt and our debt ratio alike reached their lowest point since Rexel's initial public offering in 2007.

Finally, solidity, because this level of performance in the context of a global health crisis proves the strength of Rexel's economic model and the validity of the strategic choices made over the past four years, particularly the investments in digital technology and the sales force in order to enable Rexel to evolve from a pure retailer-logistics coordinator to a data-driven services and solutions company.

From 2018 to 2020, the Group invested €300 million in digital and information technologies. Digital sales in 2020 reached €2.6 billion, *i.e.* c. 21% of total sales, making Rexel one of today's leading digital players at the forefront of its sector. Digitization constitutes a paradigm shift affecting every level of the organization, all of its work methods, and everyone's general mindset. Data and digital tools are now Rexel's main assets, with a critical role in differentiating us from our

(1) Calculated under the terms of the Senior Credit Agreement.

competitors, creating value for our customers, and preserving our profitability.

Among these innovations is Rexel Easy, a program launched in 2019 with the goal of improving the customer experience. A customer can now create an account in less than five minutes, learn about delivery times, track an order, or find a product online. As another example, with Email to EDI[1], a solution that automatically processes customer orders by email, we process 165,000 orders per year in eight European countries and can use the saved time to redirect our teams toward sales-related activities. We have also developed a predictive analytical customer attrition model using artificial intelligence: deployed in eight countries, it allows our sales representatives to provide customers with tailored or even personalized solutions.

Finally, in 2020 we launched a new distribution model in the Paris area and in Zurich: Rexel Express. Based on the automation of order preparation *via* Autostore technology, this concept improves customer service quality by providing more than 20,000 SKUs available in less than five minutes, just outside Paris. Offering the flexibility of 24/7 order pick-up and same-day delivery to Rexel branches or worksites by zero-emission vehicles, this solution improves efficiency and productivity while eliminating the risk of human error and improving employee working conditions.

At the forefront of innovation in its industry, the Group wants to set a global example for the use of artificial intelligence and data analysis for the supply of energy efficient equipment by being at the heart of tomorrow's innovation development. It was only natural, then, for Rexel to join forces with four other major French groups and two prestigious academic institutions, l'Institut Polytechnique and HEC, to announce in September the launch of Hi! Paris, an interdisciplinary center for research excellence in the fields of artificial intelligence and data analysis.

Rexel's other new horizon is the energy transition. The issues and challenges pertaining to clean energy production, and especially to accelerating innovation in the area of energy-efficient solutions, constitute an underlying trend that will support our development, and the Group is ideally positioned to capture these growth opportunities.

Rexel offers a wide range of eco-efficient products designed for construction and the renovation and maintenance of buildings, as well as tools for controlling energy consumption. The Group also helps installers to promote energy savings by supplying them with energy audit tools and digital applications that facilitate the implementation of energy-efficient solutions. Rexel is present as well on the electric vehicle market and offers full packages, scaled to suit the number of vehicles to charge. Related services for users further enhance these offerings, including geolocation, charge station reservation, and online payment.

As an eco-responsible player, Rexel has set two ambitious goals for 2030:

- A 35% reduction in CO_2 emissions of its operations (scopes 1&2)[2].
- A 45% reduction in CO_2 emissions from the use of products sold (scope 3)[2].

Rexel's strong ESG[3] commitment has been recognized by Corporate Knights, which recently ranked the Group as the most sustainable company in its sector and 11th worldwide, all sectors combined.

Strengthened by its transformation, bolstered by a proven ability to adapt, positioned in promising markets, and supported by the engagement of its teams, Rexel looks to the future with optimism. It is this confidence that both underpins the medium-term goals that we set for ourselves – the market's outperformance, our profit growth and strong cash flow generation – and enables us to resume offering a dividend. I want to express my warmest thanks to our shareholders for their loyalty and for their trust in Rexel during this complex period. It obliges us, and all of Rexel remains mobilized, to create value for all stakeholders.

(1) Electronic Data Interchange.

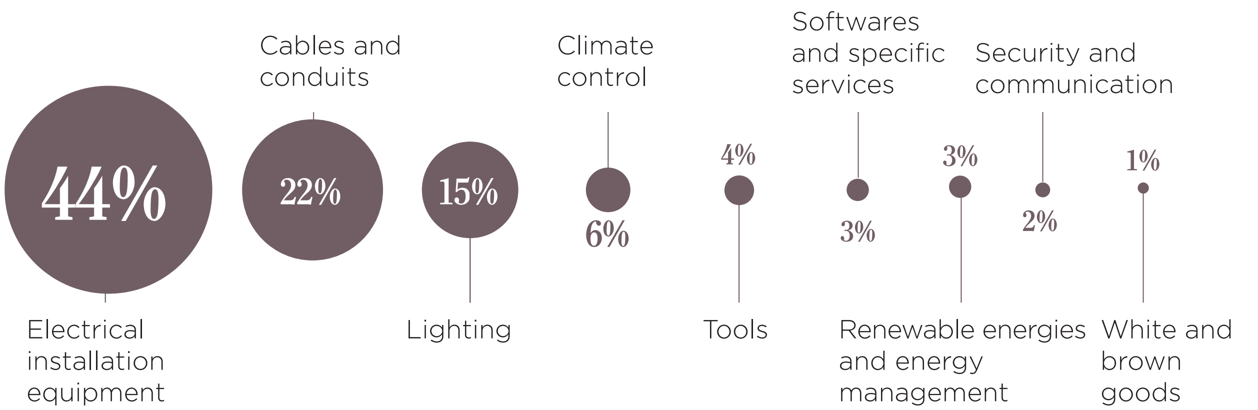
(2) Compared to 2016.

(3) Environmental, Social and Governance.

Group key figures

as of 12/31/2020

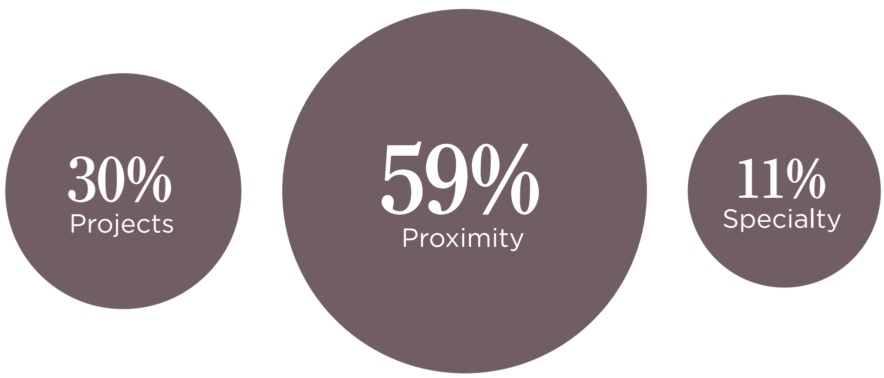
Breakdown of sales by product range



Nearly 60% of sales generated in countries in which Rexel estimates it has a market share greater than 15%

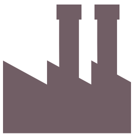
50% of purchases are made from 26 strategic suppliers

Breakdown of Group sales by value proposition

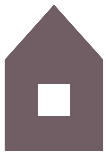


Breakdown of Group sales by end market

43%
commercial



29%
industrial

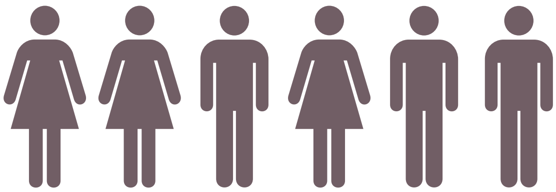


28%
residential

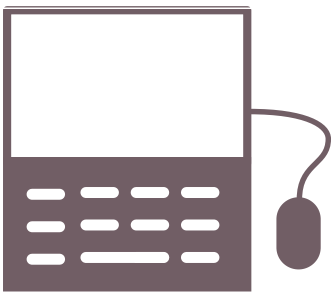
2 objectives to reduce GHG emissions for 2030

- A 35% reduction in CO_2 emissions of its operations (scopes 1&2) by 2030 as compared to 2016.
- A 45% reduction in CO_2 emissions from the use of products sold (scope 3) by 2030 as compared to 2016.

50% Green turnover represents half of Group sales in 2020



Over 23,000
employees received training in 2020, *i.e.* 94% of total workforce



Nearly
2/3
of Group investments in IT & digital

€2.6bn
online sales (webshops + EDI) representing circa 21% of Group sales

Global footprint
as of 12/31/2020

Group

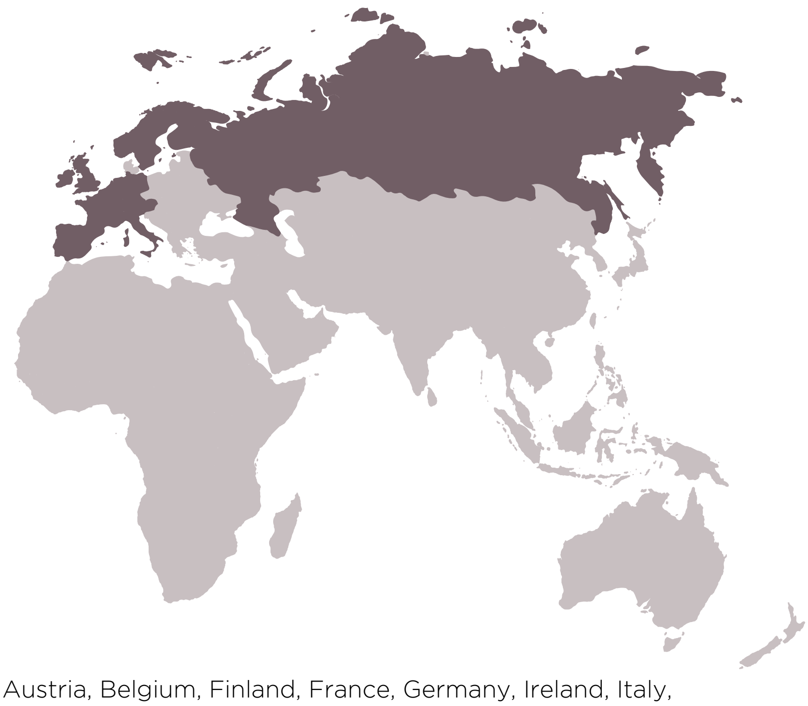
25
countries

€12.6bn
in sales

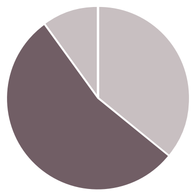
+ 1,900
branches*

+ 24,000
employees

Europe



56%
of sales



1,100 branches*

14,500 employees

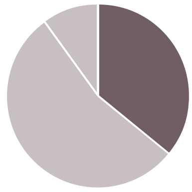
17 countries

Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Russia, Slovenia, Spain, Sweden, Switzerland, United Kingdom

* Rounded figures as of 12/31/2020.

North America

35%
of sales



Canada,
United States

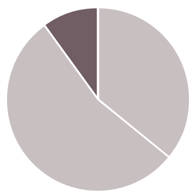
550 branches*

7,000 employees

2 countries

Asia-Pacific

9%
of sales



250 branches*

2,500 employees

6 countries

Australia, China (including Hong Kong), India, New-Zealand, Saudi Arabia, United Arab Emirates

* Rounded figures as of 12/31/2020.

1.1 Key consolidated figures

The selected financial information presented below was established on the basis of Rexel's consolidated financial statements for years ended December 31, 2020 and 2019. 2018 key figures are presented restated for the application of IFRS 16 "Leases" for consistency purposes.

Principal key figures of Rexel's consolidated income statement

(in millions of euros, unless specified otherwise)	2020	2019	2018[(4)]
Sales	12,592.5	13,742.3	13,365.7
Growth on a comparable basis and same number of working days[(1)]	*(6.5)%*	*1.4%*	*3.5%*
Gross profit	3,103.4	3,432.0	3,286.9
As a percentage of sales	*24.6%*	*25.0%*	*24.6%*
EBITA [(2)]	537.0	677.5	632.6
Adjusted EBITA[(1)]	526.4	685.1	640.5
As a percentage of sales	*4.2%*	*5.0%*	*4.8%*
Operating income	(3.4)	486.4	435.8
Net income	(261.3)	203.8	135.6
As a percentage of sales	*(2.1)%*	*1.5%*	*1.0%*
Net income attributable to the Rexel Group	(261.2)	204.4	134.0
Net income per share (in euro per share)	(0.86)	0.68	0.44
Net recurring income[(3)]	277.7	341.2	317.5
Net recurring income per share (in euro per share)	0.91	1.13	1.05

(1) See paragraph 5.1.1.1 "Financial position of the Group" of this Universal Registration Document.
(2) EBITA (earnings before interest, taxes and amortization) is defined as the operating income before amortization of intangible assets recognized upon purchase price allocation and before other incomes and expenses. The Adjusted EBITA ("Adjusted EBITA") is defined as the restated EBITA of the estimated non-recurring impact resulting from fluctuations in copper-based cable prices (see paragraphs "Margin deterioration resulting from raw materials price fluctuation, including that of copper" of Section 2.1.3 "Financial risks" and 5.1.1.1.4 "Impact of changes in copper price" of this Universal Registration Document). EBITA and Adjusted EBITA are not accepted accounting measures with standard and generally accepted definitions. They should not be considered as an alternative to operating income, net income, cash flow from operating activities or as a measure of liquidity. EBITA and Adjusted EBITA can be calculated in different ways by companies having similar or different operations.
(3) Net recurring income is defined as net income restated for the non-recurring impact resulting from fluctuations in copper-based cables prices, other income and expenses and financial expenses associated with refinancing transactions after deducting the tax impact of the above-mentioned items and other non-recurring tax effects.
(4) Restated following the retrospective application of IFRS 16 "Leases".

The table below presents a reconciliation of EBITA and Adjusted EBITA with operating income:

(in millions of euros, unless specified otherwise)	2020	2019	2018[(3)]
Operating income	(3.4)	486.4	435.8
(–) Other income[(1)]	(25.0)	(26.9)	(15.5)
(+) Other expenses[(1)]	554.9	203.7	196.7
(+) Amortization of intangible assets arising on the purchase price allocation of acquisitions	10.5	14.3	15.7
= EBITA	**537.0**	**677.5**	**632.6**
(+)/(–) Non-recurring effect resulting from changes in copper-based cable prices[(2)]	(10.6)	7.6	7.9
= Adjusted EBITA	**526.4**	**685.1**	**640.5**
Adjusted EBITA margin (in % of sales)	4.2%	5.0%	4.8%

(1) See note 8 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2020 included in Section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.
(2) See paragraphs "Margin deterioration resulting from raw materials price fluctuation, including that of copper" of Sections 2.1.3 "Financial risks" and 5.1.1.1.4 "Impact of changes in copper price" of this Universal Registration Document.
(3) Restated following the retrospective application of IFRS 16 "Leases".

The table below presents the reconciliation of net income with net recurring income:

(in millions of euros)	2020	2019	2018 [3]
Net income	(261.3)	203.8	135.6
(+)/(–) Non-recurring effect resulting from changes in copper-based cable prices [1]	(10.6)	7.6	7.9
(–) Other income [2]	(25.0)	(26.9)	(15.5)
(+) Other expenses [2]	554.9	203.7	196.7
(+) Financial expenses related to refinancing transactions	(4.2)	20.8	1.1
(–) Tax impact of the items above and other non-recurring tax effects	24.0	(67.8)	(8.3)
= Net recurring income	**277.7**	**341.2**	**317.5**

(1) See paragraphs "Margin deterioration resulting from raw materials price fluctuation, including that of copper" of Sections 2.1.3 "Financial risks" and 5.1.1.1.4 "Impact of changes in copper price" of this Universal Registration Document.
(2) See note 8 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2020 included in Section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.
(3) Restated following the retrospective application of IFRS 16 "Leases".

■ Principal key figures from the table of consolidated cash flow of Rexel

(in millions of euros)	2020	2019	2018 [3]
Cash flow from operating activities	706.9	552.7	443.4
(–) Repayment of lease liabilities	(172.3)	(175.2)	(166.5)
(+) Paid interests	66.5	82.3	84.3
(+) Paid taxes	88.5	118.2	80.7
= Cash flow from operating activities before net interest and income taxes	**689.6**	**578.0**	**441.9**
(–) Acquisition of tangible and intangible fixed assets	(109.6)	(124.3)	(114.5)
(+) Disposal of tangible and intangible fixed assets	33.0	7.9	23.9
= Free cash flow before net interest and income taxes [1]	**613.0**	**461.6**	**351.3**
Conversion rate of the cash flow (in % of EBITDAaL) [2]	***101.2%***	***62.5%***	***51.2%***

(1) Free cash flow before net interest and income taxes is defined as the net change in cash flow from operating activities before deduction of net interest paid and before deduction of income tax paid, less net operating investments.
(2) EBITDAaL (earnings before interest, taxes, depreciation, amortization and after leases) is defined as EBITA before amortization of fixed assets less capitalized lease payments in accordance with IFRS 16. EBITDAaL is not a standardized accounting aggregate that meets a single, generally accepted definition. It is used to assess the level of free cash flow before interest and taxes.
(3) Restated following the retrospective application of IFRS 16 "Leases".

The table below presents the reconciliation between EBITA and EBITDAaL:

(in millions of euros, unless specified otherwise)	2020	2019	2018 [1]
EBITA	537.0	677.5	632.6
(+) Amortization of fixed assets	283.9	281.6	264.7
= EBITDA	**820.9**	**959.1**	**897.3**
(+) Capitalized leased payments	(215.0)	(220.7)	(211.8)
= EBITDAaL	**605.9**	**738.4**	**685.5**

(1) Restated following the retrospective application of IFRS 16 "Leases".

■ Principal key figures of Rexel's consolidated balance sheet

(in millions of euros, unless specified otherwise)	2020	2019	2018(1)
Total assets	9,963.2	11,074.8	11,013.3
Non-current assets	5,400.3	6,074.4	6,126.3
Working capital requirements	1,286.6	1,654.3	1,508.5
Shareholders' equity	3,794.8	4,235.3	4,164.4
Net financial debt(2)	1,334.9	1,945.9	2,014.7
Other non-current liabilities	1,557.3	1,547.4	1,473.7

(1) Restated following the retrospective application of IFRS 16 "Leases".
(2) See note 22.1 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2020 included in Section 5.2 "Consolidated Financial Statements" of the Universal Registration Document.

■ Leverage Ratio

The Leverage Ratio corresponds to adjusted total net debt relative to adjusted EBITDA. Calculation such as provided by the Senior Facility Agreement is detailed as follows:

(in millions of euros)	2020	2019	2018(1)
Net financial debt(2)	1,334.9	1,945.9	2,030.4
Redemption costs	(19.2)	(27.9)	(34.0)
Foreign exchange effect(3)	16.1	(8.2)	(16.9)
Adjusted total net debt	**1,331.8**	**1,909.8**	**1,979.5**
Reported EBITDAaL	605.9	738.4	700.4
Effect of changes in scope of consolidation	(2.0)	(0.2)	2.4
Share-based payments and employee profit sharing	28.3	28.8	30.1
Non-recurring effect related to changes in copper-based cable prices	(10.6)	7.6	7.9
Adjusted EBITDA	**621.7**	**774.5**	**740.8**
Leverage Ratio (Adjusted total net debt / Adjusted EBITDA)	**2.14x**	**2.47x**	**2.67x**

(1) 2018 such as reported - not restated for changes in accounting policies following the adoption of IFRS16 "Leases".
(2) See note 22.1 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2020 included in section 5.2 "Consolidated Financial Statements" of the Universal Registration Document.
(3) Effect of conversion of amounts denominated in currencies other than Euro on the basis of the relevant average foreign exchange rate against Euro over the last twelve months.

1.2 History and development

1.2.1 Corporate name

The corporate name of Rexel is "Rexel".

1.2.2 Place and number of registration

Rexel is registered in the Trade and Companies Register *(Registre du commerce et des sociétés)* of Paris under identification number 479 973 513 RCS Paris.

The LEI (Legal Entity Identifier) of Rexel is 969500N6AVPA51648T62.

1.2.3 Date and term of incorporation

Rexel was incorporated on December 16, 2004 as a *société par actions simplifiée*, for a term of ninety-nine years, expiring, except in the event of extension or early dissolution, on December 16, 2103.

Rexel was converted into a French *société anonyme* with a Management Board and a Supervisory Board by a decision of the Combined General Shareholders' Meeting of its members on February 13, 2007.

Rexel was converted into a French *société anonyme* with a Board of Directors by a decision of the Combined General Shareholders' Meeting on May 22, 2014.

1.2.4 Registered office, legal form, and applicable law

The registered office of Rexel is located at: 13, boulevard du Fort de Vaux, 75017 Paris, France (telephone: +33 (0)1 42 85 85 00).

Rexel is a *société anonyme* under French law, with a Board of Directors, and governed in particular by the legislative and regulatory provisions of Book II of the French Commercial Code.

The website of Rexel is www.rexel.com/en.

The information on the website of Rexel does not form part of the Universal Registration Document, unless that information is incorporated by reference into the Universal Registration Document.

1.2.5 History of the Rexel Group

Rexel Distribution was founded in 1967 under the name "*Compagnie de Distribution de Matériel Electrique* (CDME)" and adopted the name of Rexel in 1993, and later Rexel Distribution in 2007.

The shares of Rexel Distribution were admitted for trading on the *Second Marché* of the Paris stock market on December 8, 1983, and were admitted for trading on the *Premier Marché* of the Paris stock market in 1990. In 1990, Pinault-Printemps-Redoute ("PPR") became the majority shareholder of Rexel Distribution upon acquisition of *Compagnie Française de l'Afrique Occidentale* (C.F.A.O.), of which CDME, renamed Rexel and later Rexel Distribution, was a subsidiary.

Under the terms of a purchase agreement entered into on December 10, 2004, PPR, through its subsidiary Saprodis S.A.S., transferred to a consortium of funds and investment capital companies, composed of Clayton Dubilier & Rice, Eurazeo S.A. and Merrill Lynch Global Private Equity (which became BAML Capital Partners) a controlling stake representing 73.45% of the share capital of Rexel Distribution. This disposal was followed by a share price guarantee, a public buyout offer followed by a compulsory squeeze-out, after which the shares of Rexel Distribution were delisted from the regulated Euronext market on April 25, 2005. Rexel's shares were admitted for trading on the regulated Euronext market on

April 4, 2007. After the last disposals that took place during 2014, the consortium no longer held any share in Rexel.

The Rexel Group initially developed its wholesale distribution operations for low and ultra-low voltage electrical products in France. It next undertook its international development by making acquisitions.

After implementation of restructuring and reorganizational measures between 2002 and 2003, the Rexel Group concentrated, in 2004, on accelerating its organic growth, in particular with the objective of developing its range of services, and to multiply local marketing initiatives. The Rexel Group also continued to optimize its operational structure, both in terms of commercial networks and in support functions, in particular, logistics and IT.

The organic growth was supplemented by a strategy of selective external growth. The Rexel Group acquired companies of regional, national, or international scale, enabling it to reinforce its position in targeted zones, as well as companies in countries with strong growth potential. Since 2010, the Rexel Group completed 44 consolidating acquisitions.

In the context of the reorganization of the business portfolio started in early 2015, Rexel sold in September 2015 six of its companies previously acquired in Latin America, and sold in April 2016 its activities in Poland, Slovakia and the Baltic States.

In the context of its plan to focus its business portfolio launched early 2017, Rexel sold in December 2017 all of its operations in South East Asia, including: Thailand, Indonesia, Singapore, Vietnam, the Philippines, Macau and Malaysia. The whole disinvestment plan represents an updated sales amount of €650 million. The plan, as a whole, has been completed as of December 31, 2018, with the conclusion of divestment agreements of industrial activities in China and its portfolio restructuring in Germany, Spain and the United Kingdom.

On December 31, 2019, Rexel announced the refocusing of its electrical distribution activities in the United States, with the signing of the agreement for the sale of Gexpro Services to LKCM Headwater (400 employees, approximately $260 million in sales). Completion occurred in the first quarter of 2020.

On February 2, 2021, Rexel announced the acquisition of Wesco Canada Utilities, strengthening its positioning in the attractive utilities business in Canada, where hydroelectricity accounts for more than 60% of electricity generation.

1.3 Business and strategy

The Rexel Group believes to be one of the leading global distributors in low and ultra-low voltage electrical products in 2020 in terms of sales and number of branches. At December 31, 2020, it operated in 25 countries spread mainly over three geographical regions: Europe, North America and Asia-Pacific.

In 2020, the Rexel Group's sales reached €12,592.5 million, of which 56% was generated in Europe, 35% in North America and 9% in Asia-Pacific. Rexel Group generated a 2020 Adjusted EBITA of €526.4 million, representing 4.2% of the 2020 sales.

The Rexel Group targets three end-markets:

- The residential market, which mainly covers the use of electrical products in housing, building complexes, buildings and public housing, as part of their construction, extension, renovation or upgrading;
- The commercial market, covering the use of electrical products in stores, health institutions, schools, offices, hotels, public facilities as well as energy power plants, public networks and transport infrastructure, as part of their construction, extension, maintenance, renovation or upgrading; and
- The industrial market, which covers the use of electrical products in plants and other industrial sites, either as part of their construction or extension, or for maintenance, renovation or upgrading.

The balanced breakdown of its activity between these three end-markets (residential, commercial and industrial) and between the geographic regions is a factor of global resilience.

■ **The breakdown of the Rexel Group's sales in 2020 by end-market is as follows:**

	NORTH AMERICA	EUROPE	ASIA-PACIFIC	REXEL GROUP
Residential	8%	43%	18%	28%
Commercial	59%	36%	19%	43%
Industrial	33%	21%	63%	29%

For these three end-markets, the Rexel Group is a key link of the value chain between electrical equipment providers and customers and end-users. The Rexel Group offers its solutions and services to a wide range of customers, in particular electrical equipment contractors, end-users with internal installation departments, parts manufacturers and panel builders, industrial companies and tertiary companies. This diversity allows the Rexel Group to avoid being dependent on any customer, although the degree of customer concentration in some countries or product ranges can be higher than in others.

The Rexel Group's products offer can be broken down into eight families: electrical installation equipment, cables and conduits, lighting, security and communication, climate control, tools, renewable energies and energy management, white and brown goods. The Group also offers specific services and softwares. This offer is enhanced by combining products with services, in particular, logistics, technical assistance, financing and training aiming at addressing all of the needs of customers.

As at December 31, 2020, the Rexel Group has a network of 59 logistical centers, of 1,906 branches grouped around different commercial brands and carries out 2.6 billion euros of sales online, representing approximately 21% of its global revenue. Rexel employs 24,396 people (full time equivalent).

The operational sectors on which the consolidated financial statements presented by the Rexel Group are based are set forth in note 5 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2020 included in section 5.2 "Consolidated financial statements" of this Universal Registration Document.

1.3.1 Rexel Group's Markets

1.3.1.1 The professional distribution market for low and ultra-low voltage electrical products

A market driven by long-term growth factors

The Rexel Group considers that its market, following the trend in electricity consumption, should grow structurally over the long-term by approximately 2.5% until 2050, with the share of energy consumption related to electricity rising from 19% of the mix in 2020 to 42% in 2050. This anticipated growth trend is notably driven by a conjunction of macroeconomic trends such as:

- The development of access to electricity linked to demographic growth and distribution, as well as increasing urbanization, creating demand for the construction of new infrastructures;
- The willingness of States to reduce the share of carbon energies, in particular as part of the Paris Agreement;
- The aging of population and the advent of new medical solutions and the upkeep of elderly people at home thanks to connected objects; and
- The development of countries' industrialization.

In addition to macroeconomic factors, the Rexel Group considers that the professional distribution market for low and ultra-low voltage electrical products is driven by a conjunction of different structural growth factors, which should lead to an increase in the electrical distribution market of at least 3% per year in the medium-term (addressable market estimated by Rexel at c. 180 billion euros):

- Energy issues awareness entailing the will to increase active energy efficiency of equipment. The desire to promote low-carbon energy favors the future development of electricity, as is the willingness of customers to pay more for products or solutions that help protect the environment. The development of solutions to reduce energy consumption or the production of new energy solutions is also a consequence of this awareness of energy issues and opens up new opportunities;
- Recovery plans of States in Europe (Green deal) and the United States, decided as a result of the Covid-19 pandemic;

- The development of the Internet of Things, that offers increased functionalities, in particular in terms of security, ease of use and energy efficiency, leading to the modernization of existing installations. The offer tends to lean towards complex systems of connected products, steerable on-site or remotely, and of interconnected multi-purpose products. This emergence paves the way for a trend towards more added value and the need for consistent offerings, including software offerings;
- A changing regulatory environment, which varies by country. The modification of safety and energy consumption standards constitutes a factor for equipment renewal;
- The multiplication of electrical uses, along with the development of offers for solar panels, electric vehicles, air conditioning systems requiring electrical installations that replace traditional systems resorting to other energy sources, in many cases carbon energy sources;
- The development of technical assistance and maintenance services, due notably to the technological evolution of installations and customers' increasing demand for value-added services;
- The consolidation of international customers looking for a value-consistent service delivery offer across all countries in which they operate; and
- The ongoing development and renewal of the higher value-added product offer encourages regular growth and an increase in the price of the average basket. This trend is particularly noticeable in the most technical product categories, such as industrial automation, lighting, security and communication. It is also supported by the change in safety and energy efficiency standards, promoting the renewal and shift to more advanced products. In 2020, green revenues represented 50% of Group sales, corresponding to the best estimate at date.[1]

A fragmented market

On a global level, the market for the professional distribution of low and ultra-low voltage electrical products is characterized by a large number of players.

Levels of market consolidation are very different depending on the country. In the United States, the market can be divided into two categories of players: multi-regional distributors (including the Rexel Group) and players with a more regional and local presence. This configuration can be explained, in particular, by the geographical scope of the market and the historical presence of numerous local players. In such environment, local consolidation is essential. However, in some countries such as Australia, Canada, France, the Netherlands, the United Kingdom, Norway, Sweden and Switzerland, a large share of the market is occupied by a limited number of distributors. Such a situation arises from the historical presence of players that have consolidated and structured these markets.

This market fragmentation in some countries, combined with the search for productivity savings and economies of scale, favors distributor consolidation. Indeed, the Rexel Group believes that size (materialized by the market share) has a direct impact on the quality of its operations and profitability in a given country.

In parallel, in some countries, small-sized distributors of electrical products are looking to increase their relative size by forming central purchasing offices. These can be national distribution chains as well as independent distributors managing one or several branches. Similar dynamics exist with certain independent customers who decide to gather in groups purchasing agencies in order to increase their negotiating power in respect of professional distributors.

1.3.1.2 The geographical breakdown of the Rexel Group markets

The Rexel Group's businesses are spread over three main geographical regions (Europe, North America, and Asia-Pacific). The Rexel Group's 2020 sales amounted to €12,592.5 million, breakdown as follows:

	IN MILLIONS OF EUROS	IN PERCENTAGE
Europe	7,083.3	56%
North America	4,342.0	35%
Asia-Pacific	1,167.2	9%
Total	**12,592.5**	**100%**

(1) See section 4.7 "Green turnover" of this Universal Registration Document.

The presence of the Rexel Group in a number of countries over several continents limits its exposure to the fluctuations of local economic cycles.

Europe

According to its estimates, the Rexel Group is the second player in the market for the professional distribution of low and ultra-low voltage electrical products in Europe, with a 2020 market share of more than 16%. It considers that the residential, commercial and industrial markets represented respectively 43%, 36% and 21% of its 2020 sales in Europe.

At December 31, 2020, the Rexel Group was located in 17 European countries. It considers that it occupies the first or second place in 10 of these countries.

North America

According to its estimates and based on its 2020 sales, the Rexel Group's market share for 2020 was over 5% for the professional distribution of low and ultra-low voltage electrical products market in North America.

In North America, the Rexel Group operates essentially in the industrial and commercial markets and to a lesser extent in the residential market. The Rexel Group considers that the residential, commercial and industrial markets represented respectively 8%, 59% and 33% of its 2020 sales in North America.

Asia-Pacific

Based on its estimates and its 2020 sales, the Rexel Group considers that it is number two in Asia-Pacific, with a market share of approximately 2% in 2020.

According to its estimates, the residential, commercial and industrial markets represented respectively 18%, 19% and 63% of the Rexel Group's 2020 sales in Asia-Pacific.

At December 31, 2020, the Rexel Group was located in 6 Asia-Pacific countries.

The risks associated with the general economic environment are described in paragraph "Significant worsening of the global economic environment or in the main countries in which the Group operates" of Section 2.1.1 "Commercial and strategic risks" in this Universal Registration Document. The competitive risks are described in paragraph "Reinforced competition from digital players and suppliers" of Section 2.1.1 "Commercial and strategic risks" in this Universal Registration Document.

1.3.2 The Rexel Group's businesses and competitive advantages

1.3.2.1 A global player with strong local presence

A major player at the global level

The Rexel Group is a worldwide expert in the professional omnichannel distribution of electrical products and services for the energy world and one of the main players in the market of the professional distribution of low and ultra-low voltage electrical products in terms of both sales and number of branches.

At December 31, 2020, the Rexel Group estimates that it held globally a market share of more than 6%.

This position allows the Rexel Group to have competitive advantages compared to distributors whose size or organization are not similar:

- Meet the demands of customers operating in several geographical zones while offering a comparable level of service and advice worldwide;
- Determine and apply the best practices in terms of business management and development within its network, thanks to Group-wide operations in the most important functions (purchasing, logistics, sales and training);
- Benefit from equivalent or better purchasing conditions than its smaller competitors, by entering into partnership agreements with its strategic suppliers;
- Share IT and digital solutions and streamline contracts with partners in these areas;
- Ensure that its clients, in all areas, apply the best environmental and social standards in the sector; and
- Better identify external growth opportunities in countries targeted by the Rexel Group and integrate acquired businesses according to processes defined on the basis of its experience.

A strong local leadership

Based on its 2020 sales, the Rexel Group is one of the main players in its three main geographical zones: Europe, North America and Asia-Pacific. The countries in which Rexel considers that it has a market share over 15% represent nearly 60% of its sales. The Rexel Group is convinced of the importance of reaching a critical size on each of the markets where it is present in order to guarantee the quality and profitability of its operations in such countries.

The Rexel Group's local leadership is primarily based on the following factors:

- Its ability to offer customers a range of products and services adapted to local needs, and that is more comprehensive than other independent distributors;
- An extensive network of branches paired with webshops, offering a good fit with customers' needs in terms of proximity to their operations. With the development of digital transactions, Rexel develops its Click & Collect offers with solutions that consist in retrieving orders from lockers available at all times;
- Its attractiveness for suppliers as a leading distributor in a given geographical zone to promote their products;
- A logistics organization adapted to customer demand and market density; and
- Its ability to employ qualified personnel with deep knowledge of the local market and of the product offering and to provide them with ongoing training;

At December 31, 2020, the Rexel Group had 1,906 branches. During the Covid-19 crisis, Rexel decided not to close the sales outlets in order to protect its network's increase in density and its customer proximity. By geographical zone, the number of branches changed as follows between December 31, 2018 and December 31, 2020:

	AT DECEMBER 31		
(Number of branches)	**2020**	**2019**	**2018**
Europe	1,097	1,094(1)	1,127
North America	570	584(2)	574
Asia-Pacific	239	238	249
Total	**1,906**	**1,916**	**1,950**

(1) Prior year adjustment of 6 branches in Germany.
(2) Including Gexpro Services branches disposed of in February 2020.

The Rexel Group regularly checks the fit of its branch network with market needs, which can lead to branch openings, transfers, regrouping or closures. With changing technology and customer habits, the agency concept is strengthened by the increasing power of digital data and by the available product offering search engines with optimized delivery in terms of location and deadlines.

Strategic relations with suppliers, capitalizing on these global/local and physical/digital dual assets

In order to adapt its supply structure to the specificities of each country or geographical zone, and to optimize its purchasing conditions, the Rexel Group has implemented partnerships with its suppliers at several levels:

- On a global level, around forty international suppliers are considered “strategic suppliers” by the Rexel Group. These suppliers are present in different countries on one or several continents and are committed with the Rexel Group in international development programs;
- At each country level, the Rexel Group subsidiaries negotiate specific purchasing conditions with their suppliers; and
- At a local level, the branches may also negotiate specific sales conditions with their suppliers.

The Rexel Group has a policy of concentrating its suppliers, with the aim of rationalizing its purchasing policy and strengthening its relations with the most important suppliers. Thanks to its digital transformation, Rexel upgraded its service and now offers its suppliers joint digital marketing proposals or the sharing of analytical data worldwide through a dedicated portal.

In this way, the Rexel Group promotes the development of sustainable relations with strategic suppliers who have the ability to contribute to the growth of its business both on global and local levels. The development of these relations also takes into account the technological innovation of the suppliers (in terms of products and services) and their digital innovation. These privileged relations enable the Rexel Group to have more bargaining power, obtain productivity gains, generate economies of scale in logistics; benefit from the supplier’s marketing resources as well as their support in introducing innovations on the market. The Rexel Group’s active supplier management has resulted in a gradual concentration in its purchases.

The Rexel Group’s supplier relations are governed by short- to medium-term contracts. The Rexel Group has strategic relationships with a number of suppliers.

The Rexel Group considers that it has generally favorable relations of interdependence with most of its major suppliers, thus limiting the inherent risks in a concentration of suppliers, as shown in the table below:

	AT DECEMBER 31	
(number of suppliers to achieve)	**2020**	**2019**
50% of purchases	26	26
80% of purchases	350	378
100% of purchases	9,986	10,575

Rexel is committed to creating and developing long-term relationships with its suppliers, in line with the Rexel Group’s sustainable development approach (see chapter 4 “Corporate responsibility” of this Universal Registration Document). These relationships with suppliers are also regularly reviewed as part of the Rexel Group’s vigilance plan (see section 4.7 “Vigilance plan” of this Universal Registration Document).

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1.3.2.2 An extensive and innovative range of products and services

Eight product families

The Rexel Group's product range, spread across eight families, aims to cover all needs of electrical product contractors and industrial and commercial customers:

- **Electrical installation products** (44% of 2020 sales) groups coupling and circuit protection devices (switches, circuit breakers, meters, fuses), energy conversion and storage devices (transformers, accumulators and chargers, generating sets), command control devices (industrial automation, command control networks), sensors, actuators and consumers (pumps, fans, blowers, compressors). All these devices have an important role in the management and optimization of energy consumption;
- **Cables and conduits** (22% of 2020 sales) that allow the distribution of electrical current and that also groups raceways, wiring ducts and cable troughs;
- **Lighting** (15% of 2020 sales) which includes, on the one hand, sources (7% of 2020 sales) such as low energy consumption bulbs, incandescent, halogen and fluorescent tubes and LEDs and, on the other hand, lighting systems (8% of 2020 sales), such as indoor and outdoor lighting solutions, sensors and decorative accessories;
- **Climate control** (6% of 2020 sales) which covers ventilation, air conditioning and heating systems (HVAC) in particular, those based on renewable energies;
- **Tools** (4% of 2020 sales) including hand and electrical tools, and instrumentation tools;
- **Renewable energies** and **energy management** (3% of 2020 sales) including equipment related to renewable energies control (such as photovoltaic panels, batteries for energy storage) and energy management systems;
- **Security** and **communication** (2% of 2020 sales) including primarily voice, data and image transmission systems (VDI), and detection (intrusion and fire) surveillance and access control devices; and
- **White and brown goods** (1% of 2020 sales) including household appliances and consumer electronic products.

The product families and percentages presented above correspond only to the professional distribution of low and ultra-low voltage electrical products business. These product families do not include the specific services provided by certain specialist entities of the Rexel Group, such as Rexel Energy Solution or Capitol Light in the United States, or the provision of services or software. The sales generated by the Rexel Group for these other businesses was around 3% in 2020.

In general, each of these product families has represented a relatively stable share of the Rexel Group's sales over the last three years.

A wide range of products and solutions, at the forefront of innovation

Among these eight product families, the Rexel Group offers a wide range of technical solutions that allow it to address local consumption behavior and applicable standards as well as technological innovations. The product range may, therefore, be widened, in particular within the framework of MRO (Maintenance, Repair and Operations) contracts. The product offer is generally marketed under the suppliers' brands, whose brand awareness is an important element in the contractors' purchase decision. Thus, the change in the product range is the result of a dynamic, continuous approach that takes into account customer requirements.

The Rexel Group permanently develops and adapts its product offer to take into account innovations offered by suppliers, technological innovations, and new customer demands associated in particular with increased needs for comfort, security, ergonomics, home automation, automation, and energy performance. The innovations developed by manufacturers in each of these product categories to meet the changes in user needs or applicable standards (in particular, in the area of energy consumption management or fire safety) allow the Rexel Group to improve the value of its offer.

The Rexel Group has acquired the technical mastery of all product families corresponding to the needs of electrical contractors. Its close relations with its key strategic suppliers make it a privileged contact between contractors and suppliers.

The Rexel Group positions itself as a trusted player in the value chain. The evaluation of the ethical, social and environmental performance of key suppliers in each country contributes to strengthen customer confidence in the Group's offer.

In a limited number of segments suitable for their development and corresponding to products that are not part of its core business, the Rexel Group also distributes its own-brand products (such as the BizLine, Gigamedia or Newlec brands), mainly commodities, which represent around 3% of 2020 sales.

Added-value services corresponding to customer needs

The Rexel Group positions itself for its customers as a technical solutions supplier. It enhances the value of its product offer by combining it with varied added-value services. These services are carried out by qualified personnel benefiting from continuous training that allows them to master technological changes.

The services provided by the Rexel Group allow its customers to handle the technical changes involved in the distributed products families and support them along their projects. These services notably include:

- Training, support for automation programming and support for drafting cabling diagrams;
- Electrical installations design services;
- Support for major projects, *inter alia* international, in particular for logistics needs;
- Outsourcing programs for the supply chain, in particular in the area of inventory and assembly management, distribution of spare parts and the outsourcing of logistics services;
- Provision of turnkey solutions and the calculation of potential savings, in particular in the industrial and energy efficiency areas; and
- Financing services adapted to their profiles.

These additional services increase the value of the Rexel Group's distributor role and help improve customer loyalty. In addition, these services are part of a customer loyalty and development policy, in particular, through the widening of skills to products incorporating the most recent technological evolutions.

1.3.2.3 A model adapted to customer expectations

An omnichannel model with a growing digital share

The Rexel Group relies on nine distribution channels, both physical and remotely managed, in order to optimize contacts with customers and adapt to their preferences and needs:

- Branch network: local channel offering an immediate availability of several thousand products, the withdrawal of orders placed until the evening before on tens of thousands of additional references and access to the expertise of sales consultants;
- Autostores: automated proximity models, positioned in metropolises, offering a wide range of immediately available products;
- Call center: in order to place orders or obtain a quick response to quotes and technical queries;
- Sales force: a unique and dedicated contact point for each customer for a customized response to its needs;
- Know-how center: access to specialists in all fields;
- EDI: a digital catalogue directly integrated into the customer's systems for simple and efficient ordering;
- E-commerce site: an extensive offer available online, as well as a wide range of services such as online chat with experts, the Click & Collect allowing to select a drop-off point to pick up the order (including safe deposit lockers);
- Web-based configurator: online tools for product configuration; and
- Applications: many applications aimed at making our customers' lives easier, such as sales applications allowing them to create their shopping cart offline, geolocation of the nearest branch, etc.

The complementarity of skills and expertise available in the various channels allows the Rexel Group to build complete and personalized solutions for its customers, positioning it as a unique partner for the supply of electrical solutions and equipment.

This omnichannel offer improves customer loyalty and the share of purchases made with the Rexel Group. It represents a major competitive advantage, particularly in the face of players specializing in digital technology. It goes together with the will to increase the share of digital sales (online tools and EDI), which amounts to approximately 21% of the Group sales in 2020.

An effective logistics model

The Rexel Group's distribution activities are based on an adaptable logistics model organized around four variants:

- Logistics centers which are generally used in areas with high customer density to carry out logistics functions, stock a large number of referenced products and are directly supplied by suppliers. Sales of products are carried out by the branches attached to these distribution centers;
- Hub and spoke branches whose implementation allowed the Rexel Group to develop in areas with lower customer density. Each hub branch provides logistics support to its spoke branches, in addition to its own sales activity;
- Autonomous branches which are generally located in areas with low customer density, where logistics centers and hub branches would not be economically efficient. All products are stocked in the branches, which are directly supplied by the suppliers; and
- New automated models of the Autostore type, generally located close to metropolitan areas and which enable deliveries to be made on site or in racks in urban areas. For example, Rexel France entered into an agreement with a parking company to install lockers in city centres that are available at any time.

The choice of one of these distribution modes for a given region depends on numerous parameters, in particular the customer concentration, market size, the density of the branch network, the product offer, competition as well as the type and diversity of services to be supplied. In addition, the Rexel Group can adapt each of these variants to take into account the characteristics of each region.

If the sales density allows it, the Rexel Group seeks to centralize flows through logistics centers.

Qualified and experienced teams

Due to the technical nature of its business, the Rexel Group employs experienced personnel with in-depth knowledge of product specificities, local needs and applicable regulations. This know-how and training offered to customers allows the Rexel Group to direct them to higher value-added systems for the end customer, which allows to improve such customers' loyalty and to develop the market share held with them. The Rexel Group can therefore act as an advisor in technical solutions.

The Rexel Group's employees benefit from an active training program in performance-oriented technical and sales areas. The evolution of employees' capacities is part of a desire to ensure that everyone's skills are updated, which represents a strong commitment in a context of global digitization. To that end, Rexel relies on the development of its digital tool Rexel Academy, which gathers all modules available relating to the company's life and knowledge of new products.

Furthermore, to implement its digital transformation, Rexel had to make arrangements to attract talent before mastering these new skills and assists its employees to favor the introduction of the new digital tools made available to sales forces and teams.

Lastly, Rexel Group's management has a broad experience in professional distribution as well as expertise in sales, operational, financial and merger and acquisitions matters.

1.3.2.4 Strategy reflected in the operational and financial performance

Balanced cost structure

The Rexel Group has engaged in developing digitization and a sales organization relying on shared structures that allow costs flexibility.

The Covid-19 period also showed that this cost structure can also be adapted quickly to consider sudden and unexpected external events. Thereby, in the stages of decline, Rexel responds efficiently and with agility. The capacity to implement the various supporting government programs and to modify its cost structure on a permanent basis in order to face sustainably an uncertain macroeconomic environment has been confirmed in this worldwide crisis.

Based on 2020 financial information, the Rexel Group estimates that the structure of its operating expenses before amortization consists in:

- Variable costs depending on the level of activity of 27% (transports, commissions, etc.); and
- Fixed costs, flexible in the short- to medium-term of 73% (salaries, rents, information systems costs, etc.).

Improving operational performance

Rexel aims at continuously increasing its profitability through gross margin enhancement and strict cost control.

Gross margin improvement results from the improvement of customer services, from the systematic implementation of pricing initiatives and from the supplier relationship management. Rexel also optimizes its costs base, thanks in particular to the improvement of productivity of processes without compromising the digital transformation of its organization.

In addition to these Group initiatives, the Rexel Group drove deep transformations to enhance its profitability in key geographies, in particular in the USA, Germany, the UK and Spain.

Since 2017, the priority was to increase the quality of service, in particular by improving the network density and product availability. For example, in the United States, Rexel opened 57 additional sales outlets (branches/counters) over the 2017-2019 period and increased inventories of about €150 million between 2016 and 2018. Furthermore, Rexel upgraded its U.S model in early 2018 from a national approach by brand to a multi-banner regional approach, focusing on eight key regions (Northwest, Midwest, Northeast, Southeast, Florida, Gulf Central, Mountain Plains and California).

Through these initiatives, Rexel aims in particular at improving operational efficiency, leading to market share gains and improving its profitability.

An economic model that generates cash flows

The Rexel Group's operating profitability, associated with the rigorous management of its working capital requirements and low capital intensity, allow it to generate significant cash flows.

A component of the managers' variable compensation is based on efficiently managing working capital requirements, aimed at reducing inventories and customer payment terms thanks to the continuous optimization of logistics and credit management. The deployment of the logistics model to a structure based on hub branches and regional distribution centers as well as the implementation of debt recovery monitoring software are examples of initiatives that have led to a reduction in working capital requirements for the Rexel Group in percentage of sales.

Regarding operating investment, the Rexel Group has increased its gross capital expenditure over the last four years, by increasing the share allocated to IT and digital, which today represents about two-thirds of the investments. However, despite this progress, the level of investment remains of a low-capital intensity with a gross investment/sales ratio of circa 0.9%.

Over the last four years, cash flow generation was mainly used to pay shareholders a dividend, and to reduce the company's debt. In order to preserve Rexel's liquidity during the health crisis, the Board of Directors decided not to propose a distribution to the benefit of shareholders in 2020.

Rexel especially illustrated in 2020 its capacity to optimize cash flow generation in times of economic downturns with a level of "cash flow before interest and taxes" of €613 million.

1.3.3 The Rexel Group's strategy and its mid-term ambition

Over the past four years, Rexel has proven its ability to structurally outperform the growing and increasingly attractive electrical distribution market, boosted by demand in green energy and energy efficiency.

The 2020 pandemic has validated the strategic choices made by Rexel to invest early and heavily in digital and sales force to build a truly omnichannel model, offering not just the right product at the right time, but also tailored services and solutions to accompany the increasingly technological and environmentally-friendly needs of its customers.

On February 11, 2021, Rexel hosted an investor presentation, available on its website www.rexel.com, and unveiled its mid-term ambition. The Rexel Group's strategy is based on a growth, value-creation and ESG[1] ambition approach, through several strategic initiatives:

- Accelerating growth through "More Customers, More SKUs, More Digital". After outperforming its market by 50 bps over the 2016-2020 period (compared with organic sales growth of major suppliers in the United States and Europe), Rexel aims to outperform its market by 50 to 100 bps by 2023;
- Improving operational and financial performance, in particular through digital, with the objective to reach an Adjusted EBITA margin above 6% in 2023, at constant scope and circa 6.5% including portfolio management;
- A balanced capital allocation around return to shareholders and investment in future growth, in particular by seizing external growth opportunities in order to strengthen its position in certain geographies such as the United States or to add adjacent skills; and
- ESG targets for 2030: a 35% reduction in CO_2 emissions of its operations (scopes 1&2) compared to 2016 and a 45% reduction in CO_2 emissions from the use of products sold (scope 3) compared to 2016.

1.3.3.1 Constant strengthening of the Group to guarantee profitable organic growth and benefit from structural gains caused by the transformation

An organic growing strategy based on a "More customers & More references & More digital" approach ("More customers, More SKUs, More Digital")

Rexel targets both net customer gains and increasing the average basket with each customer, especially thanks to its digital offer. Indeed, Rexel observes that online customers who use its digital environment generate approximately 2.4x more sales with the Group. In 2020, the share of digital sales in the Group is €2.6 billion (circa 21%) and makes of Rexel a leading BtoB e-commerce player and reinforces the resilience of the model.

This "More Customers, More SKUs, More Digital" strategy is supported by accelerated digitization of sales and operations, including the development and implementation of new tools and applications. The growth in demand for energy efficiency solutions and renewable energies is also a level for the performance of this strategy.

Consistent with this strategy, Rexel has adapted its business KPIs and created new scorecards across the Group, revised its incentive policies and is constantly adapting its human resources strategy to reflect the need for new skills.

(1) Environmental, social and governance criteria.

Rexel renews its ambition to achieve organic sales growth above market growth in the markets between 50 and 100 bps where the Group operates, while prioritizing an improved profitability, particularly thanks to the investments made. To that end, the Group intends in particular to capitalize on:

- Its digital offer, which strengthens its omnichannel value position, with the objective to achieve more than a third of sales *via* the digital channel in 2023. Rexel has invested approximately €300 million in its digital transformation, in particular in the construction of its data platform, artificial intelligence modules and cyber security.
- The deployment of its urban model with automated solutions such as Autostore, at major cities gate, combined with the installation of lockers located in city centers to contribute to the improvement of its "proximity" customer offer.
- Its responsible offer, which includes energy auditing and CO_2 emission measurement activities, in addition to the promotion of its e-mobility, smart building or digital factory offers.
- The expansion of its addressable market as a result of new offers: supplier analytical portal, software & services, certified training, support for customers in the deployment of connected solutions.

1

Continuous improvement of the gross margin and cost structure

2

In the medium term, Rexel plans to increase its Adjusted EBITA and improve its Adjusted EBITA margin by leveraging the investments of the past four years in development, team transformation and recent restructuring.

Beyond these investments, the continuous improvement of margin and costs is also based on the best practices shared within the Group, including:

- Managing the pricing conditions and customer discounts;
- Diminishing the number of suppliers in order to rationalize purchasing and further develop existing partnerships;
- Deploying its own brands offer;
- Optimizing its stock management aiming at reducing obsolescence;
- Optimizing sales force efficiency by intensifying business planning and regular training;
- Digitizing back office activities and regularly reviewing processes. This is reflected in particular in the digitization of invoicing, credit and payment processes, and the administration of human resources;
- Reducing the surface area of branches;
- Flexibilizing costs; and
- Placing environmental and social performance at the core of the strategy.

3 4 5

1.3.3.2 Migration to a leading data-driven services company

Adoption of a service strategy, segmented around three types of product and service offers

6

The Rexel Group wishes to evolve towards a more segmented product and service offering adapted to the different needs of its customers.

The approach is differentiated according to three types of product and service offers:

- “Proximity” value proposition (representing approximately 59% of Group sales), based on a strengthened presence thanks to a density of agency/counter coverage, a systematic omni-channel approach and continuous improvement in service levels;
- “Projects” value proposition (representing approximately 30% of the Group sales), based on a process of offering specific products and solutions supported by a catalogue of services for industrial or commercial projects; and
- “Specialty” value proposition (representing approximately 11% of the Group sales) through an ability to advise and satisfy customers with very specific needs on typical products and solutions.

In future years, the Rexel Group plans to multiply digital approaches in tandem with the physical networks. More particularly, in the Proximity segment, a new model of service was launched in 2020 in the Paris area. The customer promise revolves arounds an offer of products of more than 20,000 items, instantly available on site or through a new service of lockers located in parking lots of central Paris. The conjunction of a latest generation logistics tool, expanded hours and lockers on-site and off-site 24/7 allows a significant improvement of our “Proximity” customer offer.

7 8

Migration to a data-driven company

The second part of the Rexel Group's transformation is to become a data-driven company. It is about using available and relevant data to make decisions based on facts and analyzes and not simply on beliefs or experiences. This transformation is derived along three axes:

- An internal axis consisting in performance improvement through the implementation of use cases based on algorithms and artificial intelligence. For instance, as of now, a predictive artificial intelligence solution sends alerts to salespersons in order to notify them that some customers are likely to see their sales decrease in the next six months and require greater attention;
- A customer focus consisting in enriching the customer experience. The Rexel Group will deepen its insight on its customers' experience and use the data available to ensure an ever simpler and more fluid experience. Initiatives will be prioritized starting with those with the greatest customer impact. Thereby, the implementation on our websites of customized homepages, offering customers differentiated offers based on their purchase profile category is an additional step towards an enriched customer experience. In this context, the Group is particularly committed to comply with the various aspects of the legislative environment for the protection of personal data; and
- A supplier axis consisting in the development and generalization of a dedicated data analysis offer for each supplier. This offer allows each supplier who subscribes to it to receive factual information on its market positioning, its omni-channel offer and its digital conversion rate by product category. This axis also includes a reprofiling of the combined way to best target our customers through field and digital marketing.

1.3.4 Research and development, patents and licenses

Due to the nature of its business, the Rexel Group does not carry out any research and development activities. Its role is to distribute to its customers any innovations from suppliers. At the forefront of innovation in its industry, the Group intends to be recognised as a world reference in the use of artificial intelligence and data analysis for the energy industry by being at the heart of the development of tomorrow's innovations. Rexel has therefore naturally joined forces with four other major French groups and two prestigious schools, the Institut Polytechnique and HEC, to announce in September the launch of Hi! Paris, an interdisciplinary research centre of excellence in the fields of artificial intelligence and data analysis.

The Rexel Group's intellectual property policy is centered on protection for its brands (mainly the Rexel brand and own-brands such as BizLine, Newlec and Gigamedia) and its domain names (in particular **rexel.com**). This policy means that Rexel files or registers brands and domain names locally or with all the countries where it operates for more widely-used ones, within the several registration classes of the products sold.

In addition, the Rexel Group uses intellectual property rights (in particular, names, brands, logos, drawings, models or creations) that are not necessarily registered because they are used occasionally for a specific purpose (*e.g.* marketing campaign) or they are difficult to protect. This second category, however, remains marginal. To the Rexel Group's knowledge, use of these rights does not violate any third party's rights.

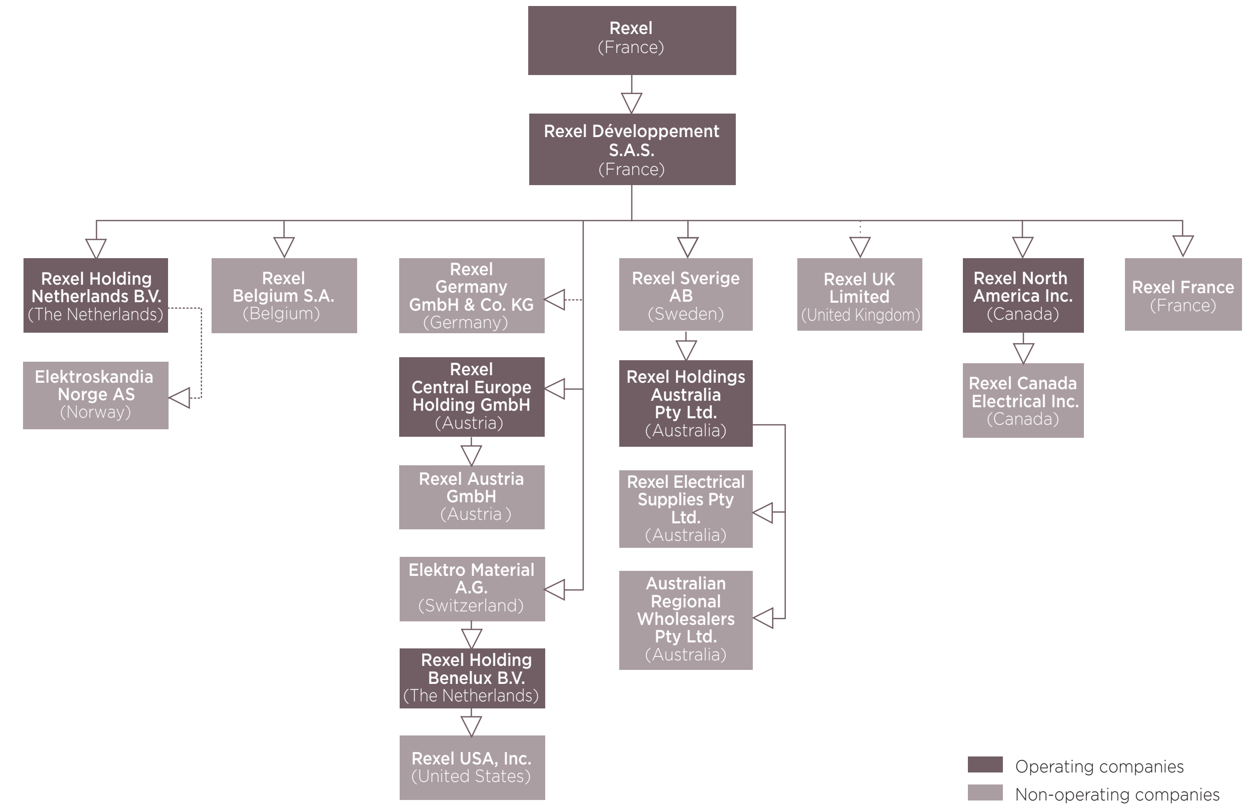
In April 1998, Rexel Distribution signed an agreement on the coexistence and global use of the "Rexel" trade name with a company, which had already registered the trade name, and which operates in a different sector than the Rexel Group. Under the terms of this agreement, both companies are authorized to use the "Rexel" name for products and services that are not associated with the activities of the other company.

1.4 Organization

1.4.1 Organizational chart

The organizational chart below is a simplified organizational chart of the Rexel Group as of December 31, 2020.

As at December 31, 2020, the Rexel Group comprised 93 companies. The list of all of the companies consolidated by Rexel as of December 31, 2020, and their geographical location is detailed in note 29 of the Notes to Rexel's consolidated financial statements for the year ended December 31, 2020, which are set out in section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.



* The dotted lines designate the indirect subsidiaries. All the companies mentioned in the simplified organizational chart here above are 100% held by the Rexel Group.

1.4.2 Principal subsidiaries as of December 31, 2020

The Rexel Group comprises Rexel and its subsidiaries.

Rexel is the parent company of the Rexel Group and the head of the tax consolidation Group implemented as of January 1, 2005. Rexel determines the orientation and strategy of the Rexel Group. Rexel has entered into loan agreements with Rexel Développement and certain of its subsidiaries within the terms set out in paragraph 3.3.2 "Main related party transactions" of this Universal Registration Document.

Rexel Développement is an operational holding company *(holding d'animation)*. It centralizes the functional and operating management teams of the Rexel Group. It employs the staff dedicated to the management of the Rexel Group. It holds the Rexel Group operational companies, directly or indirectly.

Rexel Développement has entered into service agreements with certain of its subsidiaries in the financial, cash management, legal, accounting, human resources, activities (purchases, logistics) or IT systems fields.

Rexel Développement has entered into cash management agreements and / or loan agreements with certain of its subsidiaries in order to allow for their financing.

Rexel's principal direct and indirect subsidiaries are described below. With the exception of the equity securities of the Rexel Group's companies and certain intellectual property rights, held, *inter alia*, by Rexel Développement, such subsidiaries do not hold any strategic economic assets.

Rexel Développement SAS is a simplified joint stock company *(société par actions simplifiée)* governed by the laws of France with a share capital of €2,098,654,090. Its registered office is at 13, boulevard du Fort de Vaux, 75017 Paris, France. The company is registered under number 480 172 840 R.C.S. Paris. Rexel holds 100% of its share capital and acts as chairman of Rexel Développement SAS. Rexel Développement SAS provides services (management, strategic planning, finance, human resources, IT/Telecoms and legal) to the Group companies. Furthermore, Rexel Développement SAS directly or indirectly holds Rexel Group operating investments and, among other things, provides cash management services for certain Rexel Group operating subsidiaries in France and abroad.

Europe

Rexel Austria GmbH is a company governed by the laws of Austria, with a share capital of €10,000,000, having its registered office at 1A, Object 6, Stg. Walcherstr. 1020, Vienna, Austria. It is registered with the registry of commerce and companies of Vienna under number FN 155978f. Its main activity is the distribution of electrical products. It is wholly-owned by Rexel Central Europe Holding GmbH.

Rexel Germany GmbH & Co. KG is a limited partnership with a share capital governed by the laws of Germany *(Kommanditeinlage)* with a share capital of €13,001,000. Its registered office is at 57 Riedlerstr., 80939, Munich, Germany. It is registered with the registry of commerce and companies under number HRA 48737. Its main activity is the supply and distribution of electrical products as well as the acquisition and management of equity investments in other companies. It is indirectly wholly-owned by Rexel Développement.

Rexel Belgium SA is a company governed by the laws of Belgium, with a share capital of €30,000,000, having its registered office at Zuiderlaan 91, 1731 Zellik, Belgium. It is registered with the Companies House under number 0437.237.396. Its main activity is the supply and distribution of electrical products. It is wholly-owned by Rexel Développement.

Rexel Sverige AB is a company governed by the laws of Sweden with a share capital of SKR 80,000,000 paid-up at SKR 46,500,000. Its registered office is at Prästgårdsgränd 4, 125 44 Älvsjö, Stockholm, Sweden. It is registered with the registry of commerce and companies under number 556062-0220. Its main activity is the distribution of electrical products as well as holding equity investments in companies in the electrical products distribution business. It is wholly-owned by Rexel Développement.

Elektroskandia Norge AS is a company governed by the laws of Norway with a share capital of NOK 82,232,150. Its registered office is in Fugleåsen 6, N-1405, Langhus, Norway. It is registered with the registry of commerce and companies under number 977 454 700. Its main activity is the supply and distribution of electrical products. It is indirectly wholly-owned by Rexel Holdings Netherlands B.V.

Elektro-Material A.G. is a joint stock company *(Aktiengesellschaft)* governed by the laws of Switzerland with a share capital of CHF 136,350,000. Its registered office is at Heinrichstrasse 200, 8005 Zurich, Switzerland. It is registered with the registry of commerce and companies under number CH-626.3.005.380-6. Its main activity is the distribution of electrical products, the management of shareholdings and the provision of services. It is wholly-owned by Rexel Développement.

Rexel France is a simplified joint stock company *(société par actions simplifiée)* governed by the laws of France with a share capital of €41,940,672. Its registered office is at 13, boulevard du Fort de Vaux, 75017 Paris, France. The company is registered with the registry of commerce and companies under number 309 304 616 R.C.S. Paris. Its purpose is to distribute all electrical and electronic products, household appliances, IT equipment and derivative products, and more generally the supply of all materials and products for the construction and manufacturing industries, local authorities and individuals. In addition, its purpose is also to hold and manage shareholdings in other companies. It is wholly-owned by Rexel Développement.

Rexel UK Limited is a limited company governed by the laws of the United Kingdom with a share capital of 30,000,000 pounds sterling. Its registered office is at Ground Floor, Eagle Court 2 – Hatchford Brook, Hatchford Way – B26 3RZ – Sheldon, Birmingham, United Kingdom. It is registered with the Companies House under number 434724. Its main activity is the sale of electrical products and the holding and the management of equity investments in other companies. It is indirectly wholly-owned by Rexel Développement.

North America

Rexel USA, Inc. is a corporation governed by the laws of Delaware with a share capital of US$1,001, registered under number 20-5021845. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, USA. Its main activity is the distribution of electrical products, the acquisition and management of equity investments in other companies and the provision of services. It is fully owned by Rexel Holding Benelux B.V.

Rexel North America Inc. is a Canadian corporation with a share capital of CAD 33,904,500 governed by the laws of Canada, registered under number 381380-1. Its registered office is at 505 Locke, suite 200, Saint Laurent, Quebec H4T, 1X7 Canada. Its main purpose is the acquisition and management of equity investments in other companies and the provision of services. It is wholly-owned by Rexel Développement.

Rexel Canada Electrical Inc. is a Canadian corporation with a share capital of CAD 1,829,744 governed by the laws of Canada, registered under number 428874 2. Its registered office is at 5600 Keaton Crescent, L5R 3G3 Mississauga, Canada. Its main activity is the distribution of electrical equipment. It is wholly-owned by Rexel North America Inc.

Asia-Pacific

Rexel Electrical Supplies Pty Ltd is a New South Wales corporation with a share capital of AUD39,000,000 governed by the laws of New South Wales, Australia, registered under number ACN 000 437 758 NSW. Its registered office is at Level 2, Building 1, Riverview Business Park, 3 Richardson Place – North Ryde, NSW 2113, Australia. Its main activity is the distribution of electrical equipment. It is indirectly wholly-owned by Rexel Sverige AB.

Rexel Holdings Australia Pty Ltd is a New South Wales corporation with a share capital of AUD249,598,471 governed by the laws of New South Wales, Australia, registered under number ACN 081 022 068 NSW. Its registered office is at Level 2, Building 1, Riverview Business Park, 3 Richardson Place – North Ryde, NSW 2113, Australia. Its main activity is the holding and management of interests in other companies. It is directly wholly-owned by Rexel Sverige AB.

The Rexel Group analyzes its sales based on geographic areas, to which the legal entities referred to above belong based on their localization. Therefore, an analysis of sales with a breakdown by legal entity would not be relevant. Breakdown of sales by geographic area is detailed in section 5.1 “Activity Report” of this Universal Registration Document.

1.5 Property and equipment

The real estate strategy of the Rexel Group prioritizes operating leases as a predominant mode of occupancy of its commercial and logistical sites. This gives it greater operational flexibility, enabling it to continually adapt to developments in the market. For the past fifteen years, the Rexel Group has thus used sales and leasebacks for the majority of its real estate assets.

As of December 31, 2020, the property portfolio of the Rexel Group consisted primarily of the following sites:

- The registered office of Rexel and Rexel France, located in Paris (France), leased and having a surface area of 10,200 square meters, as well as the administrative seats of the Rexel Group’s operational entities, located in Europe, in North America and in Asia-Pacific, which are mainly leased. The registered office of Rexel and the administrative headquarters of the operational entities house the management and operational functions of the Rexel Group;
- 59 logistics centers situated in Europe (France, Austria, Belgium, Finland, Germany, Italy, the Netherlands, Norway, Portugal, Slovenia, Spain, Sweden and United Kingdom), in North America (United States) and in Asia-Pacific (Australia, China and New Zealand). The logistics centers are mainly leased and have an average surface area which ranges between 12,500 square meters (10,000 square meters in 2019), for those situated in Europe (excluding France) and 18,000 square meters (17,000 square meters in 2019), for those situated in France; and
- 1,906 branches located in Europe, North America and Asia-Pacific. The points of sale are mixed-use sales and storage buildings located in craft or industrial areas of activity, with an average surface area of 950 square meters (850 square meters in 2019). The branches are primarily leased.

The real estate assets of the Rexel Group do not contain any item of significant value with respect to the Rexel Group, taken as a whole, and no investment of such type is foreseen. These assets are not burdened with sureties which could affect their current use or value.

1.6 Investments

1.6.1 Investments completed

The table below presents the details of the capital expenditures as well as of investments in subsidiaries and divestments for each of the years ended December 31, 2020, 2019, and 2018:

(in millions of euros)	2020	2019	2018	Total 2018-2020
Capital expenditure				
Information systems / Digital	63.8	77.3	67.1	207.9
Renovation and opening of branches	26.3	28.3	33.7	88.2
Supply chain	14.2	11.8	15.0	41.0
Other	7.7	8.0	6.3	28.7
Total gross capital expenditure	**112.0**	**125.5**	**122.1**	**359.6**
Change in fixed assets suppliers payable	(2.4)	(1.2)	(4.3)	(7.9)
Disposals of fixed assets	(33.0)	(7.9)	(24.0)	(64.8)
Total net capital expenditure	**76.6**	**116.5**	**93.8**	**287.0**
Acquisitions and disposals of subsidiaries				
Acquisitions	5.0	4.2	2.7	11.9
Disposals	(153.5)	(6.5)	–	(160.0)
Total acquisitions and disposals of subsidiaries	**(148.5)**	**(2.3)**	**2.7**	**(148.1)**

Gross capital expenditure made during 2020, 2019 and 2018 respectively represented 0.9%, 0.9% and 0.9% of the consolidated sales of the Rexel Group. They have been adjusted in 2020 along the decrease of the Group's sales.

Investments made during 2020 are described in paragraph 5.1.2.1 "Cash flow" of this Universal Registration Document and were financed through cash assets.

1.6.2 Principal investments underway

The investments are part of the Rexel strategic plan.

New customer-relations, electronic marketing and development solutions are being deployed in Europe, in North America and in the Pacific. Moreover, in several countries, a plan for the evolution and harmonization of information technology tools is also in progress.

To assist in the transformation of the model, new digitization and robotization solutions are gradually being implemented in Europe, North America and China.

Ongoing investments are financed by the Group's cash flow.

1.6.3 Principal investments contemplated

As of the date of this Universal Registration Document, no significant financial investment has been the subject of firm commitment with respect to third parties.

Capital expenditure of the Rexel Group, mainly in relation to its information systems, to the acceleration of the digitization, to its logistical resources and to its branch network, represents generally between €100 and €150 million or circa 1% of the Group's sales, this on an annual basis.

1.7 Regulations

The wholesale distribution of electrical equipment is subject to the regulations of ordinary law in matters of product liability and environmental responsibility.

1.7.1 Product liability

As a non-manufacturing distributor, the Rexel group could be held liable for the products it distributes under, on the one hand, the regulations on defective products and, on the other hand, the legal obligation to guarantee against hidden defects. Council Directive 85/374/EEC of July 25, 1985 on the approximation of the laws, regulations and administrative provisions of the Member States concerning liability for defective products, transposed by Law No. 98-389 of May 19, 1998 on liability for defective products, establishes the principle of no-fault liability of the producer of a product causing personal injury or material damage. In particular, any person who affixes its name, trademark or other distinctive mark to the product shall be considered a producer. In addition, if the producer cannot be identified by the person who suffered the damage, the seller may be held liable.

The legal obligation of guarantee against hidden defects is also a system of liability without fault allowing the purchaser of a product affected by a defect not obvious at the time of delivery, existing before the sale and making the product unfit for the use for which it is intended, to claim the liability of the distributor. The purchaser may then request the distributor to refund the price and return the object or to keep the object and to return a portion of the price.

As a distributor, the Rexel Group's liability is covered by the legal and contractual obligations of the manufacturers as well as by the warranties and insurance coverage obtained from the manufacturers and transferred to the clients.

1.7.2 Environmental regulations

The Group's activities are subject to environmental regulations such as listed in paragraph 4.2 "Acting with ethics and integrity" of this Universal Registration Document. The Rexel Group is also subject to specific local environmental regulations in the various countries where it operates.

The "RoHS" Directive and the "REACh" Regulation

Directive 2002/95/EC of the European Parliament and of the Council of January 27, 2003, complemented by Directive 2011/65/EU of July 1, 2011 and by Directive 2017/2102/EU of November 15, 2017, known as the "RoHS" (Restriction of Hazardous Substances) Directive, prohibits the use of certain dangerous substances in electrical and electronic equipment and encourages eco-designing, waste sorting and recycling of certain components rather than their disposal.

Regulation 1907/2006 of the European Parliament and of the Council of December 18, 2006, known as "REACh" (Registration Evaluation and Authorization of Chemicals), amended in 2018 by Regulation No. 2018/675/EU pertains to the registration, evaluation, and authorization of chemical substances as well as the restrictions applicable to such substances. This responsibility falls upon the manufacturer of the substances. The Rexel Group could at some point no longer receive such products if a supplier were compelled to cease the use of certain substances.

As a non-manufacturing distributor on the European market of articles which may contain substances falling under this regulation, the Rexel Group is required to transmit to its clients the information received from its suppliers pertaining to impacts on health and the environment. The Rexel Group takes the obligations of the REACh Regulation into consideration, and endeavors to put into place adequate measures in order to conform. In each subsidiary concerned by these regulations, a person has been appointed for the setting-up and follow-up of these procedures.

The “WEEE” Directive

The 2012/19/EU Directive of the European Parliament and of the Council of July 4, 2012, known as the “WEEE” Directive (Waste Electrical & Electronic Equipment), pertaining to waste from electrical and electronic equipment, requires the selective collection of electrical and electronic waste, selective processing of certain components, and waste recovery through recycling (material and energy recovery). The WEEE Directive also sets out the obligation for the manufacturer to label devices with reference to European standards (in particular, the French standard NF EN 50149 responds to this requirement) as well as to affix a pictogram on each one of the items of household electrical and electronic equipment, indicating that such products are subject to selective collection.

In this framework, the Rexel Group offers, for each sale, to take back a product of the same kind, to be collected by the eco-organizations which manage the relevant recycling facilities. The Rexel Group considers the impact from such mechanism to be minor, and that it complies with such regulations in the countries where it has been implemented.

2

Risk factors and internal control

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Investors are urged to carefully review the risks described in this chapter, as well as all of the other information set forth in this Universal Registration Document. Such risks are, as of the date of this Universal Registration Document, the risks that Rexel believes may have a material adverse effect on its financial condition, its results, its business activities or its prospects, should they occur. Rexel conducted a review of these risk factors and considers that there are no other significant risks than the ones described in this section. Note that there may, however, be other risks that have not yet been identified as of the date of this Universal Registration Document, or whose occurrence as of the date hereof is not considered likely to have a material adverse effect.

2.1 Risk factors

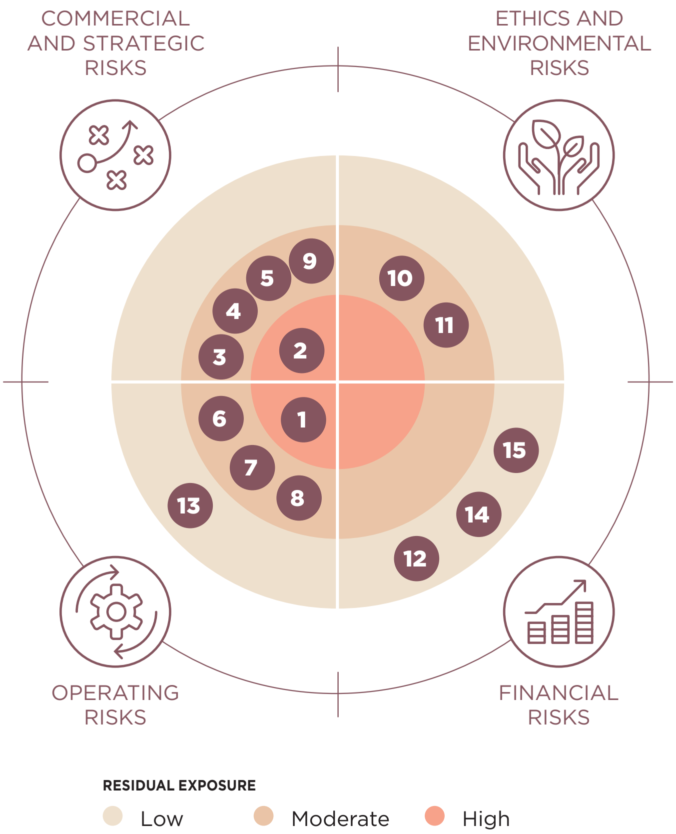
In a constantly changing environment, Rexel is committed to protecting the interests of its shareholders, employees, clients, suppliers, and all other stakeholders, while achieving its objectives. In this context, Rexel is implementing an active risk identification and management policy to be able to efficiently respond to internal and external threats likely to have a material adverse effect on its financial condition, its results, its business activities or its prospects.

The 15 risks presented in this chapter are the risks featured in the risk mapping updated annually as part of the internal control and risk management procedures deployed by the Rexel Group (described in paragraph 2.3 "The Rexel internal control and risk management system" of this Universal Registration Document). These risks are those that may have a material adverse effect on the Rexel Group, its activities, its financial condition, its results of operations or its perspectives. The 15 risks are grouped in four categories (commercial and strategic risks, operating risks, ethics and environmental risks and financial risks) and ranked based on Rexel's level of residual exposure to these risks on a scale of Low/Moderate/High. This residual exposure results from the level of the potential impact on the Group if the risks were to occur, the likelihood that they would occur and the ability of the Group to reduce their impact or likelihood. The ranking, category and exposure of Rexel (including a quantitative analysis of the potential impact when possible) and the control mechanisms in place are mentioned for each of the risks presented below. The risks are ranked by order of importance within each category, the risks with the greatest residual exposure being presented first.

In parallel and for the purposes of the extra-financial performance declaration, Rexel carried out a more detailed analysis than the one undertaken by the Risk Committee of the main risks related to the environmental, social and societal consequences of its activities. The specific risks as well as the specific procedures availed to identify and analyze the risks are described in paragraph 4.1.3 "Main non-financial risks" of this Universal Registration Document. The specific risks that may, according to Rexel, have a material adverse effect are described in this section. Lastly, the vigilance plan ("plan de vigilance") implemented for the Rexel Group is described in section 4.7 "Vigilance plan" of this Universal Registration Document.

■ Presentation of the main risks of the Rexel Group, featured in four categories and ranked according to the residual exposure of the Group to these risks:

1. Significant cyber-attack on the information systems of the Group
2. Significant worsening of the global economic environment or in the main countries in which Rexel operates or major exogenous event impacting the activities of the Group
3. Challenges which may impact the Group's business transformation to adapt to the digital world and better structure itself around service offering
4. Increased competition from digital players and suppliers
5. Deterioration of the Group's operating margin
6. Events impacting the health and safety of Group employees or third parties (including psychosocial risks)
7. Difficulties for Rexel to manage and exploit data
8. Inability of the Group to attract, develop and/or retain talent to support Rexel's activities and objectives
9. Difficulties for Rexel to strengthen its marketing capabilities to switch from a conventional to a more customer and data driven marketing approach in every geography of the Group
10. Unethical behavior within the Group (corruption, anticompetitive agreements, non-compliance with embargoes, failure to protect personal data)
11. Insufficient or inadequate actions in favor of environmental protection and social responsibility to meet stakeholders' expectations
12. Significant fraud due to the misappropriation of assets or accounting manipulation
13. Insufficiently resilient information systems
14. Significant loss of value of intangible assets
15. Margin deterioration resulting from raw materials price fluctuation, including that of copper



2.1.1 Commercial and strategic risks

Significant worsening of the global economic environment or in the main countries in which Rexel operates or major exogenous event impacting the activities of the Group

RESIDUAL EXPOSURE

High

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
The Rexel Group operates in Europe, North America, and Asia-Pacific. These geographies accounted for approximately 56%, 35% and 9% of the revenue of the Group in 2020, respectively. In particular, the top three countries in which the Group operates (the United States, France and Canada) generated more than 55% of its sales. Finally, Europe generated approximately 67% of the adjusted EBITA of the Group, compared to 29% for North America and 4% for Asia-Pacific[(1)]. As a result, a decline in global business activity, particularly in the main countries in which the Group is present, for any reason whatsoever (political instability, health crisis, economic downturn, economic tensions, etc.), could lead to a decrease in sales and to a deterioration of the Group EBITA (€526.4 million of adjusted EBITA as of December 31, 2020) and an increase in bad debt (€101.8 million of impairment losses on receivables as of December 31, 2020, for a total of €2,001.5 million in outstanding receivables). Regarding the Covid-19 pandemic, the Group has been exposed in 2020 in most of the countries where it operates to a major risk of contamination of one or more of its employees, but also to a temporary shutdown, total or partial, of several sites (branches, logistic centers, administrative offices, etc.) due to various governmental restrictions in place. Rexel was also confronted with the difficulties experienced by some of its suppliers in their procurement chain which could lead to the deterioration of the Group's sales if the situation worsens, particularly in the areas of lightning, solar panels and cables, more exposed to such dysfunctions. Moreover, Rexel is more generally impacted by the global decline of the economic activity due to Covid-19. The Group faced in 2020 a 6.5% decrease in sales on a comparable basis and at a constant number of days compared to 2019. While the full long-term economic impact of this pandemic remains difficult to assess, Rexel is specifically sensitive to the building and renovation sectors as a distributor of electrical supplies for professionals (the residential and commercial markets accounted for 28% and 43% of the Group's revenue in 2020), which could be particularly impacted by an economic recession. Lastly, any political or economic instability in one or more of the countries in which the Rexel Group operates could have a negative impact on the results of that country and of the Rexel Group. Uncertainties such as the consequences of the UK's exit from the European Union ("Brexit") could impact Rexel's performance in these markets. With respect to the risks related to Brexit, it is difficult, as of the writing of this document, to predict the actual impact but an increase in customs tariffs or a decrease in the British economic activity could have a negative impact on the Group's results in the United Kingdom (the Rexel Group generated €604.3 million from sales in the United Kingdom in 2020 compared to €736.5 million in 2019).	The Rexel Group pays close attention to changes in the economic environment of the various markets in which it operates. An active, permanent and consistent monitoring, aiming at measuring and analyzing financial and extra-financial data is implemented by the country and regional management teams as well as by the Investor Relations department of the Group. The results of this watch are communicated to the Group's management on a regular basis and are considered when establishing budget or updating the strategy of the Group. Regarding the Covid-19 pandemic, Rexel closely monitors its evolution and remains in permanent communication with the different entities of the Group to assess the situation and take the appropriate measures. As a priority, the Group has implemented all the appropriate measures to best protect the health and safety of its employees, customers and all stakeholders working with it, in compliance with local health recommendations. In order to reduce the economic impact of this health situation, Rexel has also deployed very quickly several temporary or permanent measures to protect the profitability and liquidity of the Group, by combining operational excellence, profitability management and cash generation. A specific attention has been given to the collection of overdue receivables, to the control of inventory levels and to the temporary or permanent adaptations of the company's cost structure. If Rexel had partially drawn down the syndicated credit line (up to €550 million out of the available 850 million) as a precaution and to give itself a margin of cash flexibility, this amount was fully reimbursed in June 2020 in light of the good performance of the Group in terms of cash generation, which is confirmed as of December 31, 2020, with a free cash flow before interest and positive taxes of €613.1 million in 2020, compared to €461.6 million in 2019. With respect to Rexel's sensitivity to changes in the building and renovation sectors, the Group benefits from renovation and energy optimization programs which could be maintained even if the economy is in poor shape. They could, therefore, at least partially offset a decline in demand in these markets. Lastly, the Rexel Group is able to adjust its cost policy (notably its variable costs) or reallocate its investments to other items to reduce the impact of a worsening in the global economy. In 2020, gross investment totaled €112 million, *i.e.* 0.89% of sales, compared to €125.5 million in 2019 (*i.e.* 0.9% of sales), whereas distribution and administrative expenses amounted to €2,576.9 million in 2020 (*i.e.* approximately 20.5% of sales) compared to €2,768.8 million in 2019 (*i.e.* approximately 20% of sales). Due to the exogenous nature of the risk and to the fact that the exposure is primarily concentrated on a few countries whose economies are interdependent, the residual exposure level of the Group is considered to be high.

(1) The breakdown of EBITA by geography excludes the negative contribution of the "Other" account, which mainly concerns the costs related to the Group's headquarter.

Challenges which may impact the Group' business transformation to adapt to the digital world and better structure itself around service offering

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
In a highly competitive environment, where consumption patterns and customer and business partners expectations change in a context of increased digitalization, the Rexel Group must keep on transforming its business model to provide services with higher added value while leveraging the digital inputs. Indeed, customer behavior is evolving, driven by, among other things, the digital experience of B2C customers (business to consumer). The expectation for an omnichannel offer mixed with high added value services, the importance of a seamless customer experience and the sensitivity to prices, quality and expertise form a full part of this evolution. In addition, suppliers also have growing expectations for distributors in terms of digital transformation, as they wish the Group, as a partner, to be at the forefront of digital leadership to maximize market share gains. If Rexel has already started transforming its business model, the deployment of new tools and solutions, related to digital or not, to complement the services provided to customers and suppliers could encounter temporary difficulties related to slow Group employee adoption, first and foremost by the sales forces in the different countries. Newly developed tools could potentially fail to achieve the results expected or fail to fully meet customers and suppliers expectations. Lastly, in an unfavorable economic environment and/or in a situation in which the Group's sales and operating margin were to decline significantly, the digital transformation strategy may need to be revised, since it is based on a significant investment program (€63.8 million of gross capital expenditures related to information systems and digital in 2020, *i.e.* 57% of the CAPEX of the Group). Lastly, the planned transformation might not fully meet customer expectations, given the evolution of the markets in which the Group operates. Any challenge faced by the Group delaying or hampering the transformation of its business model could have a negative effect on the results of the Group due to customer dissatisfaction, the loss of certain sales, or even of some customers, and it could also impact the expected return on investment of these innovative initiatives. This could affect the image, the reputation of the Group with its shareholders and the market in general, or the Group's financial rating. It could also deteriorate the relations with its main suppliers, which could limit the support they provide the Group with.	The Rexel Group has initiated the transformation of its model to become a services company and a model in the use of digital and data. This transformation is based on the centralized coordination of initiatives developed regionally (Europe, North America and Asia-Pacific). Such strategy limits the Group's dependency on a single global technology or solution while benefiting from various initiatives, the best of which will then be deployed at the Group level. Lastly, the Rexel Group is deploying a significant training and support plan for its teams in order to ensure quick and thorough adoption of the new digital tools used by the Group. This transformation has enabled a strong growth in the Group's digital sales, which now exceed 20% of sales, and even 30% in Europe (compared to 18 and 26% respectively at the end of 2019). With respect to its suppliers, Rexel's digital transformation has also allowed the development of supplier analytics tools, providing marketing insights to vendors and increasing its collaboration with its top suppliers. Finally, and despite the Covid-19 pandemic, the Group keeps on rolling out its strategic roadmap without compromising on digital investments. Thus, the Group has invested €63.8 million in gross investment expenses related to information systems and digital in 2020 (*i.e.* 57% of gross investment expenses of the Group), compared to €77.4 million in 2019 (*i.e.* 62% of gross investment expenditure in 2019). However, while the transformation towards digital and services is an important aspect of the Group's short and medium-term strategy, any delay would only have a limited immediate impact on the Group's ability to continue selling through its traditional distribution channels and branch network, which remain the main source of sales in 2020. As a result, the residual exposure of the Group is considered to be moderate.

Increased competition from digital players and suppliers

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
As an electrical supplies distributor, the Rexel Group is exposed to a risk of competition by digital players and its suppliers, in addition to the pre-existing risk of competition by traditional electrical supplies distributors (such as Sonepar or Wesco). First, the Group's traditional competitors are increasingly structuring their omnichannel offer, following a strategy similar to Rexel's, which could reduce the Group's comparative edge in this area. Moreover, some digital players specialized in online sales are already positioned in some markets of the Rexel Group, especially in the residential market, which accounts for 28% of the Group sales. This risk would increase if major online players were also to position themselves in this market with significant technological and financial resources. This competition would lead to increased downward pressure on prices and potential loss of market share and customers, with a negative impact on the results and margin of the Group. The Rexel Group could also face stronger competition from its main suppliers who could sell their products directly to end customers. This evolution would primarily affect industrial sales (29% of the Group's sales) and commercial sales (43% of the Group's sales), especially major projects on these markets. The top five suppliers of the Group account for 26.6% of purchases. A significant decline in the sales of products from these suppliers by Rexel could have a negative impact on Group sales and lead to a loss of market shares but could also result in a deterioration in purchase pricing conditions.	The Rexel Group has already implemented measures to limit the competition risk inherent in its business: • First, the Group deployed a multi-channel strategy to best meet customer expectations. It relies on a physical network of approximately 1,900 branches and on sales functions gathering over 60% of the workforce of the Group aiming at answering customer expectations of proximity and expertise. This physical network is enhanced by the various digital initiatives based on artificial intelligence solutions deployed within the Group to provide additional added value to customers. In addition to its physical network and following an omnichannel approach allowing a seamless transition between physical and digital, Rexel is developing an online sales functionality in most of the countries in which the Group operates to meet customer expectations in terms of simplification of administrative tasks, availability of precise technical data and practicality. This approach is completed by a network of sales representatives (in stores and visiting clients) who answer customer questions and meet their expectations in the field or over the telephone, and who developed specific know-how to offer a differentiating customer experience and answer these customers' needs in terms of expertise and advice. • Secondly, the Group developed an effective, high-performance logistics model, aiming at combining the ability to deliver on time, in full and with no damaged products, to deliver in a single parcel several items from different suppliers, thereby simplifying customers receptions, to deliver the entire product catalog at D+1 or D+2 (depending on the geography) while working with reliable and well-suited transport providers. The logistics system is being continuously strengthened thanks to the gradual deployment of best practices inspired by the major e-commerce players (locker systems available 24 hours a day, parcel delivery in pick-up locations, express delivery, track-and-trace during delivery, etc.) to best meet customer needs. • Lastly, the service of a very large number of customers requires a sophisticated receivables and credit risk management system which is specific to distribution companies. Rexel deployed this type of client risk management system many years ago, and the results show a low level of trade accounts receivable losses (provision for expected credit losses and losses on receivables written-off of €39.8 million in 2020 on over €2,001.5 million of total receivable). All of these elements are barriers to entry for digital platforms and for manufacturers who would try to sell directly to Rexel customers and help resisting to the traditional competitors in the electrical supplies distribution market. However, despite these control systems, the residual exposure of the Group is assessed as moderate due to the size and growth of the major e-commerce players, the structuring of omnichannel strategies from traditional market competitors and due to the fact that some suppliers are willing to directly address some markets.

Deterioration of the Group's operating margin

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
As a distribution specialist for professionals, the Rexel Group generates, by nature, fairly low margins (€3,092 million in adjusted gross profit, *i.e.* 24.6% of sales and €526.4 million in adjusted EBITA in 2020). In an environment with significant competition and a digital strategy leading to significant investments (€63.8 million of gross capital expenditures related to information systems and digital in 2020), growing and maintaining margin is a central challenge for the Group since any deterioration could impact the Group's investment capacity, its financial stability or its financial rating. Protecting the margin starts with a fine-tuned management of sales prices. As a result of Rexel's activities and given the diverse nature of its customers, the development of sales prices is more complex and more tailored for each customer category than other distributors, especially retailers. Any maladaptation of sales price policies to the expectations of customers and/or of the market could have a significant impact on the Group's margin. When too high, prices could result in customers leaving for the competition and, when too low, could imperil the Group's financial equilibrium. With the arrival of new digital players, increasing transparency and pressure on prices, the Rexel Group has to constantly adapt its pricing policy to continue meeting its customers' needs and expectations while protecting its margin. Moreover, in a highly competitive environment, suppliers could revise the Group's purchase prices or the discounts granted to Rexel, which would have a negative impact on the Group's results. Total Group purchases amounted to €10,054.7 million in 2020, and the details of rebates from suppliers for goods and services in 2020 is presented in note 12.3 to the consolidated financial statements of the Rexel Group for the financial year closed on December 31, 2020 which can be found in Section 5.2 "Consolidated financial statements" of this Universal Registration Document. An increase in purchase prices or a decrease in supplier rebates could result in a decrease in the Group's margin and EBITA. The inflation of purchase prices due to changes in currency exchange rates or the introduction of customs barriers could also impact the Group's operating margin if Rexel is unable to include it to selling prices. Lastly, protecting the Group's operating margin also means controlling its costs. The Group's inability to control its costs or to adapt its cost structure to its omnichannel strategy could deteriorate the Group's operating margin. In 2020, the administrative and sales costs represented €2,576.9 million (*i.e.* approximately 20.5% of sales), compared to €2,768.8 million in 2019 (*i.e.* approximately 20 % of sales). A deterioration of the Group's operating margin could question Rexel's investment capacity, its financial balance or its financial rating.	The Group develops a more and more segmented customer approach to take into account its customers' multi-channel behaviors, online and offline. In this respect, Rexel capitalizes on the most innovative local initiatives in terms of pricing policy to disseminate and promote them within the rest of the Group. Rexel keeps implementing actions to harmonize its pricing practices and the pricing of items outside of the catalog. To maintain and grow its operational margin, Rexel keeps on optimizing and rationalizing its cost structure, by reducing overhead and improving productivity while, at the same time, reallocating operating expenses to accelerate sales growth and digitalization. With respect to suppliers, the Rexel Group benefits from long-standing relationships with its main suppliers, showcasing the quality of the Group's network and of its distribution services. The Rexel Group does not depend on any supplier in particular (the top supplier accounted for 9.6% of Group purchases at the end of 2020), allowing a negotiation with multiple suppliers based on price targets. The Group also developed complementary services, notably digital ones, for its suppliers to increase the value of the services provided by the Group. On the other hand, some supplier concentration initiatives (for example, acquisition growth strategies) have recently been announced and could increase the negotiating power of the suppliers. Lastly, Rexel keeps on applying its cost discipline that has been ongoing for several years. In 2020, and to mitigate to the impact of the Covid-19 pandemic on its activity, Rexel has implemented temporary or permanent cost control measures which allowed Rexel to protect its operating margin while demonstrating the capacity of the Group to make its cost more flexible. For example, Rexel was thereby able to adapt its administrative and sales costs to the decrease in sales, as they amounted for nearly the same portion of sales in 2019 and 2020 (around 20% in both cases). As a result, the Group's residual exposure is considered to be moderate.

Difficulties for Rexel to strengthen its marketing capabilities to switch from a conventional to a more customer and data driven marketing approach in every geography of the Group

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
As a distributor of electrical equipment, one of the priorities of the Rexel Group is to strengthen, in each country and for each market in which it operates, its marketing capabilities to switch from a conventional marketing approach to a more customer and data driven approach, to better answers its customers' needs and expectations in terms of product and service offering. This strengthening first relies on the drafting of an appropriate offer plan in every geography of the Group to select the products and references that best meet the needs and expectations of its customers. This plan allows Rexel to select the products that the company wishes to offer for each market, and thus to select those for which it is able to provide competitive prices and high levels of availability. The drafting of this offer plan is a complex exercise within the Rexel Group because of the number of countries in which it operates (electrical standards are prone to changes and customer needs differ from country to country) but also due to the highly variable weight of each different market within these countries. For example, in 2020, the residential market accounted for approximately 45% of sales in France, compared to 0% in China and 8% in North America, while the industrial market accounted for approximately 17% of sales in France, compared to 100% in China and 33% in North America. Thus, each entity has to draw up an offer plan tailored to its own specific characteristics. This complexity is reinforced by the ever-growing advanced technological innovation and frequently changing standards of the products provided by the Rexel Group. The rapid development of home automation, the widespread use of the Internet of Things and the progress of robotization increased the need for extensive technical skills to build this offer plan and for more frequent updates than in the past. Relying on this conventional marketing approach, the Group pursues its transformation towards an even more customer and data driven approach, to increase its relevance and adapt to the changes in customer expectations and behaviors. Such change requires very specific technical and business skills, in every country and every market in which Rexel operates. As a result, and given this complexity, the risk for Rexel of not being able to strengthen its marketing capabilities and leverage them to reinforce its customer and data driven marketing approach in every geography of the Group is increased. If this risk were to occur, it could result in a deterioration of the Group's reputation among its customers (Rexel positioning itself as a provider of expertise and advice) and, consequently, a potential loss of market share. In addition, if these difficulties to strengthen the Group's marketing capabilities originate from an inadequate offer plan in one or several countries where Rexel operates, it could lead to an increase in the level of Rexel inventory (stemming from a demand for alternative products from customers) and thus, a potential decrease in the inventory turnover that could induce obsolescence and hence an increase in the inventory depreciation (which amounted to €80.6 million in 2020 compared to €75.8 million in 2019). This could lead to a negative impact on the Group financial performance.	The strengthening of Rexel's marketing capabilities to build a more data and customer driven marketing approach in each of the countries and markets in which Rexel operates remains one of the top priorities of the Group. For this purpose, the Group constantly reinforces its marketing capabilities, especially through the generalization of a global marketing framework for all of its entities which specifies the best practices to be deployed in terms of customer segmentation, product segmentation, offer plan or even measurement of customer satisfaction. This deployment relies on Rexel's experienced teams benefiting from the technical skills required to roll-out such approach. Nevertheless, the deployment of the aforementioned initiatives remains of gradual progression within the Rexel Group. In addition, the best practices and innovative initiatives developed in several countries of the Group are identified by the central teams and promoted throughout the rest of the Group. In particular, some entities of the Group have also deployed digital solutions for analyzing customer behavior to help them select the products to be included in their offer plan. Those solutions are currently being promoted by Rexel. Moreover, Rexel increasingly invests in its customer and data driven marketing transformation. In 2020, the Group invested €63.8 million in gross capital expenditure related to information systems and digital (representing 57% of total gross capital expenditure of the Group), compared to €77.4 million in 2019 (representing 62% of total 2019 gross capital expenditure). Some of these investments have been dedicated to tools strengthening data and customer driven marketing capabilities. For instance, Rexel developed and deployed in a large number of branches across the Group an artificial intelligence solution which aims to optimize the assortment of each branch to better answer customer expectations. Finally, as the marketing approach is only drawn up at country level, the impact of an inadequate approach for a given country would be limited to that country. Consequently, Rexel residual exposure is considered to be moderate.

2.1.2 Operating risks

Significant cyber-attack on the information systems of the Group

RESIDUAL EXPOSURE

High

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
The Rexel Group's strategy partially relies on the digital transformation of its business activities, both *via* the improvement of the Group's management systems and through innovative digital solutions provided to customers or suppliers. In addition to traditional information systems, on which part of the operations of the Group depends, Rexel is deploying several data and algorithm solutions which improve the management of its customer portfolio and of the product assortment in the branches. The Group also significantly improved its digital ordering mechanisms using EDI (Electronic Data Interchange) solutions. This strategy, added to a Covid-19 pandemic context favorable to digital, leads to a significant increase in the share of digital sales within the Group. In 2020, the Rexel Group generated over €2.6 billion of sales (approximately 20.8% of its total sales) through its digital services, compared to approximately €2.4 billion in 2019 (approximately 18% of its total sales in 2019). Therefore, any significant cyber-attack, regardless of type (ransomware, phishing, etc.) which could interfere with the proper operation of the information systems and of the webshop of the Group on which all of the solutions mentioned above rely, could result in an increasingly significant loss in revenue, related to both the failure of the information systems and the potential loss of strategic commercial data. This type of attack could also impact the image and reputation of the Group.	The Rexel Group has deployed a global and sophisticated IT security system within all of the entities of the Group. It includes an analysis of all the risks that can impact the Group's information systems, a dedicated organization and governance, and reinforced investments in technology and human resources to detect attacks, reduce the weaknesses in internal and open systems and increase the protection against intrusion attempts. In addition, the digital solutions of Rexel do not collect nor store its customers' bank information, thereby reducing the risk of banking information theft *via* a cyber-attack. Lastly, the information systems of the main countries are mostly independent in order to limit any potential risk of contagion between countries and systems. Nevertheless, and due to the increasing frequency and sophistication of targeted and contagious cyber-attacks, the residual exposure level of the Group is assessed as high.

Events impacting the health and safety of Group employees or third parties (including psychosocial risks)

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
With respect to health and safety, the main risks for Rexel Group employees and third parties (customers, subcontractors, etc.) relate to road traffic, falls, machine operation, equipment and cable handling and sedentary and computer work. Approximately 15% of Rexel's workforce work in warehouses and 60% work in sales functions, possibly traveling by car on a regular basis for their job, directly exposing them to a health and safety risk at work. Likewise, Rexel directly operates nearly 1,500 trucks and vans each day to deliver its products. This generates the potential for accidents involving Group employees and/or third parties. In the specific context of the Covid-19 pandemic, the Group employees and/or third parties are also exposed to a risk of contamination by the virus. The number of days lost due to work-related accidents was 7,271 in 2020, compared to 6,690 in 2019 and 6,499 in 2018. In 2020, work-related accidents resulting in a work stoppage were primarily related to logistics (109 accidents, *i.e.* 50.2%) and to commercial/sales position (82 accidents, *i.e.* 37.8%). The frequency of work-related accidents at the Rexel Group calculated as the number of work-related accidents resulting in lost time per million hours worked was 5 in 2020. This rate decreased compared to 2019 (6.1). The severity rate of Rexel Group work-related accidents, defined as the number of workdays lost due to temporary disability per 1,000 hours worked, was 0.17 in 2020 compared to 0.15 in 2019 and 0.14 in 2018. In addition to these risks for their physical integrity, the employees of the Group may also be exposed to a psychosocial risk. Such risk can originate from the stress some employees may experience and may have been worsened by the Covid-19 pandemic, because of the movement restrictions enforced by several governments or partial unemployment measures taken in some entities of the Group. In the event of a serious impact on the physical or mental health and safety of an employee or a third party, the human impact could be extremely severe. Beyond these major human consequences, any accident with a negative impact on the physical or mental integrity of a Rexel employee or of a third party could also have a negative financial, legal or reputational impact on the Group.	A responsible, efficient and consistent safety policy has been deployed since 2015 in the countries in which the Group operates. To reinforce responsible and common culture and practices, the Group enhances and supplements the procedures and rules in place. To promote shared safety practices within the Group, Rexel designed 10 safety principles. These 10 principles provide an overall approach and promote safe and responsible practices and behaviors and address the key risks to which Rexel is exposed as a result of its business activities. Safety-related trainings are rolled out every year in the Group, reaching 19,051 employees in 2020, compared to 15,386 in 2019. In addition, certain countries have committed to obtaining OHSAS 18001 occupational health-safety certification. The subsidiaries in Austria, Finland, Spain, China and the United Kingdom have implemented this health and safety risk management method. Regarding the Covid-19 pandemic, the Group has put in place in each of the sites it operates strict hygiene and social distancing measures to best protect employees and third parties in its premises, in full compliance with local government instructions. The Group has also implemented large-scale home-office every time it was possible to limit the risk of contamination of its employees. When working from home was impossible, measures to strengthen the cleaning of the premises or even partitioning between the different shifts working on site were deployed. Finally, regarding psychosocial risks, the Group pays constant attention to the quality of life at work, with numerous initiatives to promote well-being at work and limit psychosocial risks: right to disconnect, promotion of sporting activity, stress management, development and training actions (including managerial training), establishment of a culture of exchange between managers and employees, etc. As a result, the Group's residual exposure is considered to be moderate.

Difficulties for Rexel to manage and exploit data

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
In an increasingly connected world and while the Group is fully deploying its digital transformation strategy, Rexel is witnessing a more significant consideration of the value of data. It is becoming key for Rexel to be able to correctly identify, classify and exploit the large volume of data the Group manages, whether it concerns customers, products, suppliers or even transactions, especially when data valorization will become a key part of the Group's value creation. Indeed, the data collected by Rexel's information systems are becoming crucial to improving the Group's operations and services offered to customers. For example, customer transactional data are analyzed to identify their purchasing patterns and allow sales teams to pay less satisfied customers specific attention. Similarly, such data are used to improve the range of products offered in stock in branches by identifying key products that must be immediately available in stock and other products for which a next-day delivery from logistics centers is possible. However, the processing and use of a growing volume of data requires extensive classification, cleansing and characterization work, but also requires increased performance from the Group's information systems. If Rexel were unable to manage and exploit the data it collects in all the countries where the Group operates for whatever reason (IT failure, insufficient rigor in data classification, etc.), it could hinder the proper use of the various digital tools it deploys and thus jeopardize the efficiency and expected return on these tools. This could therefore have an impact on the quality of service provided to customers as well as on the Group's financial performance.	The Rexel Group is fully aware of the importance of using and managing the data it collects as efficiently as possible. Numerous investments have been made (€63.8 million of gross capital expenditure related to information systems and digital in 2020), particularly on the standardization of the segmentation of the customer base, which will contribute in particular to the optimization and the acceleration of its digital tools and marketing approach. In particular, the Group has set up two digital centers, in France and in the United States, bringing together more than 150 digital and data experts, to support the various data management and exploitation solutions within the Group's entities. However, the fragmentation of the Group's information systems, a legacy of Rexel's history of external growth, might complicate the use of data and slow down the execution of global data projects. As a result, the Group's residual exposure is considered to be moderate.

Inability of the Group to attract, develop and/or and retain talents to support Rexel's activities and objectives

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE

The added value and the transformation strategy of the Rexel Group rely on the quality of its teams and their ability to manage and push forward the company, develop its commercial relationships with nearly 615,000 customers and deliver its products. Therefore, the human resources strategy of Rexel is designed to attract, recruit, develop and retain its employees, who are increasingly qualified and able to provide customers with expertise and both differentiating and appropriate technical advice. In 2020, the Group hired 2,475 of new staff, out of a total workforce of 24,818 employees, resulting in an employee turnover rate of over 12%. However, the ongoing effort to recruit and maintain the Group's teams faces challenges resulting from sometimes tense job market conditions (full employment zones, strong salary competition), notably in the United States and in China.

The inability of the Group to attract key resources and to recruit the staff required to conduct company business could lead to a decline in sales, the loss of certain customers, or a deterioration of delivery conditions or service level promised by the Group.

In addition, Rexel employees must develop very specific know-how to offer a differentiating customer experience. This expertise relies on skills that need to be regularly updated, otherwise the Group would be unable to meet customer expectations and deliver the best possible service.

The inability of the Group to develop its employees' skills and maintain them at the level required to implement the company's strategy could have a negative impact on the service offered to its customers and, as result, decrease their satisfaction and degrade the performance of the Group.

Finally, while 3,736 employees under permanent contracts left the Rexel Group in 2020 (compared to 4,566 in 2019), of which 48.5% resigned (53.8% in 2019), the Group is aware of the negative impact that too high employee turnover would have on the company.

The inability to limit this turnover rate and to retain employees with key skills within the company could result in a loss of knowledge and know-how, additional recruiting costs, deterioration of the quality of service provided to customers and, therefore, of the financial results of Rexel.

CONTROL SYSTEMS

Talent recruitment is a key issue for Rexel, which operates in a highly competitive environment. To support the transformation and digitalization of its business, the Group especially relies on its employer brand and, more specifically, has implemented an ambitious recruitment and communication strategy aimed at strengthening the Group attractiveness.

The number of employees hired in 2020 (2,475 recruitments) demonstrates that the Rexel Group is able to attract and recruit new staff. The digital transformation undertaken by the Group also enables it to partially reduce pressure on human resources *via* the automation of certain processes, while raising productivity, allowing resource redeployment and increasing the appeal of the Group.

Employee development remains a strategic priority for the Group. Rexel intends to promote a culture of knowledge and experience sharing and offer tailor-made training to employees. In particular, the Rexel Group is committed to offering a rich training possibilities to its employees, whether face-to-face or remotely through the Group's online training platform (Rexel Academy), to develop their skills. In 2020, 254,406 hours of training were provided (excluding safety training), compared to 316,506 hours in 2019, covering approximately 93.6% of the total workforce compared to 80% in 2019.

To retain talents as effectively as possible, numerous measures have been taken at country level to promote the integration of new employees and reduce turnover (mentoring, follow-up interviews, induction seminars, etc.). Functional and geographic mobility is also an important driver of talent retention, offering employees opportunities for career development. In 2020, 1,986 employees on permanent contracts benefited from mobility (3,049 in 2019), representing 8.2% of the workforce on permanent contracts (11.8% in 2019).

In addition, and in order to retain talents within the company, several programs have been launched to strengthen the corporate culture in the service of performance (such as the continuous development and performance management program, the top 100 development program, and the identification and development of high-potential employees in key managerial and business skills). To retain its key talents, the Group also strengthened its leadership training programs, in particular through the "Group Advanced Leadership" a 9-month cycle program with a blended learning system that combines face-to-face and e-learning, and which is complemented by external coaching and personal development sessions. Finally, the Rexel Group analyzes the reasons for employees' departures and, in most of the Group's subsidiaries, organizes exit interviews with departing employees to understand the reasons for their resignation and draw up action plans to retain talents as effectively as possible.

Despite the above, the Group's residual exposure is considered to be moderate.

Insufficiently resilient information systems

RESIDUAL EXPOSURE

Low

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
Given the importance of information systems in carrying out the daily operations of the Group and given the deployment of Rexel's digital strategy, these systems are increasingly called upon. A major malfunction or a case of *force majeure* affecting Rexel or one of its information services providers could have a negative impact on the business activities, the financial situation or the results of the Group. The Rexel Group may also be required to make unforeseen expenditures or may experience temporary or lasting disruptions with respect to its personnel, operations or information processing. The Rexel Group generated over €2.6 billion from digital sales in 2020 (near 20.8% of its sales), an increasing amount that could be directly impacted by an information system malfunction. a strong growth revenue that might be directly affected by a malfunction in information systems. In a complex IT landscape of multiple, heterogeneous and at times interconnected information systems such as the Group's, in which maintaining such systems in operational conditions becomes more and more difficult and costly, the risk of facing insufficiently resilient information systems in Rexel increases.	The Rexel Group has deployed an internal control system for its information systems to ensure their continuity and resilience. The system notably provides for the creation of IT emergency plans, incident processing procedures, change management rules for modifications made to the production environment, access right and authorization controls and data backup rules. Rexel frequently carries out assessments of the level of protection of its critical information systems through external services providers and has defined an organization, governance principles and technologies required to increase their protection against intrusion attempts. In addition, the IT architecture is managed independently in each country, thereby limiting the Group's exposure to a major, global interruption of its business activities. Last, in the event of an interruption in information system services, the Group's physical branch network and dedicated procedures will ensure that Rexel keeps on serving its customers and delivering products. As a result, the Group's residual exposure is considered to be low.

2.1.3 Financial risks

Significant fraud due to the misappropriation of assets or accounting manipulation

RESIDUAL EXPOSURE

Low

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
The Rexel Group is a global distribution company, and as such is exposed to a risk of fraud by misappropriation of internal or external assets daily. Given that fraud attempts are becoming increasingly sophisticated and diverse (IT pirating, social engineering, phishing, etc.), the Rexel Group could become a victim of fraud, which could entail significant financial consequences. In particular, and notably due to the growing proportion of revenue achieved through online sales (near 20.8% of sales in 2020, compared to 18% in 2019), the Rexel Group is exposed to the risk of fraudulent payment methods (such as stolen bank cards) and identity theft, which is not always detected immediately given the credit lines and payment terms granted to customers. Although the misappropriation of assets in the warehouses and branches is limited given the low value of the individual items stored, Rexel is nevertheless exposed to the risk of merchandise theft as the Group operates logistic centers and branches which carry inventory (valued at a total of €1,511.1 million as of December 31, 2020). The Group could also be a victim of accounting fraud in one or more of its subsidiaries or even at head office, which could result in financial penalties and, potentially, prison sentences for Group managers and harm the Group's reputation.	The Rexel Group has deployed a control system dedicated to the fight against fraud for many years. The Group conducts fraud awareness-raising and training sessions for its employees on a regular basis. Rexel implemented robust accounting and financial controls, designed to prevent and detect any fraud attempt, and introduced increasingly higher-performing information system security tools. The accounting and consolidation controls are centralized at Group level, which limits potential accounting manipulation within the subsidiaries. As a result, the Group's residual exposure is considered to be low.

Significant loss of value of intangible assets

RESIDUAL EXPOSURE

Low

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
As of December 31, 2020, the Rexel Group recognized nearly €3,192.2 million in net goodwill for its intangible assets. This is the result of the acquisitions completed over the past years and represents the expected future economic benefits of the assets purchased. The value of goodwill is reviewed at least annually. It is conditioned by the anticipated cash flows for the following five years including a normative terminal value, the cash flow discount rate and the EBITA rate assumptions for each country. A change in one or more of these assumptions could significantly reduce the value of goodwill and result in a major accounting impairment. The goodwill of some countries is exposed to the risk of non-achievement of growth targets, notably due to changes in the political or economic environment in those countries. For instance, the Group recognized a net goodwill of €13.7 million at the end of 2020 for its activities in the United Kingdom, which are vulnerable due to the Brexit-related instability risk. Likewise, together France, the United States and Canada account for over 68.3% of the total value of goodwill for the Group. They could be exposed to an unfavorable economic environment, which would call into question the Group's growth assumptions for these areas. The value of goodwill was impaired by €486 million in 2020 compared to €98 million in 2019, while the Group suffered a net loss of €261.3 million in 2020 compared to a positive net income of 203.8 million in 2019, respectively. A significant impairment of goodwill, notably due to conditions external to the Group (economic environment, financing rates) could finally have a negative impact on the financial reputation and the stock market value of the Group. However, any impairment of goodwill would only have an accounting impact, and without any cash nor EBITA impact on the Group. More detailed information about the amount of goodwill recognized in the assets of the Group as well as the basis for the calculations and impairments implemented in 2019 are available in note 11.1 to the consolidated financial statements of the Rexel Group for the financial year closed on December 31, 2020 which can be found in Section 5.2 "Consolidated financial statements" of this Universal Registration Document.	The Group conducts goodwill impairment tests at the country level at least annually. This is the most detailed level at which the transactions of each entity are tracked by management to assess their return on investment. As a result, the Group's residual exposure is considered to be low.

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Margin deterioration resulting from raw materials price fluctuation, including that of copper

RESIDUAL EXPOSURE

Low

RISK IDENTIFICATION AND EXPOSURE

With respect to its cable distribution business, which accounted for approximately 15% of its sales in 2020, the Rexel Group is exposed to fluctuations in cable prices. As copper accounts for approximately 60% of the composition of cables, cable prices change in accordance with copper prices. The price of copper is volatile and can be subject to political (strikes, mine closures) or environmental (reductions in the water supply required for extraction) changes. During 2020, the price of copper fluctuated between approximately $5,081 and $7,788 a ton.

These changes are not, however, solely and directly linked to copper price fluctuations to the extent that the cable prices paid by the Rexel Group also depend on the situation and commercial policies of its suppliers, the competitive environment of the Rexel Group and the evolution of exchange rates. Therefore, the Rexel Group's exposure to changes in the price of copper is indirect.

The Rexel Group believes that a decrease in copper-based cable prices would have the following effects:

- A negative recurring impact linked to a decrease in sales, insofar as the Rexel Group passes on most of the price decreases in the purchase prices of these cables through lower sales prices. The recurring effect in relation to the price variation of copper-based cables reflects the price impact linked to the change in value of the copper part included in the selling price of cables from one period to another. This effect mainly relates to sales and margin; and
- A negative non-recurring impact on gross margin corresponding to the impact of copper-based cable price decreases between the time they were purchased and the time they were sold, until complete turnover of inventory. The non-recurring effect in relation to the price variation of copper-based cables reflects the effect of copper price variations on the selling prices of cables between the moment they are purchased and the time they are sold, until all such inventory is sold (direct effect on gross profit). This impact mainly relates to the gross margin of the Group.

An increase in copper-based cable prices would have the reverse effects of those described above.

The Rexel Group believes that in 2020, fluctuations in cable prices contributed to a recurring increase in its sales of approximately 0.2%, on a comparable basis and at a constant number of days.

The Rexel Group is also exposed to variations in prices of other commodities, which are part of the components of distributed products such as metals (steel, aluminum or nickel) or oil and its derivatives (PVC, polyamide or polycarbonate). Oil also impacts transportation costs for products distributed by the Rexel Group. Transportation costs accounted for 2.3% of the Rexel Group's sales in 2020. Changes in prices of certain commodities may have an adverse effect on the financial situation or the results of the Rexel Group.

CONTROL SYSTEMS

The Group does not have any direct control over the price of copper. However, Rexel implemented the tools necessary to monitor and assess the risk level and its impacts. A specific monthly reporting process was developed and is regularly analyzed. Over the past three years, the impact of copper price fluctuation has been limited, to a maximum and in absolute value, to 0.4% of revenue and to less than €10.6 million in EBITA. In addition, the Group communicates on financial results that are adjusted of the non-recurring effects of copper price fluctuation to enable the market to better assess the financial results of the Group excluding the impact of copper price volatility on these results.

With respect to other raw materials, the impact of fluctuations in the price of oil remains indirect for the Group, notably thanks to the signature of transport outsourcing contracts.

As a result, the Group's residual exposure is considered to be low.

2.1.4 Ethics and environmental risks

Unethical behavior within the Group (corruption, anticompetitive agreements, non-compliance with embargoes, failure to protect personal data)

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE

As a specialist in the distribution of electrical supplies for professionals, the Rexel Group could be exposed, like any other distributor for professionals, to the risk of unethical behavior, including the risk of corruption, anticompetitive agreements, non-compliance with embargoes or the failure to protect personal data:

- With respect to the risk of corruption, the Rexel Group answers public and private calls for tender for construction and renovation projects on a regular basis. Rexel also operates in some countries in which the level of perceived corruption (established by the NGO Transparency International) is relatively high, like India, Russia and China. These elements could expose the Rexel Group to a risk of corruption;
- With respect to the risk of anticompetitive agreements, on September 6, 2018, raids were performed in the offices of Rexel in relation to a judiciary investigation from the *Tribunal de Grande Instance* of Paris (Paris magistrate's court). This investigation, conducted with the assistance of the French Competition Authority, mainly deals with the mechanisms of price formation on the market of distribution of electrical equipment. At this point, Rexel is not party to the proceedings and therefore is not aware of the practices that it might be accused of. While information has been released in the press, it does not allow to determine the offences that Rexel could be accused of. It is therefore not possible to evaluate the degree of probability of formal indictments being made against Rexel nor of a possible adverse judgment and thus to evaluate the financial risk which Rexel is potentially exposed to;
- With respect to the risk of non-compliance with sanctions and embargoes, the Rexel Group could be exposed to such risk, for instance regarding some export activities, and particularly those related to compliance with the sanctions implemented by OFAC (the Office of Foreign Assets Control) in the United States. Rexel carries out few international transactions, especially with countries subject to an embargo. This limits its exposure to the risk of non-compliance with sanctions and embargoes;
- Lastly, with respect to the risk related to the protection of personal data, and within the framework of a digital strategy based on the collection and advanced use of data, some of the personal information of Group customers and/or employees could be inadequately or insufficiently protected due to external or internal causes.

Any unethical behavior could have a negative impact on the Group's reputation or image. This could result in the loss of customers or a decline in employee commitment. It could also result in a conviction for the Group, which could lead to financial penalties and potentially involve prison terms for Group management. Some of the penalties and fines could involve a percentage of the sales of the Group (10% for illegal agreements, 2 to 4% for non-compliance with the GDPR).

CONTROL SYSTEMS

The Rexel Group and its management have been committed to a consistent and repeated ethical approach that reflects the standards of loyalty, integrity, respect and transparency of the Group. This commitment has been embodied in an Ethics Guide since 2007. It was updated in 2013 and 2017 to reflect the Group's strategy and the legislative and regulatory requirements applicable. This guide and the Anti-Corruption Code of Conduct and Guide for the Prevention of Anti-Competitive Practices which complete it form the ethics corpus of reference of the Rexel Group. They have been provided to all Group employees and are published in the local languages of the countries in which the Group operates on a dedicated public Internet page (https://ethique.rexel.com/en).

Extensive ethics training (compliance with competition law, prevention of corruption, protection of personal data, etc.) has also been provided to all Group employees through classroom sessions or e-learnings to raise awareness on this ethical approach. In addition, and in application of the Sapin II Law, Rexel has deployed a comprehensive anticorruption program based on the recommendations of the *Agence Française Anticorruption* (French Anticorruption Agency). With respect to the risk related to embargoes, while Rexel carries out few international transactions, the Group has nevertheless implemented dedicated procedures to ensure that no sales violate any sanctions or embargoes in effect and has provided specialized training to the most exposed employees. With respect to the protection of personal data and compliance with the GDPR, the Group has deployed a complete system to ensure compliance in all affected countries. It includes training, dedicated procedures and the strengthening of personal data security. Lastly, with respect to the risk of anticompetitive agreements, the Group has strengthened its policies and training for its employees to limit any risk of competition law non-compliance.

As a result, the Group's residual exposure is considered to be moderate.

Insufficient or inadequate actions in favor of environmental protection and social responsibility to meet stakeholders' expectations

RESIDUAL EXPOSURE

Moderate

RISK IDENTIFICATION AND EXPOSURE	CONTROL SYSTEMS
As a specialist in the distribution of electrical supplies for professionals, the Rexel Group does not operate any production sites or factories. Present in 25 countries in 2020 and at over 2,000 sites (branches, logistics centers, head offices), the Rexel Group is faced with an environmental challenge which is due more to the dispersion of its impacts than to their extent. • First, Rexel manages a large vehicle fleet for its logistics operations. The Group's in-house logistics fleet consumed 4.70 million liters of diesel fuel and 2.02 million liters of gasoline in 2020, *i.e.* energy consumption of 69,009 MWh (note that transport is outsourced by some entities of the Group). The commercial fleet consumed nearly 4.8 million liters of diesel fuel and 2.18 million liters of gasoline. This amounts to an energy consumption of 71,702 MWh. The Group also consumes energy to provide heat and electricity to the sites it operates in. In all, the Group's internal CO_2 emissions (direct or indirect emissions from the energy consumption of buildings and the Rexel vehicle fleet) totaled 59,955 ktCO_2 in 2020, compared to 71,374 ktCO_2 in 2019. • In addition, the Group consumes the equivalent of approximately 200,000 trees a year for a range of packaging needs. The total quantity of packaging (cardboard, plastic, wood and other) consumed by the Rexel Group in 2020 is estimated at 14,757 tons, based on a scope which includes 100% of the Rexel Group's sales, compared with 17,184 tons in 2019 (based on a scope which included 99.8% of the Group's sales). • The Group distributes products that have a strong impact on the environment because of the resources and energy used to manufacture them and the fact that recycling is not consistent. Indeed, about 50 million tons of electrical supplies are disposed of around the world every year (according to the estimate of the United Nations Environment Program) and only 17% are recycled. In addition, the Group is facing growing expectations from its various stakeholders (both internal and external) regarding corporate social responsibility, regarding diversity, gender equality, responsible practices in the value chain or the workplace well-being of its employees. Considering these growing expectations from stakeholders, both in terms of environmental and social responsibility, the Group's inability to meet them could affect its image and reputation or its sales (in a context of increased customer awareness about environmental issues).	In 2020, and after achieving before the target the objectives it had previously set for itself, the Group has embarked on an even more ambitious global policy aimed at reducing its environmental impact: • The Group has committed to reduce the level of greenhouse gases emitted from the use of the products it sells by 45% by 2030 (per euro of revenue compared to 2016). At the end of 2020, the Group had already succeeded in reducing them by 25.4% compared to 2016. • The Group has also committed to reduce the level of greenhouse gases emitted by its operations by 35% by 2030 (direct or indirect emissions from the Group's operations) compared to 2016. By the end of 2020, Rexel had already reduced its emissions by 25.4% compared to 2016, and 16.1% compared to 2019. This ambitious policy is regularly rewarded by the Group's performances in various international rankings or evaluations (CDP, DJSI, etc.). In addition, several Rexel subsidiaries (24% of sites) undertook the ISO 14001 certification process, attesting to their commitment to the continuous improvement of their environmental approach. Furthermore, some entities also committed to implementing energy management systems that meet ISO 50001 standards. These entities account for approximately 15% of Group sites and 8% of the energy consumption on Group sites. Lastly, the Group implemented procedures to assess its third parties, notably its suppliers, to identify potential environmentally unacceptable behaviors with a target of 80% of the volume of direct purchases assessed on CSR criteria. Regarding its social responsibility, the Group has implemented concrete actions to meet the expectations of its stakeholders: promotion of responsible practices in the value chain, promotion of the employment of people with disabilities, promotion of gender equality in the company, fight against discrimination, fostering intergenerational diversity and senior employment, fight against fuel poverty through the Rexel Foundation, etc. As a result, the Group's residual exposure is considered to be moderate.

2.2 Insurance

The Rexel Group's insurance policy focuses on the coverage of insurable risks the occurrence of which could result in a material negative impact on its business activities or endanger them. Accordingly, the Rexel Group has implemented insurance programs that cover its business and its whole infrastructure against material damage and losses (property damage and subsequent operating losses) caused by unforeseeable and difficult to control events, as well as civil liability insurances. These programs cover all the risks related to the businesses and locations of the Rexel Group.

In accordance with the risk management procedure described below, the Rexel Group implements a policy of prevention and protection to reduce the probability of occurrence, and the severity of losses, in particular: awareness-raising procedures and actions, audit of main sites, follow-up of guidelines from security professionals.

In addition, the Rexel Group believes that the impact of potential losses on its financial situation may be mitigated given the density of its network, which limits the impact of accidents on one or more of its sites.

The insurance programs of the Rexel Group underwritten by leading international insurance companies cover in particular the following risks:

- Property damage to the assets of the Rexel Group caused by an external unexpected event, including fire, explosion, water damage, lightning, storm, flooding, natural hazards, as well as subsequent operating losses; and
- Civil liability: bodily injury, property damage and financial losses caused to third parties by the Rexel Group during its activities, for operating risks and after delivery.

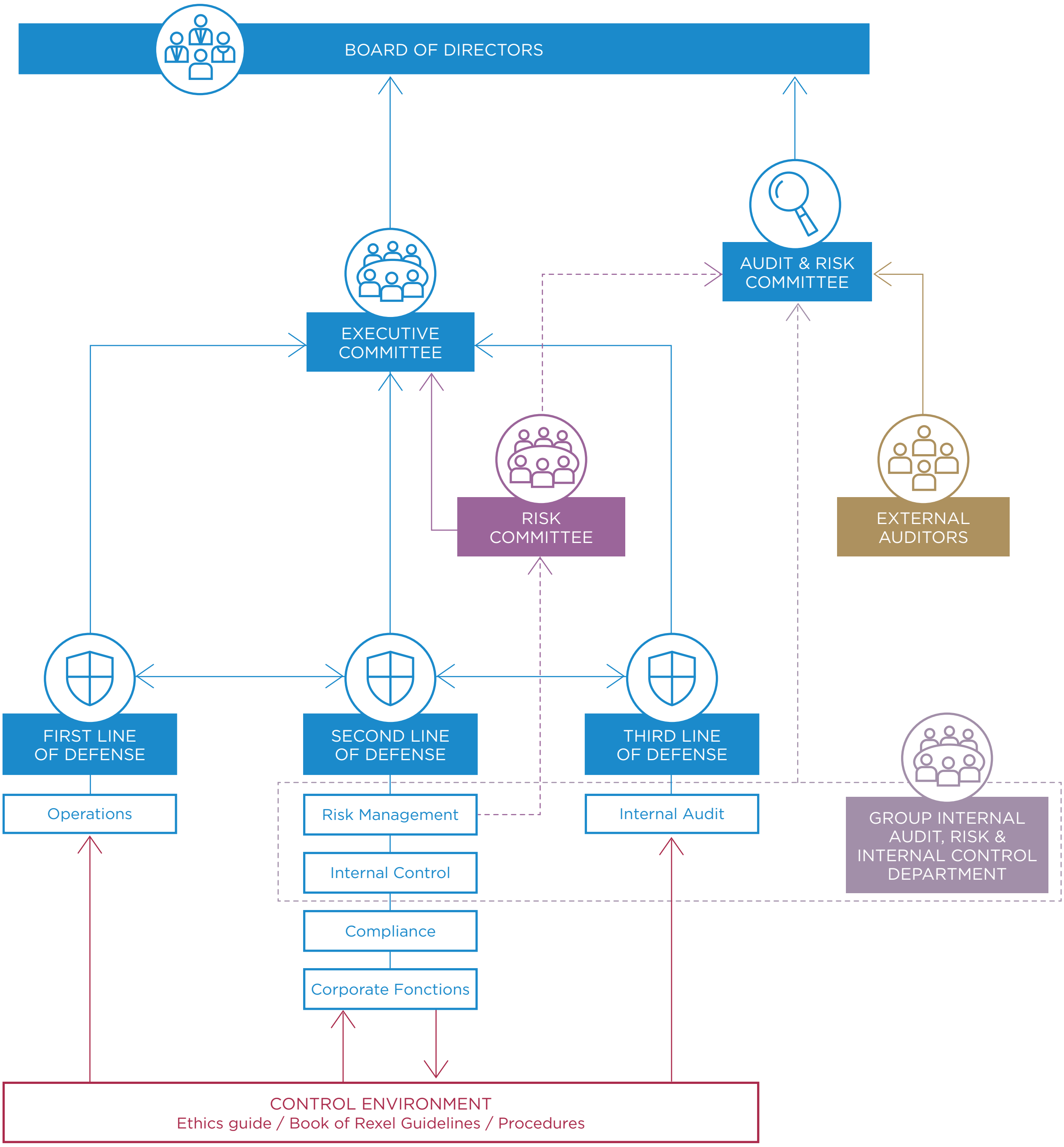
Given its international operations and applicable regulations, the Rexel Group has taken out local insurance policies to take into account local practices and/or obligations in the relevant countries.

These policies are regularly analyzed (based on Rexel Group's experiences, exchanges with the market, industry practices, and the advice of brokers) to check the adequacy of coverage with regards to potential risks. Coverage limits significantly exceed the amount of losses experienced in the past.

In addition, risks of payment default for receivables are covered by local credit insurance policies taken out in countries where such insurance is available and where the Rexel Group can obtain favorable conditions. The contractual terms of this insurance are negotiated at the Rexel Group level through credit insurance companies of international renown. The resulting coverage is obtained subject to certain conditions on an individual basis for each customer.

2.3 The Rexel internal control and risk management system

The Rexel Group implemented an internal control and risk management system over 10 years ago. It is based on the COSO (Committee Of Sponsoring Organizations of the Treadway Commission) standard and on the frame of reference of the *Autorité des marchés financiers* (AMF), together with its implementation guide. The internal control and risk management system is summarized in the following diagram and described in the following three sections which cover the control environment, the three lines of defense model in Rexel and the steering and monitoring of Rexel's internal control system, respectively.



2.3.1 Rexel's control environment

The Rexel Group's internal control system is based on a solid control environment, which is the reference for operations within the Group.

2.3.1.1 A control environment based on Rexel's ethics commitment

The first building block of Rexel's control environment is the ethics commitment of the Group and its management, reflecting the standards of loyalty, integrity, respect and transparency of the Group. This commitment has been embodied in an Ethics Guide since 2007. It was updated in 2013 and 2017 to reflect the Group's strategy and the legal and regulatory requirements applicable. The guide and the Group's Anti-Corruption Code of Conduct and Guide for the Prevention of Anti-Competitive Practices which completed it form the ethical corpus of reference of the Group. They have been provided to all Group employees and are published in the local languages of the countries in which the Group operates on a dedicated public Internet page (https://ethique.rexel.com/en).

2.3.1.2 The Book of Rexel Guidelines, the cornerstone of the control environment of Rexel

The cornerstone of Rexel's control environment is the Book of Rexel Guidelines, the Rexel Group's internal control frame of reference. This manual presents and describes the risks, the control objectives and the related controls that all Group entities must implement for each of the processes within the company. The manual has been completely updated in 2020 by Group Internal Control department and in close cooperation with the different functional directions and the operational entities of Rexel to better adapt it to the strategy, the organization and the risks of the Group. This new 2020 version has been significantly circulated within the Group, especially to the management of each entity. It includes about 210 controls for each operational entities, of which 60 critical controls covering all Group activities: governance, communication, strategy, sustainable development, sales, purchasing, logistics, information systems, human resources, financial and accounting information, treasury, taxes, legal affairs, compliance, real estate, insurance, etc. Each control mentions the risks that it is designed to mitigate and all the Group guidelines or policies that can ease its implementation in the operating entities. This facilitates the appropriation and implementation of the framework by Rexel's entities.

2.3.1.3 The procedures, manuals and instructions of the functional departments, operationally complementing the control environment, particularly for the processing of accounting and financial information

The Book of Rexel Guidelines is completed with procedures, instructions and manuals established by the functional departments of the Group to ensure operational implementation within the Rexel entities. These procedures deal with all the processes within the Group and are widely communicated to all the entities.

In particular, the Group developed procedures for management reporting and the preparation of financial statements: the Rexel Group's Finance Department defined a set of directives, tools and standards to secure the quality, completeness, truthfulness and consistency of the information provided to the Group and published for the markets. The financial statements of the Rexel Group are prepared in accordance with IFRS standards as adopted by the European Union and are based on information provided by the financial departments of the entities. The latter are responsible for ensuring that this information complies with the Rexel Group standards (especially accounting methods and accounts structure, included in a Reporting Manual) and observance of the detailed instructions issued by the financial department. This data is transmitted by the Financial Departments of the entities in a set format using a single consolidation tool that is used in preparing monthly reports and external financial information at each stage of consolidation: monthly reporting, budget, forecasting and strategic plan. This single format guarantees consistency between the different data used for internal steering and external communication.

2.3.2 The stakeholders of Rexel's internal control system, structured around the three lines of defense model

The internal control and risk management system of the Rexel Group is structured around the concept of three lines of defense which provides clear and effective assignment of the roles and responsibilities for everyone in the company and allows the application and monitoring of the internal control system.

2.3.2.1 The operations of the entities of the Group: the first line of defense

The Rexel Group and its network of branches form a decentralized organization in which the principles of responsibility and accountability of each person are at the core of the definition of roles. For this purpose, the different operational functions of the Group are informed about compliance with the rules and about the Group's procedures and instructions to create a first, effective line of control.

Each entity of the Group is responsible for establishing an internal control system based on the control environment presented above and for complementing it with local procedures when appropriate. The operations managers define the appropriate controls at the operational level for the processes for which they are responsible, through the application of the rules and procedures developed at the Group level, especially the Book of Rexel Guidelines.

2.3.2.2 The functional departments of the Group: an essential part of the second line of defense

In addition, and to support operations, the functional departments at Group level form a key essential part of the second line of defense in Rexel. The departments rely on the opinion of Group internal control and internal audit to identify the needs for cross-functional actions the Rexel Group. Each functional department supports the entities of the Group in the setting-up of action plans to reduce identified risks in their areas of expertise.

Among these departments, the ethics and compliance department holds a key position within Rexel's second line of defense since it is responsible for preparing and updating the Ethics Guide and the other compliance rules and procedures. This corpus of ethics documents is implemented in the entities, under the responsibility of this department, through a certain number of mechanisms and concrete actions that ensure sharing and adoption of Rexel's ethical values: regular communication on ethics, training and awareness-raising for Group employees, creation of a Group ethics whistleblowing line, creation of a Group ethics committee, etc.

Lastly, the Group financial department also plays a major role within the second line of defense in Rexel:

- Jointly with executive management and in close cooperation with Group entities, it contributed to the elaboration of a three-year strategic plan, the first year of which constitutes its budget. The plans are consolidated at the Rexel Group level and submitted for approval to the Rexel Board of Directors;
- It conducts periodic business activity reviews with executive management and the regional departments which provide insight into financial and economic changes with respect to activities, the assessment of operational decisions to be taken, the analysis of gaps between targets and performance, the steering of the financial structure and the monitoring of the implementation of action plans;
- It ensures the consistency of feedback from the entities before aggregating the results and the consolidation entries and prepares detailed and documented analysis of the data, explaining changes in the scope of consolidation, exchange rate impacts and non-recurring operations;
- Each month, it provides the Board of Directors with a summary report on financial performance and provides the Audit and Risk Committee of the Group with the annual, half-year and quarterly financial statements which are then approved by the Board of Directors.

2.3.2.3 The Group Internal Audit, Risk Management and Internal Control Department: the cornerstone of the system at the border between the second and third lines of defense

The cornerstone of the internal control and risk management system of Rexel is the Group Internal Audit, Risk Management and Internal Control Department, which combines the key functions of the second and third lines of defense. These functions, grouped in 2019, generated strong synergies and strengthened the Group's internal control system.

The department is structured around two services to ensure the independence between internal audit and internal control: an internal control and risk management service (with one manager at the end of 2020) and an internal audit service (with one manager and two internal auditors at the end of 2020).

As part of his risk management duties, the internal control and risk manager is responsible for identifying the risks to which the Group is exposed, for annually updating the Group risk mapping and for following the action plans intended to reduce the impact or likelihood of the main risks identified in the Group. The action plans may include the implementation of controls, the transfer of financial consequences (insurance mechanism or equivalent) or an adjustment to the organization. The manager carries out these duties under the supervision of the Risk Committee, a committee appointed by the Group Executive Committee to assist them with risk management (see paragraph 2.3.3.1 "Steering by the Group Executive Committee" in this Universal Registration Document).

As part of his internal control duties, the manager is also responsible for maintaining and updating the Book of Rexel Guidelines based on the risks identified and on the Group's situation and strategy, and for deploying and coordinating the annual self-assessment exercise to assess the compliance of operating rules with the Book of Rexel Guidelines (presented in paragraph 2.3.1.3 "The procedures, manuals and instructions of the functional departments, operational complements to the control environment, in particular for the processing of accounting and financial information" of this Universal Registration Document), *via* a questionnaire sent to the local management of the entities and using the dedicated Group information system. The results are shared with the Executive Committee, the operational departments of the entities and the Audit and Risk Committee, which share them with the Board of Directors. The last self-assessment was rolled out during the summer of 2020, and covered all the processes included in the Book of Rexel Guidelines. The self-assessments enable the identification of the action plans to be implemented to correct any non-compliances revealed and identification of the best practices and support needs within the different entities.

Given that the self-assessment approach is not, by nature, sufficient to guarantee that the internal control system is being implemented effectively, the Rexel Group completes it with internal audits. Group internal audit is responsible for ensuring that the entities comply with the rules of the Rexel Group and, more generally, for evaluating the operational, financial, health and safety or fraud risks in the areas covered by the audits. The Group internal audits are conducted under the supervision of the internal audit manager who works with a team of two auditors at the end of 2020. A recruitment process was initiated in 2020 in order to reinforce the Group's internal audit team. The role, the scope and the responsibilities of internal audit have been defined in an Internal Audit Charter, officially approved by the Audit and Risk Committee. Based on a plan approved by the Audit and Risk Committee in February 2020, revised in July and then in October 2020, the Group internal audit team was able to carry out 6 assignments in 2020 despite travel restrictions and constraints related to the Covid-19 pandemic. Following each audit and based on recommendations by the auditors, action plans are prepared by the relevant entities to address the weaknesses identified in the audit report. The assignments also include a verification of the results of the self-assessments conducted by the entities, since nearly all of the controls subject to self-assessment are reviewed during a standard audit of all accounting, financial and operational processes. The Group Internal Audit Department established a follow-up process for the implementation of the action plans to ensure that the weaknesses identified are corrected.

This central system is completed with 18 local internal controllers and auditors (at the end of 2020) in the main Group subsidiaries (Australia, Austria, Canada, France, Germany, the United States and the United Kingdom) who report functionally to the Director of Internal Audit, Risk Management and Internal Control and who are responsible for supervising the successful local deployment of the Group's internal control system and for conducting audits of the processes, branches and logistics centers. In 2020, the local internal controllers and auditors carried out 211 audits of the branch network and logistics centers.

2.3.3 Steering and monitoring of the internal control system

2.3.3.1 Steering by the Group Executive Committee

The Group Executive Committee is responsible for steering Rexel's internal control system.

With respect to risk management, the Executive Committee implemented a dedicated Risk Committee in 2010, which reports to it and is responsible for steering the risk mapping and management system implemented by the risk manager. The list of members of the committee was updated in 2019 to improve its representativeness, both in functional and geographical terms. The committee gathers approximately a dozen members representing the different functions within the Group (sourcing, supply chain, human resources, finance, legal, IT, etc.) as well as several managing directors of subsidiaries of the Group to be as close as possible from the reality of Rexel's operations. It met four times in 2020 for the update of the Group risk mapping and reported on its work and formulated its recommendations to the Executive Committee.

In addition, the Group Internal Audit, Risk Management and Internal Control Department, which hierarchically reports to the Group Chief Financial Officer (member of the Group Executive Committee), presented to the Group Executive Committee a complete picture by country of the control environment at Rexel. They detailed the salient aspects resulting from local risk mapping, of the self-assessment of internal control, of the work done by internal audit (when applicable) and of the work done by external audit. This communication helps the Rexel Group's Management to share with local management teams not only the risk management measures and objectives, but also the necessary information to align their decisions and activities with the defined objectives.

2.3.3.2 Monitoring of the system by the Audit and Risk Committee of the Board of Directors

The Rexel Group Audit and Risk Committee is responsible for monitoring the Group's internal control system and the Group Internal Audit, Risk Management and Internal Control Director functionally reports to it. Each quarter, this Director presents to the Rexel Audit and Risk Committee a summary of the work done by the internal audit, internal control and risk management teams, including the main conclusions of the internal audit assignments undertaken and a follow-up on the progress made by the corresponding action plans.

As part of this process, each quarterly meeting of the Audit and Risk Committee provides an opportunity to summarize the risk management, internal control and audit activities carried out during the preceding quarter. The Audit and Risk Committee is also responsible for the annual approval of the Group risk mapping and the internal audit plan. The Audit and Risk Committee formulates its recommendations and proposals to the Board of Directors based on these presentations.

2.3.3.3 Monitoring process carried out by external audit

Lastly, the external auditors take part in the internal control system monitoring process. In addition to the diligence conducted in certifying the financial statements, they verify each year the reliability of the results of the self-assessment campaign with respect to a segment of the framework, changing every year. Although the scope of this review is limited, this verification applies to all Rexel Group entities, and the internal audit teams follow up with more comprehensive verifications on a limited number of entities. Thus allowing the Rexel Group to improve the reliability of the self-assessments.

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Corporate governance

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This Chapter 3 is the report on corporate governance required by article L.225-37 of the French Commercial Code.

This report is drawn up by the Board of Directors in collaboration with the Group's Executive Management, General Secretary including the Legal Department and the Sustainable Development Department, the Corporate Communications Department as well as the Human Resources Department of the Rexel Group.

Rexel refers to the corporate governance principles of listed companies set out in the corporate governance code (the AFEP-MEDEF Code) established by the *Association française des entreprises privées* (Afep) and the *Mouvement des entreprises de France* (Medef), in its version as revised in January 2020. The aspects on which the Company departs from the guidelines are set out in section 3.5 "Implementation of the AFEP-MEDEF corporate governance Code of listed companies – Paragraph 27.1 of the AFEP-MEDEF Code" of this Chapter.

This code is available on the website of Medef (www.medef.fr) or at the registered office of Rexel.

3.1 Administration Bodies and Management

Rexel is a French *société anonyme* with a Board of Directors. This governance model is aimed at:

- Simplifying the decision-making process;
- Speeding up the implementation of the Rexel Group's strategy;
- Strengthening the Board of Directors' responsibility; and
- Creating greater proximity between the Directors and the members of the Executive Committee.

Dissociation of the duties of Chairman of the Board of Directors and Chief Executive Officer

The Board of Directors is chaired by Ian Meakins, non-executive and independent corporate officer.

The Chief Executive Officer is Patrick Berard, executive member of the Board of Directors.

The Board of Directors considered, in particular in view of the difficult macroeconomic and competitive environment of the Rexel Group, that the interests of the Rexel Group would be better served by dissociating the duties of Chairman and of Chief Executive Officer, thus allowing the Chief Executive Officer to focus all of his efforts on the implementation of the Rexel Group's strategy.

3.1.1 Board of Directors

In accordance with Rexel's by-laws, the Board of Directors is made up of a minimum of 5 members and a maximum of 15 members, subject to the exceptions provided for by law in the event of a merger.

The Directors are appointed for a maximum term of 4 years.

The Board of Directors is renewed in quarters, rounded to the higher whole number every year so that it is fully renewed every four years.

As at December 31, 2020, the Board of Directors was made up of 12 Directors, including two Directors representing the employees.

Excluding the Directors representing the employees, the Board of Directors had 80% of independent members (*i.e.* 8 members out of 10) and 50% of female members (*i.e.* 5 females out of 10).

The table below presents a summary of the membership of the Board of Directors as at December 31, 2020:

NAME	DUTIES WITHIN THE BOARD OF DIRECTORS OF REXEL	GENDER	NATIONALITY	AGE	INDEPENDENCE	OTHER DUTIES OF BOARD MEMBER HELD IN LISTED COMPANIES	MEMBERSHIP OF A COMMITTEE			DATE OF FIRST APPOINTMENT	DATE OF EXPIRY OF TERM OF OFFICE
							AUDIT AND RISK COMMITTEE	NOMINATION COMMITTEE	COMPENSATION COMMITTEE		
DIRECTOR											
Ian Meakins	Chairman	Male	British	64	Yes	Yes	●	●	●	July 1, 2016[1]	2024 Shareholders' Meeting
François Henrot	Deputy Chairman Senior Independent Director	Male	French	71	Yes	Yes		●	●	October 30, 2013[2]	2021 Shareholders' Meeting
Marcus Alexanderson	Director	Male	Swedish	45	No	No		●	●	May 15, 2017	2022 Shareholders' Meeting
François Auque	Director Chairman of the Audit and Risk Committee	Male	French	64	Yes	Yes	■			May 23, 2019	2023 Shareholders' Meeting
Patrick Berard	Director	Male	French	67	No	Yes				May 23, 2017	2024 Shareholders' Meeting
Julien Bonnel[3]	Director representing the employees	Male	French	35	–	No			●	November 17, 2017	2021 Shareholders' Meeting
Brigitte Cantaloube	Director	Female	French	53	Yes	No	●			February 12, 2020	2024 Shareholders' Meeting
Toni Killebrew[4]	Director representing the employees	Female	US	42	–	No				November 19, 2020	2024 Shareholders' Meeting
Elen Phillips	Director	Female	US and British	61	Yes	No	●	●		March 8, 2016	2023 Shareholders' Meeting
Maria Richter	Director	Female	US and Panama	66	Yes	Yes	●		●	May 22, 2014	2022 Shareholders' Meeting
Agnès Touraine	Director Chairwoman of the Compensation Committee	Female	French	66	Yes	Yes			■	February 10, 2017	2023 Shareholders' Meeting
Herna Verhagen	Director Chairwoman of the Nomination Committee	Female	Dutch	54	Yes	Yes		■		November 28, 2013[2]	2022 Shareholders' Meeting

● Committee member ■ Committee chairman

(1) In his capacity as Director, Ian Meakins has been Chairman of the Board of Directors since October 1, 2016.
(2) In the capacity of member of the Supervisory Board, and subsequently in the capacity of Director as of May 22, 2014.
(3) Appointed on November 17, 2017 by the most representative trade union in France, pursuant to the provisions of section 7.1 of article 14 of the by-laws of Rexel and article L.225-27-1 of the French Commercial Code. In accordance with the provisions of the AFEP-MEDEF Code, the Directors representing the employees are not taken into account in the calculation of the independence rate of the Board of Directors and Committees.
(4) Appointed on November 19, 2020 by the European Works Council, pursuant to the provisions of section 7.1 of article 14 of the by-laws of Rexel and article L.225-27-1 of the French Commercial Code. In accordance with the recommendations of the AFEP-MEDEF Code, the Directors representing the employees are not taken into account in the calculation of the independence rate of the Board of Directors and Committees.

The table below presents the main characteristics of the Board of Directors and of the Committees of the Board of Directors of Rexel as at December 31, 2020:

Board of Directors

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS[(1)]	INDEPENDENCE RATE [(1)]	REPRESENTATION OF WOMEN [(1)]	AVERAGE AGE
21	98%	12	80%	• 50% • 2 committees out of 3 chaired by women	57

(1) Excluding the Directors representing the employees.

Audit and Risk Committee

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS	INDEPENDENCE RATE	REPRESENTATION OF WOMEN	AVERAGE AGE
7	100%	5	100%	3	62

Nomination Committee

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS	INDEPENDENCE RATE	REPRESENTATION OF WOMEN	AVERAGE AGE
6	100%	5	80%	2	59

Compensation Committee

NUMBER OF MEETINGS	AVERAGE ATTENDANCE RATE	NUMBER OF DIRECTORS	INDEPENDENCE RATE [(1)]	REPRESENTATION OF WOMEN [(1)]	AVERAGE AGE
7	100%	6	80%	2	58

(1) Excluding the Director representing the employees.

3.1.1.1 Membership of the Board of Directors

As at December 31, 2020, the Board of Directors was made up of 12 Directors, the details of whom are set out below.

IAN MEAKINS

(64 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

115,250

Experience and expertise

Chairman of the Board of Directors, Member of the Audit and Risk Committee, the Nomination Committee and the Compensation Committee

Ian Meakins was co-opted as Director by the Board of Directors on July 1, 2016, in replacement of Rudy Provoost. He was also appointed Chairman of the Board of Directors on July 1, 2016, effective October 1, 2016. The co-option of Ian Meakins as well as the renewal of his term of office have been approved by the Shareholders' Meeting of May 23, 2017. Ian Meakins' term of office as Director was renewed during the June 25, 2020 Shareholders' Meeting.

Ian Meakins is a British citizen.

Ian Meakins was Chief Executive Officer for Wolseley from July 2009 to August 2016, when he retired from Wolseley. He was previously Chief Executive Officer for Travelex, an international company dealing with currency exchange and payments.

Before that he was Chief Executive Officer for Alliance UniChem plc until its merger with Boots in July 2006. Between 2000 and 2004, he was President in charge of European Major Markets and Global Supply for Diageo plc, a company for which he has held various international management positions for more than 12 years. Ian Meakins was also the non-executive Chairman of the Learning Network until November 30, 2020.

He was a non-executive Director and senior director of Centrica plc.

Ian Meakins is a graduate of Cambridge University.

Term of office

First appointment:

July 1, 2016

Current term of office:

From June 25, 2020, until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2023

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Chairman of the Board of Directors of Rexel
- Member of Rexel's Audit and Risk Committee
- Member of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Non-Executive Chairman of Compass Group (United Kingdom – listed company)

Over the last five financial years:

In France

–

Abroad

- Non-Executive Chairman of The Learning Network (The Netherlands – unlisted company)
- Chief Executive Officer of Wolseley plc (United Kingdom – listed company)
- Chairman of Wolseley plc Executive Committee (United Kingdom – listed company)

FRANÇOIS HENROT

(71 years old)

Professional address:

Rothschild & Cie
23 bis, avenue de Messine
75008 Paris – France

Number of Rexel shares held:

7,133

Experience and expertise

Senior Independent Director, Deputy Chairman of the Board of Directors, Member of the Nomination Committee and Member of the Compensation Committee

François Henrot has served on the Board of Directors of Rexel as Senior Independent Director referent and Deputy Chairman of the Board since May 22, 2014. He served as interim Chairman of the Board of Directors between July 1, 2016, and October 1, 2016. He was previously a member of the Supervisory Board of Rexel further to his co-option by the Supervisory Board on October 30, 2013, to replace Manfred Kindle. The ratification of François Henrot's co-option as member of the Supervisory Board was approved by the Shareholders' Meeting of May 22, 2014. The renewal of his term of office has been approved by the Shareholders' Meeting of May 23, 2017.

François Henrot is a French citizen.

François Henrot has been Managing Partner of Rothschild & Cie since 1998 and he serves as Chairman of the investment bank of the Rothschild Group. He started his career in 1974 at the French Council of State. In 1979, he became Director of France's Telecommunications Department. In 1985, he joined the Compagnie Bancaire where he became COO and Chairman of the Management Board. He was a Management Board Member at Compagnie Financière de Paribas from 1995 to 1998 before joining Rothschild. François Henrot is a member of the Supervisory Board of Rothschild & Co (the holding company of the Rothschild Group), and of Yam Invest NV and a Director of Cobepa, which he presides.

François Henrot is a graduate of the *École Nationale d'Administration* (ENA) and of the University of Stanford.

Term of office

First appointment:

October 30, 2013 (as member of the Supervisory Board)

May 22, 2014 (as Director)

Current term of office:

From May 23, 2017 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2020

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Senior Independent Director of Rexel
- Deputy Chairman of the Board of Directors
- Member of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee
- Chairman of the Board of Directors of Rexel from July 1, 2016 to September 30, 2016
- Member of Rexel's Supervisory Board
- Chairman of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee
- Member of Rexel's Strategic Committee
- Chairman of Rexel's Nomination and Compensation Committee
- Member of Rexel's Audit and Risk Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Chairman of the investment bank of the Rothschild Group (France – unlisted company)
- Managing partner of Rothschild & Cie (France – unlisted company)
- Member of the Supervisory Board of Rothschild & Co (holding of the Rothschild Group) (France – listed company)

Abroad

- Member of the Supervisory Board of Yam Invest NV (The Netherlands – unlisted company)
- Chairman of the Board of Directors of Cobepa (Belgium – unlisted company)

Over the last five financial years:

In France

- Managing partner of Rothschild & Cie Banque (France – unlisted company)

Abroad

–

MARCUS ALEXANDERSON

(45 years old)

Professional address:
Cevian Capital
Engelbrektsgatan, 5
11432 Stockholm – Sweden

Number of Rexel shares held:
5,000

Experience and expertise

Director, Member of the Nomination Committee and member of the Compensation Committee

Marcus Alexanderson was co-opted as Director by the Board of Directors on May 15, 2017, to replace Pier-Luigi Sigismondi. His co-option as well as the renewal of his term of office were approved by the Shareholders' Meeting of May 24, 2018.

Marcus Alexanderson is a Swedish citizen.

Marcus Alexanderson is a partner of Cevian Capital AB, an investment advisor to Cevian Capital, an investment fund managing EUR 13 billion of assets and investing in listed European companies. He joined Cevian Capital at its founding in 2002 and is co-responsible for the investment and active shareholding businesses of Cevian. Previously, Marcus Alexanderson was an investment analyst with AB Cutos (Sweden).

Marcus Alexanderson holds a Master of Science in Economics and Business Administration from the Stockholm School of Economics.

Term of office

First appointment:

May 15, 2017 (co-option)

Current term of office:

From May 24, 2018 until the Shareholders' Meeting deciding on the accounts for the financial year ended December 31, 2021

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Partner of Cevian Capital AB (Sweden – unlisted company)

Over the last five financial years:

In France

–

Abroad

–

FRANÇOIS AUQUE

(64 years old)

Professional address:

77, rue Madame
75006 Paris – France

Number of Rexel shares held:

3,000

Experience and expertise

Director and Chairman of the Audit and Risk Committee

François Auque was appointed as Director and Chairman of the Audit and Risk Committee of Rexel in replacement of Fritz Froehlich by the Shareholders' Meeting of May 23, 2019. From October 24, 2018 to his appointment as Director and Chairman of the Audit and Risk Committee of Rexel, François Auque was Observer of the Board of Directors and of the Audit and Risk Committee of Rexel.

François Auque is a French citizen.

François Auque is a partner at InfraVia Capital Partners.

François Auque was Chairman of the Airbus Ventures Investment Committee from July 2016 to September 2018. Previously, for 16 years, he headed the Space Division of the Airbus group as a member of the Group Executive Committee of the group.

Previously, he was Chief Financial Officer of Aerospatiale Matra after having been Chief Financial Officer and together Corporate Executive Vice President of Aerospatiale from 1991 to 2000. He began his career at the French Court of Auditors *(Cour des Comptes)*, then joined the Suez Group and Credisuez.

He has been a member of various Boards of Directors: Dassault Aviation, Arianespace, GIFAS, Starsem (Russia), MBDA, OneWeb (United Kingdom/United States), Seraphim Space Fund (United Kingdom) and Chairman of the Board of *Bordeaux École de Management*.

François Auque is a graduate of *École des hautes études commerciales* (HEC), *Science-Po Paris* and *École nationale d'administration* (ENA).

Term of office

First appointment:

May 23, 2019

Current term of office:

From May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ended December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chairman of the Audit and Risk Committee of Rexel

Abroad

–

Over the last five financial years:

In France

- Observer of the Board of Directors and of the Audit and Risk Committee of Rexel

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Partner at InfraVia Capital Partners
- Director of Airbus Defence and Space Holding SAS (France – unlisted company)

Abroad

- Director of CyberArk (United States – listed company)

Over the last five financial years:

In France

- Director of Arianespace (France – unlisted company)
- Director of Starsem (France – unlisted company)
- Director of MBDA (France – unlisted company)

Abroad

- Deputy Director of OneWeb (United Kingdom/United States – unlisted company)
- Director of Seraphim Space Fund (United Kingdom – unlisted company)
- Director of Airbus Espana (Spain – unlisted company)
- Director of Airbus North America (United States – unlisted company)

PATRICK BERARD

(67 years old)

Professional address:
Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:
455,699

Experience and expertise

Director, Chief Executive Officer

Patrick Berard has been a Director of Rexel since May 23, 2017. Patrick Berard's term of office as Director was renewed during the June 25, 2020 Shareholders' Meeting.

He is a French citizen.

Patrick Berard has been serving as Chief Executive Officer of the Group since July 1, 2016. In 2003, he joined Rexel as Chief Executive Officer of Rexel France. In 2007, he also became Manager of the southern Europe area (France, Italy, Spain, Portugal), then, in 2013, of Belgium and Luxembourg, prior to being appointed Chief Executive Officer Europe in 2015.

His career started in 1978 with the Pulp and Paper Research Institute of Canada. From 1980 to 1987, Patrick Berard was a consultant with McKinsey, then Manager of Planning and Strategy of the Industry and Engineering Division of Thomson.

From 1988 to 1999, he occupied various duties with Polychrome, including those of Chief Executive Officer Europe and Vice President of the Group, prior to becoming a member of the executive committee of Kodak Polychrome Graphics.

He served as Operations Manager of Antalis (Groupe Arjo Wiggins) from 1999 to 2002, prior to being appointed, in 2002 as Chairman and Chief Executive Officer of Pinault Bois & Matériaux, a company of the Kering group (formerly PPR Group).

Since October 2019, Patrick Berard has also served as Director of LKQ Corporation (USA).

Patrick Berard holds a PhD in Economics of the University of Grenoble.

Term of office

First appointment:

May 23, 2017

Current term of office:

From June 25, 2020 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2023

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chief Executive Officer of Rexel
- Director of Rexel France (France – unlisted company)

Abroad

- Director of Rexel Sverige AB (Sweden – unlisted company)
- Director of Rexel North America Inc. (Canada – unlisted company)
- Director of Rexel USA Inc. (United States – unlisted company)

Over the last five financial years:

In France

- President of Rexel France (France – unlisted company)
- President of Dismo France (France – unlisted company)
- President of Sofinther (France – unlisted company)

Abroad

- Director of Rexel Belgium SA (Belgium – unlisted company)
- Director of Electro-Industrie en Acoustiek NV (Belgium – unlisted company)
- Director of Rexel Luxembourg SA (Luxembourg – unlisted company)
- Director of Elektroskansdia Norge AS (Norway – unlisted company)
- Director of Elektroskansdia Norway Holdings AS (Norway – unlisted company)
- Director of Rexel Finland Oy (Finland – unlisted company)
- Director of Rexel UK limited (United Kingdom – unlisted company)
- Director of Rexel Holding Benelux BV (The Netherlands – unlisted company)
- Director of Moel AB (Sweden – unlisted company)
- Chairman of the Board of Directors of ABM Rexel (Spain – unlisted company)

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Director of LKQ Corporation (USA – listed company)

Over the last five financial years:

In France

–

Abroad

–

JULIEN BONNEL

(35 years old)

Professional address :

Rexel Spain
Avenida de la Recomba, 7
28914 Leganès – Madrid
Spain

Number of Rexel shares held:

3,988

(In accordance with Article 14 of the by-laws, the Director representing the employees does not have to hold a minimum number of shares of the Company)

Experience and expertise

Director representing the employees, member of the Compensation Committee

Julien Bonnel was appointed on November 17, 2017 as Director representing the employees by the most representative trade union in the French subsidiaries of the Rexel Group.

Julien Bonnel is a French citizen.

Julien Bonnel has been Sales Director and Chief Transformation Officer within Rexel Spain since 2018. He joined the Rexel Group in 2012, when he worked within the Strategy Division of the Group, subsequently as a branch Manager in Nîmes and finally as Head of *Hérault* division of Rexel France. He started his career as a consultant and strategy with Estin & Co (2009-2012).

Julien Bonnel is a graduate of the *École Centrale de Paris*.

Term of office

First appointment:

November 17, 2017

Current term of office:

From November 17, 2017 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2020

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- CEO (Président) of Evariste (France – unlisted company)
- CEO (Gérant) of GFA Henri (France – unlisted company)

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

BRIGITTE CANTALOUBE

(53 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

1,000

Experience and expertise

Director, member of the Audit and Risk Committee

Brigitte Cantaloube was co-opted as Director by the Board of Directors on February 12, 2020, in replacement of Thomas Farrell. The co-option of Brigitte Cantaloube as well as the renewal of her term of office were approved by the Shareholders' Meeting of June 25, 2020.

Brigitte Cantaloube is a French citizen.

Brigitte Cantaloube was Chief Digital Officer for PSA group from February 2016 to November 2017, in charge of leading the digital transformation of the Group as well as the management of the partnerships with global digital players. Brigitte Cantaloube had previously occupied various executive positions within Yahoo! Group and in particular, she served as Vice-President and Commercial Director in charge of EMEA, based in London, from 2014 to 2016, Managing Director of Yahoo! France from 2009 to 2014, Commercial Director for Yahoo! France from 2008 to 2009, Commercial Director for Display from 2006 to 2007. Previously, she was Advertising Director of L'*Express magazine* in charge of the advertising market and the advertising revenue from 2002 to 2006.

Brigitte Cantaloube had started her career as Sales Executive within L'Expansion group (1992-2002) where she held a number of executive positions and notably Sales Director in charge of *La Vie Financière magazine* (1996-1999) and Partnerships and Marketing Director in charge of the internet department of L'Expansion group (2000-2002).

Brigitte Cantaloube has a Master's Degree in Management from EDHEC Business School Lille.

Term of office

First appointment:

February 12, 2020 (co-option)

Current term of office:

From June 25, 2020, until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2023

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risk Committee

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TONI KILLEBREW

(42 years old)

Professional address:

Rexel USA
Gexpro Midwest Region
3830 Hanna Circle, Suite A
Indianapolis, IN 46241

Number of Rexel shares held:

–

(In accordance with Article 14 of the by-laws, the Director representing the employees does not have to hold a minimum number of shares of the Company)

Experience and expertise

Director representing the employees

Toni Killebrew was appointed as a Director representing the employees by the European Works Council on November 19, 2020.

She is a US Citizen.

Toni Killebrew has been a District Sales Manager within Rexel USA (Gexpro Midwest Region) since March 2020. Toni Killebrew joined Rexel as part of the acquisition of GE Supply in 2006, under the Global Sales Organization. She started her career with GE Supply in 2000 and has held positions in Sales and Operations since that time.

Toni Killebrew holds a Bachelor of Science in Business Management from the University of Evansville and an MBA in Finance from the Kelley School of Business at Indiana University.

Term of office

First appointment:

November 19, 2020

Current term of office:

From November 19, 2020, until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2023

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

ELEN PHILLIPS

(61 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

5,000

Experience and expertise

Director, Member of the Audit and Risk Committee and Nomination Committee

Elen Phillips was co-opted as Director by the Board of Directors on March 8, 2016 in replacement of Isabel Marey-Semper. The co-option of Elen Phillips as Director as well as the renewal of her term of office have been approved by the Shareholders' Meeting of May 25, 2016.

The renewal of her term of office as Director was approved by anticipation by the Shareholders' Meeting of May 23, 2019.

Elen Phillips is a dual citizen of the United Kingdom and the United States.

Elen Phillips was Vice-President Fuel Sales and Marketing of Shell Oil for the American continent from 2010 until her retirement from the Shell Group at the end of March 2016.

Elen Phillips had previously occupied various executive positions within the Shell Group and in particular, she served as Vice-President in charge of the Shell International worldwide distribution network from 2004 to 2010 and Manager of the Shell Retail International distribution network from 2002 to 2004 and Chief Executive Officer in charge of network development of Shell Oil from 2000 to 2002. Elen Phillips served as Chief Executive Officer Retail Sales for the Gulf Coast region of the United States of Motiva Entreprises LLC from 1998 to 2000. Previously, she was Commercial Manager Retail for the East region of Shell Oil from 1997 to 1998. She acted as consultant within the enterprise transformation team of Shell Oil from 1995 to 1997. Elen Phillips acted as commercial manager in charge of aircraft fuels of Shell Oil Products from 1993 to 1995. She was also in charge of program development for Shell Chemical from 1991 to 1993 as well as of the strategic development of Shell International Chemical from 1988 to 1990. Elen Phillips had started her career within the Shell Group in 1983, and she was in charge of business development and of product management until 1988.

Elen Phillips holds a BSc in Chemistry & Business (Salford University) and a Master in Business Science (Manchester Business School).

Term of office

First appointment:

March 8, 2016 (co-option)

Current term of office:

May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risk Committee
- Member of Rexel's Nomination Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

–

Over the last five financial years:

In France

–

Abroad

- Vice-President, Fuel Sales and Marketing of Shell Oil for the American continent (United States – listed company)

MARIA RICHTER

(66 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

6,500

Experience and expertise

Director, Member of the Audit and Risk Committee and Member of the Compensation Committee

Maria Richter was co-opted as Director by the Board of Directors on May 22, 2014, to replace Roberto Quarta. Maria Richter's co-option as Director and the renewal of her directorship have been approved by the Shareholders' Meeting of May 27, 2015.

The renewal of her term of office was approved by anticipation by the Shareholders' Meeting of May 24, 2018.

Maria Richter is a dual citizen of the Republic of Panama and the United States.

Maria Richter is a former Investment Banker and currently sits as a non-executive Director on public and private company boards. From 2003 to July 2014, she was a Non-Executive Director of National Grid plc and Chairwoman of its Finance Committee and a member of its Audit Committee and Appointments Committee. Since 2008, she has been a Director of Bessemer Trust, a US wealth management company and is a member of its Compensation Committee. Since January 1, 2015 she has also served as a Non-Executive Director of Johannesburg based Anglo Gold Ashanti and a member of the company's Audit and Risk Committee and Human Resources & Compensation Committee. Since May, 2019, she also serves as a Chairman of the company's Human Resources & Compensation Committee and a member of the Nomination Committee. From September, 2017, to September, 2019, Maria Richter has also served as non-executive Director of Barclays Bank plc. Maria Richter began her career as an attorney for the then law firm Dewey Ballantine (1980-1985) before joining The Prudential (1985-1992) where she held a number of executive positions latterly as a Vice-President of Prudential Power Funding Associates. She joined Salomon Brothers (1992-1993) as Vice President and then joined Morgan Stanley (1993- 2002) as Executive Director and Head of Independent Power and Structured Finance and later became Managing Director and Head of South America Investment Banking and Managing Director of Corporate Finance Retail.

Maria Richter has a Bachelor of Arts degree from Cornell University and a Juris Doctor degree from Georgetown University Law Center.

Term of office

First appointment:

May 22, 2014

Current term of office:

From May 24, 2018 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2021

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risk Committee
- Member of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Compensation Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Director and member of the Compensation Committee of Bessemer Trust (United States – unlisted company)
- Non-executive Director, Chairman of the Human Resources & Compensation Committee, member of the Audit and Risk Committee and member of the Nomination Committee of Anglo Gold Ashanti (South Africa – listed company)

Over the last five financial years:

In France

–

Abroad

- Non-executive Director, Chairwoman of the Finance Committee, member of the Audit Committee and member of the Appointments Committee of National Grid, plc (United Kingdom – listed company)
- Director of Pro Mujer International (United States – unlisted organization) and Chairwoman of the Board of Trustees of Pro Mujer UK (United Kingdom – unlisted organization)
- Non-executive Director and member of the Risk Committee and Compensation Committee of Barclays Bank plc (United Kingdom – listed company)

AGNÈS TOURAINE

(66 years old)

Professional address:

Act III Consultants
5, rue Bude
75004 Paris – France

Number of Rexel shares held:

1,112

Experience and expertise

Director, Chairwoman of the Nomination Committee

Agnès Touraine was co-opted as Director by the Board of Directors on February 10, 2017 in replacement of Marianne Culver.

The co-option of Agnès Touraine was approved by the Shareholders' Meeting of May 23, 2017.

The renewal of her term of office was approved by anticipation by the Shareholders' Meeting of May 23, 2019.

Agnès Touraine is a French citizen.

Agnès Touraine is also the CEO and founder of Act III Consultants, a consultancy firm dedicated to digital transition. Previously, she acted as Chairwoman and CEO of Vivendi Universal Publishing after having spent 10 years at Groupe Lagardère and 4 years at McKinsey. She is a Director of GBL, Keesing Proximus and of the Supervisory Board of Tarkett. She previously acted as non-executive Director of Cable&Wireless Plc (UK), Neopost and Darty Plc. She is also a member of the Board of various non-profit organizations such as IDATE and the French American Foundation.

Agnès Touraine was also Chairwoman of the IFA *(Institut Français des Administrateurs)* until May, 2019.

Agnès Touraine is a graduate in law of *Sciences-Po Paris* and of Columbia University Business School (MBA).

Term of office

First appointment:

February 10, 2017 (co-option)

Current term of office:

From May 23, 2019 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2022

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chairwoman of Rexel's Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Nomination and Compensation Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

- Member of the Supervisory Board of Tarkett (France – listed company)
- Member of the Supervisory Board of 21Partners (France – unlisted)
- Member of the Supervisory Board of the French American Foundation (France – association, unlisted)
- Director of SNCF (France – unlisted company)

Abroad

Director of Proximus (Belgium – listed company)

Director of GBL (Belgium – listed company)

Over the last five financial years:

In France

- Chairwoman of the IFA *(Institut Français des Administrateurs*, France – association, unlisted).

Abroad

- Director of Darty Plc (United Kingdom – listed company)

HERNA VERHAGEN

(54 years old)

Professional address:

Post NL
Prinses Beatrixlaan 23
2595 AK – The Hague
The Netherlands

Number of Rexel shares held:

1,000

Experience and expertise

Director, Chairwoman of the Nomination Committe

Herna Verhagen has served on the Board of Directors of Rexel since May 22, 2014. She was previously a member of the Supervisory Board further to her co-option by the Supervisory Board on November 28, 2013, to replace Akshay Singh. The ratification of Herna Verhagen's co-option as member of the Supervisory Board as well as the renewal of her term of office as member of the Supervisory Board were approved by the Shareholders' Meeting of May 22, 2014. The renewal of the term of office of Herna Verhagen was approved by anticipation by the Shareholders' Meeting of May 24, 2018.

Herna Verhagen is a Dutch citizen.

Herna Verhagen has been Chairwoman and Chief Executive Officer of PostNL since April 2012. Prior to this, from 2011 she served as a member of the Management Board of PostNL N.V., and was Managing Director Parcels and International of PostNL. Herna Verhagen joined TNT Post in 1993 as a sales manager before going on to hold a number of senior positions including Commercial Director, Coordinating Managing Director Mail NL and Managing Director Group HR of TNT. She is a member of the Executive Committee and of the General Council of the Confederation of Netherlands Industry and Employers VNO-NCW. She is also member of the supervisory board of Concertgebouw.

Herna Verhagen obtained a Master's Degree in Law from the University of Nijmegen, a Master's degree in Human Resources from the Tilburg University, an International Management degree from INSEAD, a degree in Economics from the London School of Economics and an Executive MBA degree from Stanford University.

Term of office

First appointment:

November 28, 2013 (as member of the Supervisory Board) and May 22, 2014 (as Director)

Current term of office:

From May 24, 2018 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2021

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Chairwoman of Rexel's Nomination Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee
- Member of Rexel's Supervisory Board
- Member of Rexel's Nomination Committee
- Member of Rexel's Strategic Committee
- Member of Rexel's Audit and Risk Committee

Abroad

–

Titles and duties outside the Rexel Group:

Current:

In France

–

Abroad

- Chairwoman, Chief Executive Officer and member of the Management Board of PostNL NV (The Netherlands – listed company)
- Member of the Supervisory Board of Concertgebouw (The Netherlands — unlisted company)
- Member of the Executive Committee of the General Council of the Confederation of Netherlands Industry and Employers VNO NCW
- Member of the Supervisory Board, Chairwoman of the Compensation Committee and member of the Nomination and Corporate Governance Committee of ING Group (The Netherlands – listed company)

Over the last five financial years:

In France

–

Abroad

- Member of the Supervisory Board of Nutreco NV (The Netherlands – listed company)
- Non-executive Director of Idorsia SA (Switzerland – listed company)

Departure, nomination and renewal of members of the Board of Directors

During the financial year ended on December 31, 2020, the following changes took place in the membership of the Board of Directors:

DIRECTOR	APPOINTMENT/CO-OPTION/APPROVAL	RE-ELECTION	LEAVE	COMMENTS
Ian Meakins		X		Renewal of term of office as director by the Shareholders' Meeting of June 25, 2020.
Patrick Berard		X		Renewal of term of office as director by the Shareholders' Meeting of June 25, 2020.
Brigitte Cantaloube	X	X		Ratification of the co-option and renewal of term of office as director by the Shareholders' Meeting of June 25, 2020.
Toni Killebrew	X			Second Director representing the employees appointed by the European Works Council on November 19, 2020.

It will be proposed to the Shareholders' Meeting of April 22, 2021 to:

- renew for a term of 4 years the term of office as Director of François Henrot that expires at the end of the Shareholders' Meeting; and
- renew in advance for a term of 4 years the terms of office as Director of Marcus Alexanderson and Maria Richter, pursuant to article 14.2 of the by-laws, which provides for a renewal in quarters, rounded up to the nearest whole number each year.

Succession plan

The Nomination Committee drew up a succession plan for the Chief Executive Officer, based on different hypothesis (including in case of anticipated or unforeseen situations).

The Nomination Committee works together with the other Committees of the Board of Directors. The Committee also solicits the contribution of the General Secretary, the Group Human Resources Manager and the Chief Executive Officer in the preparation of the succession of the Chief Executive Officer, in particular in order to define the criteria, identify internally the candidates and conduct interviews. In addition, the Board of Directors meets with the candidates. The appropriate profile of the officer in terms of leadership and personality has been defined based on several selection criteria. In particular, the Nomination Committee ensures compliance with Rexel's non-discrimination and diversity policies, in particular the search for a balanced representation of men and women in senior management.

The Nomination Committee has been assisted by a recruitment advisory firm from the definition of the required profile to the presentation of potential candidates for the functions of Chief Executive Officer or directors.

The succession plan is reviewed two or three times per year.

The Board of Directors has been informed of the progress of the works relating to the establishment of the succession plan in 2020 and will be informed regularly of its implementation, as the case may be, after each meeting of the Nomination Committee. The Chairman of the Audit and Risk Committee and the Chairwoman of the Compensation Committee were involved in the work of the Nomination Committee, in particular as part of the review of the succession plan of the Chief Executive Officer. In case of implementation of the succession plan, the Board of Directors will have to approve the implementation of the plan and the candidate and, as the case may be, submit the project to the Shareholders' Meeting.

Succession plans have also been drawn up for the Chairman and the Vice-Chairman of the Board of Directors.

3.1.1.2 A membership of the Board of Directors based on skills and diversity

Diversity policy within the Board of Directors

The Board of Directors is committed to ensuring effective diversity among its members. A team made up of members with diverse and complementary profiles, who also benefit from the necessary experience and expertise, is indeed a key factor to ensure a proper administration of Rexel.

The policy implemented by the Board of Directors therefore aims at recruiting diverse profiles, having sufficient experience and expertise to ensure cohesiveness among the directors and to allow the Board of Directors to carry out its operations thoroughly and efficiently and in line with the businesses of the Rexel Group.

The diversity policy of the Board of Directors is organized in accordance with the following principles:

- Presence of members with complementary and recognized skills;
- Presence of independent members;
- Diversity of nationalities and multicultural dimension;
- Presence of female members.

Appointments of new profiles are submitted by the Board of Directors to the General Shareholders' Meeting, after receiving recommendations from the Nomination Committee. The Nomination Committee reviews the skills and experience of each of the directors and verifies that they are in line with the policy determined by the Board of Directors (see paragraph 3.1.5 "Non-discrimination and diversity policy within management bodies" of this Universal Registration Document).

Members with complementary and recognized skills

The Board of Directors believes that, based on its current membership, it benefits from the complementarity and recognized skills of its members. Indeed, the directors have the practical and industry skills allowing the Board to carry out its operations thoroughly and efficiently.

Similarly, in its works relating to the evolution of its membership, the Board of Directors takes into account the current skills of its members and identifies the skills to be sought among candidates.

The skills represented within the Board of Directors, at December 31, 2020, are set out below.

■ **Skills matrix of the Directors**

	INTERNATIONAL EXPERIENCE	MANAGEMENT EXPERIENCE	FINANCE	STRATEGY	DISTRIBUTION INDUSTRY	REGULATIONS	DIGITAL	SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY
DIRECTORS								
Ian Meakins	√	√	√	√	√			
François Henrot	√	√	√	√	√			
Marcus Alexanderson	√		√	√				
François Auque	√	√	√	√			√	√
Patrick Berard	√	√		√	√		√	
Julien Bonnel	√	√		√	√			
Brigitte Cantaloube	√	√		√			√	
Toni Killebrew	√				√			
Elen Phillips	√		√		√	√		√
Maria Richter	√	√	√			√		√
Agnès Touraine	√			√		√	√	√
Herna Verhagen	√	√	√	√				√

Directors with a diversity of nationalities provide a multicultural dimension to the Board of Directors

As at December 31, 2020, 6 Directors were foreign nationals (United States, Panama, The Netherlands, United Kingdom, Sweden).

This cultural diversity among the Directors allows the latter to benefit from various visions and to better grasp the international issues at stake for the Rexel Group.

Independent directors

In accordance with the corporate governance principles and good practices set out in its internal regulations, the Board of Directors and each of the Committees comprise independent members who are elected or co-opted as such.

Definition of independence and related criteria

The definition of independence as well as the independence criteria are set by reference to the Afep and Medef corporate governance guidelines.

Accordingly, in assessing the situation of each Director, the Board of Directors analyzes the following criteria:

- Not be (or have been, over the past five years) an employee or an executive corporate officer of the Company or of a company included in its scope of consolidation, or an employee, an executive corporate officer or a Director of its parent company or of any company consolidated by the parent company;
- Not be an executive corporate officer of a company in which the Company holds a directorship (whether directly or indirectly) or in which an employee appointed as a Director or an executive corporate officer of the Company (currently or over the past five years) hold as directorship;
- Not be a client, supplier, investment banker, finance banker, counsel (or be directly linked to such persons):
  - Of significant importance to the Company or its Group;
  - Or for whom the Company or its Group presents a substantial part of its business.

For the purpose of the analysis of this criterion, the Board of Directors analyzes:

- The weight of the supplier in the total expenses of the Group/the weight of the client in to the total sales of the Group, or the fact that the Company or its Group represents a substantial part of the business of the supplier/of the client; and
- The appraisal of exclusive relationships;

• Not have any close family ties with a corporate officer;

• Not have been a Statutory Auditor of the business in the past five years;

• Not be a Director of the business for more than twelve years. The loss of the capacity of independent Director occurs after twelve years.

Furthermore, a non-executive corporate officer cannot be considered as independent if he or she receives variable compensation in cash or shares or any compensation related to the performance of the company or the group.

Directors representing significant shareholders of the company or of its parent company may be considered as independent provided that such shareholders do not participate in the control of the company. Nevertheless, beyond a threshold of 10% of share capital or voting rights held, the Board, upon report on the Nomination Committee, systematically questions the capacity of independent Director by considering the shareholding structure of the Company and the existence of potential conflicts of interest.

The Board of Directors may find that even where a Director satisfies the independence criteria defined by the recommendations of the Afep and of the Medef, that Director may not be qualified as independent owing to his/her individual situation or to the situation of Rexel, in light of its shareholder base or for any other reason. Conversely, the Board of Directors may consider that a director who does not satisfy the criteria detailed above is nonetheless independent.

Qualification procedure for independent members

The Nomination Committee reviews the designation of independent members each year and draws up a report to the Board of Directors on the matter. Each year, in light of this report, the Board of Directors reviews the situation of each director with respect to independence criteria.

The Board of Directors submits the findings of its review to the shareholders in the annual report.

The findings of the report of the Board of Directors are mentioned in paragraph below.

As of December 31, 2020 and in accordance with the guidelines of the AFEP-MEDEF Code in connection with the percentage of independent members within Board of Directors and Committees, and in particular guideline 9.3, which provides that the Directors who represent employees shall not be accounted for when determining the percentage of independent directors within the Board of Directors:

• 8 members out of 10 (excluding the directors representing employees) of the Board of Directors were considered as independent: François Auque, François Henrot, Ian Meakins, Elen Phillips, Maria Richter, Agnès Touraine, Herna Verhagen and Brigitte Cantaloube, *i.e.*, an independence rate of 80%;

• 5 members out of 5 of the Audit and Risk Committee were considered as independent: François Auque, Ian Meakins, Elen Phillips, Maria Richter and Brigitte Cantaloube *i.e.*, an independence rate of 100%;

• 4 members out of 5 of the Nomination Committee were considered as independent: François Henrot, Ian Meakins, Elen Phillips and Herna Verhagen, *i.e.*, an independence rate of 80%; and

• 4 members out of 5 (excluding the director representing employees) of the Compensation Committee were considered as independent: François Henrot, Ian Meakins, Maria Richter and Agnès Touraine *i.e.*, an independence rate of 80%.

The Board of Directors of February 10, 2021 reviewed, upon the report drawn up by the Nomination Committee, the status of each Director (except for the directors representing the employees) according to the independence criteria established by the AFEP-MEDEF Code.

In particular, the status of François Henrot, and especially, whether or not the existing business relationship between Rexel and the Rothschild Group are significant, has been analyzed. Following this analysis, the Nomination Committee has concluded that there was no significant business relationship between Rexel and the Rothschild Group, taking into consideration:

• The fees paid to the Rothschild Group represent a small percentage of the consolidated turnover of Rexel (0.004% in 2020); and

• The type of missions provided by the Rothschild Group to Rexel. Those financial consulting missions do not fall under the field of intervention of François Henrot within the Rothschild Group. Those missions are not provided by departments or offices under his responsibility and François Henrot is not informed, within the Rothschild Group, of the missions carried out for the benefit of Rexel due to the necessary existence of “Chinese walls”.

The Board of Directors, in consideration of the report established by the Nomination Committee, concluded that the Directors, with the exception of Marcus Alexanderson and Patrick Berard, met the independence criteria within the meaning of the AFEP-MEDEF Code.

This analysis did not cover Julien Bonnel and Toni Killebrew as directors representing the employees.

The findings of this review are set out in the table below:

Summary table of the independence criteria of the Directors compared to the criteria of the AFEP-MEDEF Code

DIRECTOR	NOT BEING OR HAVING BEEN WITHIN THE LAST FIVE YEARS AN EMPLOYEE, EXECUTIVE CORPORATE OFFICER OR DIRECTOR WITHIN THE GROUP	ABSENCE OF CROSS-DIRECTORSHIPS	ABSENCE OF BUSINESS RELATIONS	ABSENCE OF FAMILY TIES	NOT BEING AN AUDITOR OR FORMER AUDITOR	NOT BEING A DIRECTOR FOR MORE THAN 12 YEARS	NOT REPRESENTING A SHAREHOLDER HAVING MORE THAN 10%, ALONE OR IN CONCERT	DECIDED CHARACTERIZATION
Ian Meakins	√	√	√	√	√	√	√	Independent
François Henrot	√	√	√ (1)	√	√	√	√	Independent
François Auque	√	√	√	√	√	√	√	Independent
Marcus Alexanderson	√	√	√	√	√	√	(2)	Not independent
Patrick Berard	(3)	√	√	√	√	√	√	Not independent
Julien Bonnel								Director representing the employees (4)
Brigitte Cantaloube	√	√	√	√	√	√	√	Independent
Toni Killebrew								Director representing the employees (4)
Elen Phillips	√	√	√	√	√	√	√	Independent
Maria Richter	√	√	√	√	√	√	√	Independent
Agnès Touraine	√	√	√	√	√	√	√	Independent
Herna Verhagen	√	√	√	√	√	√	√	Independent

(1) Please see above for an analysis of the situation of François Henrot.
(2) Marcus Alexanderson represents Cevian, a shareholder representing more than 10% of the share capital.
(3) Patrick Berard has been serving as Chief Executive Officer of Rexel since July 1, 2016. His employment agreement is suspended during the exercise of his duties.
(4) In accordance with the guidelines of the AFEP-MEDEF Code, the Directors representing the employees are not accounted for in the calculation of the independence rates of the Board and of the Committees.

Balanced representation of men and women

As at December 31, 2020, the Board of Directors comprised 5 female members out of a total of 10 members (excluding directors representing the employees) *i.e.*, 50%, and was therefore in compliance with the provisions of article L.22-10-3 of the French Commercial Code. Also, two out of the three Committees of the Board of Directors are chaired by a female: the Nomination Committee is chaired by Herna Verhagen and the Compensation Committee is chaired by Agnès Touraine.

In addition, with a view to achieving a balanced representation of women and men, and in accordance with Article L. 22-10-17 of the French Commercial Code, the Board of Directors has determined a selection process that guarantees the presence of at least one person of each gender among the candidates in the event of the appointment of a Deputy Chief Executive Officer. This process is organized primarily around internal departments and external service providers who are in charge of conducting the recruitment process. As far as possible, these parties must identify, contact and select candidates of each gender. The recruitment process is then conducted in such a way as to ensure that at least one person of each gender is present among the candidates. Once the profiles have been selected, the Nomination Committee makes its recommendations to the Board of Directors, including at least one candidate of each gender. Finally, the Board of Directors makes its decision taking into account the recommendations of the Nomination Committee.

In the context of the renewal of the term of office of three directors (François Henrot, Marcus Alexanderson and Maria Richter), and if the Shareholders' Meeting of April 22, 2021 approves these renewals, the percentage of women will remain of 50%.

Multiple corporate offices

Regarding multiple corporate offices, Rexel aims to comply with the recommendations of the AFEP-MEDEF Code.

The Board of Directors reviews, upon each appointment of a director or of the Chief Executive Officer or upon each suggested appointment of a director or of the Chief Executive Officer within a board of directors of another listed company, the potential impact of such an appointment on the limitations on multiple corporate offices in accordance with the recommendations of the AFEP-MEDEF Code.

Results of the diversity policy

In accordance with the diversity policy determined by the Board of Directors, the Board submitted to the approval of the Shareholders' Meeting of June 25, 2020, the renewal of the term of office of Ian Meakins and Patrick Berard as well as the ratification of the co-option and renewal of Brigitte Cantaloube's term of office as Director.

3.1.1.3 Rules governing the membership and operation of the Board of Directors

The Board of Directors is made up, organized and performs the missions entrusted to it in accordance with applicable laws and regulations, the Company's by-laws and its internal regulations.

The internal regulations of the Board of Directors were adopted on May 22, 2014, which were last updated on February 12, 2020. This update further clarified the process for the evaluation of the Board of Directors. The internal regulations were adopted pursuant to Rexel's by-laws and set forth the provisions governing the organization and operation of the Board of Directors and the rights and responsibilities of its members. These internal regulations are not enforceable against third parties and may not be invoked by such parties against Directors.

The Board of Directors' internal regulations are available on the Company's website (www.rexel.com/en) and the main stipulations of the internal regulations are reproduced or summarized below.

Membership of the Board of Directors

Without prejudice to the exception provided by law on the event of a merger, the Board of Directors comprises at least 5 members but no more than 15 members, appointed or renewed in office by the Ordinary Shareholders' Meeting for a period of 4 years in accordance with the provisions of the by-laws.

Chairman, Deputy Chairman and Senior Independent Director, Executive Management

The Board of Directors elects a Chairman and, as the case may be, a Deputy Chairman from among its members who are natural persons in accordance with the provisions of the by-laws.

Chairman

The Chairman of the Board of Directors is responsible for convening the Board of Directors. He organizes and directs the work of the Board, and he reports on this work to the Shareholders' Meeting. He oversees the proper functioning of Rexel's bodies and ensures, in particular, that the directors are able to carry out their assignments.

The Chairman is also in charge of:

- Ensuring that the corporate governance principles are defined and implemented;
- With the assistance of the Nomination Committee, ensuring efficient operation of the Board of Directors and of its Committees and organizing the replacements and successions regarding the Board of Directors as well as the nominations on which to resolve;
- Ensuring that the Directors have access to all the documentation and information necessary for performing their duties within the required timeframe and under a clear and appropriate form;
- Where applicable, assisting and advising the Chief Executive Officer while respecting the executive duties of the latter;
- Contributing to the promotion of the values and image of Rexel both within and outside of the Group; and
- Preserving the quality of the relationship with the shareholders in close coordination with the action taken in this respect by the Chief Executive Officer.

To such effect, the Chairman:

- Is kept informed of significant events affecting the life of Rexel and of its Group;
- May access any documents and information he/she deems necessary or useful for the discharge of his/her duties;
- May attend meetings of any committees of which he/she is not a member, without the right to vote; and
- May meet current or potential shareholders and forward their concerns in relation to governance to the Board.

The Chairman reports on his duties to the Board of Directors.

The work of the Chairman

During the financial year ended December 31, 2020, the Chairman of the Board of Directors:

- Kept himself abreast of shareholders' expectations, particularly in terms of governance, activity and prospects, and ensured that any concerns they may have were discussed in the Board;
- Discussed on a number of occasions with the Chief Executive Officer in relation to various material and strategic events for Rexel. Following these exchanges, he ensured that material points (such as the regular monitoring of the situation in terms of activity and human resources in times of health crisis, digital transformation, succession plans and country performance) were presented and discussed by the Board;
- Discussed several times with the members of the Executive Committee and various employees of the Group to discuss organizational, strategic, commercial and other issues in particular in the context of the Covid-19 crisis;
- Took an active part in the search for a new director and in her recruitment by interacting with the other members of the Nomination Committee and meeting with candidates; Brigitte Cantaloube was co-opted as Director by the Board of Directors of February 12, 2020; and
- Discussed on a regular basis, and at least once per month, with each of the chairmen of the Committees in order to make sure that all of the points to be discussed within the Board of Directors are also reviewed by the members of the Committees and presented to the Directors for discussion; the Chairman also ascertained that the Board and Committee meetings are well organized and that the meeting schedule and working meetings are effective; and that the Board and Committee members' meetings are conducted in an appropriate manner. He also ensured a regular review of the Chief Executive Officer's succession plan.

Deputy Chairman

In the absence of the Chairman, the Deputy Chairman serves as Chairman and enjoys the same prerogatives.

In addition, the Deputy Chairman also performs the functions of Senior Independent Director. The Deputy Chairman acting as Senior Independent Director must qualify as an independent member under the criteria defined by the AFEP-MEDEF Code.

The appointment of a Deputy Chairman is mandatory where the functions of Chairman of the Board of Directors and of Chief Executive Officer are exercised by a single person. In such case, the Deputy Chairman shall also perform the functions of Senior Independent Director.

In his/her capacity as Senior Independent Director, the Deputy Chairman is in charge of:

- Managing potential conflict of interest situations, if any;
- Where applicable, assisting and advising the Chairman of the Board of Directors in respect of the corporate governance principles or the organization of the Board of Directors and of its Committees, while respecting the duties of the latter; and

- Conducting annual assessments of the organization and operation of the Board of Directors and its Committees.

For such purpose, the Deputy Chairman/Senior Independent Director:

- Presents the potential conflicts of interest identified to the Chairman of the Board of Directors and to the Board of Directors, as well as his/her recommendations as to how to address them;
- May access any documents and information he/she deems necessary or useful for the discharge of his/her duties;
- May attend meetings of any committees of which he/she is not a member, without the right to vote;
- May, at least once a year, call a meeting of the Directors in the absence of the executive corporate officers; and
- May meet current or potential shareholders and forward their concerns in relation to governance to the Board of Directors.

The Deputy Chairman reports on his/her work to the Board of Directors.

Work of the Deputy Chairman and Senior Independent Director

During the financial year ended December 31, 2020, the Deputy Chairman and Senior Independent Director, François Henrot:

- Chaired the General Shareholders' Meeting of Rexel on June 25, 2020, and presented the "Corporate Governance" of Rexel to the shareholders as well as the "Compensation of Managers" including a presentation of the Board of Directors, the suggested nominations or renewals of Director and the details of the compensation policy of corporate officers;
- Discussed on a regular basis with the Chief Executive Officer and the members of the Board of Directors in relation to the Covid-19 crisis, on impacts from a health perspective and on the Group's activity;
- Spoke on several occasions with the Chairman of the Board of Directors Ian Meakins in respect of the best practice recorded in France on the governance of listed companies, particularly in terms of the compensation of executive corporate officers;
- Actively participated in the search for and recruitment of a new director by interacting with the other members of the Nomination Committee and meeting with candidates; Brigitte Cantaloube was co-opted as Director by the Board of Directors of February 12, 2020; and
- Presented the governance of Rexel and the operation of the Board of Directors and of its Committees during the governance roadshow organized at the beginning of 2020 with various investors. The compensation policy for executive directors was discussed at these meetings and a report on these discussions was presented to the Board so that it is fully informed of the expectations of the main investors.

Executive Management

The Company's Executive Management is performed, under his/her responsibility, by the Chairman of the Board of Directors, or by another private person, who need not be a Director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Chief Executive Officer is Patrick Berard.

The informations concerning the Executive Management of Rexel are developed in detail in paragraph 3.1.3 "Executive Management" of this Universal Registration Document.

Board of Directors observer *(censeur)*

The Board of Directors may appoint up to 3 observers *(censeurs)* for up to 4 years, who may be but are not required to be shareholders. The observers are called to attend and take part in the meetings of the Board of Directors and of the Committees with an advisory vote.

Operation of the Board of Directors

Competence

The Board of Directors determines the Company's business orientations and oversees their implementation. Subject to the powers specifically assigned to the Shareholders' Meeting and within the scope of the corporate purpose, it addresses any and all matters pertaining to the proper operation of the Company and settles the Company's business through its deliberations.

In its relationships with third parties, the Company is bound even by the *ultra vires* acts of the Board of Directors, unless it is able to prove that the third party was aware that the act was *ultra vires* or could not be unaware of it in the circumstances, provided always that the mere publication of the by-laws shall not suffice to establish such proof.

The Board of Directors undertakes the controls and verifications it deems fit.

Each director receives all of the information required for the purpose of discharging his/her duties and may obtain copies of any and all documents he/she deems useful from the Chairman.

Each Director may benefit, if he/she deems necessary, from training in connection with the specificities of Rexel, its businesses and industry. The Covid-19 crisis has complicated the implementation of trainings in 2020, as it had been the case in 2019 for example through the Directors' awareness in respect of the various aspects of digitalization during the Digital Day organized by Rexel Expo Paris. In addition, the training modules on the prevention of corruption risks available within the Group have been kept accessible to Directors.

Taking into account their specific status, the Directors representing the employees benefit from a preparation time of 15 hours prior to each meeting, as well as of 40 hours of training time per year. These training sessions may concern, in particular, the operation of the Board of Directors, the rights and duties of a Director and the business of Rexel.

The Board of Directors has the following powers, *inter alia*:

(i) Powers in the area of control:
- It controls the management;
- It reviews the financial position, liquidity and commitments of Rexel and its subsidiaries;
- It reviews the liquidity of Rexel and its subsidiaries;
- It reviews the financial statements auditing process and information provided to the shareholders and to the market; and
- It authorizes related-party agreements.

(ii) Powers in the area of nomination:
- It appoints and dismisses the Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors;
- It appoints and dismisses the Chief Executive Officer and the Deputy Chief Executive Officers, determines their number within the limits provided by the by-laws;
- It chooses the executive management organization method (separation of the functions of Chairman from the functions of Chief Executive Officer, or merger of both functions);
- It co-opts the Directors; and
- It is informed on the appointment, dismissal/termination of the members of the Executive Committee.

(iii) Powers in the area of compensation:
- It determines the compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officers;
- It allocates the compensation of Directors; and
- It issues opinions on the compensation of the Executive Committee members.

(iv) Preparation of reports to be submitted to General Shareholders' Meetings:

Each year, the Board of Directors submits a report on the Company's situation and business during the financial year and on the financial statements for the financial year to the Ordinary Annual Shareholders' Meeting. It also presents a report on corporate governance.

The Board of Directors submits recommendations on the reappointment of the Directors.

(v) Powers to grant prior authorization to the Chief Executive Officer to make certain decisions:

The Board of Directors grants the Chief Executive Officer the authorizations required by law or by a provision of the by-laws.

Under Rexel's by-laws and the internal regulations of the Board of Directors, the following decisions require the prior authorization of the Board of Directors:
- Adoption of the annual budget;
- Adoption of the strategic plan;
- Proposed shareholder resolutions in relation to distributions (including dividends or reserves) to the shareholders;
- Proposed shareholder resolutions in relation to the replacement of the Statutory Auditors;
- Adoption of significant changes to the accounting methods;
- Rexel's acceptance of and resignation from any office as a member of a Board of Directors or equivalent body, and the nomination and dismissal of the Company's permanent representatives at such boards or equivalent bodies;
- Proposed shareholder resolutions and exercise of delegations of authority or powers granted by the Shareholders' Meeting in relation to the issue of shares or securities conferring access to

the share capital of the Company, or of a company that holds more than one-half of its share capital (whether directly or indirectly), or of a company whose share capital is more than 50% held by the Company (whether directly or indirectly), or of securities conferring the right to the allotment of debt securities, in each case whether immediately and/or in the future;

- Proposed resolutions to the Shareholders' Meeting in relation to share buyback programs;
- Acquisitions and disposals of any businesses, holdings in any companies or assets, and incurrence of any investment expenditure, in each case for an enterprise value in excess of an amount determined by the Board of Directors;
- Decisions to create a business division or subsidiary or to invest in a business division or to acquire an interest in a business in a country where the Company is not active;
- Indebtedness (including by means of bond issues) or assumption of liabilities, in each case for an amount in excess of a threshold determined by the Board of Directors;
- Allotment of stock options, free shares or other plans involving Company equity-securities in favor of employees of the Company or its subsidiaries;
- Signing of any merger, demerger or contribution agreement;
- Listing of securities of the Company or of any of its subsidiaries on a regulated market;
- Any transaction resulting in a significant change in the business of the Company and its subsidiaries; and
- Any settlement or compromise in relation to any dispute involving an amount in excess of a threshold determined by the Board of Directors.

Prior consultation of the Committees

Insofar as possible and depending on the circumstances, any deliberation of the Board of Directors on a matter falling within Committee's scope of competence shall be preceded by a referral of the relevant matter to the Committee and may be passed only after the relevant Committee has submitted its recommendations or proposals.

Meetings

The Board of Directors meets whenever the best interests of the Company so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman in accordance with the provisions of the by-laws.

The convening notice as well as the documents necessary to the duties of the Directors are sent three business days prior to each meeting of the Board of Directors.

Meetings held by videoconference or other means of telecommunication

The Directors can take part in Board meetings by videoconference or any other means of telecommunication, in accordance with the law and the provisions of the by-laws.

Majority rules

In accordance with the Company's by-laws, decisions are made by majority vote of the Directors who are present or represented; each Director holds one vote and may not represent more than one fellow Director.

In the event of a tie, the Chairman of the meeting shall have a casting vote if (and only if) the Board of Directors comprises an even number of Directors in office, and only at meetings presided by the Chairman of the Board of Directors.

Code of Conduct of the Board of Directors

The Board of Directors, a collegiate body, is required to act in Rexel's corporate interests under all circumstances.

The Directors carry out their duties with loyalty and professionalism.

The Directors make sure to avoid conflicts of interest between their personal interests and those of Rexel. Accordingly:

- The Directors ensure that their independence of judgment, decision and action is at all times protected. They agree not to be influenced by any factors contrary to the corporate interest that they are duty bound to defend; and
- The Directors undertake to avoid conflicts between their moral and material interests and those of the Company. They inform the Senior Independent Director of any effective or potential conflicts of interest in which they may be involved. In such case, they abstain from taking part in the debates and in any decision on the relevant matters and do not receive any document relating to the situation that creates, even potentially, a conflict of interests.

The Senior Independent Director, or the Chairman if the Senior Independent Director is concerned by the conflict of interests, may review, at his own option, any current or potential conflict of interests that he may become aware of and carry out any investigation in order to identify or avoid any conflict.

Compensation

The Ordinary Shareholders' Meeting may allocate a compensation to Directors, in an amount recorded in Rexel's operating expenses. Such compensation remains valid until another decision is made by the Shareholders' Meeting. The Board of Directors allocates this compensation among the Directors as it deems appropriate.

In addition, Directors whose country of residence is on another continent than the place of meeting of the Board may receive a specific time and travel allowance of an amount decided by the Board of Directors.

The Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers and the Directors may receive a compensation in accordance with applicable law and the Company by-laws.

Holding of shares by the Directors

For their whole term of office, the Directors must hold at least one thousand shares of Rexel. If, at the date of his/her appointment, a Director does not hold the required number of shares, or if, during the course of his/her term of office, he/she ceases to hold such number of shares, he/she shall be deemed to have resigned from his/her duties unless he/she takes the necessary steps within the time requirements of applicable law and regulations.

In addition to the requirement to hold one thousand Rexel shares, each Director, as an individual member or as permanent representative of a legal entity, shall hold, under the registered form *(sous la forme nominative)*, during the term of his or her mandate, a number of shares of Rexel corresponding to an amount at least equal to the gross amount of the fixed portion on yearly theoretical basis of the activity-based compensation received by such Director. If a Director does not hold a sufficient number of shares, the said Director shall progressively acquire the said number of shares over a period of four years by using the activity-based compensation received.

These share retention obligations do not apply to the directors representing the employees or to the observers.

Board Committees

The Board of Directors may create Committees to assist it in carrying out its duties (see paragraph 3.1.2 "Committees of the Board of Directors" of this Universal Registration Document).

The internal regulations of the Board of Directors set the rules that apply to each Committee, in particular those rules relating to their composition and operational procedures, as well as certain rules that are specific to each of the Committees.

Assessment of the organization and operation of the Board of Directors

The Board of Directors of Rexel undertakes a self-assessment of its performance on a periodic basis and at least once a year. The assessment of the performance of the Board of Directors is conducted by the Senior Independent Director, or in the absence of a Senior Independent Director, by an independent Director appointed by the Board of Directors. It may take the form of anonymous questionnaires sent to each Director. Once a year, the results of such assessment are presented to and debated at a meeting of the Board of Directors, under the conduct of the Senior Independent Director or in the absence of a Senior Independent Director of an independent Director appointed by the Board of Directors. On this occasion, the various items of the mission and duties of the Board and of the Directors are reviewed and assessed, and recommendations (as the case may be) are made for the improved operation of the Board.

In addition, an assessment of the Board of Directors' performance is carried out at least once every three years, with the assistance of an external consultant, eventually under the guidance of the Senior Independent Director, or, in the absence of a Senior Independent Director, by the independent Director appointed by the Board.

For 2020, the assessment of the composition, the organization and operation of the Board of Directors and of its committees was carried out by an independent consultant, Egon Zehnder.

The assessment shows that, from a governance perspective, the Board of Directors has made good progress over the last three years, that it works efficiently and follows high-standard practices. The size of the Board of Directors appears to be appropriate and allows for a large diversity in terms of international experience and gender. Directors benefit from a multi-competencies expertise in terms of functions, sectors and geographies. The operation of the Board of Directors appears to be efficient, in particular regarding the frequency and the length of the meetings, the high-quality and transparency of information, the strong preparation of the members as well as the debating time that appears to be appropriate. The Committees of the Board of Directors are composed of members who are competent and fully engaged in the same way as their respective chairmen/women are. Furthermore, the Board of Directors' output appears professional on regulatory and governance matters. Important decisions are handled in a constructive, efficient, collective and mature way. In addition, the Board of Directors' internal dynamics has been strengthened, in particular due to the trust-based relationships among directors. Finally, the Board of Directors has proved agile and resilient in the face of the challenges caused by the Covid-19 crisis. Nevertheless, areas for improvement remains possible and suggestions have been made to improve the operation of the Board of Directors. In particular, the Board of Directors' organization and the dialogue among directors on long-term subjects may be further improved, particularly in the areas of the development of the longer term strategy, talent management and ESG-related topics, which will be key challenges for business.

3.1.1.4 The work of the Board of Directors during the 2020 financial year

CHAIRMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE (1)	FEMALE DIRECTORS (1)	NUMBER OF MEETINGS HELD IN 2020	AVERAGE ATTENDANCE RATE
Ian Meakins	12	80%	50%	21	98%

(1) Excluding the Directors representing the employees.

During the financial year ended on December 31, 2020, the Board of Directors met on 21 occasions.

In connection with the Covid-19 health crisis, the Board of Directors monitored the impacts of the crisis regarding the Group's activity, the health and safety of employees, discussing on a regular basis with the Executive Committee.

The Board of Directors deliberated on, *inter alia*:

- The review of the financial statements for the financial year ended on December 31, 2019, and the related financial disclosure;
- The review of the 2019 Universal Registration Document and its amendment;
- The compensation of the executive corporate officers;
- The yearly approval and review of the related party agreements;
- The decision not to distribute dividends in a context of health crisis;
- The preparation of Rexel's Ordinary and Extraordinary Shareholders' Meeting of June 25, 2020;
- The review of the quarterly disclosure on sales;
- The review of the work of the Committees of the Board of Directors;
- The Rexel Group's budget for the 2021 financial year as well as the strategic multi-year plan;
- The envisaged disposals and acquisitions of the Rexel Group; the review of strategic matters;
- The risk-mapping review;
- The evolution of the membership of the Board of Directors;
- The implementation of a free share plan;
- The succession plan of the CEO and of the members of the Executive Committee and of the country CEOs;
- The assessment of the Board of Directors;
- The social and environmental responsibility of the Group; and
- The implementation of the share repurchase plan.

The significant number of meetings held in 2020 is explained by the regular monitoring of the situation by the Board of Directors in terms of activity and human resources in the context of the Covid-19 crisis.

During the financial year ended on December 31, 2020, the non-executive Directors met on 3 occasions, including two meetings outside the presence of the Chief Executive Officer and the Chairman of the Board of Directors. During these meetings, the non-executive Directors discussed the following topics: the evaluation of the Chief Executive Officer's performance and the organization of the Chief Executive Officer's succession plan, as well as the acceptance by the Chairman of the Board of Directors of a second term of office as non-executive Chairman of a company listed abroad.

The Board of Directors was further informed of the progress made on the main structuring projects conducted by the Rexel Group subsidiaries.

The meetings of the Board of Directors are generally organized in persons. In 2020, given the Covid-19 pandemic, the meetings of the Board of Directors have mainly been held remotely. The attendance rate at the meetings of the Board of Directors and of the Committees was as follows:

	BOARD OF DIRECTORS		AUDIT AND RISK COMMITTEE		NOMINATION COMMITTEE		COMPENSATION COMMITTEE	
	NUMBER OF MEETINGS	**ATTENDANCE RATE**	**NUMBER OF MEETINGS**	**ATTENDANCE RATE**	**NUMBER OF MEETINGS**	**ATTENDANCE RATE**	**NUMBER OF MEETINGS**	**ATTENDANCE RATE**
DIRECTORS								
Ian Meakins	21	100%	7	100%	6	100%	7	100%
François Henrot	21	100%	–	–	6	100%	7	100%
Marcus Alexanderson	21	100%	–	–	6	100%	7	100%
François Auque	21	100%	7	100%	–	–	–	–
Patrick Berard	21	100%	–	–	–	–	–	–
Julien Bonnel	21	100%	–	–	–	–	7	100%
Brigitte Cantaloube(1)	19	100%	5	100%	–	–	–	–
Toni Killebrew(2)	3	100%	-	-	-	-	-	-
Elen Phillips	21	100%	7	100%	6	100%	–	–
Maria Richter	19	90%	7	100%	–	–	7	100%
Agnès Touraine	21	100%	–	–	–	–	7	100%
Herna Verhagen	19	90%	–	–	6	100%	–	–
Average rate		**98%**		**100%**		**100%**		**100%**

(1) Brigitte Cantaloube was co-opted as Director by the Board of Directors on February 12, 2020. This co-option as well as the renewal of her term of office as Director were approved by the Shareholders' Meeting of June 25, 2020. She is a member of the Audit and Risk Committee since this date.

(2) Toni Killebrew was appointed as Director representing the employees by the European Works Council on November 19, 2020.

3.1.2 Committees of the Board of Directors

The Board of Directors may create Committees to assist it in carrying out its duties.

As at December 31, 2020, the three Committees of the Board of Directors were as follows: the Audit and Risk Committee, the Nomination Committee and the Compensation Committee.

The Committees are responsible for providing the Board of Directors with their opinions, proposals or recommendations. Their powers are strictly advisory and they discharge their duties under the Board of Directors' responsibility.

In order to validly deliberate, at least half of the members must be in presence. A Committee member may not be represented by another member.

The Committee's recommendations or proposals are issued by a majority vote of the members and the Chairman does not have a casting vote in case of a tie.

After having informed the Chairman of the Board of Directors (and the Chief Executive Officer in cases (i) and (ii) below) and subject to reporting to the Board of Directors, each of the Committees may, in the exercise of its duties:

(i) Have Rexel provide it with any document that it deems useful for the performance of its duties;

(ii) Organize a meeting with the Chief Executive Officer or any other person that the Committee deems fit to meet with; and

(iii) Be assisted in its meeting by any third party of its election (expert, counsel, lawyer or Statutory Auditor).

The Committees may also invite the Chief Executive Officer to attend their meetings.

Each of the Board of Directors' Committees may draw up internal regulations that shall be approved by the Board of Directors and which complement the provisions of its internal regulations.

3.1.2.1 Audit and Risk Committee

CHAIRMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE	NUMBER OF MEETINGS HELD IN 2020	AVERAGE ATTENDANCE RATE
François Auque	5	100%	7	100%

Members of the Audit and Risk Committee

As at December 31, 2020, the Audit and Risk Committee was made up of the following members:

- François Auque (Chairman and Independent Director);
- Ian Meakins (Independent Director);
- Elen Phillips (Independent Director);
- Maria Richter (Independent Director); and
- Brigitte Cantaloube (Independent Director).

The members of the Audit and Risk Committee are appointed on the basis of specific skills in the financial or accounting fields, in consideration of their academic education and professional experience, in particular in connection with the preparation, audit and analysis of financial statements, accounting issues and risk follow-up and management.

Each of the members of the Audit and Risk Committee has skills in the financial and/or accounting fields. In addition, the members of the Audit and Risk Committee are informed of the Rexel Group's accounting, financial or operational specificities.

The independence criteria of the Directors are set out in paragraph 3.1.1.3 "Rules governing the membership and operation of the Board of Directors" of this Universal Registration Document. Within the Audit and Risk Committee, at December 31, 2020, all of the members were therefore considered as independent, *i.e.*, an independence rate of 100%.

Operation of the Audit and Risk Committee

The main provisions of the internal regulations of the Audit and Risk Committee are set out below. Such provisions take into account the conclusions of the working group on Audit Committee set up by the AMF.

Members

The Audit and Risk Committee is made up of a maximum of 7 members and includes independent Directors. At least one of the independent Directors must have expertise in financial and accounting matters.

The executive corporate officers cannot be members of this Committee.

The members of the Audit and Risk Committee are appointed for their expertise in accounting and finance matters.

Competence

The Audit and Risk Committee monitors the elaboration and the control of the financial and accounting information. It assists the Board of Directors in ascertaining the accuracy and fairness of the company and consolidated financial statements of Rexel and the quality of the information provided. Its mission, as assigned by the Board of Directors when preparing the parent company and consolidated financial statements, which are drawn up annually, half-yearly and quarterly in accordance with applicable regulations, and when preparing any deliberations with respect to the financial statements of Rexel, is to make recommendations and submit proposals to the Board of Directors in all areas listed below:

- Review and audit of the accounting and financial information:
  - Knowledge of the scope of consolidation, accounting methods and audit procedures;
  - Review of the drawing-up process of the financial information, and where applicable, determination of guidelines in order to guarantee their integrity;

- Review of the half-yearly and annual financial statements, and in particular analysis of provisions, and of material risks and off-balance sheet commitments;
- Knowledge of accounting positions taken in recognizing material transactions;
- Submission of recommendations to the Board of Directors on proposed adoptions of material changes to accounting methods;
- Review of the Group's financial position, review and issue recommendations to the Board of Directors on any borrowing or assumption of liabilities by the Company in an amount exceeding the threshold which such transactions are subject to prior approval by the Board of Directors; and
- Review of the procedures for preparing information provided to shareholders and to the market and review of the Group press releases relating to accounting and financial information.
- Follow-up of the performance of their duties by the Statutory Auditors:
  - Monitoring of the work of the Statutory Auditors of the consolidated and company quarterly, half-yearly and annual financial statements;
  - Reporting to the Board of Directors on the outcome of the mission of certification of the financial statements, on the manner in which this mission contributed to the integrity of the financial information and on the role carried out in this process, and immediate information on any difficulty encountered; and
  - Follow-up of the controls carried out by the Audit Office Control Board *(Haut Conseil du commissariat aux comptes)*.
- Control of the Statutory Auditors and monitoring of the independence of the Statutory Auditors:
  - Steering of the selection procedure applicable to the Statutory Auditors;
  - Submission of recommendations to the Board of Directors on the proposals to the general meeting of shareholders with respect to appointing, replacing and reappointing the Statutory Auditors;
  - Knowledge of the amount of fees paid to the Statutory Auditors and recommendation thereon to the Board of Directors;
  - Ascertaining that the Statutory Auditors comply with the independence criteria; and
  - Approval of the provision of services other than the certification of financial statements by the Statutory Auditors.
- Monitoring the efficiency of internal control, risk management and internal audit procedures:
  - Submission of recommendations on the mission and organization of the Group's internal audit department and its action plan;
  - Review of the main conclusions made by the internal audit department within its work, followed by a report to the Board of Directors;
  - Review of the contribution of the internal audit department within the evaluation of the risk management process and of the internal control; and
  - Review of the organization and of the implementation of the internal control guidelines within the Group and review of the process for identifying and monitoring risks.

Operations

The Audit and Risk Committee meets at least 4 times per year and whenever it deems it necessary. It meets prior to those meetings of the Board of Directors at which matters falling within its scope are to be reviewed. The frequency and duration of Audit and Risk Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the Committee's scope.

The work of the Audit and Risk Committee during the financial year ended on December 31, 2020

The Audit and Risk Committee met on 7 occasions in the course of the 2020 financial year, in particular prior to the meetings of the Board of Directors called to approve the financial statements and the revenue, and reported on its work to the Board of Directors.

The attendance rate at the meetings of the Audit and Risk Committee amounted to 100% for the 2020 financial year.

The Group Chief Financial Officer, the Chief Financing, Cash Flow and Tax Officer, the Group Chief Financial Controller, the Group Chief Accounting Officer, the Group Chief Internal Audit Officer, and the Statutory Auditors attended each of these meetings. Other members of the management of the Rexel Group attended some of these meetings when matters requiring their expertise were on the agenda.

In addition, the Audit and Risk Committee may ask to hear the Chief Executive Officer if it deems it necessary in view of the matters on the agenda.

In 2020, its work related to, in particular the review of:

- The financial statements for the financial year ended on December 31, 2019, the summary half-year financial statements as at June 30, 2020 and the quarterly revenue (1st and 3rd quarters);
- The proper application of the accounting principles;
- The proper operation of Rexel's internal control bodies (see in particular Chapter 2 "Risk factors and internal control" of this Universal Registration Document);
- The tax situation of the Rexel Group;
- The financing and refinancing conditions of Rexel;
- The allocation of profit/loss; and
- The risk environment, especially in connection with the Covid-19 crisis on health and activity of the Group.

The Statutory Auditors presented their findings in connection with the audit of the annual financial statements for the financial year ended on December 31, 2019, the limited review of the summary half-year financial statements as at June 30, 2020 and of the procedures followed for the purpose of the summary of quarterly financial information as at March 31, 2020 and September 30, 2020. They were also heard by the members of the Committee at each meeting excluding the presence of the management of the Rexel Group.

3.1.2.2 Nomination Committee

CHAIRWOMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE	NUMBER OF MEETINGS HELD IN 2020	AVERAGE ATTENDANCE RATE
Herna Verhagen	5	80%	6	100%

Members of the Nomination Committee

As at December 31, 2020, the Nomination Committee was made up of the following members:

- Herna Verhagen (Chairwoman and Independent Director);
- Marcus Alexanderson (non-Independent Director);
- François Henrot (Senior Independent Director);
- Ian Meakins (Independent Director); and
- Elen Phillips (Independent Director).

The independence criteria of the Directors are detailed in the paragraph 3.1.1.3 "Rules governing the membership and operation of the Board of Directors" of this Universal Registration Document. At December 31, 2020, 4 out of 5 members of the Nomination Committee were considered as independent, *i.e.*, an independence rate of 80%.

Operation of the Nomination Committee

The main stipulations of the internal regulations of the Nomination Committee are set out below.

Members

The Nomination Committee is made up of a maximum of 7 members and includes independent Directors. It is chaired by an independent Director. The executive corporate officers cannot be members of the Nomination Committee.

Powers

The Nomination Committee has the following responsibilities:

- Make proposals in relation to appointment, termination/dismissal and on the renewal of the offices of the Directors and of the Chairman of the Board of Directors, of the members and of the Chairman of the Committee, of the Chief Executive Officer and of the Deputy Chief Executive Officers, and issue recommendations on the candidates considered, in terms of expertise, availability, appropriateness and complementarity with other Directors or of executive management;
- Be informed of any appointment, dismissal or termination of the functions of any Executive Committee member;
- Proposals in relation to the qualification as independent Directors;
- Verify compliance with the independence criteria and issue opinions thereon, as required, and advise the Chairman of the Board of Directors on the number of independent directors;

- Be in a position at any time to formulate a proposal on a potential successor to the Chairman of the Board of Directors or to the Chief Executive Officer; and
- Issue a recommendation, on the Chief Executive Officer's proposal, on the Company's acceptance of and resignation from any office as a Director or any equivalent body and on the nomination and dismissal of permanent representatives of Rexel on such Board of Directors or equivalent bodies.

In connection with the aforementioned powers, the members of the Committee may invite the executive corporate officers to participate in the works in order to express their views on the proposed appointments, except where their personal situation is concerned.

Operations

The Nomination Committee meets at least once per year and whenever it deems it necessary. It meets prior to those meetings of the Board of Directors at which matters falling within its scope are to be reviewed. The frequency and duration of Nomination Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within the Committee's scope.

The work of the Nomination Committee during the financial year ended December 31, 2020

The Nomination Committee met on 6 occasions during the 2020 financial year.

The attendance rate at the meetings of the Nomination Committee for the 2020 financial year was 100% for the Nomination Committee.

It reported on its work to the Board of Directors.

In 2020, its work related to, in particular, the review of:

- The report of the Nomination Committee on the independence of the Directors;
- The diversity policy of the Board of Directors;
- The annual review of the independence of the members of the Board;
- The Rexel policy on diversity and feminization of leading bodies;
- The yearly renewal of the directors and the evolution of the membership of the Board of Directors and of Committees;
- The appointment of a new Director representing the employees; and
- The presentation of the succession plans of the Chief Executive Officer, Country CEOs, Executive Committee members and talent management.

The Chairman of the Audit and Risk Committee and the Chairwoman of the Compensation Committee were associated with the work of the Nomination Committee on the succession of the Chief Executive Officer.

3.1.2.3 Compensation Committee

CHAIRWOMAN	NUMBER OF MEMBERS	INDEPENDENCE RATE	NUMBER OF MEETINGS HELD IN 2020	AVERAGE ATTENDANCE RATE
Agnès Touraine	6	80% (1)	7	100%

(1) Excluding the Director representing the employees.

Members of the Compensation Committee

As at December 31, 2020, the Compensation Committee was made up of the following members:

- Agnès Touraine (Chairwoman and Independent Director);
- Marcus Alexanderson (non-Independent Director);
- Julien Bonnel (Director representing the employees);
- François Henrot (Senior Independent Director);
- Ian Meakins (Independent Director); and
- Maria Richter (Independent Director).

The independence criteria of the Directors are detailed in the paragraph 3.1.1.3 "Rules governing the membership and operation of the Board of Directors" of this Universal Registration Document. At December 31, 2020, 4 members out of 5 of the Compensation Committee were considered as independent *i.e.*, an independence rate of 80% (excluding the director representing the employees).

Operation of the Compensation Committee

The main stipulations of the internal regulations of the Compensation Committee effective as at December 31, 2020, are set out below.

Members

The Compensation Committee is made up of a maximum of 7 members and includes independent directors. It is chaired by an independent director. The executive corporate officers cannot be members of this Committee.

Powers

The Compensation Committee has the following responsibilities:

- Make recommendations to the Board of Directors on the compensation of the Chairman of the Board of Directors and of the Chief Executive Officer and Deputy Chief Executive Officers, and on the rules for determining the variable components of such compensation as well as any additional items such as retirement schemes and benefits in kind;
- Make recommendations to the Board of Directors on the allocation of the directors' compensation;
- Be informed of the proposed severance payments in connection with the termination of the employment contract of the Chief Executive Officer or Deputy Chief Executive Officers, and provide its opinion in relation thereto to the Chairman of the Board of Directors;
- Express its views on the stock options and free shares allotment policy in respect of all categories of beneficiaries and particularly the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Company's Executive Committee; make a recommendation on the allotment periodicity and allotment terms and conditions; and
- Make recommendations on the compensation policy for members of the Executive Committee. On this occasion, the Committee may invite the executive corporate officers to participate in the meeting dedicated to the compensation of the members of the Executive Committee.

Operations

The Compensation Committee meets at least once each year and, in any case, each time that it deems necessary and prior to those Board of Directors' meetings at which matters falling within its scope of competence are to be reviewed. The frequency and duration of Compensation Committee meetings must be such that they allow for in-depth review and discussion of the matters falling within its scope of competence.

The work of the Compensation Committee during the financial year ended on December 31, 2020

The Compensation Committee met on 7 occasions in the course of 2020.

The attendance rate at the meetings was 100% for the Compensation Committee.

It reported on its work to the Board of Directors.

In 2020, its works related to, in particular:

- The variable compensation in respect of the financial year ended December 31, 2019 of the Chief Executive Officer;
- The compensation in respect of the financial year ended December 31, 2020 of the corporate officers;
- The specific analysis of the impact of the Covid-19 pandemic on the compensation of the Chief Executive Officer, the Chairman of the Board of Directors and the Directors;
- The Directors' compensation;
- The follow-up of the regulatory updates; and
- The analysis of the reports of agencies in voting council.

The developments in connection with the terms of compensation of the executive corporate officers are set out in paragraph 3.2 "Compensation of the corporate officers" of this Universal Registration Document.

The executive corporate officers may be invited to participate in the meetings by the members of the Committee in order to express their views on the compensation of the members of the Executive Committee.

3.1.3 Executive Management

As of the date of this Universal Registration Document, Rexel's executive management is exercised by a Chief Executive Officer. This mode of executive management results from the decision of the Board of Directors to dissociate the functions of Chairman of the Board of Directors and of Chief Executive Officer (Please see paragraph "Dissociation of the duties of Chairman of the Board of Directors and of Chief Executive Officer" in the introduction of paragraph 3.1 "Administration bodies and management" of this Universal Registration Document).

The Board of Directors has appointed Patrick Berard as Chief Executive Officer, effective on July 1, 2016. The corporate office of Chief Executive Officer of Patrick Berard was renewed on June 25, 2020 for a term to expire upon the end of the Shareholders' Meeting that is to resolve in 2024 on the accounts for the year ended December 31, 2023.

The decisions requiring the prior authorization of the Board of Directors are described in paragraph 3.1.1.3 "Rules governing the membership and operation of the Board of Directors" of this Universal Registration Document.

3.1.4 Executive Committee

Rexel's operational organization is structured around an Executive Committee.

The Executive Committee includes as at the date of this Universal Registration Document 10 members, including 4 in charge of key operating activities:

Patrick Berard	Chief Executive Officer
Group duties	
Luc Dallery	Human Resources Director and Group Communication Director
Laurent Delabarre	Group Chief Financial Officer
Guillaume Dubrule	Group Purchasing and Supplier Relationship Director
Sébastien Thierry	General Secretary and Secretary of the Board of Directors
Nathalie Wright	Group Digital and IT Transformation Director & Chief Executive Officer Nordics
Operational functions	
Jeff Baker	Chief Executive Officer and Senior Vice President of Rexel USA
Pierre Benoît	Chief Executive Officer United Kingdom / Ireland – Benelux
Roger Little	Chief Executive Officer Canada
Thomas Moreau	Chief Executive Officer of Rexel France

The Executive Committee meets on a regular basis to define the Rexel's Group strategy, coordinate initiatives (particularly with respect to operations), monitor Rexel Group's performance and ensure the implementation of cross-divisional projects.

3.1.5 Non-discrimination and diversity policy within management bodies

Rexel is committed to non-discrimination and diversity within the Board of Directors, the Executive Committee, positions of greater responsibility within its organization and more generally within the Group.

Its ambition is based on the search, management and retention of talents guaranteeing dynamic career development and personal fulfillment.

Its belief is that a mixed team contributes to sustainable performance.

Its transformation culture is based on an inclusive management style that supports the commitment of its teams, while respecting the differences of each individual.

Thus, in order to comply with the guidelines of the AFEP-MEDEF Code and the AMF in terms of the diversity of its members, particularly in terms of the representation of women and men, the Executive Management and Human Resources have set up action plans with monitoring indicators.

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The main ambitions and achievements are as follows:

- **Hiring and promoting talented women to positions of greater responsibility:**

  By 2025, the Rexel Group ambition is to reach a number of women representing 30% of the *Group Senior Executives*. To this end, the Group's policy of non-discrimination and diversity within the Group's management bodies aims, in particular, to set annual objectives adapted to each of the countries in which the Group operates.

  The number of women in the Group Senior Executives population has gradually and significantly increased to 19% in 2020 compared to 15 % in 2019 and 12% in 2018.

  In 2020, 78 non-manager women were promoted to managers, *i.e.*, 1.7% of non-manager women, and 180 men, *i.e.*, 1.2%% of non-manager men. In addition, equal representation of men and women on the Board of Directors has been achieved since 2020 by the appointment of Brigitte Cantaloube as a Director as a replacement of Thomas Farrell, who resigned on July 19, 2019. In line with the Group's policy of equal representation of men and women throughout the Group's internal organization, the European Works Council of November 19, 2020 appointed a woman, Toni Killebrew, as the second director representing employees.

- **Ensuring access to training for women:**

  The Group Advanced Leadership program, designed to provide employees with the tools and keys to success to increase their visibility and leadership, has welcomed 27% women since its launch in 2018.

  More generally, in 2020, 22.2% of employees who received training were women, although they represented 22.6% of the total workforce.

- **Ensuring equal compensation treatment for men and women:**

  Rexel is aiming at achieving equal pay within the organization.

  In 2020, 65.5% of women on open-ended contracts with at least one year's length of service benefited from an increase, compared with 62.2% of men on open-ended contracts with at least one year's length of service.

- **Ensuring access to professional mobility for women:**

  Rexel strives to guarantee and ensure gender equality regarding job mobility schemes. In 2020, 8.3% of women benefited from job mobility compared to 8.2% of men.

For more information, Rexel's performance on gender equality is described in the extra-financial performance declaration (chapter 4, section 4.3.4.1 Gender equality).

3.1.6 Statements concerning the Board of Directors

To Rexel's knowledge:

- There are no family ties between the Directors and the members of Rexel's Executive Management;
  - No Director or member of Rexel's Executive Management has been convicted of fraud within the last five years;
  - No Director or member of Rexel's Executive Management has been associated with any "bankruptcy", receivership or liquidation within the last five years;
  - No Director or member of Rexel's Executive Management has been the subject of any official public incrimination or sanctions by statutory or regulatory authorities within the last five years; and
  - No Director or member of Rexel's Executive Management has been disqualified by a court from acting as a member of an administrative, management or supervisory body of any issuer or from participating in the management or conduct of the business of any issuer within the last five years.

3.1.7 Conflicts of interests

Directors who have a conflict of interests must inform the Senior Independent Director. The Board of Directors has appointed François Henrot as Deputy Chairman of the Board of Directors and Senior Independent Director in charge of *(inter alia)* managing conflict of interest situations.

All potential conflicts of interests are submitted to a debate within the Board of Directors.

Directors who are in a situation of conflict of interests shall abstain from taking part in the discussions and in the vote of the relevant decisions.

As of the date of this Universal Registration Document and to Rexel's knowledge, there exists no situation that could give rise to a conflict between the private interests of Directors or of Rexel's executive management and Rexel's interests.

3.1.8 Service agreements between Directors and Rexel or one of its subsidiaries

There are no service agreements between Directors or members of Rexel's executive management and Rexel or any of its subsidiaries and providing for the award of any benefits.

3.2 Compensation of Corporate Officers

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.

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)

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.

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.

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
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)]		
#7	99.92%	Favorable opinion
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)]		
#8	97.21%	Favorable opinion
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)]		
#9	98.82%	Favorable opinion
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		
#10	98.89%	Favorable opinion
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		
# 11	97.10%	Favorable opinion
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		

(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.

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 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.

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.

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 a 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*.

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.

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 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.	The annual contribution is equal to: • 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. The variable compensation taken into consideration will be limited to 80% of the fixed annual compensation.	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.

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.

- **Directors**

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:

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: • Quantitative objectives: – Target portion: 75% of target annual variable compensation *75% x 910,000 = €682,500* – Maximum share 75%x 150%= 112.5% of the target annual variable compensation *150% x 682,500 = €1,023,750* • Qualitative objectives: – Target portion: 25% of target annual variable compensation *25% x 910,000 = €227,500* – Maximum share 25% x 100% = 25% of target annual variable compensation *100% x 227,500 = €227,500*	The target variable compensation is set at 130% of the annual gross fixed compensation for the term of office. Target value: 130% of the fixed compensation *130% x 700,000 = €910,000* Maximum value: 179% of the fixed compensation *(1,023,750 + 227,500) / 700,000 = 179%*

***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.		

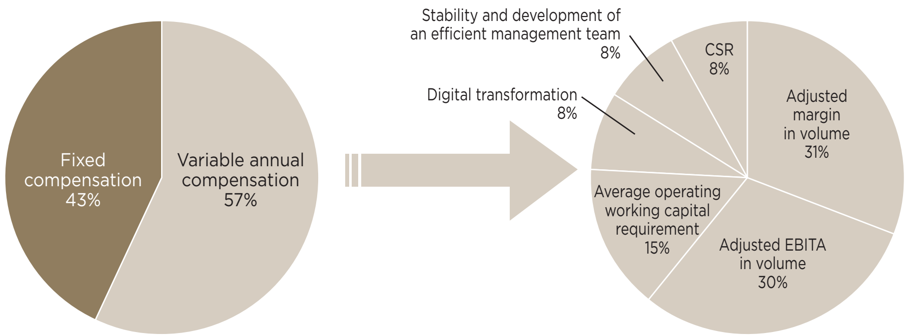
(1) The criteria and the expected level of achievement are clearly determined on an annual basis by the Board of Directors. The financial criteria are disclosed at the start of the financial year. The expected level of achievement and the performance reached are disclosed *ex-post* in this Universal 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%	• 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 *ex post* communication. • Deployment of the digital transformation program in line with the 2021 roadmap. The details of this program are not communicated *ex-ante*, 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 *ex-post* communication.
Stability and development of an efficient management team	33.33%	• 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%	• 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 mesured 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 *ex-post* 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.	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). 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 theorical amount based on the fixed and variable compensation increase.

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 Sharholders' 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.

3.2.2 Compensation of corporate officers for the 2020 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)

The information relating to the compensation paid or allocated to the corporate officers for fiscal year 2020 presented in this section is the information required by Article L.225-37-3, I of the French Commercial Code and submitted to the vote of the shareholders in accordance with Article L.225-100, II of the French Commercial Code.

Compensation and other benefits paid during 2020 or granted in respect of 2020 are in accordance with the compensation policy approved by the Company's Shareholders' Meeting in 2020.

Moreover, the performance measurement of the financial criteria is based on the Group's results as publicly disclosed and audited. The measurement of the performance of non-financial criteria is the result of a rigorous assessment by the Board of Directors, the details of which are described within certain limits imposed by the protection of information deemed confidential in a competitive environment. In all cases, performance levels are determined on the basis of factual and objective criteria, in line with the Group's performance and consistent with its corporate interest.

In connection with the economic and health crisis relating to the Covid-19 pandemic, the Board of Directors decided unanimously and out of solidarity with the Group and its employees, to modify the compensation policy applicable to corporate officers for the 2020 financial year.

The Chief Executive Officer also wished to join the efforts made by waiving a portion of his compensation for the 2020 financial year.

These changes aim to consider the specific consequences of the Covid-19 pandemic on activities, financial situation, results and Rexel prospects while ensuring that the Group's best interest is met.

3.2.2.1 Compensation and other benefits paid or allocated to directors

Allocation rules and amount of compensation paid during the year 2020 or allocated in respect of financial year 2020

In the scope of the envelope authorized by the Shareholders' Meeting and upon the recommendation of the Nomination and Compensation Committees, the Board of Directors has decided to allocate the compensation for financial year 2020 as follows:

- 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 and an additional €15,000 for the chairmanship of the Compensation Committee and an 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.

In connection with the measures adopted to face the economic and health crisis, the Board of Directors, in its decision of April 22, 2021, decided to reduce the fixed and variable compensation of Directors by 20% as of April 1, 2020 over a period of at least 3 months.

This measure has been extended for an additional time period of 3 months, until September inclusive.

(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.

On the recommendation of the Compensation Committee, the Board of Directors' meeting of February 10, 2021 set the compensation of the directors and former observer as follows:

	YEAR ENDED DECEMBER 31										
	2020						2019				
	FIXED PORTION	VARIABLE PORTION	RELATIVE VARIABLE/ FIXED PROPORTION	TRAVEL ALLOWANCE	REDUCTION [6]	TOTAL	FIXED PORTION	VARIABLE PORTION	RELATIVE VARIABLE/ FIXED PROPORTION	TRAVEL ALLOWANCE	TOTAL
DIRECTORS											
Ian Meakins	–	–	–	–		–	–	–	–	–	–
François Henrot [1]	100,000	40,000	40%	–	-10,000	130,000	100,000	40,000	40%	–	140,000
François Auque [2]	65,000	40,000	62%	–	-6,500	98,500	39,500	24,000	61%	–	66,000
Marcus Alexanderson	40,000	40,000	100%	–	-4,000	76,000	40,000	40,000	100%	2,500	82,500
Patrick Berard	–	–	–	–		–	–	–	–	–	–
Julien Bonnel [3]	40,000	40,000	100%	–	-4,000	76,000	40,000	40,000	100%	2,500	82,500
Brigitte Cantaloube [4]	35,400	40,000	113%	–	-4,000	71,400	–	–	–	–	–
Elen Phillips	40,000	40,000	100%	2,500	-4,000	78,500	40,000	40,000	100%	15,000	95,000
Toni Killebrew [5]	4,700	–	–	–	–	4,700	–	–	–	–	–
Maria Richter	40,000	40,000	100%	2,500	-4,000	78,500	40,000	40,000	100%	15,000	95,000
Agnès Touraine	55,000	40,000	73%	–	-5,500	89,500	55,000	40,000	73%	2,500	97,500
Herna Verhagen	55,000	40,000	73%	–	-5,500	89,500	55,000	40,000	73%	–	95,000
Total						**792,600**					**925,150**

(1) Including the compensation as Deputy Chairman of the Board of Directors.
(2) François Auque was appointed Director and Chairman of the Audit and Risk Committee by the Shareholders' Meeting of May 23, 2019, and was a member of the Board of Directors as Observer from January 1 to May 23, 2019.
(3) The entire compensation allocated to Julien Bonnel as Director representing the employees is paid to the designated trade union. Julien Bonnel also receives compensation as employee of Rexel France SAS.
(4) Brigitte Cantaloube was appointed by the Board of Directors on February 12, 2020.
(5) Toni Killebrew was co-opted by the European Works Council as Director representing the employees on November 19, 2020. She also receives compensation as employee of Gexpro.
(6) Reduction of 20% of the compensation received from April to September 2020 inclusive.

■ **Summary table of compensation paid to directors and to the Observer for the last three financial years (in euros)**

	YEAR ENDED DECEMBER 31		
	2020	**2019**	**2018**
DIRECTORS			
Ian Meakins	–	–	–
François Henrot [(1)]	130,000	140,000	140,000
François Auque [(2)]	98,500	66,000	–
Marcus Alexanderson	76,000	82,500	80,000
Patrick Berard	–	–	–
Julien Bonnel [(3)]	76,000	82,500	70,000
Brigitte Cantaloube[(4)]	71,400	–	–
Elen Phillips	78,500	95,000	95,000
Toni Killebrew[(5)]	4,700	–	–
Maria Richter	78,500	95,000	97,500
Agnès Touraine	89,500	97,500	90,000
Herna Verhagen	89,500	95,000	95,000
Total	792,600	925,150	880,100

(1) Including the compensation as Deputy Chairman of the Board of Directors.
(2) François Auque was appointed Director and Chairman of the Audit and Risk Committee by the Shareholders' Meeting of May 23, 2019, and was a member of the Board of Directors as Observer from January 1 to May 23, 2019.
(3) The entire compensation allocated to Julien Bonnel as Director representing the employees is paid to the designated trade union. Julien Bonnel also receives compensation as employee of Rexel France SAS.
(4) Brigitte Cantaloube was co-opted by the Board of Directors on February 12, 2020.
(5) Toni Killebrew was appointed by the European Works Council as Director representing the employees on November 19, 2020. She also receives compensation as employee of Gexpro.

Payment of directors' compensation would be suspended in the event of non-compliance with the parity rules.

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation of directors.

3.2.2.2 Compensation and other benefits paid or allocated to Ian Meakins, Chairman of the Board of Directors

Compensation and options/shares allotted during the last two financial years

(in €)	**2020**	**2019**
IAN MEAKINS		
Compensation allocated in respect of the financial year	450,000	500,000
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year	N/A	N/A
Total	**450,000**	**500,000**

Gross compensation over the last two financial years summary table

	2020		2019	
(in €)	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR
IAN MEAKINS				
Fixed compensation	450,000	450,000	500,000	500,000
Variable compensation	N/A	N/A	N/A	N/A
Activity compensation	N/A	N/A	N/A	N/A
Benefits in kind	N/A	N/A	N/A	N/A
Total	**450,000**	**450,000**	**500,000**	**500,000**

Fixed compensation

In connection with the measures adopted to face the economic and health crisis, the Board of Directors decided to reduce the compensation of the Chairman of the Board of Directors by 20% with effect from April 1, 2020 to June 30, 2020.

This measure was extended for an additional time period of 3 months, until September inclusive.

As a result, the annual compensation awarded in 2020 amounts to €450,000 instead of €500,000 as provided for in the applicable compensation policy.

Annual variable compensation

Ian Meakins does not benefit from any annual variable compensation.

Other compensation items

Ian Meakins does not benefit from any other compensation items.

■ **Employment agreement/supplemental retirement plan/severance indemnities/non-compete clause**

	EMPLOYMENT AGREEMENT	SUPPLEMENTAL RETIREMENT PLAN	SEVERANCE INDEMNITIES	NON-COMPETE CLAUSE
Ian Meakins	No	No	No	No

3.2.2.3 Compensation and other benefits paid or allocated to Patrick Berard, Chief Executive Officer

Compensation and options/shares allotted during the last two financial years

(in €)	2020	2019
PATRICK BERARD		
Compensation allocated in respect of the financial year	1,251,242	1,312,927
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year(1)	841,000	859,000
Total	**2,092,242**	**2,171,927**

(1) Valuation based on the IFRS 2 fair value used for the consolidated financial statements (€8.41 for 2020 and €8.59 for 2019).

Gross compensation over the last two financial years summary table

	2020		2019	
(in €)	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR	COMPENSATION ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	COMPENSATION PAID DURING THE FINANCIAL YEAR
PATRICK BERARD				
Fixed compensation	585,000	585,000	650,000	650,000
Variable compensation	659,880(1)	656,565(2)	656,565	777,660
Activity compensation	N/A	N/A	N/A	N/A
Benefits in kind	6,362	6,362	6,362	6,362
Total	**1,251,242**	**1,247,927**	**1,312,927**	**1,434,022**

(1) Payment subject to the prior approval of the Shareholders' Meeting of April 22, 2021.
(2) Payment approved by the Shareholders' Meeting of June 25, 2020.

It is reminded that during his first term of office, the fixed compensation of Patrick Berard was €650,000 per year, his target variable compensation being set at 120% of the fixed compensation. At the end of 2019, the Board of Directors decided to submit to the Shareholders' Meeting a review of the compensation of its Chief Executive Officer, increasing his fixed compensation from €650,000 to €700,000 and his variable compensation from 120% to 130%, subject to the renewal of his term of office. This review was approved by the Shareholders' Meeting of June 25, 2020, the Shareholders' Meeting initially planned for April having been postponed in the context of health crisis.

The Board of Directors of June 25, 2020 has renewed in advance the term of office of Patrick Berard.

However, Patrick Berard has decided to be associated with the efforts made by the Group and its employees, by waiving, for the financial year 2020, the increase in his fixed compensation from €650,000 to €700,000 and in his variable compensation from 120% to 130% as just approved at the General Meeting.

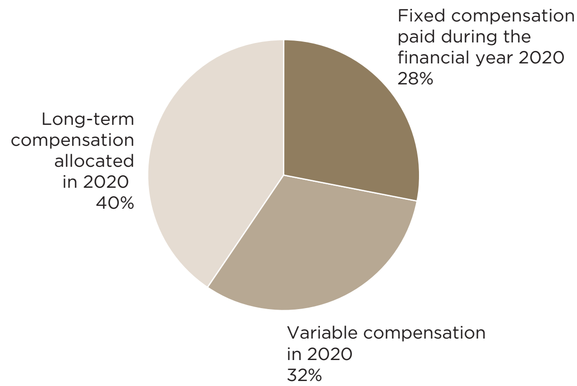
Patrick Berard, like all the members of the Board of Directors, also accepted to reduce his Chief Executive Officer's compensation by 20% from April 1 to September 30, 2020.

In addition, the Board of Directors of April 22, 2020 decided to waive the variable compensation criteria set at the beginning of 2020, in order to select criteria aimed at protecting both the employees and the Company, in view of the health and economic emergency resulting from the progress of the Covid-19 epidemic. The achievement of these new criteria, which had been publicly disclosed, was assessed by the Board of Directors on February 10, 2021.

Compensation structure

The main compensation of the Chief Executive Officer is made of a fixed compensation, an annual variable compensation and a long-term compensation.

The allotment of these fixed, annual target-based compensation and performance shares is presented below. According to the graph below, 70% of the compensation of the Chief Executive Officer is subject to performance criteria (mainly financial).



For the visibility of the graph above, the amount of the benefit in kind (a car) included into the fixed compensation is equal to €6,362 per year.

Fixed compensation

The annual gross fixed compensation of Patrick Berard has been determined at €650,000.

Indeed, he has decided for the financial year 2020:

- To waive the increase in his fixed compensation from €650,000 to €700,000 and in his variable compensation from 120% to 130% approved at the General Meeting; and
- To waive 20% of his fixed compensation from April 1 to September 30, 2020.

i.e., €585,000 of compensation for the financial year 2020.

Annual variable compensation

2020 – Reminders and background information

The annual variable target-based compensation has been determined at 120% of the annual fixed compensation.

For the financial year 2020, he decided to waive the increase in his variable compensation from 120% to 130% as approved by the General Meeting.

Furthermore, the above-mentioned 20% cut applies to the fixed compensation of the Chief Executive Officer, and automatically to the base used for the calculation of his target variable compensation.

In addition, considering the Covid-19 crisis, the annual criteria initially published by the company were suspended. In this context, the Board of Directors of April 22, 2020 decided to discontinue the criteria initially chosen to assess the Chief Executive Officer's performance and determine his fixed compensation. As a reminder, these criteria were, on the one hand, 75% financial criteria (growth of the gross margin in volume, Adjusted EBITA increase in volume, average operating working capital) and, on the other hand, 25% non-financial criteria (digital transformation, Corporate Social Responsibility).

The Board of Directors decided to use criteria[1] allowing to assess the capability of the Chief Executive Officer, in cooperation with the Group and all its employees, to address quickly and efficiently the consequences of the Covid-19 pandemic. Accordingly, the target annual variable compensation has been assessed based on:

- Quantitative targets of 60%; and
- Qualitative targets of 40%.

(1) It is reminded that the Group has made all efforts to communicate in a transparent and comprehensive manner about the modification of the said criteria. Several public communications were made. The amendment to the Universal Registration Document published on May 11, 2020 indicate the new criteria for the financial year 2020. The communication of the sales results for the second quarter 2020 published on July 28, 2020 and the publication of sales of the third quarter 2020 on October 20, 2020 factually describe the Group's performance in the year 2020.

The quantitative targets determined for 2020 were a continued rigorous management of Group's liquidity (25%), a continued rigorous management of debt (25%) and digital sales (50%).

These targets were capped at a maximum of 150%, if they exceed 100% of the targets.

The qualitative targets determined for 2020 were the activity continuity and recovery plan (37.5%), the revised CSR policy (25%) and the relationships with strategic suppliers (37.5%).

These targets were capped at a maximum of 100%, of achievement.

Therefore, the maximum variable compensation represented 156% of the fixed compensation.

It is important to underline that these objectives were determined by the Board of Directors on April 22, 2020, in an extremely uncertain context due to the progression of the pandemic. For example, protecting the Group's liquidity was thus a major concern. These objectives were publicly disclosed in a press release and in the amendment to the 2019 Universal Registration Document.

Performance assessment for 2020

The Board of Directors of February 10, 2021 carried out the assessment of the performance of the Chief Executive Officer and determined a global performance of 94.00% of the target variable compensation, *i.e.* a gross amount of €659,880 to be paid in consideration of the 2020 financial year. Thus, the variable compensation determined by the Board of Directors for the Chief Executive Officer represents 113% of his fixed compensation.

In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of the 2020 variable compensation will be subject to the approval of the Combined Shareholders' Meeting of April 22, 2021.

The achievement levels for the 2020 criteria referred to above are as follows:

2020 FIXED COMPENSATION IN €	2020 TARGET VARIABLE COMPENSATION IN PERCENTAGE OF THE FIXED COMPENSATION	2020 TARGET VARIABLE COMPENSATION IN €	QUANTITATIVE PART OF THE TARGET VARIABLE COMPENSATION (%)	QUALITATIVE PART OF THE TARGET VARIABLE COMPENSATION (%)	2020 RESULT QUANTITATIVE PART	2020 RESULT QUALITATIVE PART	ACHIEVEMENT OF THE 2020 QUANTITATIVE PART	ACHIEVEMENT OF THE 2020 QUALITATIVE PART	TOTAL ACHIEVEMENT AS A PERCENTAGE OF THE TARGET VARIABLE COMPENSATION	AMOUNT IN € TO BE PAID IN RESPECT OF 2020 VARIABLE COMPENSATION
A	B	(A x B) = C	D	E	F	G	(D x F) = H	(E x G) = I	(H + I) = J	(C x J)
585,000	120%	702,000	60%	40%	90%	100%	54%	40%	94%	659,880

Performance analysis

The Board of Directors assessed the performance for the financial year 2020 on the basis of the objectives described below.

Details concerning the 2020 quantitative targets:

	WEIGHTING	ACHIEVEMENT	WEIGHTED PERFORMANCE
A continued rigorous management of Group's liquidity	25%	• Cash flow before interest and taxes higher than the target previously set, resulting in a minimum EBITA to cash conversion rate of 90%. • Early redemption of the €300 million bond due 2024, with a coupon of 2.625%. This will lead to a reduction in recurring financial expenses of approximately €8 million on an annual basis. • 14 billion of liquidity, after redemption of the bond, in December 2020 (compared to €1.3 billion in December 2019).	100%
A continued rigorous debt management	25%	• A net financial debt/EBITDAal ratio of approximately 2.5x in December 2020. • The significant reduction in average debt combined with the optimization of the cost of debt has led to 2020 financial expenses being €80 million lower than initially forecast (excluding €45.5 million of interest on rental debt) compared with an initial valuation of €88 million for 2020 and €96 million for 2019.	100%
Digital sales growth	50%	• The penetration rate of digital sales on the European continent is higher than the targets previously set. • However, the penetration rate of digital sales in North America is lower than the targets previously set. • At the Group level, the digital sales penetration rate increased by 317 basis points between financial year 2019 and financial year 2020.	80%
Total(1, 2)			**90%**

(1) Adjusted 2020 targets (on a constant scope).
(2) Performance is assessed in comparison to targets based on standard exchange rates.

Details regarding 2020 qualitative targets:

	WEIGHTING	ACHIEVEMENT	WEIGHTED PERFORMANCE
Activity Continuity and recovery plan	37.5%	• A better-than-expected commercial activity during the Covid-19 crisis, combined with Rexel's strong focus on cost discipline, enabled the Group to reach an adjusted EBITA margin of 4.2% in 2020. • Regular meetings have been set up between the Chief Executive Officer and country management teams to communicate instructions regarding the financial and operational management of activities in crisis periods. • Business continuity plans have made it possible to maintain most of the agencies and operational distribution centers while respecting social distancing and health measures. • IT tools were successfully deployed, ensuring business continuity during the pandemic. • On this basis, the Board of Directors considered that the Chief Executive Officer had fulfilled his mission for the activity continuity and recovery plan.	100%
Revised Corporate Societal Responsibility	25%	• A zero Covid-19 policy has been deployed in all offices, branches and distribution centers. • Provisional substitution plans have been put in place in the event of contamination of a key person. • Health and social distancing measures were immediately deployed and applied to all our offices, agencies and distribution centers. • The Group's carbon footprint (scopes 1 and 2) has been reduced, in accordance with the roadmap, by 2.5% per year. • The vehicles in the motor fleets are now all hybrid vehicles. • By acknowledging, on the one hand, the deployment of the CSR roadmap in line with previous expectations, and by noting, on the other hand, the rigorous management of health plans for employees and customers, the Board of Directors considered that the Chief Executive Officer has fulfilled his mission.	100%
Relationships with strategic suppliers	37.5%	• Relationships with strategic suppliers were the subject of constant attention. The Board of Directors considered that the Chief Executive Officer had fulfilled his mission by preserving the quality of relationships with the Group's strategic suppliers, in a difficult context for all affected by the pandemic. • The Board of Directors considered that the Chief Executive Officer had fulfilled his mission. However, factual information regarding relationships with strategic suppliers is not publicly disclosed in a highly competitive environment.	100%
Total			**100%**

Following the health crisis, the Board of Directors has derogated from the compensation policy and changed the nature of the applicable criteria in order to respond to structural requirements and thus guarantee a level of resilience that is profitable for the Group.

In this context, the objectives set by the Board of Directors have been determined in line with the new objectives of the 2020 roadmap, as defined.

All of the data reviewed by the Board of Directors reflect the successful achievement of the objectives and ambitions set by the Board of Directors have been successfully achieved, as reflected in the performance of the Chief Executive Officer for the financial year 2020.

Repayment clause

The compensation policy does not provide for a mechanism to request the return of all or part of the variable compensation of the Chief Executive Officer.

Other items of compensation for the relevant period

The various benefits in kind were as follows:

- healthcare/welfare insurance; health checkup;
- basic and supplementary pension;
- tax and pension consultancy; and
- availability of a company car (€6,362 for 2020).

Long-term compensation: allocation of subscription or purchase options and allocation of performance shares

Subscription or purchase options

No option of subscription or purchase of shares has been allocated to Patrick Berard by Rexel or any of the company of the Rexel Group for the financial year ended December 31, 2020.

No option of subscription or purchase of shares has been exercised during the financial year ended December 31, 2020.

The insider trading policy of Rexel includes an undertaking by corporate officers not to use hedging options to cover their risk in respect of the options, issued shares resulting from the exercise of options and from performance shares.

Allotment of performance shares

The number of performance shares allocated to Patrick Berard by Rexel and by any Group company during the financial year ended December 31, 2020, is detailed below:

BENEFICIARIES	DATE OF ALLOTMENT	PLAN NAME	NUMBER OF SHARES	VALUE OF ALLOCATED SHARES[1]	VESTING DATE	TRANSFERABILITY DATE
Patrick Berard	September 28, 2020	2020 plan (3+0)	100,000	841,000	September 28, 2023	September 29, 2023

(1) Valuation carried out based on the IFRS2 fair value used for the consolidated financial statements (€8.41 in 2020).

The number of shares allotted and their value upon allotment are below the limits determined by the Board of Directors.

The performance criteria determined and the method applied to determine their impact on the future vesting of the performance shares allocated during the financial year ended December 31, 2020 are detailed in paragraph 3.7.2.6 "Allotment of free shares" of this Universal Registration Document.

History of the last performance shares allocated, acquired or transferable during the financial year ended December 31, 2020 for Patrick Berard

GRANT DATE	SEPTEMBER 28, 2020	MAY 23, 2019	MAY 24, 2018	MAY 23, 2017
Number of shares allotted	**100,000**	**100,000**	**100,000**	**100,000**
Adjustment of number of shares in 2019	*N/A*	*103,442*	*103,442*	*103,442*
Vesting date	September 28, 2023	May 23, 2022	May 24, 2021	May 23, 2020
Performance rate	**N/A**	**N/A**	**N/A**	**74%**
Number of shares irrevocably vested	**0**	**0**	**0**	**76,548**
Transferability Date	September 29, 2023	May 24, 2022	May 25, 2021	May 24, 2022
Number of lost shares at December 31, 2020	0	0	0	26,894

Supplemental defined-benefit retirement plan, within the meaning of Article L.137-11 of the French Social security Code (Article 39 of the French General Tax Code)

Considering the carrier of Patrick Berard (born in 1953) and his length of service (Patrick Berard joined the Rexel Group in 2003), the Board of Directors of July 1, 2016 decided not to interrupt the supplemental defined-benefit retirement plan in which Patrick Berard has been maintained in his capacity as an employee prior to accepting the duties of corporate officer (decision of the Board of Directors dated February 10, 2016 setting up the medium-term collective savings scheme). This decision has been maintained by the Board of Directors meeting of May 24, 2018 upon the renewal of the corporate office of Chief Executive Officer of Patrick Berard as of July 1, 2018.

In order to comply with article L.225-42-1 of the French Commercial Code, the Board of Directors decided that the contingent rights that may be acquired by Patrick Berard in respect of his duties as Chief Executive Officer in connection with this scheme would be subject to the achievement of annual performance condition.

The performance criteria determined by the Board of Directors of July 1, 2016, and subsequently by the decision of the Board of Directors dated May 24, 2018, have been aligned with those of the annual variable compensation of the Chief Executive Officer (financial portion and individual portion). The performance criteria will be considered as achieved if the payment level of the annual variable compensation reaches at least 60% of the target variable compensation for the relevant year (as described in paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to Chief Executive Officer Patrick Berard" of this Universal Registration Document).

Therefore, it is only in case of achievement of these annual performance criteria that:

- The time of exercise in the capacity of Chief Executive Officer by Patrick Berard will be taken into consideration for the calculation of his seniority; and
- The compensation received in respect of the duties of Chief Executive Officer will be taken into consideration for the assessment of the average of the three years of highest compensation.

The Board of Directors of February 10, 2021 acknowledged the achievement of the performance criteria for the 2020 financial year (the level of the variable compensation for 2020 having reached a performance of 94.0%). The activity period and the compensation received in respect of the duties of corporate officer over the considered period shall therefore be taken into consideration for the calculation of the contingent rights (within the limits provided by the retirement scheme described below).

Characteristics of the defined-benefit retirement scheme that benefits to the Chief Executive Officer

The Chief Executive Officer benefits from a supplementary defined-benefit retirement scheme, within the meaning of Article L.137-11 of the French Social security Code, made up of two successive regimes:

- A first regime set up unilaterally, effective from May 31, 2005 and amended for the last time with effect from September 1, 2016 (Regime 1). This regime was frozen as at June 30, 2009; and
- A second regime set up unilaterally on March 30, 2009, with effect from July 1, 2009 and amended for the last time with effect from September 1, 2016 (Regime 2). This regime was frozen as at December 31, 2019.

The contingent rights that the Chief Executive Officer may acquire in respect of his activity as corporate officer, in connection with this scheme (consideration of the compensation for Regimes 1 and 2 and consideration of seniority only for Regime 2), shall only be granted if performance criteria such as those described above are met.

Also, it is restated that 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 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. On the other hand, end-of-career compensation will be taken into account, in accordance with the terms of the plan's regulations and of the order.

The main characteristics of these schemes are as follows:

	REGIME 1	REGIME 2
Effective date	• May 31, 2005 • Rights frozen as of June 30, 2009	• July 1, 2009 • Rights frozen as of December 31, 2019
Reference compensation	• Average of the three best calendar years of gross compensation • Gross compensation includes fixed compensation, exclusively contractual annual bonuses and benefits in kind (excluding exceptional bonuses, hardship allowances and the like)	• Average of the three best calendar years of gross compensation • Gross compensation includes fixed compensation, exclusively contractual annual bonuses limited to 80% of the fixed compensation (excluding exceptional bonuses, hardship allowances and the like as well as benefits in kind) • Global limit equal to 40 PASS
Length of service	• Minimum length of service of 4 years	• Entry into the Rexel Group prior to January 1, 2010 (compliance with the minimum length of service requirement of 2 years provided for by the AFEP-MEDEF Code)
Rights acquisition formula	• 2.5% per year of service • For Patrick Berard, the potential accrued frozen rights amount to 10.0%	• 1.00% per year of service for the tranche between 4 and 20 PASS • 0.50% per year of service for the tranche between 20 and 40 PASS
Applicable limits	• Retirement pension under this plan and other supplemental retirement schemes of Rexel limited to 12.5% of the reference compensation • For Patrick Berard, the potential accrued rights are below the cap	• Retirement pension limited to 20% of the reference compensation under Regime 2 • Retirement pension under this plan and other supplemental retirement schemes of Rexel (including Regime 1) limited to 25% of the reference compensation • Retirement pension under this plan and other supplemental retirement schemes of Rexel (including Regime 1) and compulsory regimes, limited to 50% of the reference compensation
Reversion pension	• 60% of the supplemental pension calculated on the basis of length of service and reference compensation as at the date of death	• 50% of the supplemental pension calculated on the basis of length of service and reference compensation as at the date of death
Terms of entry into the regime	Entry into this regime was subject to the following cumulative conditions: • Having an employee and/or corporate officer status; and • Having a status and activity matching the definition of article L.3111-2 of the French Labor Code as well as a given level of responsibility;	 • Having an employee and/or corporate officer status; • Having joined the Rexel Group prior to January 1, 2010; and • Having a status and activity matching the definition of article L.3111-2 of the French Labor Code as well as a given level of responsibility
Joint criteria for benefiting of the regime – general rule	The benefit of this regime is subject to the following cumulative conditions: • Participating to the old-age insurance of the French Social security regime; • Being part of Rexel Développement (or Rexel in respect of Regime 2) as at the date of their retirement or forced retirement; • Putting an end to their professional career within Rexel Développement (or Rexel in respect of Regime 2), in accordance with the condition set forth in article L.137-11 of the French Social security Code; • Having settled their retirement pension of the French Social security base regime.	
Joints criteria for benefiting of the regime – specific situations	The regime may be maintained in the following cases: • Redundancy after the age of 55 (except gross misconduct), subject to the beneficiary not exercising subsequently any other professional activity; • Disability corresponding to the 2nd or 3rd class under the French Social security regime • Early departure in the context of an early retirement company scheme; and • Death prior to retiring from the company (upholding of the attached rights such as reversion pension). The effective benefits occur as from the effective settlement of the retirement pension of the French Social Security base regime	

It is reminded that these defined-benefit supplemental retirement scheme defined within the meaning of article L.137-11 of the French Social security Code is compliant with all of the guidelines of the AFEP-MEDEF Code.

AFEP-MEDEF GUIDELINES	
Eligibility criteria	Compliant
Number of corporate officers compared to the total number of beneficiaries	Compliant
Seniority criteria	Compliant
Challenging performance criteria	Compliant
Yearly accrual percentage	Compliant
Maximum vesting period	Compliant
Reference compensation	Compliant
Maximum amount of pension	Compliant
Information on potential rights	Compliant

Since this scheme corresponds to the characteristics of the schemes referred to in Article L.137-11 of the French Social security Code, it was subject to the related-party agreements procedure governed by former article L.225-42-1 of the French Commercial Code and has been approved by the Shareholders' Meeting of May 23, 2019, due to the renewal of the corporate office as Chief Executive Officer of Patrick Berard.

The total provision booked by Rexel for all employees covered by this supplemental defined-benefit retirement plan corresponded to a zero liability at December 31, 2020.

As of December 31, 2020, the value of this plan asset was estimated approximately at €6 million. Insurance premiums are paid by Rexel to this plan asset depending on the financing needs as beneficiaries retire.

Since September 2018, the Chief Executive Officer has been the last eligible beneficiary to this defined-benefit retirement scheme. This scheme, initially intended for executive managers whose status and duties corresponded to the provisions of article L.311-2 of the French Labor Code and that was ended in 2016, will be cancelled upon the departure of Chief Executive Officer Patrick Berard.

It is also indicated that at the closing of the 2020 financial year, the yearly amount of the retirement of the Chief Executive Officer under this scheme was estimated at €225,697. This estimation was based on the length of service acquired as at the date of closing of the financial year and on the compensation recorded during the last financial years, as if the Chief Executive Officer could benefit therefrom on the next day following the closing of the financial year.

This pension would have been liable to:

- General social contribution (CSG and CRDS) (8.8%), the special Social security contribution (1%), the CASA (additional solidarity contribution for autonomy at the rate of 0.3%) as well as to a specific contribution up to 14% (within the terms provided by article L.137-11-1 of the French Social security Code); and
- Personal income tax, after a 10% deduction.

Insurance premiums paid are subject to a 24% contribution, borne by Rexel.

Severance indemnities

Considering the career of Patrick Berard and his length of service within the Rexel Group, the Board of Directors decided to maintain and suspend the employment agreement held by Patrick Berard prior to his new duties.

The employment agreement of Patrick Berard, suspended during the exercise of his duties as Chief Executive Officer, provides under certain conditions, in case of termination by the employer (except for gross negligence *(faute grave)* or willful misconduct *(faute lourde)*, or compulsory retirement leave), the payment of a severance and/or non-compete indemnity within the limits of a global amount of 18 months of monthly reference compensation (*i.e.*, the last annual fixed compensation increased by the average amount of the last 2 bonuses received, divided by 12).

It is specified by the Board of Directors that in case of reactivation of the employment agreement of Patrick Berard, these potential severance indemnities would be calculated without taking into account the exercise period of the corporate office (without considering his seniority or fixed or variable compensation received as a corporate officer).

No severance indemnity has been granted to Patrick Berard by the Board of Directors, in respect of the termination of his duties as Chief Executive Officer, nor any non-competition indemnity in connection with the termination of such duties, taking into account his career and profile.

■ **Employment agreement/supplemental retirement plan/severance indemnities/non-compete clause**

	EMPLOYMENT AGREEMENT	SUPPLEMENTAL RETIREMENT PLAN	SEVERANCE INDEMNITIES	INDEMNITIES IN RELATION TO NON-COMPETE CLAUSE
Patrick Berard	Yes – agreement suspended during the term of corporate office	Yes – defined-benefit retirement scheme (within the meaning of Article 137-11 of the French Social security Code) Rights frozen as of December 31, 2019	No – No indemnities provided for in respect of the corporate office	No – No indemnities provided for in respect of the corporate office

3.2.2.4 Summary tables concerning compensation paid or allocated to the corporate officers

Summary table of compensation, options and shares allocated to each corporate officer

A summary of all of the compensation items due to the managing corporate officers by the companies of the Rexel Group in respect of the financial years ended December 31, 2020 and December 31, 2019 is shown in the table below:

	FINANCIAL YEAR ENDED DECEMBER 31, 2020	2019
IAN MEAKINS		
Compensation allocated in respect of the financial year(1)	€450,000	€500,000
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year(2)	N/A	N/A
Total	**€450,000**	**€500,000**
PATRICK BERARD		
Compensation paid in respect of the financial year(1)	€1,251,242	€1,312,927
Valuation of the options allocated during the financial year	N/A	N/A
Valuation of the performance shares allocated during the year(2)	€841,000	€859,000
Total	**€2,092,242**	**€2,171,927**

(1) See paragraph 3.2.2 “Compensation of corporate officers for the financial year 2020 (articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)” of this Universal Registration Document.
(2) Valuation based on the IFRS 2 fair value determined for the consolidated financial statements (€8.41 for 2020 and €8.59 for 2019).

Summary table of the compensation of each corporate officer

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2020		2019	
	ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	PAID DURING THE FINANCIAL YEAR	ALLOCATED IN RESPECT OF THE FINANCIAL YEAR	PAID DURING THE FINANCIAL YEAR
IAN MEAKINS				
Fixed compensation	€450,000	€450,000	€500,000	€500,000
Variable annual compensation	–	–	–	–
Exceptional compensation	–	–	–	–
Activity compensation	–	–	–	–
Benefits in kind	–	–	–	–
Total	**€450,000**	**€450,000**	**€500,000**	**€500,000**
PATRICK BERARD				
Fixed compensation	€585,000	€585,000	€650,000	€650,000
Variable annual compensation	€659,880 (1)	€656,565(2)	€656,565	€777,660(3)
Exceptional compensation	–	–	–	–
Activity compensation	–	–	–	–
Benefits in kind	€6,362	€6,362	€6,362	€6,362
Total	**€1,251,242**	**€1,247,927**	**€1,312,927**	**€1,434,022**

(1) Variable compensation due in respect of the financial year ended December 31, 2020 and paid during the financial year ended December 31, 2021 after prior approval of the Shareholders' Meeting of April 21, 2021.
(2) Variable compensation due in respect of the financial year ended December 31, 2019 and paid during the financial year ended December 31, 2020 after prior approval of the Shareholders' Meeting of June 25, 2020.
(3) Variable compensation due in respect of the financial year ended December 31, 2018 and paid during the financial year ended December 31, 2019.

3.2.2.5 Equity ratio (article L.22-10-9 of the French Commercial Code)

Pursuant to the provisions of Article L.22-10-9 of the French Commercial Code, this report presents information on the ratios between the level of compensation of the Chairman of the Board of Directors, the Chief Executive Officer on the one hand, the average compensation on a full-time equivalent basis of employees and, on the other hand, the median compensation on a full-time equivalent basis of employees.

As Rexel SA does not have any employees, it was not possible to select it for the determination of the equity ratio. As a result, the scope of consolidation consists of the two entities Rexel France SAS and Rexel Développement SAS representing more than 80% of the employees present on French territory in line with provisions of Article 26.2 of the AFEP-MEDEF Code. This sample is considered to be representative of the Group's entire population. Indeed, based on the information available through the Group's social reporting tool ("Enablon"), the Group's median and average salaries would be close to the median and average salaries of the sample selected. This constant is consistent with the Group's geographic positioning, with more than 80% of the workforce concentrated in the following countries: United States, France, United Kingdom, Canada, Germany, Australia, Sweden, Switzerland and Austria, where observed wages are consistent with or even higher than those observed in France.

The scope of consolidation includes only employees with French open-ended employment contracts, present over two full financial years, for all financial years under consideration.

In addition, the various ratios have been calculated on the basis of the compensation paid for the corresponding financial year. This compensation takes into account bonuses paid as well as performance shares delivered during the relevant financial year. It is specified that the pension elements have not been taken into consideration.

The calculation of the equity ratio will be subject to the adjustments recommended by the potential recommendations of the AFEP-MEDEF Code and will take into account, where applicable, any applicable legislative or regulatory changes.

	FINANCIAL YEAR				
	2020	**2019**	**2018**	**2017**	**2016**
IAN MEAKINS (1) *Compensation Paid During Financial Years*					
Ratio | average compensation	10	12	11	11	12
Ratio | median compensation	13	15	14	14	14
PATRICK BERARD (2) *Compensation Paid During Financial Years*					
Ratio | average compensation	44	44	39	24	18
Ratio | median compensation	54	54	49	29	22

(1) Ian Meakins was appointed as Chairman of the Board of Directors as of July 1, 2016.
(2) Patrick Berard was appointed as Chief Executive Officer as of July 1, 2016.

For the Chairman of the Board of Directors, the decrease in the said ratios is explained by the 20% reduction in compensation from April to September inclusive.

For the Chief Executive Officer, the equity ratios remained stable from 2019 to 2020. This stability, is explained by the fact that the 20% reduction in compensation is offset by the delivery of performance shares that were higher than in the previous year.

The performance of the plan delivered in 2020 was 74% while the performance of the plan delivered in 2019 was 45%.

3.2.3 Fixed, variable and exceptional items making up total compensation and benefits of any kind paid during financial year 2020 or allocated in respect of financial year 2020 and subject to shareholders' approval (Article L.22-10-34, II of the French Commercial Code)

The fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during fiscal year 2020 or allocated for financial year 2020 to the Chairman of the Board of Directors and the Chief Executive Officer, subject to shareholder approval in accordance with Article L.22-10-34, II of the French Commercial Code, are presented below.

Fixed, variable and exceptional items making up the total compensation and benefits of any kind paid during financial year 2020 or awarded in respect of financial year 2020 to Ian Meakins, Chairman of the Board of Directors, submitted for approval by the shareholders at the General Meeting (9th resolution):

Ian Meakins (Non-executive Chairman of the Board of Directors) for the financial year ended December 31, 2020

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2020	AMOUNT PAID DURING FINANCIAL YEAR 2020	
Fixed annual compensation	€450,000	€450,000	The compensation principles for Ian Meakins have been determined by the Board of Directors of May 23, 2017. Upon those principles, the Board of Directors of February 12, 2020 set the gross fixed annual compensation of Ian Meakins in respect of the financial year ended on December 31, 2020 to €500,000, which has then been reduced by 20% to €450,000. This fixed compensation, determined for the whole term of office, remains unchanged since the appointment of Ian Meakins as Chairman of the Board of Directors on October 1, 2016. This compensation has been determined by the Board of Directors in consideration of the French and European market practice, of the strong expertise and experience of Ian Meakins in relation to professional distribution in particular, of his recognized management capacities and of his international experience. See paragraph 3.2.2.4 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.
Variable annual compensation	Not applicable		Ian Meakins does not benefit from any variable annual compensation.
Deferred variable compensation	Not applicable		Ian Meakins does not benefit from any deferred variable compensation.
Multi-annual variable compensation	Not applicable		Ian Meakins does not benefit from any multi-annual variable compensation.
Exceptional compensation	Not applicable		Ian Meakins does not benefit from any exceptional compensation.
Benefits of any kind	Not applicable		Ian Meakins does not benefit from any benefit in kind.
Valuation of the long-term compensation: allocation of performance shares	Not applicable		Ian Meakins does not benefit from any long-term compensation item.
Severance indemnities	Not applicable		Ian Meakins does not benefit from any severance indemnity.
Non-compete indemnity	Not applicable		Ian Meakins does not benefit from any non-compete indemnity.
Supplemental retirement plan	Not applicable		Ian Meakins does not benefit from any supplemental retirement plan.

1 2 3 4 5 6 7 8

Fixed, variable and exceptional items making up the total compensation and benefits of all kinds paid during financial year 2020 or allocated in respect of financial year ended December 31, 2020, to Patrick Berard as Chief Executive Officer, submitted to the shareholders' approval at the Shareholders' Meeting (10th resolution):

Patrick Berard (Chief Executive Officer) for the financial year ended December 31, 2020

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2020	AMOUNT PAID DURING FINANCIAL YEAR 2020	
Fixed annual compensation	€585,000	€585,000	The gross fixed annual compensation in respect of the financial year ended on December 31, 2020 amounts to €585,000. This amount is explained by the decision of Patrick Berard to waive the increase in his fixed compensation from €650,000 to €700,000 as approved by the Shareholders' Meeting of June 25, 2020 and by the reduction by 20% of his compensation from April to September 2020 inclusive. See paragraph 3.2.2.4 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.
Variable annual compensation for the 2020 financial year	€659,880	€656,565	The gross variable annual compensation in respect of the financial year ended on December 31, 2020 determined by the Board of Directors of February 10, 2021, amounts to €659,880. The variable compensation was based for 60% on quantitative criteria and for 40% on qualitative criteria. Quantitative performance stood at 90% and qualitative performance stood at 100%. This amount thus corresponds to 94% of the target variable compensation (the target variable compensation was determined at 120% of the fixed annual compensation), *i.e.* 113% of the fixed compensation for the relevant period. For details on the calculation of the variable compensation for 2020, please see paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to the Chief Executive Officer, Patrick Berard" of this Universal Registration Document. In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of the 2020 variable compensation is subject to the approval of the Shareholders' Meeting of April 22, 2021. The gross variable annual compensation paid during financial year 2020, allocated in respect of financial year 2019 (€656,565), was approved by a vote of the Shareholders' Meeting of June 25, 2020.
Pluriannual variable compensation	Not applicable		Patrick Berard does not benefit from any pluri-annual variable compensation.
Exceptional compensation	Not applicable		Patrick Berard does not benefit from any exceptional compensation in respect of his corporate office.
Valuation of benefits in kind	€6,362		Patrick Berard receives benefits in kind in the amount of €6,362, consisting of a company car. See paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to the Chief Executive Officer, Patrick Berard" of this Universal Registration Document.

Patrick Berard (Chief Executive Officer) for the financial year ended December 31, 2020

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION — AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2020	AMOUNT OR ACCOUNTING VALUATION — AMOUNT PAID DURING FINANCIAL YEAR 2020	PRESENTATION
Valuation of the long-term compensation: allocation of performance shares	€841,000 *(valuation based on the IFRS 2 fair value determined for the consolidated financial statements, i.e., €8.41 for 2020)*		In accordance with the authorization granted by Rexel's Shareholders' of June 25, 2020, the Board of Directors, at its meeting of September 28, 2020, decided to allot Rexel performance shares. Accordingly, 100,000 shares, fully subject to performance criteria, were allotted to Patrick Berard in 2020. This number of shares is the maximum number of shares that may be vested if the performance criteria are outperformed and corresponds to a maximum vesting percentage of 100%. The specific limitations of allocations for corporate officers have been fulfilled: • The annual value of the performance shares allotted does not exceed 100% of the amount of the annual fixed and variable target compensation for the relevant financial year; and • The number of shares allotted to Patrick Berard has not exceeded 10% of the overall envelope of performance shares allotted to all the beneficiaries. The final vesting of the shares allotted to Patrick Berard is entirely subject to conditions of presence and performance assessed over a period of three years as described in paragraphs 3.2.1.4 "Compensation policy applicable to the Chief Executive Officer for the financial year 2020" of this Universal Registration Document.
Severance indemnities	Not applicable		Patrick Berard does not benefit from any severance indemnities in respect of his corporate office.
Non-compete indemnity	Not applicable		Patrick Berard does not benefit from any non-compete indemnity in respect of his corporate office.
Supplemental retirement plan	No payment		Considering the career of Patrick Berard (born in 1953) and his seniority (he joined the Rexel Group in 2003), the Board of Directors decided on July 1, 2016 not to suspend the supplemental defined-benefit retirement plan, in which Patrick Berard has been maintained in his capacity as an employee prior to accepting the duties of corporate officer. The Board of Directors of July 1, 2016 decided to maintain the benefit of the scheme of defined benefit supplemental retirement plan that Patrick Berard benefited from as an employee prior to hisappointment as Chief Executive Officer of Rexel. 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 theterms 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).

3.3 Ordinary agreements and Related party transactions

3.3.1 Ordinary agreements

Rexel has set up an internal control procedure with respect to ordinary course agreements and regulated agreements.

This procedure has been established in accordance with applicable regulations as resulting from the law n° 2019-486 to favor the growth and the transformation of enterprises of May 22, 2019 (so-called *Loi PACTE*) as well as marketplace recommendations, in particular the recommendation from the French *Autorité des marchés financiers* n° 2012-05 of July 2, 2012, as amended on October 5, 2018.

In a joint-stock company with a Board of Directors, agreements referred to under article L.225-38 of the French Commercial Code, so-called "regulated agreements" are submitted to a specific procedure and must be submitted to the prior approval of the Board of Directors and covered by a special report from the auditors with a view to submit them to the approval of the Shareholders' Meeting.

Agreements relating to ordinary course transactions and entered into under normal conditions as well as intragroup transactions between two companies, one company holding directly or indirectly 100% of the share capital of the other company, are excluded from this control procedure.

The internal procedure thus describes:

1) the relevant parties as well as the criteria to be considered to qualify an ordinary course transaction and a transaction entered into under normal conditions;
2) the procedure to identify the agreements, which relies on an assessment conducted by the General Secretary and the Legal Department of Rexel with the support of the relevant teams and a review of ordinary course transactions entered into under normal conditions at least once per year; and
3) the specific procedures to be applied depending on whether the agreement is an ordinary course transaction entered into normal conditions, submitted to an annual review of the Board of Directors, or a regulated agreement, submitted to the prior approval of the Board of Directors and the approval of the Shareholders' Meeting as well as an annual review.

3.3.2 Main related-party transactions

The material agreements entered into between Rexel and related parties, *i.e.* the members of Rexel's executive management, Rexel's Directors, the shareholders of Rexel and the subsidiaries of Rexel, within the meaning of Articles L.225-38 *et seq.* of the French Commercial Code, and that were in force at December 31, 2020, relate to the compensation of corporate officers of Rexel as well as the relations within the Rexel Group. These agreements are described below.

The main transactions with related companies are also described in detail in note 25 of the consolidated financial statements of the Company for the year ended December 31, 2020 which are set out in section 5.2 "Consolidated Financial Statements" of this Universal Registration Document.

3.3.2.1 Compensation of Corporate Officers

In accordance with Order No. 2019-697 of July 3, 2019 relating to supplementary occupational retirement schemes, the retirement scheme referred to below was frozen, on December 31, 2019, as authorized by the meeting of the Board of Directors of December 17, 2019 and by the Shareholders' Meeting of June 25, 2020.

Supplemental defined-benefit retirement plan

The Board of Directors of July 1, 2016 decided to maintain the benefit of the scheme of defined-benefit supplemental retirement plan that Patrick Berard benefited from as an employee prior to his appointment as Chief Executive Officer of Rexel. In order to comply with Article L.225-42-1 of the

French Commercial Code, the Board of Directors decided that the contingent rights that may be acquired by Patrick Berard in respect of his duties as Chief Executive Officer in connection with this scheme would only be granted subject to the achievement of annual performance criteria. This decision has been upheld by the Board of Directors meeting of May 24, 2018, which decided on the renewal of the corporate office as Chief Executive Officer of Patrick Berard as from July 1, 2018.

This scheme was approved by the Shareholders' Meeting of June 25, 2020.

At the closing of the 2020 financial year, the yearly amount of the retirement of the Chief Executive Officer under the plan was estimated at €225,697. This estimation has been made based on the length of service acquired as at the date of closing of the financial year and on the compensation recorded during the last financial years, as if the Chief Executive Officer could benefit from it from the next day after the end of the financial year. No amount was paid to Patrick Berard during the financial year ended December 31, 2020.

No other member of the executive management or Directors of Rexel benefits from this scheme.

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. However, 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.

The amendment of undertakings of defined-benefits retirement plans for the benefits of Patrick Berard in his capacity as Chief Executive Officer, was authorized by the Shareholders' Meeting of June 25, 2020.

The Board of Directors of June 25, 2020, on the occasion of the renewal of the corporate office as Chief Executive Officer of Patrick Berard, decided to uphold, with effect from June 25, 2020, Rexel's commitments to the benefit of Patrick Berard in his capacity as Chief Executive Officer of Rexel, pursuant to the supplementary defined-benefit retirement plan contract of May 31, 2005 (closed to any new seniority after June 30, 2009) and of July 1, 2009.

Items of compensation due or likely to be due further to the termination of the duties of the corporate officers

Patrick Berard

The Board of Directors decided not to grant to Patrick Berard any severance indemnity resulting from the termination of his duties as Chief Executive Officer of Rexel, nor any non-compete indemnity in connection with the termination of such duties, taking into account his career and profile.

The employment agreement of Patrick Berard, suspended during the exercise of his duties as Chief Executive Officer of the Company, provides under certain conditions the payment of such indemnities, within the limits of a global amount of 18 months of monthly reference compensation (*i.e.*, the last annual fixed compensation increased by the average amount of the last 2 bonuses received, divided by 12). The suspended employment agreement of Patrick Berard also provides for a potential non-compete indemnity under certain conditions, the indemnification of which would range within the total limit of 18 months of monthly reference compensation as described above.

In case of reactivation of the employment agreement of Patrick Berard, these potential severance indemnities would be calculated without taking into account the exercise period of the corporate office (without considering his seniority or fixed or variable compensation received as a corporate officer).

3.3.2.2 Relations within the Rexel Group

The main agreements entered into within the Rexel Group include the following:

- A tax integration agreement entered into on May 9 and May 24, 2012, April 28, 2014, April 20, 2015, February 8 and February 14, 2017 between Rexel and each of the companies included in the tax integration perimeter of the Rexel Group constituted on January 1, 2005 under the conditions and forms required under Article 223 A *et seq.* of the French general tax Code.

These agreements are current agreements entered into under ordinary terms by Rexel and are not subject to the procedure referred to in Articles L.225-38 *et seq.* of the French Commercial Code.

3.3.3 Agreements between the executives or shareholders of Rexel and Rexel's subsidiaries

The agreements entered into between, on the one hand, the Chief Executive Officer or, one of the directors of Rexel or one of its shareholders holding more than 10% of the share capital of Rexel and, on the other hand, companies controlled by Rexel within the meaning of Article L.233-3 of the French Commercial Code, include the following agreement:

- The employment agreement between Patrick Berard and Rexel Développement, suspended since July 1, 2016 (see paragraph 3.2 "Compensation of corporate officers" of this Universal Registration Document).

3.3.4 Special reports of the Statutory Auditors in relation to the related party agreements

3.3.4.1 Special report of the Statutory Auditors in relation to the related party agreements for 2020

This is a free translation into English of the Statutory Auditors' report on related party agreements and commitments issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Rexel S.A.

13, boulevard du Fort de Vaux - CS60002 - 75838 Paris Cedex 17

Share capital: €1,522,125,530

Statutory Auditors' Report on regulated agreements

Shareholders' meeting for the approval of the financial statements for the year ended December 31, 2020

To the Shareholders' meeting of the Company Rexel S.A.,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and the reasons underlying the company's interest of agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements. In accordance with article R.225-31 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code *(Code de commerce)* in relation to the implementation during the year of agreements already approved by the Shareholders' meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements authorized during the financial year

We hereby inform you that we have not been advised of any agreement authorized during the financial year to be submitted to the approval of the Shareholders' meeting pursuant to article L.225-38 of the French Commercial Code.

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

We inform you that we have not been advised of any agreements which were already approved by the Shareholders' meetings in prior years, and which remained current during the financial year.

Paris-La Défense and Neuilly-sur-Seine, February 11, 2021

The Statutory Auditors

French original signed by

KPMG Audit		PricewaterhouseCoopers Audit	
Department of KPMG S.A.			
Valérie Besson	Jean-Marc Discours	Pierre Clavié	Amélie Wattel

1 2 3 4 5 6 7 8

3.3.4.2 Special reports of the Statutory Auditors in relation to the related party agreements for 2019 and 2018

The special reports of the Statutory Auditors of Rexel in relation to the related party agreements for the financial year ended December 31, 2019, and December 31, 2018, are set out respectively in the Universal Registration Document filed with the *Autorité des marchés financiers* on March 9, 2020 under number D.20-0111, and in the registration document filed with the *Autorité des marchés financiers* on April 3, 2019, under number D.19-0264.

3.4 Insider trading policy

Following the transformation of Rexel into a *société anonyme* with a Board of Directors, Rexel adopted on May 22, 2014, and updated on February 10, 2017 and on February 12, 2020, its Insider trading policy (the "Policy"), initially adopted in 2007, in order to comply with the general rules of the French financial markets authority ("AMF"). The purpose of the Policy is to specify the applicable regulations in respect of security transactions and of compliance with the rules concerning market abuse and, in particular, insider trading.

This Charter is available on the website of Rexel (www.rexel.com/en).

Pursuant to the guidelines of the AMF relating to the "Market Abuse" regulation (European Regulation No. 2014/596 of April 16, 2014), the Policy has been completed by an internal procedure relating to the characterization and management of privileged information (the "Procedure"). The Procedure creates an *ad hoc* internal Committee in charge of determining whether the information submitted to it should be characterized as inside information, and implements an internal processing procedure for inside information.

3.5 Implementation of the AFEP-MEDEF corporate governance Code for listed companies – Paragraph 27.1

Rexel refers to the corporate governance principles of listed companies set out in the corporate governance code (the AFEP-MEDEF Code) established by the *Association française des entreprises privées* (Afep) and the *Mouvement des entreprises de France* (Medef).

This code is available on the website of Medef (www.medef.com/en) or at the registered office of Rexel.

Rexel believes that it complies with the corporate governance principles as defined in the AFEP-MEDEF Code, to the extent that such principles are compatible with the organization, size and means of the Rexel Group, with the following exceptions:

AFEP-MEDEF GUIDELINES	REXEL GROUP PRACTICE AND EXPLANATIONS
Allocation of compensation to corporate officers (guideline 21.1) The terms of allocation of such compensation must take into account effective participation of the directors in the board and the committees, and thus include a prevailing variable part.	The Board of Directors considers that independently from its capacity of Director, each Director is also member of one or two committees with the exception of Patrick Berard, due to his capacity as Chief Executive Officer. Also, the directors, many of whom reside abroad, make themselves largely available to attend the various meetings of the Board of Directors and of the Committees. Thus, in 2020, the Board of Directors has met 21 times, the Audit and Risk Committee 7 times, the Nomination Committee met on 6 occasions, and the Compensation Committee met on 7 occasions. The Board of Directors has consequently estimated not necessary to modify the variable part of the compensation that already takes into account of the effective attendance of the Directors to the committees. Due to the context of health crisis, most of the meetings were held by teleconference.
Termination of the employment agreement in case of corporate mandate (guideline 22) It is recommended, that a manager who becomes an officer of the company should terminate his employment agreement with Rexel or a company of the Group, either by way of settled termination, or by resignation.	The Nomination and Compensation Committee recommended that the employment agreement entered into between Rexel Développement SAS and Patrick Berard, in its amended version of November 4, 2015, be upheld, while being suspended (in accordance with case law in this respect) as of July 1, 2016. Patrick Berard, who joined the Group in 2003, in addition to having a seniority of over thirteen years within the Rexel Group, as of July 1, 2016, was 63 years old and was therefore approaching the end of his professional career. Patrick Berard, who was then an employee of the Rexel Group, had accepted to take over the duties of Chief Executive Officer in connection with the change in governance of Rexel and to assume responsibility for the management of the Rexel Group. Patrick Berard would therefore be likely to suffer material prejudice as a result of the loss of his capacity as employee in connection with his appointment as Chief Executive Officer as of July 1, 2016.

3.6 Deeds of incorporation and by-laws

The main provisions described below are drawn from the by-laws of Rexel as updated on June 25, 2020.

Resolutions will be submitted to the approval of the Shareholders' Meeting of April 22, 2021 in order to align certain provisions of the by-laws with recent legislative and regulatory changes.

3.6.1 Corporate purpose (article 3 of the by-laws)

Rexel's main purpose is to engage in the following business activities, directly or indirectly, in France and abroad:

- To acquire, hold, manage and, if applicable, sell or assign shares, any other tradable securities and any other equity interests in any French or foreign company or group, whether publicly traded or privately held;
- To provide services to such companies or groups by detaching personnel or otherwise, in particular to provide all advice and assistance in their respective organization, investments and financing, and to coordinate their policies in the areas of development, product range, procurement and distribution;
- To acquire, hold, manage and, if applicable, sell or assign any industrial or intellectual property rights and all processes directly or indirectly related to the aforesaid purposes, and to secure or grant licenses for such rights; and
- More generally, to carry out any transactions, in particular industrial, business, financial, stock market, civil, real property and other property transactions that are directly or indirectly related to the purposes of Rexel described above or to purposes that are similar or connected or likely to facilitate such purposes, in particular by way of lending or borrowing or granting guarantees and security interests covering its obligations or those of affiliated companies.

3.6.2 Management and administration bodies (articles 14 to 23 of the by-laws)

3.6.2.1 Board of Directors (articles 14 to 18 of the by-laws)

Membership (article 14 of the by-laws)

1. The Board of Directors is made up of a minimum of five members and a maximum of fifteen members, subject to the exceptions provided for by law in the event of a merger.

During the Company's lifetime, Directors are renewed or reappointed by the ordinary Shareholders' Meeting.

2. They are appointed for a maximum term of four years.

The term of office of a Director expires at the end of the ordinary Shareholders' Meeting convened to approve the financial statements for the previous financial year and held during the year in which the term of office of such director is due to expire.

The Board of Directors is renewed in quarters, rounded up to the nearest whole number every year so that it is fully renewed every four years. The order of early termination of the terms of office is determined by unanimous decision of the Directors present or represented or, if unanimity cannot be reached, by random draw. The mandate of the persons so designated lapse on the date set by the unanimous decision of the Board of Directors or on the date set by the Chairman of the Board of Directors before the draw. The renewal of Directors is then carried out in the order of the length of service.

Directors are always eligible for renewal.

They may be dismissed at any time by the ordinary Shareholders' Meeting.

No individual exceeding 70 years of age may be appointed as director where such appointment would raise the number of directors over 70 years of age to more than one-third.

3. Where, at the close of a financial year, the portion of share capital held – under Article L.225-102 of the French Commercial Code – by the employees of Rexel and of its affiliated companies within the meaning of Article L.225-180 of such Code, is above 3%, a director representing the employee shareholders is appointed by the Shareholders' Meeting in accordance with the terms and conditions of the laws and regulations in force and of the by-laws, to the extent the Board of Directors does not already include an employee shareholder and Director, or elected employee Director.

The candidates for appointment as employee shareholder Director are appointed as follows:

a) Where the voting right attached to the shares held by the employees or by the mutual funds of which they are a member is exercised by the members of the Supervisory Board of such mutual funds, the candidates are appointed by such board from among its members; and

b) Where the voting right attached to the shares held by the employees (or by the mutual funds of which they are a member) is directly exercised by such employees, the candidates are appointed at the time of the consultation provided under Article L.225-106 of the French Commercial Code, either by the employee shareholders in a special meeting called for this specific purpose, or pursuant to a written consultation. Only those candidacies presented by a group of shareholders representing at least 5% of the shares held by the employees who exercise their voting right in their personal capacity are admissible.

4. The Directors may be individuals or legal entities. Any legal entities must, at the time of their appointment, appoint a Permanent Representative who is subject to the same conditions and obligations and who incurs the same liability as if he/she were a director in his/her own name, without prejudice to the joint and several liability of the legal entity he/she represents. This office of Permanent Representative is concurrent with the term of office of the legal entity that he/she represents. It must be renewed each time the term of office of the legal entity comes up for renewal.

Should the legal entity dismiss its representative, it must notify Rexel thereof without delay, by registered mail, and of the identity of its new Permanent Representative. The same shall also apply in the event of the death, resignation or disability of the Permanent Representative.

5. Should one or more seats on the Board of Directors become vacant between two Shareholders' Meetings, as a result of the death or resignation of members, the Board of Directors may co-opt one or more persons to serve as interim members.

Any co-option of directors by the Board of Directors is subject to ratification by the shareholders at the next ordinary Shareholders' Meeting.

The resolutions adopted and actions carried out by the coopted Directors shall be valid notwithstanding the absence of ratification.

Should the number of Directors fall to less than three, the Board of Directors shall immediately convene an ordinary Shareholders' Meeting to bring the number of Directors up to the required minimum.

A Director who is appointed to replace another Director shall remain in office only for the remainder of his predecessor's term.

6. No person may be appointed as Director unless he/she complies with the rules on combining offices, conflicts of interests and disqualification or prohibitions as provided by law.

The number of Directors who are linked to Rexel by an employment agreement may not exceed one third of the Directors in office.

7.1 In accordance with Article L.225-27-1 of the French Commercial Code, the Board of Directors includes one or two Directors representing the employees of the Group, to be appointed as follows.

When the number of Directors, calculated in accordance with the law, is below or equal to eight, the Board of Directors shall include a Director representing the employees appointed by the trade union having obtained the large number of votes in the first round of the elections referred to in Articles L.2122-1 and L.2122-4 of the French Labor Code within the Company and its subsidiaries, either direct or indirect, the registered office of which is established on the French territory.

When the number of Directors exceeds eight, and subject to this criterion still being satisfied upon the date of his/her appointment, a second Director representing the employees shall be appointed by the European Works Council. This appointment shall take place within a term of six months as from the crossing of the threshold of eight Directors.

In case of vacancy, for any reason whatsoever, of the office of a Director representing the employees, the vacant office shall be filled in accordance with the provisions of Article L.225-34 of the French Commercial Code.

7.2 The term of office of the employee Directors shall be of four years.

The duties of the Director appointed pursuant to article L.225-27-1 of the French Commercial Code shall expire at the end of the ordinary Shareholders' Meeting called to approve the financial statements of the previous financial year, held in the year during which his or her term of office expires.

In addition, their term of office shall cease *ipso jure* when these employee representatives no longer meet the eligibility criteria provided for in Article L.225-28 of the French Commercial Code, or in case of termination of their employment agreement in accordance with Article L.225-32 of such code.

The decrease to eight or less than eight of the number of Directors appointed by the General Shareholders' Meeting does not affect the term of office of all of the employee representatives within the Board of Directors, which shall expire upon the end of its normal term.

7.3 The provisions of Article 15 of these by-laws do not apply to the Directors representing the employees who are not obliged to hold a minimum number of Rexel shares.

7.4 In the event that the obligation of appointment of one or several Directors representing the employees pursuant to Article L.225-27-1 of the French Commercial Code becomes void, the corporate office of the Director(s) representing the employees within the border Directors would cease upon the end of its term.

Shares held by Directors (article 15 of the by-laws)

For their whole term of office, the Directors must hold at least one thousand (1,000) Rexel shares. If, at the date of his/her appointment, a Director does not hold the required number of shares, or if, during the course of his/her term of office, he/she ceases to hold such number of shares, he/she shall be deemed to have resigned from his/her duties unless he/she takes the necessary steps within the time requirements of applicable law and regulations.

Chairman of the Board of Directors – Deputy Chairman of the Board of Directors – Officers of the Board of Directors (article 16 of the by-laws)

1. The Board of Directors elects from among its members who are individuals a Chairman and, as the case may be, a Deputy Chairman who shall serve in this capacity for the duration of their term of office as directors, unless the Board of Directors decides to appoint a new Chairman and, as the case may be, a new Deputy Chairman.

2. The Chairman of the Board of Directors may not be more than 68 years of age; his/her term of office automatically lapse on December 31 of the year of his/her 68th birthday.

The Chairman of the Board of Directors represents the Board of Directors. The Chairman calls meetings of the Board of Directors and organizes and conducts the work of the Board of Directors and reports on such works to the Shareholders' Meeting. The Chairman sees to the proper operation of Rexel's bodies and, in particular, makes sure that the directors are able to discharge their duties.

Subject to complying with the provisions of the laws and regulations, the Chairman is always eligible for reappointment.

3. In the absence of the Chairman, the Deputy Chairman serves as Chairman and enjoys the same prerogatives as the Chairman.

The Deputy Chairman may also perform the functions of Senior Independent Director. The Senior Independent Director's functions are defined in the Rules of Procedure of the Board of Directors.

As an exception to the foregoing, the appointment of a Deputy Chairman is mandatory where the functions of Chairman of the Board of Directors and of Chief Executive Officer are exercised by the same person; in such case, the Deputy Chairman shall also perform the functions of Senior Independent Director.

Subject to complying with the provisions of the laws and regulations, the Deputy Chairman is always eligible for reappointment.

4. The Board of Directors also appoints a secretary who is not required to be a Director and who serves as an officer of the Board, alongside the Chairman and the Deputy Chairman. In the secretary's absence, the Board of Directors appoints one of its members or a third party to discharge the secretary's duties.

5. The Board of Directors is chaired by the Chairman or, in the Chairman's absence, by the Deputy Chairman or, in the Deputy Chairman's absence, by a director chosen by the Board at the beginning of the meeting.

Deliberations of the Board of Directors (article 17 of the by-laws)

1. The Board of Directors meets whenever the best interests of the Company so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman.

The Board of Directors may be held physically, by videoconference or any other forms of telecommunication, or by written consultation under the terms provided for by applicable law and in accordance with the following provisions.

2. Meetings held physically, by videoconference or any other forms of telecommunication.

Unless otherwise agreed by all members of the Board of Directors, meeting notices must be given in writing, including by fax or e-mail, at least three (3) days before the date of the meeting, together with the agenda of the meeting and all documents that have been prepared for submission to the Board of Directors. However, when all members of the Board of Directors are present or represented at a meeting (including if they are participating or represented during a telephone or videoconference), the meeting may be held without prior notice and without observing such three (3) day notice period.

Meetings are held at the registered office or at any other place specified in the notice of meeting.

However, if the Board of Directors has not met in more than two months, a group of Directors representing at least one third of the Directors in office may request the Chairman to call a meeting of the Board of Directors on a given agenda. In all other cases, the agenda is determined by the Chairman and must be mentioned in the meeting notice.

The Board of Directors is duly convened only if a quorum consisting of at least half of its members is in attendance.

Decisions are approved by a majority of votes of the members present or represented; each member of the Board of Directors has one vote and may not represent more than one fellow member.

In accordance with the applicable regulations, the Board of Directors shall draw up the Rules of Procedure defining the methods of participating and voting at Board meetings held by videoconference or any other forms of telecommunication.

If allowed by the Rules of Procedure of the Board of Directors, Directors who participate in Board meetings by videoconference or any other forms of telecommunication shall be deemed present for the purpose of calculating the quorum and majority, in accordance with the Rules of Procedure.

In the event of a tie, the Chairman of the meeting has a casting vote, if and only if the Board of Directors comprises an even number of Directors in office and only at meetings chaired by the Chairman of the Board of Directors.

3. Written consultations.

The Board of Directors may also, at the Chairman's discretion, convene by written consultation on decisions such as provided for by the law. In the event of a written consultation, the Chairman sends to each Director, alternatively (i) by registered mail with acknowledgement of receipt, or (ii) by e-mail with acknowledgement of receipt, the wording on the proposed decisions as well as any document useful to their information.

Directors shall have a 5-day period (ending at 11.59 PM, Paris time, on the last day of this delay) from the sending date of the draft decisions, to send their vote in writing. This vote shall be addressed alternatively (i) through registered mail with acknowledgement of receipt, or (ii) e-mail with acknowledgement of receipt, to the attention of the Chairman of the Board of Directors at the registered office of the Company.

The Board of Directors is duly convened with written consultations only if a quorum consisting of at least half of its members has replied within the previously mentioned delay.

Decisions are taken by a majority of votes of the members who replied, each member corresponding to one vote.

In the event of a tie, the Chairman has a casting vote, if (and only if) an even number of Directors in office voted in accordance with the provisions.

4. An attendance register is kept and signed by the Directors who attend the Board meeting; such register must show the name of any Directors who attended the meeting by videoconference or other forms of telecommunication, or who voted by correspondence.

5. The deliberations of the Board of Directors (including by written consultation) are recorded in minutes, which are drawn up in accordance with applicable law and signed by the Chairman of the meeting and at least one Director or, if the Chairman is unavailable, by at least two Directors, subject to the laws applicable to decisions taken by written consultation.

Copies or excerpts of these minutes are certified by the Chairman of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officers, the Director temporarily acting as Chairman or an authorized representative.

Powers of the Board of Directors (article 18 of the by-laws)

1. The Board of Directors defines Rexel's business orientations and sees to their implementation. Subject to the powers expressly assigned to the Shareholders' Meetings and within the scope of the corporate purpose, it handles matters relating to the proper operation of Rexel and settles Rexel's affairs through its deliberations.

In its relations with third parties, Rexel is bound even by the *ultra vires* acts of the Board of Directors, unless it is able to prove that the third party knew that the act was *ultra vires* or could not be unaware of it in the circumstances, provided always that the mere publication of the by-laws shall not suffice to establish such proof.

The Board of Directors conducts the controls and verifications it deems fit.

Each Director receives all information required for the performance of his/her functions and may obtain copies of any and all documents he/she deems useful from the Chairman.

2. The Board of Directors grants the Chief Executive Officer the prior authorization to grant sureties, endorsements and other guarantees, to sell real property, to dispose of equity interests, in whole or in part, and to grant security interests.

3. The Rules of Procedure of the Board of Directors define the decisions requiring the prior authorization of the Board of Directors.

4. The Board of Directors may entrust one or more of its members or third parties who need not be shareholders with special mandates for one or more specific purposes.

5. The Board of Directors may, from among its members, appoint one or more special committees which operate under its responsibility, and determines their membership and responsibilities.

The rules of operation of such Committees are determined by the Rules of Procedure of the Board of Directors and, as the case may be, detailed in the rules of procedure drawn up by each Committee and approved by the Board of Directors.

Observers *(censeurs)* (article 21 of the by-laws)

The Board of Directors may appoint up to three observers *(censeurs)*. The observers are called to attend and participate in Board meetings in an advisory capacity. They may be members of the committees created by the Board of Directors.

They need not be chosen from among the shareholders and may receive compensation determined by the Board of Directors.

The observers are appointed for a maximum term of four years. The observers may always be renewed in office. The duties of the observers may be terminated at any time.

3.6.2.2 Executive Management (article 19 of the by-laws)

1. Rexel's executive management is performed, under his/her responsibility, by the Chairman of the Board of Directors, or by another private person, who need not be a Director, appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors elects one of the aforementioned two forms of executive management by majority decision as described in Article 17 §2 of the by-laws. The shareholders and third parties are informed of such election in accordance with the rules provided by law.

This form of executive management remains valid until another decision is made, in accordance with the same rules.

The change in Rexel's executive management method does not entail any changes to the by-laws.

2. Where the Company's executive management is performed by the Chairman, the provisions of the legislation and regulations and of the by-laws in relation to the Chief Executive Officer apply to the Chairman, who then bears the title of Chairman and Chief Executive Officer.

Where the Board of Directors elects to dissociate the functions of Chairman of the Board of Directors from the Company's executive management, the Board appoints the Chief Executive Officer and determines the Chief Executive Officer's term of office and scope of powers, in accordance with the law and the by-laws. The Board of Directors' decisions limiting the Chief Executive Officer's powers are ineffective *vis-à-vis* third parties.

To perform his/her functions, the Chief Executive Officer must be less than 70 years of age. If the Chief Executive Officer reaches the age of 70 while in office, such functions automatically lapse and the Board of Directors appoints a new Chief Executive Officer. The Chief Executive Officer however remains in office until the date of the meeting of the Board of Directors held to appoint his/her successor. Subject to the aforementioned age limit, the Chief Executive Officer is always eligible for reappointment.

The Chief Executive Officer may be dismissed at any time by the Board of Directors.

In the event of temporary unavailability of the Chief Executive Officer, the Board of Directors may appoint a director to perform the functions of Chief Executive Officer.

3. The Chief Executive Officer is vested with the broadest powers to act in the name of Rexel, in all circumstances. The Chief Executive Officer exercises such powers within the scope of the corporate purpose and subject to the powers which the law expressly assigns to the Shareholders' Meetings and the Board of Directors. He/she represents the Company in its relationships with third parties.

The Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors on a given agenda.

If the Chief Executive Officer is not also a Director, he/she may attend Board meetings in an advisory capacity.

4. On a proposal from the Chief Executive Officer, the Board of Directors may appoint up to a maximum of five private persons to assist the Chief Executive Officer and bearing the title of Deputy Chief Executive Officer; the Board of Directors determines the scope and term of their powers, it being understood that, *vis-à-vis* third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

The Deputy Chief Executive Officer(s) may be dismissed at any time by the Board of Directors, on a proposal from the Chief Executive Officer.

In the event of unavailability or termination of the functions of the Chief Executive Officer, unless the Board of Directors decides otherwise, the Deputy Chief Executive Officer(s) retain their functions and powers until a new Chief Executive Officer is appointed.

5. The Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer(s), may be authorized to grant delegations of powers, subject to the limitations provided by the laws and regulations in force.

3.6.2.3 Compensation of the Directors, Chairman, Chief Executive Officer, Deputy Chief Executive Officer and Officers of the Board of Directors (article 20 of the by-laws)

1. The ordinary Shareholders' Meeting may allocate a fixed annual amount to the Directors as compensation for their activities; such amount is included in the operating expenses of the Company and remains in effect until the Shareholders' Meeting decides otherwise. The Board of Directors allocates the compensation between Directors as it deems fit. For companies in which shares can be traded on a regulated market, the allocation is determined under the terms provided for by law.

The Board of Directors allocates this compensation among the Directors as it deems fit.

2. The compensation of the Chairman of the Board of Directors, of the Chief Executive Officer and of the Deputy Chief Executive Officers is determined by the Board of Directors. Such compensation may be fixed or proportional, or both fixed and proportional.

3. The Board of Directors may allot exceptional compensation for special missions or duties assigned to Directors; any such compensation is recorded as operating expenses and is subject to approval by the ordinary Shareholders' Meeting in accordance with the procedure set forth in Articles L.225-38 to L.225-42 of the French Commercial Code.

4. The Board of Directors may authorize the reimbursement of travel and other expenses incurred by its members in the best interest of Rexel.

No compensation other than that provided herein, whether permanent or temporary, may be allocated to the Directors, unless they are linked to Rexel by an employment agreement under the conditions authorized by law.

3.6.2.4 Agreements entered into by Rexel with its shareholders or managers (article 22 of the by-laws)

Any agreement entered into between the Company and its shareholders or any one of them, or between the Company and its managers or any one of them, in each case whether directly or through an intermediary, is subject to the applicable procedure as defined by law.

3.6.2.5 Liability (article 23 of the by-laws)

The Directors and the Chief Executive Officer are individually or, as the case may be, jointly and severally liable towards Rexel and third parties for any breach of the provisions of the laws and regulations applying to *sociétés anonymes* or of the provisions of the by-laws, and for their personal negligence in the performance of their duties, in accordance with the provisions of the law.

3.6.3 Rights and obligations attached to the shares (articles 8, 9, 11, 12 and 13 of the by-laws)

Payment of shares (article 8 of the by-laws)

Shares subscribed for in cash are issued and paid-up under the terms and conditions provided for by law.

Form of the shares (article 9 of the by-laws)

The Rexel shares may be in registered or bearer form, at the shareholder's discretion, notwithstanding certain legal or regulatory provisions that may in certain cases require that the shares be in registered form.

The Rexel shares are registered on a securities account under the terms and conditions provided for by law.

Sale and transfer of shares (article 11.1 of the by-laws)

The shares are freely tradable, notwithstanding any legal or regulatory provisions to the contrary. They are transferred between accounts under the terms and conditions provided for by law.

Rights and obligations attached to the shares (article 12 of the by-laws)

1. Each share grants rights to a share of ownership in the corporate assets and in the distribution of profits, which is proportional to the percentage of the share capital that it represents.

Each share also gives its holder the right to vote and to be represented at Shareholders' Meetings under the terms and conditions provided for by law and by the by-laws.

2. Shareholders are responsible for the company's liabilities only up to the amount of their contributions.

The rights and obligations attached to the shares remain attached thereto irrespective of the transferee.

Owners of shares are automatically bound by the by-laws and by any decisions of the Shareholders' Meetings.

3. Whenever more than one share is required to exercise a particular right, in the event of a share exchange, consolidation or allotment, or as a result of an increase or reduction in share capital, or in the event of a merger or other transaction involving the share capital, shareholders who own only one share or who do not own the minimum number of shares required may at their own initiative consolidate their shares for the purpose of exercising said right, or buy or sell the requisite number of shares.

Indivisibility of the shares – Legal ownership *(nue-propriété)* – Beneficial ownership *(usufruit)* (article 13 of the by-laws)

The shares are indivisible with regard to Rexel.

The co-owners of split shares must be represented *vis-à-vis* Rexel by only one of the co-owners or by a single representative. If no agreement can be reached concerning the appointment of a representative, such representative shall be appointed by order of the President of the commercial court acting at the request of the first owner to take the initiative to refer the matter to such court.

Voting rights attached to shares belong to the beneficial owner *(usufruitier)* at ordinary meetings and to the legal owner *(nu-propriétaire)* at extraordinary meetings.

3.6.4 Changes to shareholders' rights

Insofar as the by-laws contain no specific provisions covering changes to shareholders' rights attached to shares, such changes are subject to the provisions of the law.

3.6.5 Shareholders' Meetings (articles 25 to 33 of the by-laws)

3.6.5.1 Shareholders' Meetings (article 25 of the by-laws)

Shareholders' decisions are made at Shareholders' Meetings, which are either ordinary, extraordinary or special meetings depending on the type of decision on which the shareholders are requested to vote.

Any duly convened Shareholders' Meeting represents all the shareholders.

Decisions made in Shareholders' Meetings are binding upon all shareholders, including those who are absent, incapacitated or dissenting.

3.6.5.2 Notices of Meetings (article 26 of the by-laws)

Shareholders' Meetings are called by the Board of Directors or by any person authorized by the law for such purpose, within the time periods and in accordance with the conditions set forth by law.

Shareholders' Meetings are held at the company's registered office or at any other location indicated in the meeting notice.

3.6.5.3 Agenda (article 27 of the by-laws)

1. The agenda of Shareholders' Meetings is set by the party that convened the meeting.

2. Shareholders, at a Shareholders' Meeting, may not deliberate on a matter that is not referred to in the agenda, which cannot be amended upon serving a second notice. They may, however, under any circumstances, dismiss one or more Directors and appoint their replacements.

3.6.5.4 Access to Shareholders' Meetings (article 28 of the by-laws)

1. The right to participate in Shareholders' Meetings is subject to the registration or recording of the shares within the conditions and deadlines set out by the regulations in force.

2. A shareholder may be represented by another shareholder, by his or her spouse or by his or her civil solidarity pact (PACS) partner.

Furthermore, a shareholder may be represented by any other legal entity of individual of his/her choice:

(i) Where the Rexel shares are admitted to trading on a regulated market;

(ii) Where the Rexel shares are admitted to trading on a multilateral trading facility that complies with the legal and regulatory provisions aiming at protecting investors against insider trading, price manipulation and the dissemination of false information in accordance with the conditions laid down in the General Regulation of the *Autorité des marchés financiers*, appearing on a list drawn up by the AMF in accordance with the terms of its General Regulation.

The proxy form, as well as the withdrawal of the proxy form, if applicable, must be in writing and notified to Rexel, in accordance with the provisions laid down by law.

3. Any shareholder may vote by mail, by sending a ballot to Rexel under the conditions provided for by law.

This form may be on the same document as the proxy form; in this case, the single document must contain the statements and information provided for by the regulations. In order for mail ballots to be counted, Rexel must receive the ballots three (3) days before the date of the meeting. The electronic signature may take the form of a procedure compliant with the first sentence of the second subparagraph of article 1316-4 of the French Civil Code.

If the Board of Directors so decides when it convenes the meeting, shareholders may also participate and vote in the meeting by electronic or another form of telecommunication that enables them to be identified under the conditions provided for by law.

4. Shareholders who participate in a meeting by videoconference or other forms of telecommunication that enable them to be identified under the conditions provided for by law are deemed to be present for purposes of calculating the quorum and majority.

3.6.5.5 Attendance sheet – Officers of the meeting – Minutes of meetings (article 29 of the by-laws)

1. An attendance sheet containing the information required by law is kept for each meeting.

This attendance sheet, which is duly initialed by shareholders present and by any proxies, and to which any proxy forms and postal ballots are attached, is certified as true and accurate by the officers of the meeting.

2. Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman of the Board of Directors, or by a director specially authorized for this purpose.

If the Shareholders' Meeting is convened by the Statutory Auditor or Auditors, by a representative of the court or by the receivers, the meeting is chaired by one of them.

In any event, in the absence of the person who is authorized or appointed to chair the meeting, the shareholders shall elect a chairman of the meeting.

Ballots are counted by the two shareholders in attendance who hold the largest number of shares, either personally or by proxy, and who agree to perform this task (they shall be known as officers of the meeting).

The officers of the meeting appoint a secretary who is not required to be a shareholder.

The duties of the officers of the meeting are to verify, certify and sign the attendance sheet; to ascertain that the deliberations are duly carried out; to settle any incidents arising at the meeting; to count the votes cast and to ascertain that they are valid; and to draw up the minutes of the meeting and to sign them.

3. Minutes of the meetings are drawn up and copies or excerpts thereof are delivered and certified in accordance with the law.

3.6.5.6 Quorum – Voting – Number of votes (article 30 of the by-laws)

1. The quorum for ordinary and extraordinary Shareholders' Meetings is calculated on the basis of the total number of shares comprising the share capital, less any shares disqualified from voting pursuant to the provisions of the law.

In the case of votes submitted by mail, only those ballots received by Rexel prior to the meeting within the time period and under the conditions set forth by law will count towards the quorum.

2. At ordinary and extraordinary Shareholders' Meetings, each shareholder shall have as many votes as shares he owns or represents, in his own name or by proxy, with no limitations of any kind. Pursuant to the option provided for in Article L.225-123 of the French Commercial Code, shares fully paid up that have been held in a registered form for 2 years at the name of the same shareholder do not benefit from double voting rights.

3. Voting takes place and the votes are cast, as decided by the officers of the meeting, by a show of hands, by electronic means or by any form of telecommunication that enables the shareholders to be identified in accordance with the applicable regulations.

3.6.5.7 Ordinary Shareholders' Meetings (article 31 of the by-laws)

1. Ordinary Shareholder's Meetings are held to make all decisions that do not amend the by-laws.

Ordinary Shareholders' Meetings are held at least once each year, within the times specified by the applicable laws and regulations, to resolve on the financial statements and, if applicable, on the consolidated financial statements for the past financial year.

2. While voting in accordance with the quorum and majority requirements applicable to ordinary meetings, the ordinary Shareholders' Meeting exercises the powers assigned thereto by law.

3.6.5.8 Extraordinary Shareholders' Meetings (article 32 of the by-laws)

1. Only the extraordinary Shareholders' Meeting is authorized to amend any provision of the by-laws. However, it may not increase the obligations of shareholders, subject to transactions resulting from an exchange or consolidation of shares duly approved and carried out.

2. While voting in accordance with the applicable quorum and majority requirements, the extraordinary Shareholders' Meeting exercises the powers assigned thereto by law.

3.6.5.9 Shareholders' right to information (article 33 of the by-laws)

The shareholders have a right to receive the documents they need to take an informed decision on the management and operation of Rexel and to vote accordingly.

The type of such documents and the conditions under which they are sent or made available to shareholders are determined by law.

3.6.6 Provisions likely to have an impact on the occurrence of a change of control of Rexel

To Rexel's knowledge, there exists no provision in the by-laws that would result in delaying, deferring or preventing a change of control of Rexel.

As indicated in paragraph 3.7.5 "Agreements potentially leading to a change of control" of this Universal Registration Document, to the best knowledge of Rexel, there are no agreements entered into among shareholders. Furthermore, provisions of the senior credit agreement and of the bonds likely to have an impact in case of change of control of Rexel are described in note 22.1 of the Notes to the consolidated financial statements of the Company for the financial year ended December 31, 2020, set out in paragraph 5.2.1 "Consolidated Financial Statements" as of December 31, 2020 of this Universal Registration Document.

3.6.7 Identification of shareholders and ownership threshold disclosures (articles 10 and 11 of the by-laws)

3.6.7.1 Identification of shareholders (article 10 of the by-laws)

Rexel stays informed about the composition of its shareholding base in accordance with applicable laws.

In this respect, Rexel may avail itself of all legal provisions, for identification of the holders of securities conferring immediate or future voting rights at Rexel's Shareholders' Meetings.

3.6.7.2 Ownership threshold disclosures (article 11.2 of the by-laws)

In addition to the legal obligation to notify Rexel whenever the ownership thresholds provided by law are crossed, any individual or legal entity, acting alone or in concert, coming into possession, directly or indirectly within the meaning of the law (and in particular, of Article L.233-9 of the French Commercial Code), of a number of shares representing 2.5% of the share capital or voting rights, is required to disclose to Rexel the total number of shares and voting rights it owns by sending a notice by registered mail with acknowledgement of receipt to the registered office or, for shareholders who are not French residents, by any equivalent means, within 5 trading days from the date it has crossed one of these thresholds, stating the total number of securities held giving future access to the share capital and the number of voting rights attached thereto. This declaration of crossing of threshold shall also state whether the shares or voting rights attached thereto are held on behalf of or in concert with other individual or legal entities and shall also indicate the date on which the threshold was crossed. Such disclosure must be made for any additional multiple of 2.5% of the share capital or voting rights without any limitation, including when it exceeds 5%.

Failure to duly make such disclosure under the conditions specified above shall result in the disqualification for voting purposes of the shares that should have been disclosed under the conditions provided for by law, if so requested by one or more shareholders separately or together owning at least 2.5% of the share capital or voting rights and duly recorded in the minutes of the Shareholders' Meeting.

Any shareholder whose ownership interest and/or voting rights in Rexel falls below one of the aforesaid thresholds, for any reason whatsoever, is also required to disclose this fact to Rexel, under the same conditions and within the same periods of time specified above.

In calculating the aforesaid thresholds, the denominator must take into account the total number of shares making up the share capital and to which voting rights are attached, including shares that are disqualified for voting purposes, as published by Rexel as required by law (Rexel must publish the total number of shares with voting rights and the number of such shares that have been disqualified for voting purposes).

3.6.8 Special provisions governing changes to share capital (article 7 of the by-laws)

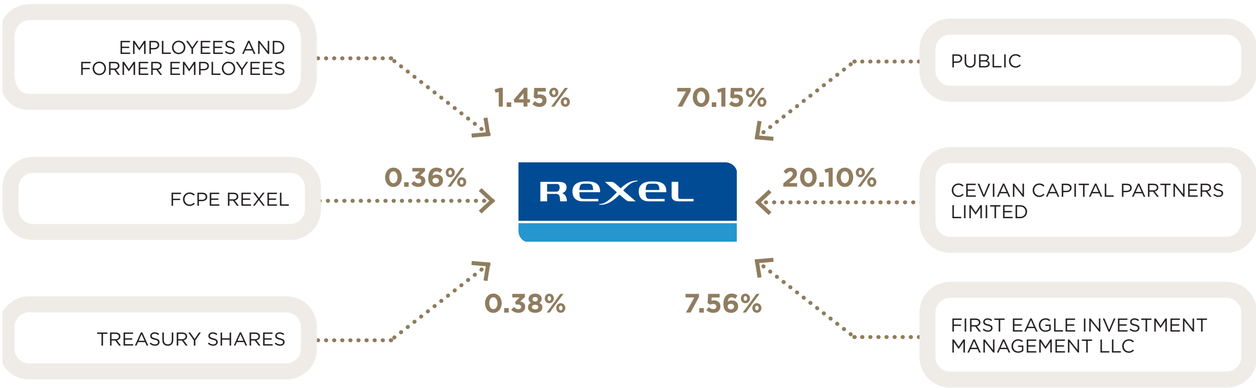
Rexel's share capital may be increased or reduced in all ways and by all manners authorized by law.

The extraordinary Shareholders' Meeting may also decide to divide the shares or to group them together.

3.7 Shareholders

3.7.1 Principal shareholders

The chart below shows the simplified shareholding structure of Rexel as of December 31, 2020:



3.7.2 Share capital and voting rights

3.7.2.1 Breakdown of shares and voting rights by shareholder

The table below shows the breakdown of the shareholding and of the voting rights of Rexel as of December 31, 2020, 2019 and 2018.

Each Rexel share gives right to one vote.

	AT DECEMBER 31,											
	2020				2019				2018			
SHAREHOLDERS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF CAPITAL AND THEORETICAL % OF VOTING RIGHTS(1)	% OF EXERCISABLE VOTING RIGHTS(2)	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF CAPITAL AND THEORETICAL % OF VOTING RIGHTS(1)	% OF EXERCISABLE VOTING RIGHTS(2)	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF CAPITAL AND THEORETICAL % OF VOTING RIGHTS(1)	% OF EXERCISABLE VOTING RIGHTS(2)
Cevian Capital Partners Limited(3)	61,202,309	61,202,309	20.10%	20.18%	53,521,593	53,521,593	17.60%	17.70%	53,521,593	53,521,593	17.61%	17.73%
First Eagle Investment Management LLC(4)	23,023,337	23,023,337	7.56%	7.59%	23,023,337	23,023,337	7.57%	7.61%	23,023,337	23,023,337	7.57%	7.63%
Employees and former employees	4,400,044	4,400,044	1.45%	1.45%	3,991,610	3,991,610	1.31%	1.32%	3,978,149	3,978,149	1.31%	1.32%
FCPE Rexel	1,100,718	1,100,718	0.36%	0.36%	1,154,749	1,154,749	0.38%	0.38%	1,185,495	1,185,495	0.39%	0.39%
Public	213,550,216	213,550,216	70.15%	70.41%	220,661,812	220,661,812	72.56%	72.98%	220,171,605	220,171,605	72.43%	72.93%
Treasury shares	1,148,482	1,148,482	0.38%	0.00%	1,748,912	1,748,912	0.58%	0.00%	2,108,720	2,108,720	0.69%	0.00%
TOTAL	**304,425,106**	**304,425,106**	**100%**	**100%**	**304,102,013**	**304,102,013**	**100%**	**100%**	**303,988,899**	**303,988,899**	**100%**	**100%**

(1) Percentages of voting rights calculated based on all of the shares entitling to voting rights, including shares disqualified for voting purposes.
(2) Percentages calculated by excluding treasury shares held by Rexel that are disqualified for voting purposes.
(3) Based on the declarations of crossing of threshold dated July 1, 2016, September 14, 2017, November 21, 2018 and March 10, 2020.
(4) Based on the declarations of crossing of threshold dated September 11, 2015 and February 11, 2016.

Also, Rexel has received the shareholding threshold disclosures set forth in paragraph 3.7.2.2 "Shareholding threshold disclosures" of this Universal Registration Document.

3.7.2.2 Shareholding threshold disclosures

During the financial year ended December 31, 2020 and as of the date of this Universal Registration Document, Rexel received the following thresholds crossing disclosures:

COMPANY	DATE OF THE DECLARATION	LEGAL AND BY-LAW THRESHOLDS	TYPE OF CROSSING	% OF CAPITAL AND VOTING RIGHTS AFTER CROSSING	NUMBER OF SHARES HELD AFTER CROSSING
First Eagle Investment Management, LLC	February 12, 2021	7.5%	Down	7.48%	22,770,033
Pzena Investment Management, LLC	February 12, 2021	5%	Down	4.92%	14,982,307
Pzena Investment Management, LLC	December 16, 2020	5%	Up	5.03%	15,306,626
Pzena Investment Management, LLC	September 16, 2020	5%	Down	4.99%	15,217,269
Norges Bank Investment Management	September 8, 2020	2.5%	Up	2.502%	7,617,127
BlackRock Inc.	August 3, 2020	5%	Down	4.80%	14,619,437
BlackRock Inc.	July 24, 2020	5%	Up	5.14%	15,636,259
BlackRock Inc.	July 23, 2020	5%	Down	4.91%	14,956,726
BlackRock Inc.	July 14, 2020	5%	Up	5.03%	15,325,948
BlackRock Inc.	July 3, 2020	5%	Down	4.88%	14,846,076
BlackRock Inc.	June 22, 2020	5%	Up	5.03%	15,306,552
BlackRock Inc.	June 11, 2020	5%	Down	4.93%	14,980,738
BlackRock Inc.	June 10, 2020	5%	Up	5.18%	15,753,224
Norges Bank Investment Management	May 5, 2020	2.5%	Down	2.495%	7,586,603
Pzena Investment Management, LLC	March 26, 2020	5%	Up	5.11%	15,532,744
BNP Paribas Asset Management Holding	March 24, 2020	2.5%	Down	2.42%	7,368,625
Cevian Capital Partners Limited	March 16, 2020	20%	Up	20.13%	61,202,309
BlackRock Inc.	February 26, 2020	5%	Down	4.96%	15,079,940
BlackRock Inc.	January 31, 2020	5%	Up	5.03%	15,288,274
BlackRock Inc.	January 23, 2020	5%	Down	4.91%	14,927,341
BlackRock Inc.	January 21, 2020	5%	Up	5.22%	15,875,831
BNP Paribas Asset Management Holding	January 20, 2020	2.5%	Up	2.467%	7,652,861
BlackRock Inc.	January 20, 2020	5%	Down	4.89%	14,858,290
BlackRock Inc.	January 17, 2020	5%	Up	5.05%	15,354,879
Millenium Partners, L.P.	January 9, 2020	2.5%	Down	2.47%	7,498,242
Millenium Partners, L.P.	January 9, 2020	2.5%	Up	2.50%	7,611,666

To Rexel's knowledge and based on the declarations of crossing of thresholds that it has received, no shareholder other than those referred to above holds, as of December 31, 2020, more than 5% of the share capital and/or voting rights of Rexel.

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3.7.2.3 Interests held by managers in the share capital of Rexel

Rexel interests held by Directors and the Chief Executive Officer

As of December 31, 2020, the Directors and corporate officers held the following ownership interests in Rexel's share capital:

	NUMBER OF SHARES	% OF THE SHARE CAPITAL AND VOTING RIGHTS
DIRECTORS		
Ian Meakins (Chairman)	115,250	0.04%
François Henrot	7,133	NS
Marcus Alexanderson	5,000	NS
François Auque	3,000	NS
Patrick Berard (Chief Executive Officer)	455,699	0.15%
Julien Bonnel (Director representing the employees)(1)	3,988	NS
Brigitte Cantaloube	1,000	NS
Toni Killebrew (Director representing the employees)(1)	-	NS
Elen Phillips	5,000	NS
Maria Richter	6,500	NS
Agnès Touraine	1,112	NS
Herna Verhagen	1,000	NS

(1) In accordance with Article 14 of the by-laws, the directors representing the employees do not have to hold a minimum number of shares of the Company.

Transactions on Rexel securities carried out by the Directors, the Chairman and the Chief Executive Officer

During the financial year ended December 31, 2020, the following transactions disclosures were made:

	DATE OF THE TRANSACTION	NATURE OF THE TRANSACTION	NUMBER OF SHARES	PRICE BY SHARE	TOTAL AMOUNT
DIRECTORS					
Claudine Berard, person related to Patrick Berard	December 16, 2020	Shared gift (*donation-partage*)	16,700	12.085	€201,819.50
Patrick Berard	December 16, 2020	Shared gift (*donation-partage*)	16,700	12.085	€201,819.50
Patrick Berard	May 25, 2020	Delivery of performance shares	76,548	–	-
Brigitte Cantaloube	April 1, 2020	Purchase	1,000	6.2620	€6,262

3.7.2.4 Employees shareholding

In accordance with the authorizations granted by the Shareholders' Meetings, Rexel implemented, in 2012, 2013 and 2016 employee shareholding plans carried out through share capital increases reserved for members of the PEG or the PEGI, through Share Incentive Plan ("SIP") in the United Kingdom or through free shares allocation plans, subject to a presence condition (subject to certain exceptions).

As of December 31, 2020, the number of shares held by employees in the context of the employee shareholding plans, directly or through employee investment funds (FCPE), was 1,545,702 shares, *i.e.* 0.51% of the share capital and voting rights of Rexel.

3.7.2.5 Subscription or purchase options for Rexel shares

The last subscription or purchase options plan ended on November 30, 2016.

3.7.2.6 Allotment of free shares

Free shares granted in the financial year ended December 31, 2016

Free share plans created on June 23, 2016

Pursuant to the authorization granted by Rexel's Extraordinary Shareholders' Meeting held on May 25, 2016, the Board of Directors at its meeting of June 23, 2016, decided to grant 1,820,625 Rexel free shares under two plans.

On June 23, 2016, in the context of the authorization granted to the Board of Directors to carry out the allocation of free shares, the Board of Directors decided that the Chief Executive Officer and the Deputy Chief Executive Officer, who are beneficiaries of an allotment of free shares, shall retain 20% of the vested shares in the registered form until the end of their term of office.

The table below summarizes the free shares allotments carried out during the financial year ended December 31, 2016:

PLAN	REXEL 2016 3+2	REXEL 2016 4+0
Shareholders' Meeting	May 25, 2016	
Board of Directors	June 23, 2016	
Number of beneficiaries	222	524
Initial number of free shares allocated	741,500	1,079,125
Corporate officers		
• Patrick Berard	85,000(1)	–
• Catherine Guillouard(2)	58,200(3)	–
Ten first employees(4)	258,900	
Date of final vesting	June 23, 2019	June 23, 2020
Date of transferability of shares	June 24, 2021	June 24, 2020
Number of valid shares at December 31, 2019	–	335,307
Number of cancelled or expired shares(5)	–	12,214
Number of vested shares at December 31, 2020	–	323,093
Number of valid shares at December 31, 2020	–	–

(1) Adjusted amount: 87,876. The number of performance shares still in the vesting period as of July 1, 2016 was adjusted by decision of the Chief Executive Officer on July 5, 2016 (upon delegation of powers granted by the Board of Directors on June 23, 2016). This decision aimed to protect the rights of the beneficiaries and followed the distribution to shareholders of €0.40 per share, fully deducted from the share premium.
(2) End of the term of office on February 20, 2017.
(3) These non-vested shares have been cancelled upon the departure from the Group of Catherine Guillouard further to the end of her corporate office on February 20, 2017.
(4) Given the number of shares allocated to employees, the ten first allocations have been indicated.
(5) Condition of presence not met or condition of performance not achieved.

On December 31, 2020, there were no shares allotted and undelivered.

During the financial year ended December 31, 2020, the Board of Directors' meeting of June 24, 2020 acknowledged the delivery of 323,093 ordinary shares of the Company, acquired on June 23, 2020 under the "Rexel 2016 4+0 Plan" of June 23, 2016.

During the financial year ended December 31, 2020, the beneficiaries who have permanently vested shares under the "Plan Rexel 4+0" of June 23, 2016, provided a condition of presence of four years as well as the following performance criteria:

PERFORMANCE OF THE PERFORMANCE SHARES PLANS GRANTED IN 2016	WEIGHT	OBJECTIVE	TRIGGER	TARGET	MAXIMUM	% ACHIEVEMENT (NOT WEIGHTED)	% PERFORMANCE SHARES ACQUIRED (WEIGHTED)
2015-2018 average of Adjusted EBITA margin growth in value	30%	+3.9%	75% of shares vest if the target achieved at 75%	100% of shares vest if the target is reached	150% of shares vest if target reached at 125%	11.40%	0.00%
2015-2018 average growth of organic sales	30%	+1.13%	75% of shares vest if target achieved at 75%	100% of shares vest if the target is reached	150% of shares vest if target reached at 125%	129.20%	45.00%
2016, 2017 and 2018 Average ratio of free cash flow before interest and taxes/EBITDA	20%	73.8%	50% of shares vest if target achieved at 90%	100% of shares vest if the target is reached	150% of shares vest if achievement reaches or exceeds 120%	84.30%	0.00%
TSR ranking of Rexel compared to a panel of companies (Companies of Stoxx Europe TMI "Electronic & Electrical Equipment") after a reference period of 3 years	20%	70^{th} percentile	50% of shares vest if the Rexel's TSR ranking is in the median of the TSR of the panel	100% of shares vest if the Rexel's TSR performance reaches the 70^{th} percentile of the panel	150% of shares vest if the Rexel's TSR performance reaches the 90^{th} percentile of the panel	0.00%	0.00%
							45%

Free shares granted in the financial year ended December 31, 2017

Free share plans created on May 23, 2017

The Extraordinary Shareholders' Meeting of May 25, 2016, authorized the Board of Directors to carry out the free share allocation. The Board of Directors, at its meeting of May 23, 2017, decided to allocate 1,873,975 Rexel free shares under 2 plans.

On May 23, 2017, in the context of the authorization granted to the Board of Directors to carry out the allocation of free shares, the Board of Directors decided that the Chief Executive Officer, who is beneficiary of an allotment of free shares, shall retain 20% of the vested shares in the registered form until the end of his term of office.

The table below summarizes the free shares allotments carried out during the financial year ended December 31, 2017:

PLAN	REXEL 2017 3+2	REXEL 2017 4+0
Shareholders' Meeting	May 25, 2016	
Board of Directors	May 23, 2017	
Number of beneficiaries	187	476
Initial number of free shares allocated	643,200	1,230,775
Corporate officer		
• Patrick Berard	100,000 (1)	–
Ten first employees(2)	259,000	
Date of final vesting	May 23, 2020	May 23, 2021
Date of transferability of shares	May 24, 2022	May 24, 2021
Number of valid shares at December 31, 2019	546,545	918,773
Number of cancelled or expired shares(3)	154,445	319,930
Number of vested shares at December 31, 2020	392,100	–
Number of valid shares at December 31, 2020	–	598,43

(1) Adjusted amount: 103,442. The number of performance shares still under vesting on July 5, 2019 was adjusted by decision of the Chief Executive Officer dated July 5, 2019 (upon delegation of power granted by the Board of Directors on May 23, 2019). This decision is to protect the rights of beneficiaries and is due to the payment of an amount of €0.347 per share to the shareholders integrally deducted from the "Issue premium" account.
(2) Given the number of shares allocated to employees, the ten first allocations have been indicated.
(3) Condition of presence not met or condition of performance not achieved.

The shares allocated and not yet delivered at December 31, 2020 may result in the creation of 598,843 new shares and therefore give rise to a dilution of 0.20%.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the vesting period (see note 19 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2020 which are set out in section 5.2.1 "Consolidated Financial Statements as of December 31, 2020" of this Universal Registration Document).

During the financial year ended December 31, 2020, the beneficiaries who have permanently vested shares under the 3+2 plan providing for a condition of presence during 3 years and the following performance criteria:

PERFORMANCE OF THE PERFORMANCE SHARES PLANS GRANTED IN 2017	WEIGHT	OBJECTIVE	TRIGGER	TARGET	MAXIMUM	% ACHIEVEMENT (NOT WEIGHTED)	% PERFORMANCE SHARES ACQUIRED (WEIGHTED)
2016-2019 average of adjusted EBITA margin growth in value	30%	+6.6%	50% of shares vest if the target achieved at 75%	100% of shares vest if the target is reached	150% of shares vest if target reached at 125%	90.3%	24.00%
2016-2019 average growth of organic sales	30%	+2.64%	50% of shares vest if target achieved at 75%	100% of shares vest if the target is reached	150% of shares vest if target reached at 125%	109.8%	36.00%
2017, 2018 and 2019 Average ratio of free cash flow before interest and taxes/EBITDA	20%	67.7%	50% of shares vest if target achieved at 90%	100% of shares vest if the target is reached	150% of shares vest if achievement reaches or exceeds 120%	93.8%	14.00%
TSR ranking of Rexel compared to a panel of companies (Companies of Stoxx Europe TMI "Electronic & Electrical Equipment") after a reference period of 3 years	20%	70th percentile	50% of shares vest if the Rexel's TSR ranking is in the median of the TSR of the panel	100% of shares vest if the Rexel's TSR performance reaches the 70th percentile of the panel	150% of shares vest if the Rexel's TSR performance reaches the 90th percentile of the panel	0.00%	0.00%
							74%

During the financial year ended December 31, 2020, the shares definitively vested by the corporate officers are as follows:

BENEFICIARIES	NUMBER OF SHARES PERMANENTLY VESTED
Patrick Berard	76,548

Free shares granted in the financial year ended December 31, 2018

Free shares plans created on May 24, 2018

The extraordinary Shareholders' Meeting of May 24, 2018, authorized the Board of Directors to carry out the free share allocation. The Board of Directors of May 24, 2018 decided to allot 1,900,032 free Rexel shares in connection with 3 plans.

On May 24, 2018, in connection with the authorization granted to the Board of Directors to carry out the allocation of free shares, the Board of Directors decided that Chief Executive Officer, who will be the beneficiary of an allocation of free shares, shall retain 20% of such shares in the registered form until the end of his term of office.

The table below summarizes the free share allotments carried out during the financial year ended December 31, 2018:

PLAN	REXEL 2018 PERFORMANCE SHARES 3+0	REXEL 2018 PERFORMANCE AND RESTRICTED SHARES 3+0	REXEL 2018 RESTRICTED SHARES 3+0
Shareholders' Meeting		May 24, 2018	
Board of Directors		May 24, 2018	
Number of beneficiaries	87	601	139
Initial number of Performance shares allocated	1,007,625	522,407	–
Initial number of Restricted shares allocated(1)	–	300,500	69,500
Corporate officer			
• Patrick Berard (2)	100,000 (2)	–	–
Top ten employees(3)	321,300		
Final vesting date		May 24, 2021	
Date of transferability of shares		May 25, 2021	
Number of valid Performance shares at December 31, 2019(1)	904,274	469,463	-
Number of valid Restricted shares at December 31, 2019(1)	–	266,770	68,376
Number of Performance shares adjusted (4)			
Number of shares cancelled or expired(5)	89,997	48,717	3,626
Number of shares permanently vested at December 31, 2020	–	–	–
Number of valid Performance shares at December 31, 2020	814,277	439,912	–
Number of valid Restricted shares at December 31, 2020	–	247,604	64,750

(1) As the conditions applied to restricted shares are different from those for performance shares, the allocation of the allotment is made by type of shares.
(2) Adjusted amount: 103,442. The number of performance shares still under vesting on July 5, 2019 has been adjusted by decision of the Chief Executive Officer dated July 5, 2019 (upon delegation of power granted by the Board of Directors on May 23, 2019). This decision is to protect the rights of beneficiaries and is due to the payment of an amount of €0.347 per share to the shareholders integrally deducted from the "Issue premium" account.
(3) Given the number of shares allocated to employees, the ten first allocations have been indicated.
(4) Condition of presence not met or condition of performance not achieved.

The shares allotted and not yet delivered as at December 31, 2020 may result in the creation of 1,566,543 new shares and therefore entail a dilution of 0.51%.

The valuation of the free shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the acquisition period (see note 19 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2020 which are set out in section 5.2.1 "Consolidated Financial Statements as of December 31, 2020" of this Universal Registration Document).

No shares were vested during the financial year ended December 31, 2020.

1 2 3 4 5 6 7 8

For information, the performance of the plans of May 24, 2018 will be known during the financial year ending December 31, 2021 (*i.e.* subsequent to the publication of this Universal Registration Document) taking into account the assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, in connection with the Rexel 3+0 Restricted Shares plan, the shares allotted are not subject to the performance criteria above, but only to a three-year presence criterion.

Free shares granted in the financial year ended December 31, 2019

Free shares allotment plans set up on May 23, 2019

The Extraordinary Shareholders' Meeting held on May 24, 2018 authorized the Board of Directors to allot free shares. The Board of Directors of May 23, 2019 decided to allot 2,082,522 free shares of Rexel in connection with 3 plans.

On May 23, 2019, in the context of the authorization granted to the Board of Directors to carry out the allotment of free shares it was decided that the Chief Executive Officer, who will be the beneficiary of an allotment of free shares shall retain 20% of such shares in the registered form until the end of his term of office.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2019:

PLAN	REXEL 2019 PERFORMANCE SHARES 3+0	REXEL 2019 PERFORMANCE AND RESTRICTED SHARES 3+0	REXEL 2019 RESTRICTED SHARES 3+0
Shareholders' Meeting		May 24, 2018	
Board of Directors		May 23, 2019	
Number of beneficiaries	79	693	267
Initial number of Performance shares allocated	1,016,875	585,647	–
Initial number of Restricted shares allocated(1)	–	346,500	133,500
Corporate officer			
• Patrick Berard	100,000 (2)	–	–
Top ten employees(3)	330,100		
Final vesting date		May 23, 2022	
Date of transferability of shares		May 24, 2022	
Number of valid Performance shares at December 31, 2019	1,021,915	590,328	–
Number of valid Restricted shares at December 31, 2019	–	349,650	135,198
Number of free shares cancelled or expired (5)	49,292	53,132	5,180
Number of free shares irrevocably vested at December 31, 2020	–	–	–
Number of valid Performance shares at December 31, 2020	972,623	559,470	–
Number of valid Restricted shares at December 31, 2020	–	327,376	130,018

(1) As the conditions applied to restricted shares are different from those for performance shares, the allocation of the allotment is made by type of shares.
(2) Adjusted amount: 103,442. The number of performance shares still in the vesting period as of July 5, 2019 was adjusted by decision of the Chief Executive Officer on July 5, 2019 (on delegation of powers granted by the Board of Directors on May 23, 2019). This decision was intended to protect the rights of the beneficiaries and followed the distribution to shareholders of €0.347 per share, fully deducted from the share premium.
(3) Given the number of shares allocated to employees, the first ten allocations were retained.
(4) Condition of presence not met or performance condition not met.

Free shares allocated and not yet delivered at December 31, 2020, may result in the creation of 1,989,487 new shares and a dilution of 0.65%.

The valuation of the shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the vesting period (see note 19 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2020 which are set out in section 5.2.1 "Consolidated Financial Statements as of December 31, 2020" of this Universal Registration Document).

During the financial year ended on December 31, 2020, no share was permanently vested.

For information purposes, the performance of the May 23, 2019 plans will be known during the financial year ending December 31, 2022 (*i.e.*, subsequent to the publication of this Universal Registration Document) taking into account the assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, in connection with the Rexel 3+0 Restricted Shares plan, the shares allotted are not subject to the performance criteria above, but only to a three-year presence criterion.

Free shares granted in the financial year ended December 31, 2020

The Extraordinary Shareholders' Meeting held on June 25, 2020 authorized the Board of Directors to allot free shares. The Board of Directors of September 28, 2020 decided to allot 1,566,140 free shares of Rexel in connection with three plans.

On September 28, 2020, in the context of the authorization granted to the Board of Directors to carry out the allotment of free shares it was decided that the Chief Executive Officer, who will be the beneficiary of an allotment of free shares shall retain 20% of such shares in the registered form until the end of his term of office.

The table below summarizes the free share allocations carried out during the financial year ended December 31, 2020:

PLAN	REXEL 2020 PERFORMANCE SHARES 3+0	REXEL 2020 PERFORMANCE AND RESTRICTED SHARES 3+0	REXEL 2020 RESTRICTED SHARES 3+0
Shareholders' Meeting		June 25, 2020	
Board of Directors		September 28, 2020	
Number of beneficiaries	142	551	328
Initial number of Performance shares allocated	890,920	323,620	–
Initial number of Restricted shares allocated(1)	–	220,400	131,200
Corporate officer			
• Patrick Berard	100,000	–	–
Top ten employees(2)	337,240		
Final vesting date		September 28, 2023	
Date of transferability of shares		September 29, 2023	
Number of free shares cancelled or expired (5)	720	2,640	400
Number of free shares irrevocably vested at December 31, 2020	–	–	–
Number of valid Performance shares at December 31, 2020	890,200	321,780	–
Number of valid Restricted shares at December 31, 2020	–	219,600	130,800

(1) As the conditions applied to attendance shares are different from those applied to performance shares, the allocation of the grant is made by type of share.
(2) Given the number of shares allocated to employees, the first ten allocations were retained.
(3) Condition of presence not met or performance condition not met.

The Board of Directors has allocated the following shares to the corporate officers and top ten employees of Rexel during the financial year ended December 31, 2020:

BENEFICIARIES	PLAN NAME	NUMBER OF SHARES	VALUE OF ALLOCATED SHARES(1)	VESTING DATE	TRANSFERABILITY DATE	CONDITIONS(2)
CORPORATE OFFICER						
Patrick Berard	Rexel 3+0 Performance Shares	100,000	€841,000.00	September 28, 2023	September 29, 2023	-2
TEN TOP EMPLOYEES						
Employee #1	Rexel 3+0 Performance Shares	40,000	€336,400.00	September 28, 2023	September 29, 2023	-2
Employee #2	Rexel 3+0 Performance Shares	40,000	€336,400.00	September 28, 2023	September 29, 2023	-2
Employee #3	Rexel 3+0 Performance Shares	36,000	€302,760.00	September 28, 2023	September 29, 2023	-2
Employee #4	Rexel 3+0 Performance Shares	36,000	€302,760.00	September 28, 2023	September 29, 2023	-2
Employee #5	Rexel 3+0 Performance Shares	25,000	€210,250.00	September 28, 2023	September 29, 2023	-2
Employee #6	Rexel 3+0 Performance Shares	18,000	€151,380.00	September 28, 2023	September 29, 2023	-2
Employee #7	Rexel 3+0 Performance Shares	15,840	€133,214.40	September 28, 2023	September 29, 2023	-2
Employee #8	Rexel 3+0 Performance Shares	13,200	€111,012.00	September 28, 2023	September 29, 2023	-2
Employee #9	Rexel 3+0 Performance Shares	13,200	€111,012.00	September 28, 2023	September 29, 2023	-2
Employee #10	Rexel 3+0 Performance Shares	11,600	€97,556.00	September 28, 2023	September 29, 2023	-2

(1) The value of the allocated shares is based on the fair value, *i.e.* €8.41 for the Rexel 3+0 Performance Share Plan.
(2) Please see table summarizing the performance criteria set for the 2020 plans.

Free shares allocated and not yet delivered at December 31, 2020, may result in the creation of 1,562,380 new shares and a dilution of 0.51%.

The valuation of the shares corresponds to the value recorded in connection with the implementation of IFRS 2, prior to the impact of the spreading of the expense over the vesting period (see note 20 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2020 which are set out in section 5.2.1 “Consolidated Financial Statements as of December 31, 2020” of this Universal Registration Document).

The table below summarizes the performance criteria adopted and the method used in order to determine their impact on the future vesting of the performance shares of the Rexel 3+0 Performance Shares and Rexel 3+0 Performance and Restricted Shares plans:

CRITERIA	WEIGHT	TRIGGER	TARGET	MAXIMUM	COMMENTS
Average annual growth of EBITA in value 2019-2022	30%	50% of shares vest if the average performance reaches 75% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 125% of target	Calculation on a linear basis between the points
Average annual organic sales growth 2019-2022	30%	50% of shares vest if the average performance reaches 75% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 125% of target	Calculation on a linear basis between the points
Average between the years 2019, 2020 and 2021 of ratio of free cash flow before interest and taxes/ EBITDA	20%	50% of shares vest if the average performance reaches 90% of target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches or exceeds 120% of target	Calculation on a linear basis between the points
Relative performance of the Rexel share compared to the SB 120 GR index	20%	50% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index	100% of shares vest if Rexel's share performance exceeds the performance of the SBF 120 GR index by 5%	150% of shares vest if Rexel's share performance exceeds the performance of 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 grant.			

During the financial year ended on December 31, 2020, no share was permanently vested.

For information purposes, the performance of the September 28, 2020 plans will be known during the financial year ending December 31, 2023 (*i.e.*, subsequent to the publication of this Universal Registration Document) taking into account the assessment period of the relative performance of the Rexel share compared to the SBF 120 GR index.

As a reminder, in connection with the Rexel 3+0 Restricted Shares plan, the shares allotted are not subject to the performance criteria above, but only to a three-year presence criterion.

3.7.2.7 Aggregate dilution

The number of shares freely allocated by Rexel which have not yet been delivered may result in the creation of 5,717,253 new shares, representing 1.88% of the share capital and voting rights of Rexel at December 31, 2020.

3.7.3 Shareholders' voting rights

Each share of Rexel entitles the holder to one vote. Consequently, as of the date of this Universal Registration Document, the Rexel's shareholders hold the same number of voting rights as the number of shares they own. Pursuant to the option provided for in article L.22-10-46 of the French Commercial Code, shares fully paid up that have been held in a registered form for 2 years at the name of the same shareholder do not benefit from double voting rights.

3.7.4 Control structure

The creation of Committees of the Board of Directors, the appointment of independent Directors and at the Committees of the Board of Directors, the performance of reviews of the operation and work of the Board of Directors and of its Committees, in accordance with the rules described in section 3.1 "Administration Bodies and Management" of this Universal Registration Document, enable Rexel, *inter alia*, to avoid being controlled in an "abusive manner" within the meaning of European Commission Regulation No. 809/2004 dated April 29, 2004.

3.7.5 Agreements potentially leading to a change of control

Rexel is not aware of any other agreements between its shareholders.

3.8 Share capital

3.8.1 Share capital subscribed and authorized but non-issued

As at December 31, 2020, Rexel's share capital amounted to €1,522,125,530 divided into 304,425,106 shares with a par value of €5 per share, all of the same class, and all of them fully paid-up and subscribed, compared to the share capital of €1,520,510,065 divided into 304,102,013 shares of €5 nominal value each as at December 31, 2019.

The Combined Shareholders' Meetings held on May 23, 2019 and June 25, 2020 granted various authorizations to the Board of Directors, which used such powers and authorizations as described below. In addition, at its meeting held on February 10, 2021, the Board of Directors decided to submit to the approval of the Shareholders' Meeting of April 22, 2021 certain projects of delegations and authorizations under the terms described below.

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Share capital increase							
Issuance with upholding of preferential subscription rights	May 23, 2019 (resolution 15)	26 months (July 22, 2021)	Equity securities: €720,000,000 (*i.e.*, 144,000,000 shares) This cap is common to the 16th to 20th resolutions Debt securities: €1,000,000,000 This cap is common to the 16th to 20th resolutions	N/A	16	26 months	Equity securities: €720,000,000 (*i.e.*, 144,000,000 shares) Joint maximum amount of resolutions number 17 to 22 Debt securities: €1,000,000,000 Joint maximum amount of resolutions number 17 to 22

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Issuance by way of public offering with cancellation of the preferential subscription right	May 23, 2019 (resolution 16)	26 months (July 22, 2021)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) This cap is common to the 17th and 20th resolutions This maximum to be deducted from the maximum provided for by the 15th resolution Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by the 15th resolution The issue price is determined in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the Company's share price during the last three trading sessions prior to the opening of the offer to the public, possibly reduced by a 10% discount)	N/A	17	26 months	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) Joint maximum amount of resolutions number 17 and 18 This maximum to be deducted from the maximum provided for by resolution 16 Debt securities: €1,000,000,000 Joint maximum amount of resolution number 16 The issue price is set in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the company's share price during the last three trading sessions prior to the opening of the public offering, possibly reduces by a 10% discount)
Issuance by way of offering referred to in section II of article L.411-2 of the French Monetary and Financial Code, with cancellation of the preferential subscription right	May 23, 2019 (resolution 17)	26 months (July 22, 2021)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) This maximum is to be deducted from the caps provided for by resolutions 15 and 16 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by the 15th resolution The issue price is determined in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the Company's share price during the last three trading sessions prior to the opening of the offer to the public, possibly reduced by a 10% discount).	N/A	18	26 months	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) This maximum to be deducted from the maximum provided for by resolutions number 16 and 17 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution number 16 The issue price is set in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the company's share price during the last three trading sessions prior to the opening of the public offering, possibly reduces by a 10% discount)

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Authorization to increase the amount of the initial issuance, in the event of a share issue for which shareholders' preferential subscription rights are maintained or cancelled	May 23, 2019 (resolution 18)	26 months (July 22, 2021)	15% of initial issuance This maximum to be deducted from the maximum that applies to the initial issuance, as well as from the maximum provided for by resolution 15	N/A	19	26 months	15% of initial issuance This maximum to be deducted from the maximum applicable to the initial issuance and from the maximum provided for in resolution 16
Determination of price of issuances carried out by way of public offering referred to in section II of Article L.411-2 of the French Monetary and Financial Code, with cancellation of the preferential subscription right, up to a maximum of 10% of the share capital per year	May 23, 2019 (resolution 19)	26 months (July 22, 2021)	10% of share capital at the date of the decision of the Board of Directors determining the issue price per year This maximum to be deducted from the maximum that applies to the initial issuance, as well as from the maximum provided for by resolution 15 The issue price will be at least equal to the weighted average price of the Company's shares on the Euronext Paris regulated market on the trading day preceding the date of issuance, less, as the case may be, a discount of up to 5%	N/A	N/A	N/A	N/A
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 23, 2019 (resolution 20)	26 months (July 22, 2021)	10% of the share capital as at the date of the decision of the Board of Directors This maximum is to be deducted from the caps provided for by resolutions 15 and 16	N/A	20	26 months	10% of share capital at the date of the decision of the Board of Directors deciding the issuance This maximum to be deducted from the maximum provided for in resolutions number 16 and 17
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 23, 2019 (resolution 21)	26 months (July 22, 2021)	€200,000,000 (*i.e.*, 40,000,000 shares) This maximum not to be deducted from any cap	N/A	23	26 months	€200,000,000 (*i.e.*, 40,000,000 shares) This maximum not to be deducted from any maximum
Employee shareholding, allocation of share subscription or purchase options, free share allocations							
Performance share allotments	June 25, 2020 (resolution 18)	26 months (August 24, 2022)	1.4% of the share capital as at the date of the decision of the Board of Directors	Allocation on September 28, 2020 of 1,566,140 shares *i.e.* €7,830,700	N/A	N/A	N/A
Allotment of free shares to the members of the personnel and to the corporate officers members of a shareholding plan	June 25, 2020 (resolution 19)	26 months (August 24, 2022)	0.3% of the share capital as at the date of the decision of the Board of Directors	N/A	N/A	N/A	N/A

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	June 25, 2020 (resolution 20)	26 months (August 24, 2022)	2% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the €720 million maximum provided for by resolution 15 of the Shareholders' Meeting of May 23, 2019 This maximum to be deducted from the 2% maximum provided for by resolutions 20 and 21 The issue price will be determined in accordance with the conditions set out in Articles L.3332-19 *et seq.* of the French Labor Code. The maximum discount is set at 20% of the average of the opening prices during the twenty trading days preceding the date of the Board of Directors' decision setting the opening date for subscriptions.	N/A	21	26 months	2% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the joint maximum amount of €720M provided for in resolution 16 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 21 and 22 The issue price will be determined in accordance with the conditions set out in Articles L.3332-19 *et seq.* of the French Labor Code. The maximum discount is set at 20% of the average of the opening prices quoted during the twenty trading days preceding the date of the Board of Directors' decision setting the opening date for subscriptions.
Issuance with cancellation of the preferential subscription right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions The categories of beneficiaries are (a) employees and corporate officers of non-French companies related to the Company, (b) mutual funds or other employee shareholding entities invested in the Company's shares, (c) banking institutions or their subsidiaries that intervene for the purposes of setting up an employee shareholding plan and/or (d) financial institutions mandated in connection with a "Share Incentive Plan".	June 25, 2020 (resolution 21)	26 months (August 24, 2022)	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the €720 million maximum provided for by resolution 15 of the Shareholders' Meeting of May 23, 2019 This maximum to be deducted from the 2% maximum provided for by resolutions 20 and 21	N/A	22	18 months	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the €720M maximum provided for by resolution 16 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 21 and 22
Decrease in the share capital by cancelling shares							
Decrease in the share capital by cancelling shares	June 25, 2020 (resolution 17)	18 months (December 24, 2021)	10% of the share capital on the date of cancellation by 24-month period	N/A	15	18 months	10% of the share capital on the date of cancellation by 24-month period

CURRENT AUTHORIZATIONS					PROPOSED AUTHORIZATION TO THE SHAREHOLDERS' MEETING TO BE HELD ON APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Repurchase by Rexel of its own shares							
Share repurchase	June 25, 2020 (resolution 16)	18 months (December 24, 2021)	10% of share capital as at the completion date Maximum total amount: €250,000,000 Maximum repurchase price: €30	Use in the context of the liquidity agreement entered into with Natixis and Oddo for market-making purposes: • acquisition of 8,006,021 shares at an average price of €9.99; and • sale of 8,214,351 shares at an average price of €10.22	14	18 months	10% of the share capital at the date of completion Maximum total amount: €250,000,000 Maximum purchase price: €30

3.8.2 Securities not representative of share capital

As of the date of this Universal Registration Document, Rexel has not issued any securities not representing share capital.

3.8.3 Treasury shares and purchase by Rexel of its own shares

Information on the share repurchase plan approved by the Shareholders' Meeting of June 25, 2020

Characteristics of the share repurchase plan

The Combined Shareholders' Meeting of June 25, 2020, authorized the Board of Directors, in accordance with the provisions of Articles L.225-209 *et seq.* of the French Commercial Code and in accordance with Articles 241-1 to 241-7 of the French financial markets authority (AMF) general rules, and with European regulations applicable to market abuse, to purchase or have purchased a maximum number of shares of Rexel representing up to 10% of Rexel's share capital.

The characteristics of this repurchase plan are as follows:

RELEVANT SECURITIES	SHARES
Maximum percentage of share capital that may be repurchased	10% (being specified that the number of shares acquired by Rexel with a view to being retained and subsequently delivered as payment or exchange consideration in connection with a merger, demerger or contribution may not exceed 5% of Rexel's share capital)
Maximum number of securities that may be purchased	A number of shares representing up to 10% of the share capital at the date of the purchase
Aggregate maximum amount of the plan	€250 million
Maximum price per share	€30
Duration of the plan	18 months, *i.e.* until December 24, 2021

The objectives of the plan, in order of highest to lowest priority, are the following:

- Ensuring liquidity and activity in the market for the shares of Rexel through an investment services provider, acting independently under a liquidity agreement and in compliance with an AMF-accredited insider trading policy;
- Satisfying the obligations arising out of allocations of stock options, allocations of free shares or any other granting, allocation or sale of

shares to the employees or the corporate officers of Rexel or of an associated enterprise and carrying out any hedging operation relating to such transactions, in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or any person acting upon the authority of the Board of Directors implements such actions;

- Ensuring the coverage of the undertakings of Rexel under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of Rexel granted to the employees or the corporate officers of Rexel or of an associated enterprise;
- Retaining shares and delivering shares in the future to an exchange or as a consideration in the context of external growth transactions, in accordance with applicable regulations;
- Granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to shares of Rexel;
- Cancelling all or part of the shares so repurchased, in accordance with applicable laws and subject to an authorization being granted by the Extraordinary Shareholders' Meeting; and
- Any other action that is or will become permitted by French law or the AMF or any purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares may be carried out by any means, on the market or over the counter, including through transactions involving blocks of securities or takeover bids, option mechanisms, derivatives, purchase of options or of securities in conformity with the applicable regulatory conditions.

In the event of a public tender offer on Rexel shares paid for in full in cash, Rexel may not pursue the implementation of its share repurchase plan.

Overview of the share repurchase plan

As of December 31, 2020, Rexel held 1,148,482 shares of €5 nominal value each, among which 420,579 under the liquidity agreement entered into with Oddo and Natixis and 727,903 shares previously acquired and held for the attribution to employees.

In connection with this liquidity agreement, Rexel has purchased 8,006,021 shares (representing 2.63% of the share capital of Rexel) during the 2020 financial year at an average price of €9.99 and for a total amount of €79,946,186.72. These shares have been acquired for market-making purposes in the scope of a liquidity agreement entered into with Oddo and Natixis. Furthermore, in connection with this liquidity agreement, Rexel has sold 8,214,351 shares for an average price of €10.22.

In total, transactions carried out by Rexel on its own shares for the year ended December 31, 2020, mainly consisted of:

Number of shares cancelled during the last 24 months	0
Number of shares held by Rexel as treasury shares as of December 31, 2019	1,748,912
• Share purchases	8,006,021
• Share disposals	(8,214,351)
• Share transfers	(392,100)
• Shares cancelled	0
• Number of treasury shares held at December 31, 2020	1,148,482
Percentage of capital directly or indirectly held by Rexel as of December 31, 2020	0.38%
Book value of the treasury shares	€14,512,407
Market value of the treasury shares as at December 31, 2020	€14,809,675
Details of transactions carried out by Rexel in 2020, by objective:	
• Liquidity agreement	
Share purchases	*8,006,021*
Share disposals	*(8,214,351)*
Number of treasury shares held at December 31, 2020	*420,579*
• Cancellation of shares	
Number of cancelled shares	*0*
Number of treasury shares held at December 31, 2020	*0*
• Allocation to employees	
Share purchases	*0*
Share transfers	*(392,100)*
Number of treasury shares held at December 31, 2020	*727,903*

Rexel did not hold open buy or sell positions on derivative instruments as of December 31, 2020.

The costs incurred by Rexel, under the liquidity agreement, within the context of the implementation of the share repurchase plan amount to €47,249.39 (Oddo and Natixis) for the financial year ended on December 31, 2020.

Description of the share repurchase plan submitted to the approval of the Shareholders' Meeting

Information on the share repurchase plan submitted to the approval of the Shareholders' Meeting

At its meeting of February 10, 2021, the Board of Directors decided to submit a resolution to the Shareholders' Meeting of April 22, 2021 authorizing it, in accordance with the provisions of Articles L.22-10-62 *et seq.* of the French Commercial Code, of Articles 241-1 to 241-7 of the General Regulation of the *Autorité des marchés financiers* and of European regulations applicable to market abuse, to purchase or cause to be purchased a maximum number of Rexel shares, representing up to 10% of Rexel's share capital.

Objectives of the share repurchase plan for 2021

The objectives of the plan, in order of highest to lowest priority, would be the following:

- Ensuring liquidity and activity in the market for the Rexel shares through an investment services provider, acting independently under a liquidity agreement accepted by in compliance with the market practice by the AMF;
- Satisfying the obligations arising out of allocations of stock options, allocations of free shares or any other granting, allocation or sale of shares to the employees or the corporate officers of Rexel or of an associated enterprise and establishing hedging operations relating to such transactions, in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or person acting upon the authority of the Board of Directors implements such actions;
- Ensuring the coverage of the undertakings of Rexel under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of Rexel granted to the employees or the corporate officers of Rexel or of an associated enterprise;
- Retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions, in accordance with the applicable regulations;
- Granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to Rexel shares;
- Cancelling all or part of the shares so repurchase in accordance with the conditions set forth by the applicable laws and subject to the approval by the general meeting of shareholders; and
- Any other action that is or will become permitted or accepted by French law or the AMF or any purpose that may comply with the regulations in force.

Maximum portion, number and characteristics of shares that may be acquired in connection with the 2021 repurchase plan

The maximum portion of share capital that may be authorized to be repurchased would amount to 10% of the total number of shares making up the share capital, at any time whatsoever, with this percentage applying to an adjusted share capital based on the transactions that affect it further to the Shareholders' Meeting. The number of shares purchased by Rexel in view of holding them for subsequent payment or exchange in a merger, spin-off or contribution may not exceed 5% of Rexel's share capital at such date.

For information purposes, based on the existing share capital as at December 31, 2020 and having deducted the 1,148,482 shares held at this date, the maximum number of shares that may be purchased amounts to 29,294,028.

The shares that Rexel considers purchasing are ordinary shares.

Maximum purchase price

The maximum purchase price per share would be set at €30, it being specified that in the event of a share capital transaction, including by way of a capitalization of reserves and free share allocation, share split or reverse share split, such price would be adjusted accordingly in order to take into account the impact of such transactions on the share price.

The maximum amount of funds intended to finance the share repurchase plan would amount to €250 million.

Terms of purchase and sale

The acquisition, sale or transfer of shares could be effected or paid for by all means, on the market or over the counter, including by means of block trade transactions or public offers, optional mechanisms, derivative instruments, purchases of options or securities, in compliance with applicable regulations.

In the event of a public offer for Rexel's securities fully paid for in cash, Rexel would not be able to pursue the implementation of its share repurchase plan.

Duration of the share repurchase plan

The share repurchase plan would have a duration of 18 months as from the Shareholders' Meeting, *i.e.* until October 23, 2022.

Breakdown by objectives of the shares held by Rexel

As at December 31, 2020:

- 727,903 shares of €5 nominal value each were allocated to the implementation of all share subscription option plans and free share allocation plans of Rexel; and
- 420,579 of €5 nominal value each were allocated to the purchase, sale, conversion, transfer, loan, or availability of the shares in connection with a liquidity agreement in compliance with the AMAFI Code of Ethics and entered into with Oddo and Natixis and entered into force on July 1, 2018, in compliance with market practice accepted by the French financial markets authority *(Autorité des marchés financiers)* or to carry out counter-trend market transactions.

3.8.4 Other securities giving access to the share capital

3.8.4.1 Subscription or purchase options for Rexel shares

Rexel has not issued any purchase or subscription option within the 2020 financial year.

In addition, the subscription or purchase options exercisable under the previous plans lapsed on November 30, 2016.

3.8.4.2 Allocation of free shares

Rexel has issued options to subscribe for shares under the terms and conditions described in paragraph 3.7.2.6 "Allotment of free shares" of this Universal Registration Document.

3.8.5 Changes in share capital

The table below shows changes in the share capital of Rexel over the last three years, as of the date of the present Universal Registration Document.

TRANSACTION SETTLEMENT DATE	TRANSACTION	NUMBER OF SHARES ISSUED/ CANCELLED	NOMINAL AMOUNT OF CAPITAL INCREASE/ REDUCTION (€)	SHARE/ MERGER PREMIUM (€)	CUMULATIVE NOMINAL AMOUNT OF SHARE CAPITAL (€)	CUMULATIVE NUMBER OF SHARES	NOMINAL VALUE PER SHARE (€)
May 2, 2018	Share capital increase further to the final vesting of free shares	331,145	1,655,725	N/A	1,518,371,610	303,674,322	5
May 23, 2018	Share capital increase further to the final vesting of free shares	132,508	662,540	N/A	1,519,034,150	303,806,830	5
May 23, 2018	Share capital increase further to the final vesting of free shares	95,768	478,840	N/A	1,519,512,990	303,902,598	5
July 2, 2018	Share capital increase further to the final vesting of free shares	86,301	431,505	N/A	1,519,944,495	303,988,899	5
July 29, 2019	Share capital increase further to the final vesting of free shares	113,114	565,570	N/A	1,520,510,065	304,102,013	5
June 24, 2020	Share capital increase further to the final vesting of free shares	323,093	1,615,465	N/A	1,522,125,530	304,425,106	5

3.8.6 Pledges, guarantees and security interests

As of the date of this Universal Registration Document and to Rexel's knowledge, no Rexel shares have been pledged or are subject to a guarantee or security interest.

3.9 Other elements that may have an impact in case of tender offer

3.9.1 Control mechanisms in relation to employee shareholding

In the scope of the share capital increase reserved for employees, the employees' investments are carried out in certain jurisdiction through mutual funds *(fonds commun de placement)*. The *"Rexel Actionnariat Classique France"* and the *"Rexel Actionnariat Classique International"* funds have been created in this context.

Each of these funds has a Supervisory Board, the main powers of which are as follows:

- It reviews the management report and financial statements of the fund, the financial, administrative and accounting management and adopts its annual report;
- It exercises the voting rights attached to the shares issued by Rexel and decides on the contribution of shares, and, in this respect, appoints one or several representatives of the fund at the Rexel Shareholders' Meetings;
- It may submit resolutions at Rexel Shareholders' Meetings;
- It grants its prior agreement to certain amendments to the rules of the fund: change of management company, dissolution, merger/demerger, change in the orientations of management and classification; and
- It may take legal action to defend or enforce the rights or interests of its shareholders.

The Supervisory Board of the fund is independent of the Board of Directors of Rexel and its decisions are taken independently.

Decisions of the Supervisory Board of the fund are approved by a majority of votes of the members present or represented. In the event of a tie, the Chairman of the meeting has a casting vote.

The means available for the Supervisory Board to support its decisions and carry out its duties are as follows: organization of telephone conferences, if applicable, beyond the formal scope of the meetings; various information provided by Rexel, in order to assess the economic and financial position of the Rexel Group and its outlook; information provided by the management company.

3.9.2 Agreements entered into by Rexel to be amended or terminated in case of change of control

The agreements entered into by Rexel or which may need to be amended or terminated in case of change of control are, in particular, the following:

- The Senior Credit Agreement (see note 22.1.1 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 31, 2020, set out in paragraph 5.2.1 "Consolidated Financial Statements as of December 31, 2020" of this Universal Registration Document);
- The 2018 and 2019 Senior Bonds (see note 22.1.2 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 31, 2020, set out in paragraph 5.2.1 "Consolidated Financial Statements as of December 31, 2020" of this Universal Registration Document);
- The US$ 40 million bilateral facility agreement entered into with Wells Fargo Bank International on June 27, 2014 and amended on June 26, 2015, and on June 26, 2017 (see note 22.1.1 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 31, 2020, set out in paragraph 5.2.1 "Consolidated Financial Statements as of December 31, 2020" of this Universal Registration Document); and
- The securitization programs (see note 22.1.3 of the Notes to the consolidated financial statements of Rexel for the financial year ended December 2020, set out in paragraph 5.2.1 "Consolidated financial statements as of December 31, 2020" of this Universal Registration Document).

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4

Corporate responsibility

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All of Chapter 4 "Corporate responsibility", with the exception of Sections 4.7 and 4.8, constitutes the Statement of Non-Financial Performance required by Article L.22-10-36 of the French Commercial Code. This chapter was written by the Group Sustainable Development Department in collaboration with the General Secretary and the Group Human Resources Department.

4.1 Energy efficiency for a sustainable future

The electrical industry is going through a massive transformation. Energy management is a major challenge and an opportunity for development for Rexel, an expert in professional omnichannel distribution. Fostering energy innovation and progress in the communities in which the Group operates is both an ambition and a responsibility for the building of a sustainable future.

As a clean and safe energy, electricity is an essential lever for the sustainable transformation of local communities. Rexel is at the heart of the electrical industry, committed to limiting the rise in global temperatures below +2°C by the end of the century. Energy management alone can absorb 40%(1) of the emissions reductions needed to meet the targets of the Paris Agreement on climate change. Rexel distributes and develops products and solutions that help to accelerate energy transition while reducing its own environmental footprint.

As a key player in the value chain, the Rexel Group encourages all its stakeholders to implement the responsible and ethical practices it applies to its operations and employees.

These convictions underlie the four pillars of the Group's sustainable development strategy:

- Acting with ethics and integrity;
- Involving and supporting employees;
- Improving environmental performance; and
- Promoting responsible practices in the value chain.

Rexel's sustainable development strategy is one of the major tools the Group uses to meet its profitable growth and value creation objectives.

4.1.1 Business model

4.1.1.1 Creating sustainable value for the world of energy

The Rexel Group relies on solid fundamentals and diversified capital, which allow it to create value and share it with its shareholders, stakeholders and society as a whole.

Details of the Rexel Group's business model may be found in Section 1.3 "Business and strategy" and summarized in pages 180 and 181 of this Universal Registration Document.

4.1.1.2 The Covid-19 challenge

As the Covid-19 pandemic spread to all areas in which the Group operates, Rexel was faced with a disruption in the business conditions of its activities. Beyond a reduction in demand in certain regions, the customer and product mix was disrupted: demand from electrical installers slowed, unlike essential services such as hospitals and critical industrial sites where Rexel ensured just-in-time supply.

The Group was able to adapt to very contrasting situations, according to the health situation and the lockdown measures in force in each of its operating areas. Priority was given to the health of Rexel's employees, customers and partners at all times. The Group's entities have adjusted their resources to the level of activity, while maintaining profitability. The entire work organization was reinvented in just a few days: one-third of the workforce switched to teleworking at the start of the crisis, strict health protocols were put in place and new working methods were adopted. Rexel has thus demonstrated the robustness of its business model in an unprecedented crisis.

Rexel's activity has never been interrupted, but has suffered a sharp decrease in volumes. The social, societal and environmental data presented below reflect this exceptional situation.

(1) IEA 2018 report, Energy Efficiency 2018.

4.1.2 Creating a responsible value chain

4.1.2.1 Sustainable development strategy

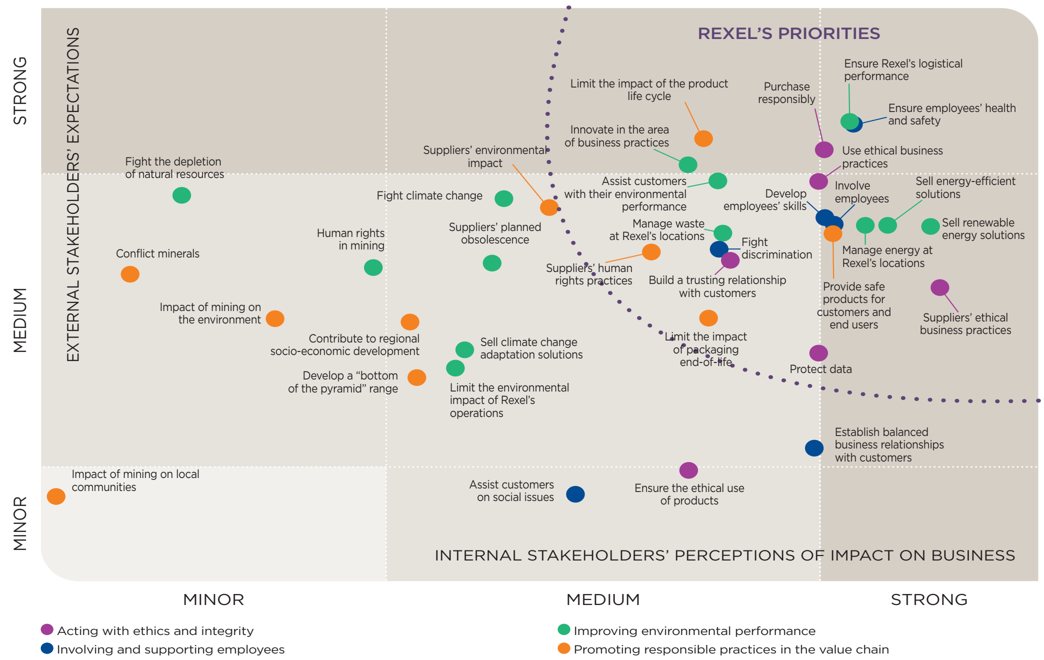
Using its leadership and proximity to all stakeholders, the Rexel Group conducts its activities in a sustainable and responsible manner.

Since 2011, the Rexel Group has been a member of the United Nations Global Compact and is committed to advancing the ten universally accepted principles in the areas of human rights, labor, environment, and the fight against corruption.

As stated in its Ethics Guide, the Rexel Group respects and promotes the recommendations of the fundamental conventions of the International Labor Organization concerning respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labor, and the effective abolition of child labor.

In 2019, the Rexel Group renewed the study to identify the environmental and social impacts of its activities throughout its value chain. This study led the Group to question its key stakeholders (customers, suppliers, NGOs, employee representatives, Group entity directors) on priority issues and to conduct an internal review of the impact of those issues on its activities.

Materiality matrix



(1) Range of services appropriate for low income populations.

The materiality analysis enabled the Group to redefine its sustainable development strategy, by both aligning it with its strategic priorities and rooting it in its daily business. This roadmap is structured around four pillars:

- Acting with ethics and integrity
  - making ethics the foundation of the Group's business activity; and
  - deploying the personal data protection program.
- Involving and supporting employees
  - attracting and retaining talent;
  - deepening commitment, improving skills; and
  - supporting diversity, inclusion, and equal opportunity.
- Improving environmental performance
  - committing to the environment;
  - setting an example; and
  - managing resources in a sustainable manner.
- Promoting responsible practices in the value chain
  - developing relationships of trust from suppliers to customers;
  - creating value for customers; and
  - fighting fuel poverty.

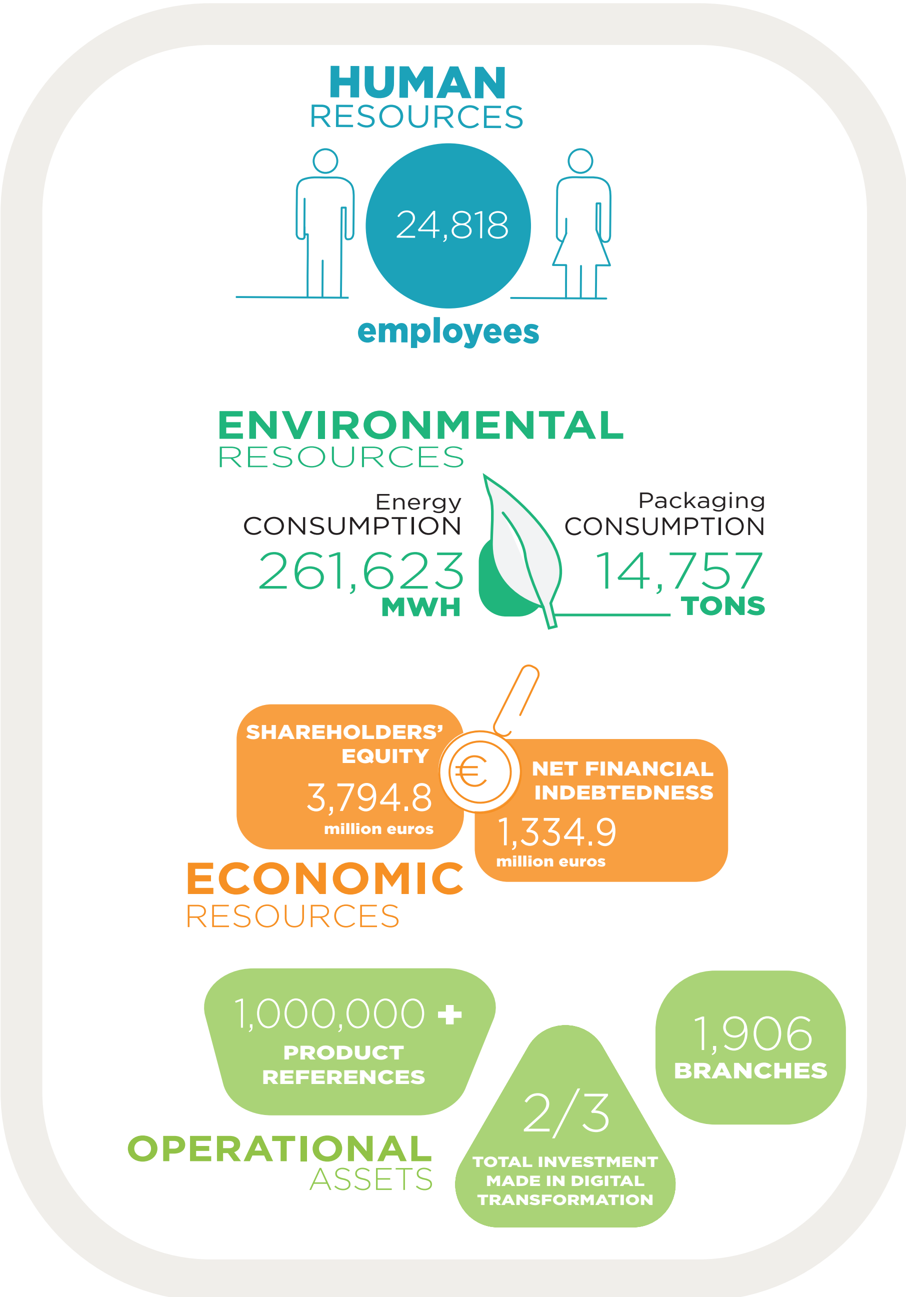
REXEL'S BUSINESS MODEL

CREATING SUSTAINABLE VALUE FOR THE WORLD OF ENERGY

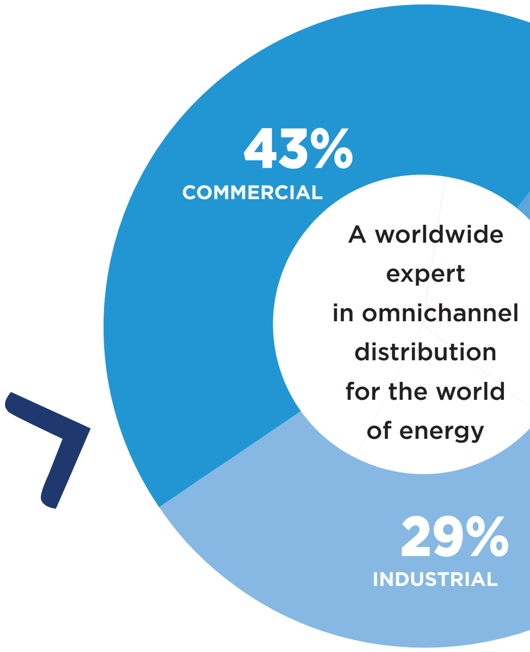
Rexel has made sustainable development challenges the engine of its growth and intends to play a catalytic role thanks to its unique position in the energy value chain.

Acting ethically in every situation, valuing and developing the skills of its 24,818 employees, engaging in dialogue with all stakeholders, reducing its environmental footprint, promoting energy efficiency and fighting fuel poverty through its Foundation are the key priorities of the Rexel Group's responsible commitment.

GROUP RESOURCES



REXEL'S MARK



Rexel is one of the world's leading distributors of low and ultra-low voltage electrical products. The Group operates in 25 countries, spread mainly over three geographical regions: Europe, North America and Asia-Pacific.

The product range is enhanced by Rexel's expertise in logistics, technical support, financing and training.

Rexel's sustainable development strategy is one of the major tools the Group uses to meet its profitable growth and value creation objectives.

GROUP **VALUE CREATION**

SOCIAL VALUE

85% of employees* are proud to work for Rexel

2,475 recruitments, including **84%** permanent contracts

5.0 work accident frequency rate

51,325 hours of safety training

93.6% of employees trained (254,406 training hours)

ENVIRONMENTAL VALUE

€1,537 millions of sales of energy efficiency and renewable energy products and solutions

65.8% recovery rate

↘ 25.4% Greenhouse Gas emissions (Scopes 1 & 2, vs. 2016)

ECONOMIC VALUE

€2.6 Bn online sales

€12,592.5 million in sales

€0 paid out as dividend, as a consequence of pandemic

SOCIETAL VALUE

60% of direct purchases assessed using CSR criteria

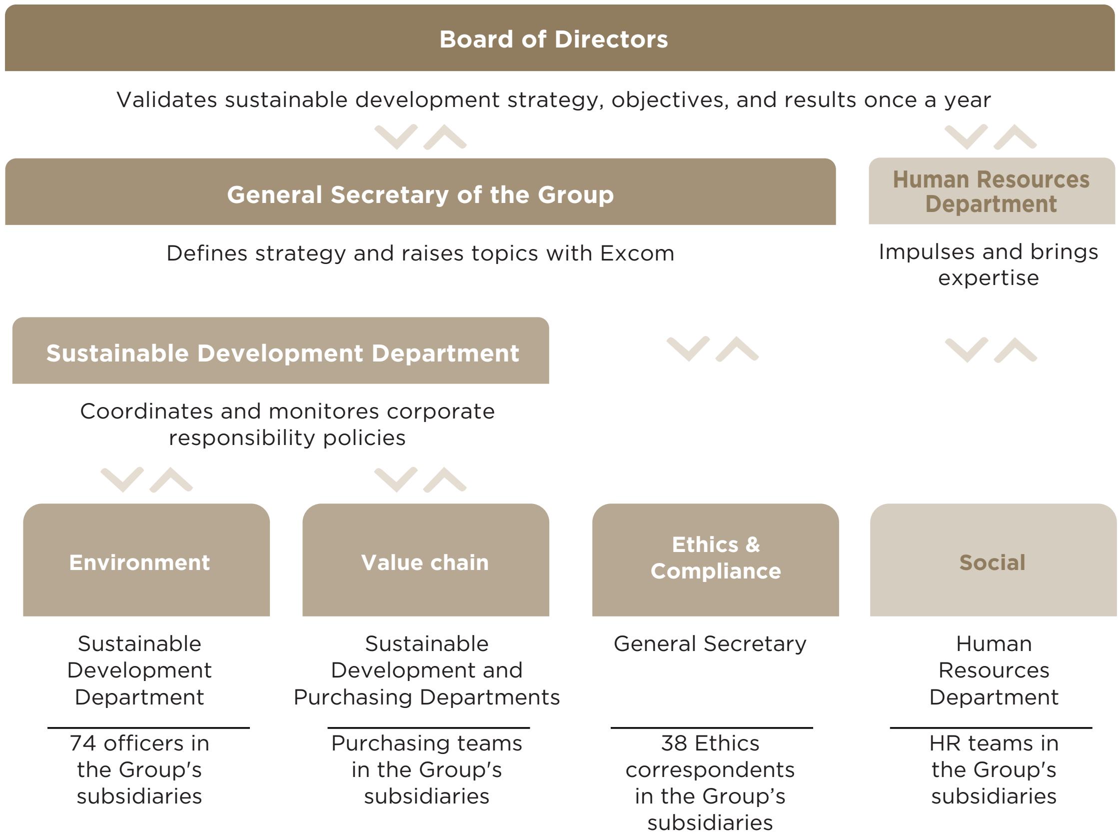
165,000 people positively impacted by the Rexel Foundation

CDP Climate **A-** list

A CSR performance recognized by the DJSI, FTSE4Good, EcoVadis, Vigeo, Corporate Knights

* Employees who participated in the Satisfaxion 2018 engagement survey.

Structuring corporate responsibility



Development and implementation of strategy and oversight of sustainable development performance require the involvement of all levels of the organization. Objectives, results, and areas of progress are presented once a year to the Rexel Board of Directors.

Topics related to sustainable development are handled by the General Secretary acting in concert with the Executive Committee, a body specially tasked with the operational deployment of the Group's strategy.

4.1.2.2 Stakeholders

For Rexel, social responsibility involves taking the expectations of stakeholders into consideration. The structure of the Group, its international dimension, its local network, and the specific nature of its business lines imply that management of dialogue with its partners will be decentralized, leaving the operational entities considerable autonomy to conduct business. Dialogue must be constructive, transparent, and based on mutual trust.

These regular discussions with stakeholders enable better identification of social, environmental, and economic issues and risks, and determine how the Group adapts to sociological, technological, and societal developments.

Employees and their representative bodies

To foster fruitful social relationships, Rexel promotes social dialogue and guarantees the principles of free expression and union representation. The Group's Ethics Guide, distributed to all employees, recalls the importance Rexel attaches to these principles. As of December 31, 2020, 14,231 employees are represented by the European Works Council.

Employee satisfaction and well-being are also a major concern for the Rexel Group. In 2018, the Rexel Group conducted its sixth internal engagement survey, Satisfaxion. This survey was deployed in 23 Group countries and is available in 14 languages.

Action plans have been put in place based on these results. Some subsidiaries regularly launch new local surveys to monitor their progress.

Customers

Rexel's mission is to support its customers around the world to create value and enable them to better manage their activities. The Group has offered its customers several information, dialogue, and listening opportunities (commercial events, trade shows, websites, satisfaction surveys, training). Its omnichannel model and numerous points of contact enable it to maintain a close relationship with its professional customers.

Rexel's subsidiaries are constantly listening to customers. They solicit their feedback and assess their satisfaction through questionnaires and surveys. In 2020, 18 countries have regularly recorded their customers' satisfaction rate using a common indicator, the Net Promoter Score. Surveys are also occasionally conducted in the other countries of the Group.

Suppliers and subcontractors

The Rexel Group strives to establish a continuous and constructive dialogue with its suppliers and develop a lasting and balanced relationship with them while being mindful of social and environmental challenges.

The Group requires its suppliers and subcontractors to comply with the principles set out in its Ethics Guide and, through contracts, with the general terms and conditions of purchase, which include clauses that mandate compliance with the fundamental conventions of the International Labor Organization.

Professional associations and organizations

Rexel participates in public debates on issues that are strategic for its business activity and environment. This means that the Group and most of its subsidiaries are members of national or supranational professional associations. The Group is a member of the French Association of Private Enterprises (Afep) and participates in professional associations such as Perifem, the Federation of Electrical Equipment Distributors (FDME) and the EUEW (European Union of Electrical Wholesalers), where professional practices are discussed, shared and developed.

With a view to transparency and progress, the Rexel Group is also involved in various studies and publications with associations such as EpE *(Entreprises pour l'Environnement)*, so that it can interact with its stakeholders and facilitate the exchange of experiences.

Rexel's commitment to this approach is not new: the Group signed the "French Business Climate Pledge" in 2015 and confirmed its decision to play a leading role in the fight against climate change, a decision reaffirmed in 2020.

The Rexel Foundation for a better energy future helps to promote access to energy for all populations and fight against fuel poverty. In this context, it has set up partnerships with the French Funds and Foundations Center, *Entreprises pour la Cité*, and the Greater Paris Circle of Sustainable Investment.

The conditions for action of any employee with associations and authorities are defined in the Group's Anti-Corruption Code of Conduct.

The Rexel Group has committed approximately €1.02 million to professional associations and organizations in 2020, compared with €1.14 million in 2019.

Schools and academia

In many countries, Rexel has relationships with many schools and academic stakeholders, in particular in the commerce and energy fields. The Group is expanding its inclusion of young people, particularly through an ambitious policy of recruiting work-study students. Despite the context of the Covid-19 pandemic, the Group's subsidiaries have continued to recruit work-study students, mainly in France, Switzerland and Germany in 2020. 114 work-study students were recruited in this way.

In addition, the Rexel Foundation devotes part of its resources to supporting academic research programs, awarding scholarships to students at the beginning of their professional career or to researchers. This work is an opportunity to better understand energy consumption patterns and propose solutions to change behavior. The Group also makes available to its ecosystem the fruit of its energy efficiency work, reflections, and study.

Shareholders and investors

The Rexel Group transparently communicates to various stakeholders (shareholders and investors) its sustainable development outcomes, initiatives, and priorities. These exchanges take place on an occasional or recurring basis depending on the actors and events in the Group's life.

Associations, NGOs, civil society, and local communities

Civil society and local communities expect Rexel to have a positive impact on the local economy and support social development. This is one of the missions of the Rexel Foundation, which maintains a permanent dialogue with a network of associations through the financing of solidarity projects in its host countries. The Foundation also participates in the promotion of innovative models *via* a social entrepreneurship support platform.

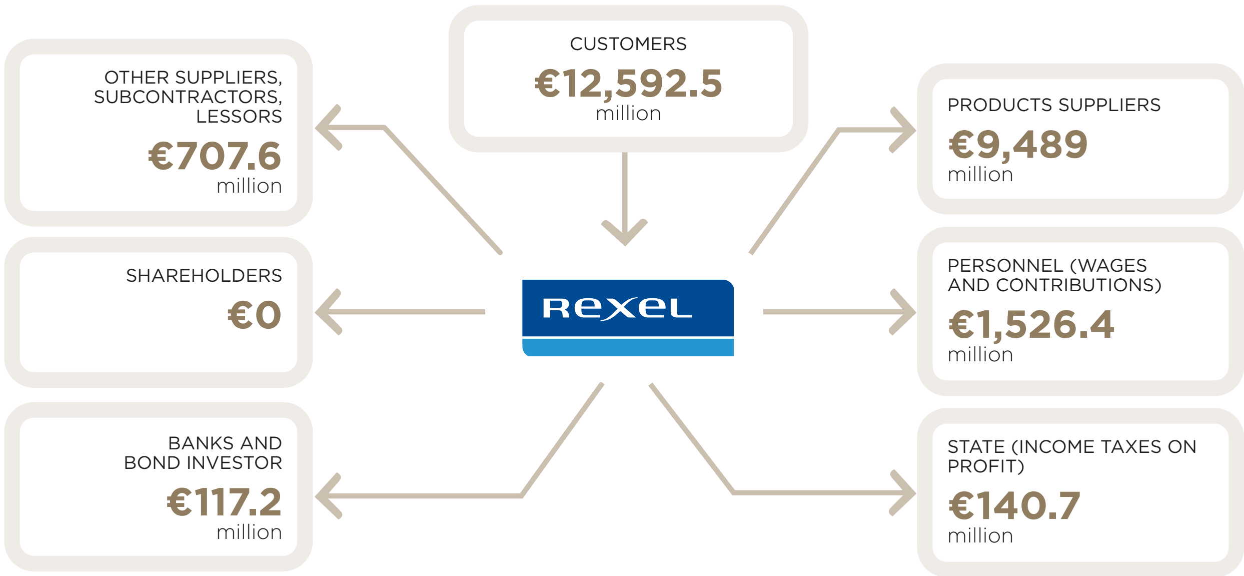
State and local authorities

Through its global and local presence (1,906 sites in 25 countries), the Group contributes significantly to the development and economic activity of regions and countries by supporting local employment and regional development.

Like any international group operating in multiple jurisdictions, the Rexel Group has structured its commercial and financial activities in accordance with various legal and tax obligations arising from the regulations in force into the various countries where the Group operates and from international treaties between these countries.

For the financial year ended December 31, 2020, the Rexel Group paid €140.7 million in corporate income tax in the countries in which it operates (compared to €117.3 million for the financial year ended December 31, 2019).

■ The Rexel Group's economic relationships with its main stakeholders



4.1.2.3 Non-financial ratings

A proven record of performance

Thanks to the continuous improvement of its environmental, social, societal and governance strategy, the Rexel Group is enjoying excellent non-financial performance. Rexel is listed on the following socially responsible investment indexes (SRIs):

- Dow Jones Sustainability Index Europe (DJSI Europe);
- FTSE4Good;
- STOXX® Global ESG Environmental Leaders;
- Euronext Vigeo Europe 120 Index and Eurozone 120 Index;
- Global 100 index; and
- S&P Global Sustainability Yearbook.

A strategy for progress

The Rexel Group continues its progress in the main non-financial performance ratings. Thus, it reached the first position of the Vigeo rating, out of 73 companies of the Specialized Retail sector. The Group has maintained its place on the Dow Jones Sustainability Index (DJSI) Europe, ranking first among European companies and among the top four global companies in the sector.

In 2020, Rexel received an A- rating by the CDP. This confirms that the Group proactively contributes to the fight against climate change, while emphasizing the need to strengthen its segment leadership in this respect.

The Group is ranked as the 1st company in its sector and 11th worldwide in the Corporate Knights "Global 100" index, which is a benchmark barometer for assessing the sustainable performance of companies. Each year, the ranking rewards companies that succeed in reconciling societal responsibility and financial performance.

Finally, Rexel responds to all non-financial ratings requests submitted by its customers. In the assessment conducted by EcoVadis, the Group received a Gold rating, with a score of 71/100. Rexel ranks in the top 5% of companies evaluated by EcoVadis in the world, all industries combined, and in the top 1% of its industry.

4.1.3 Main non-financial risks

Non-financial risk mapping

In an ever-changing international environment, proactive risk management is an essential element in the sustainable development of the company's business activity and a goal shared by all employees. This process identifies areas of progress and opportunities.

Rexel is exposed to the risks described in Section 2 "Risk factors and internal control" of this Universal Registration Document, which are the risks that could have a significant negative impact on the Rexel Group and its activities, financial position, results, or outlook. The procedures for identifying and managing risks are described in Section 2 "Risk factors and internal control" of this Universal Registration Document.

In addition, when it compiled its Statement of Non-Financial Performance, Rexel conducted an analysis of the main risks related to the environmental, social, and societal consequences of its activities. The procedures for identifying, analyzing and assessing these risks are specific to the Statement of Non-Financial Performance and differ from the ones implemented during the internal control procedures.

Identification of non-financial risks involves making a list of all events, either potential or occurred in the past, related to the environmental and social consequences of the company's activity, human rights, or the fight against corruption and tax evasion, that may have significant consequences for employees, shareholders, business partners, other external stakeholders, or the environment. Non-financial risk mapping shows the main risks that are considered material and therefore require the attention of management.

Risk mapping

The non-financial risk mapping process is coordinated by the Group Sustainable Development Department, assisted by the Group Human Resources Department, Group Finance Department, the Group Digital and IT Transformation Department, the internal Audit, risks and internal control Department, the Purchasing Department and the General Secretary of the Group.

Non-financial risk mapping is a three-stage process:

- **Non-financial risks identified by a committee of internal experts**

  In this stage, a relatively exhaustive list of the risks to which Rexel could expose its stakeholders and the environment is drawn up. Risks are identified through interviews with Rexel stakeholders and existing risk mappings in the Group, supplemented by the results of various internal procedures, such as:

  - Corporate risk mapping;
  - Materiality analysis of sustainable development challenges;
  - Duty of Care law risk mapping;
  - Reporting of environmental, social, and societal impacts;
  - Whistleblowing procedures; and
  - Any regulations that require the identification, assessment, or mapping of risks that may be considered non-financial (including the French "Sapin 2" Law, the French "Energy Transition for Green Growth" Law, the EU General Data Protection Regulation, etc.).

- **Selection of main risks in internal working groups**

  In this stage, the previous list is whittled to 16 non-financial risks that are relevant to the Rexel Group's business activity. The main risks are selected by the Group's internal experts in working groups organized by the Sustainable Development Department.

  This selection is made according to two criteria:

  – the potential impact of these risks on the Group's stakeholders, on the environment and on the Group's activities;

  – their probability of occurrence.

  A pre-set grid for evaluating these two criteria is communicated to internal experts.

  Closer attention is given to the risks identified during the development of the Vigilance Plan. Since these risks are considered major, the working group experts ensure that they are included in the list of relevant non-financial risks.

- **Non-financial risk assessment and ranking**

  A special committee composed of the Group's Human Resources Director, the Group's Chief Financial Officer, the Group's Digital and IT Transformation Director, the Group's internal Audit, risks and internal control Director, the Group's Purchasing and Supplier's Policy Director and the General Secretary of the Group, assesses and ranks non-financial risks based on probability of occurrence and the severity of potential impacts.

  The 16 risks are classified according to the importance of Rexel's residual exposure to these risks, presented on a Low/Medium/High scale. This exposure was calculated taking into account:

  – The potential impact of these risks on the Group's stakeholders, on the environment and on the Group's activities;

  – Their probability of occurrence; and

  – The Group's level of control to reduce their impact or occurrence.

  Rexel's policies and management measures, key performance indicators and exposure are specified for each of the non-financial risks set out below.

Main non-financial risk factors

THEME	POLICIES AND MANAGEMENT MEASURES	KPIS	VIGILANCE PLAN	EVALUATION	REFERENCE
ACTING WITH ETHICS AND INTEGRITY					
Governance practices which are not compliant with the expectations of the stakeholders The stakeholders expect the company to implement responsible practices in its governance (separation of the Chairman and CEO roles, parity and diversity in the decision-making bodies, etc.) and to maintain a transparent dialogue with its various stakeholders.	• Board decision to comply with AFEP-MEDEF Code recommendations • Diversity policy decided by the Board of Directors	• % of women or men at Board of Directors level at least equal to 40% • % of independent Directors at Board level and committees level compliant with AFEP-MEDEF Code	Yes	Low	Sections 3.1.1 "Board of Directors", 3.1.1.2 "A membership of the Board of Directors based on skills and diversity, 3.5 "Implementation of the Afep-Medef corporate governance Code of listed companies – Paragraph 27.1"
Non-compliant behavior and practices in the conduct of its business Non-compliance of the company's practices with the anticorruption regulations, competition laws or anti-fraud laws, which may lead to legal proceedings.	• Ethics guide • Anticorruption code of conduct • Competition guide • Whistleblowing alerts and ethic queries • Ethics and compliance trainings • Third parties' due diligence • Gifts and invitations policies, and other policies as well as compliance procedures • Self-assessment and monitoring of ethics and compliance policies	• Annual number of ethic queries	Yes	Medium	Section 4.2.1 "Making business ethics the foundation of the Group's business activity"

THEME	POLICIES AND MANAGEMENT MEASURES	KPIS	VIGILANCE PLAN	EVALUATION	REFERENCE
Non-ethical behavior and practices in the conduct of its business Non-ethical behavior or practices of the companies (including tax fraud) which may lead to public scandals.	• Ethics guide • Anticorruption code of conduct • Competition guide • Whistleblowing alerts and ethic queries • Ethics and compliance trainings • Third parties' due diligence • Gifts and invitations policies, and other policies as well as compliance procedures • Self-assessment and monitoring of ethics and compliance policies including in tax matters	• Annual number of ethic queries	Yes	Low	Sections 4.1.2.2 "Stakeholders" and 4.2.1 "Making business ethics the foundation of the Group's business activity"
Inadequate protection of users' data Data belonging to customers (Rexel IT systems) and end users (products sold) are insufficiently protected from intrusions by external or internal third parties.	• Data protection charter and policy	• % of employees trained on data protection	Yes	Low	Section 4.2.2 " personal data protection program"
INVOLVING AND SUPPORTING EMPLOYEES					
Inappropriate and/or non-compliant working conditions The company may have difficulties if it does not provide all its employees with working conditions which avoid the appearance of risks, both in physical and psychological terms (related to health and safety at work, REACh, RoHS, stress, harassment, discrimination, etc.).	• Local health and safety policy • Local actions	• Frequency rate	Yes	Low	Section 4.3.3 "Deepening engagement, improving skills"
Difficulties to attract and retain talent The Group may have difficulties in attracting and retaining the best profiles (lack of visibility and/or reputation on the employment market, lack of communication, unattractive remuneration packages, etc.). This goes with the capacity for the company to anticipate the changes in its staff. Meanwhile, the company must ensure employees employability.	• Employee Value Proposition • Onboarding experience • Mobility tools (job board) and dedicated processes • Performance review & feedback culture	• Integration rate	No	Medium	Section 4.3.2 "Attracting and retaining talent"
Risk of skills obsolescence in a rapidly changing environment The omnichannel model, digitalization, changes in techniques and in the product offering (renewable energies, environmental and energy labelling, etc.), increase the demand for continuous training for employees, at the risk of skills obsolescence.	• Rexel Academy • Training policies	• Average hours of training per employee trained	No	Medium	Section 4.3.3 "Deepening engagement, improving skills"
Lack of engagement employees (including for inclusion & diversity reasons) Inadequate motivation of employees against the background of competition and rapid and profound job changing. In particular, demotivation caused by the feeling of injustice, insufficient inclusion or discrimination.	• Employee engagement surveys (Satisfaxion) • Local action plans • Diversity policies	• Employee engagement rate	No	Medium	Section 4.3.4 "Supporting diversity, inclusion,and equal opportunity"
Long-term human resources management Complexity related to not being able to anticipate the medium and long-term evolution of employees. In particular, the transfer of know-how and experience, the renewal of populations with the supervision of seniors, the evolution towards new working methods, etc.	*Risk newly highlighted in the mapping of extra-financial risks*		No	Medium	
IMPROVING THE ENVIRONMENTAL PERFORMANCE					
Rexel operations non-compliant with environmental regulations The company is not complying with the environmental regulations in force in the countries in which it operates, including REACh, RoHS, WEEE, ICPE, etc.	• United Nation Global Compact • Environmental management system	• % of sites covered by environmental management systems	Yes	Low	Section 4.4.1 "Strengthening environmental oversight"

THEME	POLICIES AND MANAGEMENT MEASURES	KPIS	VIGILANCE PLAN	EVALUATION	REFERENCE
Inadequate response to climate change challenges Not having any strategy for the management of greenhouse gas emissions within the value chain (suppliers / internal / customers) or not achieving its objectives in this area creates a risk for a company in the energy efficiency sector. GHG emissions considered are Scopes 1, 2 and 3 emissions.	• Commitment to the Science Based Target initiative • Environmental charter	• GHG emissions (scopes 1, 2 and 3)	Yes	Low	Section 4.4.2 "Committing to the climate"
Inadequate management of natural resources and waste The stakeholders expect the company to reduce its own waste and to manage resources in a sustainable manner, particularly by assisting customers to manage their waste (WEEE) or by taking action at the source (products, packaging) to avoid the generation of waste.	• Environmental charter • Environmental management system	• Tonnage of packaging purchased	Yes	Low	Section 4.4.4 "Managing resources in a sustainable manner"
PROMOTING RESPONSIBLE PRACTICES THROUGHOUT THE VALUE CHAIN					
Inappropriate and/or non-compliant practices at suppliers and subcontractors Suppliers (regardless of their rank) and subcontractors have social practices (modern slavery, child labor, inhuman or dangerous working conditions, harassment and abuse, inadequate social benefits and social security, non-respect of international labor standards, discrimination, etc.) and/or environmental practices (waste disposal in inappropriate areas, destruction of ecosystems, land and water pollution, soil erosion, resource depletion, etc.) that are not compliant with international norms and standards.	• Sustainable development clauses in supply agreements • Whistleblowing alerts • Internal control • Evaluation process of suppliers' CSR performance	• % of direct purchase evaluated using sustainable development criteria	Yes	Medium	Section 4.5.1 "Developing relationships of trust from suppliers to customers"
Products not compliant with the legislation in terms of dangers for human beings and/or the environment Inadequate control of products (including imported products, modified products and those sold under their own brands) which may give rise to regulatory non-compliance (REACh, Rohs, WEEE, conflict minerals, etc.) and to legal disputes.	• REACh and RoHS dedicated process • Sustainable development clauses in supply agreements • Whistleblowing alerts • Evaluation process of suppliers' CSR performance	• % of concerned European subsidiaries having implemented a management system for REACh and RoHS	Yes	Low	Sections 2.1.2.7 "Environmental risks", 4.4.1 "Strengthening environmental oversight" and 4.5.2 "Creating value for customers"
Products damaging people's health and safety, and the environment Substances or products may give rise to sickness or accidents for persons who manipulate them (suppliers, customers, end users, etc.) and/or cause damages to the environment throughout the value chain.	• REACh and RoHS dedicated process • Sustainable development clauses in supply agreements • Whistleblowing alerts • Evaluation process of suppliers' CSR performance	• Annual number of whistleblowing alerts on products' compliance	Yes	Low	Sections 2.1.3.4 "Risks related to product conformity", 4.4.1 "Strengthening environmental oversight" and 4.5.2 "Creating valuefor customers"
Products viewed as misleading the customer of the end user Products do not correspond to the (tacit or written) promises made to consumers in terms of durability (planned obsolescence), energy consumption, recyclability, etc.	• Quality control processes • Sustainable development clauses in supply agreements • Whistleblowing alerts • Evaluation process of suppliers' CSR performance	• Annual number of whistleblowing alerts on products	Yes	Low	Section 2.1.3.4 "Risks related to product conformity", 4.5.1 "Developing relationships of trust from suppliers to customers" and 4.5.2 "Creating value for customers"

The policies and measures implemented by the Rexel Group to manage its main non-financial risks are monitored each year through the key indicators presented in table above. The results and developments are presented in Section 4.6 "Summary of indicators".

4.2 Acting with ethics and integrity

Challenges

Image and reputation

Ethics and accountability are at the heart of the Rexel Group's activities and processes throughout the value chain. The Group is convinced that responsible business management helps to maintain its reputation and contributes to the organization's competitiveness and attractiveness. This responsibility is expressed through employee information and takes the form of distribution of tools, guides, and charters that compile the procedures to be adopted in the countries where the Group operates.

Trust for stakeholders

Rexel ensures that its activities always comply with the highest ethical standards. By placing trust and integrity at the heart of its structures, Rexel strives to create long-term relationships with its partners, customers, and suppliers, improving the quality of its internal social climate and its reputation, which are essential conditions for attracting and retaining talent.

Regulatory compliance

In an ever-changing regulatory environment that differs from country to country, the implementation of internal procedures to ensure compliance of operations with local and international standards and regulations is essential. The Group regularly updates its policies and mobilizes the necessary resources to ensure the efficiency of its compliance program.

1 2 3

Commitments

The commitment to train the 90% of employees most exposed to business ethics prior to the end of 2020 was reached.

4

4.2.1 Making business ethics the foundation of the Group's business activity

In a rapidly changing global energy industry, the renewal of product offerings, digitization of activities, customer support for services with higher added value, and establishment of partnerships with strategic suppliers on new market segments are generating new risks. The Group ensures that all its employees and partners adopt responsible behaviors and practices in their day-to-day activities.

5 6

Related risks (SNFP)

Non-compliant behavior and practices in the conduct of its business and non-ethical behavior and practices in the conduct of its business.

7 8

Key performance indicator

INDICATOR	2020	2019
Annual ethic queries	57	43

Strategy

Compliance program

Rexel continues to deploy and update a common compliance program for all its subsidiaries. Internal control ensures that the ethical rules to be followed are distributed within the Group effectively through the inclusion of business ethics controls in the internal control guidelines manual. It is updated and enriched each year to reflect new standards and regulations. On a regular basis, new business ethics controls are added.

To ensure that all entities and subsidiaries follow and comply with the procedures and the compliance program, a self-assessment campaign is conducted each year. It produces an annual inventory of the application of rules. The campaign's findings identify points of non-compliance within the Group. Where necessary, corrective action plans are implemented by subsidiaries. Internal audit can conduct audits of how the compliance program is deployed in the subsidiaries.

A common frame of reference: the Ethics Guide

For over ten years, Rexel has been committed to continuous improvement. This commitment resulted in the development of an Ethics Guide for all Rexel Group employees, partners, and suppliers. This guide covers business ethics (corruption, conflicts of interest, competition rules, customer and supplier relations, protection of personal data and use of social media, etc.) and employee-related topics (health and safety at work, discrimination and harassment, social dialogue). It presents the main principles adopted by the Group that each subsidiary and employee must implement and provides standards and references to comply with in the conduct of professional activities. To facilitate its distribution internally and to customers, suppliers, and all Group partners, the Ethics Guide is available in all Group languages and in digital format.

Actions

To meet the expectations of stakeholders and civil society in terms of respect for human rights and an increasingly demanding regulatory environment, the pursuit of clear, shared, ambitious business ethics and compliance objectives is indispensable.

Ethics Guide update

The Ethics Guide is regularly updated. As a result, the anti-corruption commitments were reviewed in the French context of the December 9, 2016 law on transparency, the fight against corruption and the modernization of economic life. This key support was enriched with specific documents such as the Anti-Corruption Code of Conduct, the Competition Law Guide, and the Environmental Charter, which detail the Group's more specific commitments.

Whistleblowing

There is a whistleblowing procedure for employees, external and temporary workers, suppliers, customers, and stakeholders in all countries. The new system allows incidents to be reported in all Group languages. The whistleblowing procedure is available on the dedicated website (https://ethique.rexel.com/en). It is centralized and confidential. Each alert is handled by the Ethics Committee, an *ad hoc* committee composed of the General Secretary, the Human Resources Director, and the Compliance Officer. This new alert line takes into account the requirements of French laws relating to transparency, the fight against corruption and the modernization of economic life and the duty of care of parent companies and subcontracting companies. The procedure meets all legal requirements, including guarantees of rights of whistleblowers.

Queries to Ethics Officers

Ethics Officers, who are local relays, also answer queries concerning the Rexel Group's ethical practices that may be addressed to them. Whether or not they are an employee, anyone can ask questions on a confidential basis.

The table below summarizes the queries received in 2020 by all Ethics Officers according to their type, author, subject, and geographical area.

57 ethics cases were submitted to an Ethics Officer of the Group during the year.

All queries were processed, verified (by means of an audit or investigation led by the management of the country in question) and dealt with through preventive and/or corrective measures as appropriate.

		NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2020	NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2019
Type of query	Information	27	7
	Complaint	30	35
	Legal dispute	0	1
	Other	0	0
Source of query	Customers	2	4
	Rexel employees	49	28
	Suppliers	2	1
	Local authorities	1	0
	Employee representatives / trade unions	0	0
	Anonymous	1	5
	Other	2	5
Subject of query	Customer relations	4	2
	Supplier relations	3	0
	Relations between employees	16	10
	Discrimination	4	5
	Working conditions	10	17
	Anti-corruption	1	1
	Tax evasion	0	0
	Anti-fraud and anti-theft	19	4
	Environmental protection	0	4
Type of measures implemented	Preventive	7	17
	Corrective	50	22
Region	Europe	1	3
	North America	31	35
	Asia-Pacific	25	5

Anti-corruption program

In connection with its program to detect and prevent corruption, Rexel has established an anti-corruption Code of Conduct, that applies to all of the Group. This code meets the requirements of French Law. It defines and illustrates the different types of behavior to be avoided. This Code of Conduct refers to payments and practices requiring special attention. It defines in particular the conditions of intervention of any employee with associations and authorities. It is appended to the rules of procedure, and it invites employees to inform all stakeholders (customers, suppliers, and partners) about the Group's commitments and applicable rules to prevent corruption. This document is available on the ethics and compliance website: https://ethique.rexel.com/en.

Fight against tax evasion[1]

Each year, through the internal control self-assessment campaign, the Group's Financial Department ensures that the organization and controls (defined in its Internal Control Guidelines Manual) are in place and operating adequately, particularly in terms of compliance with tax legislation and the fight against fraud. The internal Audit Department also carries out missions of control of key financial processes, including tax, and issues a report on their effectiveness to the Audit Committee.

In accordance with applicable legislation, each legal entity complies with its tax reporting and settlement obligations. Intra-group transactions are governed by a transfer pricing policy based on OECD principles and recommendations.

In order to ensure tax compliance, the Tax Department regularly provides advice and support to operational teams in tax matters. It also monitors and assesses the impact of changes in tax regulations on the Group's activities. The Group regularly relies on the advice of its external tax advisors to identify and analyze the applicable laws and regulations with respect to its situation, activities and countries of establishment and to ensure compliance with these laws and regulations, particularly in the event of a major strategic operation.

(1) Article L.22-10-36 of the French Commercial Code.

Gift & invitations and travel compliance guidelines

The Group is a key link in the value chain between electrical equipment suppliers, customers, and end-users. The proximity of salespeople to their suppliers and customers is an advantage. This commercial proximity must remain exemplary so that lasting business relationships can be maintained in a climate of trust and mutual respect. To provide a clear and structured framework for all its employees, the Group has put in place specific rules relating to business travel and gifts and invitations offered and received.

Employee business ethics training

Compliance with the rules of ethics implies continuous mobilization of employees. For this reason, team training and information sessions are indispensable. There is a training program common to all concerned employees, organized on e-learning modules, and a series of videos on compliance. The sessions focus on competition, anti-corruption, data protection and trade control. They are available to employees *via* the online training tools of the Group, and in their language. Special classroom trainings are also offered to employees who are most exposed to certain risks.

Propagation of a culture of business ethics

The integration of the Group's values and ethical standards in behaviors is a key factor for the strategy's success. This requirement is supported by a network of Compliance correspondents and a network of Ethics correspondents who work closely with local management. The establishment of a collaborative and decentralized structure enables the understanding of the ethical standards and the deployment of the action plans in the various countries where the Group operates.

Results

■ Business ethics training penetration rate within Rexel

	COMPETITION LAW TRAINING 2020	ANTI-CORRUPTION TRAINING 2020	COMPETITION LAW TRAINING 2019	ANTI-CORRUPTION TRAINING 2019
Percentage of employees considered sensitive who completed training (1)	80%	86%	72%	81%

(1) All employees excluding Distribution Centers employees.

4.2.2 Personal data protection program

As regards the Group's subsidiaries operating in the European Economic Area (EEA), the General Data Protection Regulation (GDPR), which entered into force in 2018, has standardized the rules applicable to personal data protection within the European Union. The GDPR has defined the principles and obligations with which companies must comply in terms of data subjects' rights enforcement, transparency and security of their personal data processing.

The implementation of the regulation has taken place at Rexel Group's while digital impact is growing on its business activities and its internal procedures. Beyond compliance, the protection of personal data is a strong operational challenge for the Rexel Group. This challenge was reinforced by the special circumstances of the year 2020, particularly the extensive use of remote working.

Related risks (SNFP)

Inadequate protection of users' data and Data belonging to customers (Rexel IT systems) and end-users (products sold) are insufficiently protected from intrusions by external or internal third parties.

Key performance indicator

INDICATOR	2020	2019
Employees of the Rexel European subsidiaries trained in the protection of personal data and in the operational implementation of the European General Data Protection Regulation	92%	94%

Initial strategy

As of 2018, Rexel launched a GDPR compliance initiative for its subsidiaries operating in the EEA and Switzerland, mainly on data concerning:

- current and prospective customers, particularly in the context of e-commerce activities and energy optimization services or home automation solutions;
- employees working in all subsidiaries operating in the EEA; and
- the Rexel Group's suppliers and service providers.

A global roadmap recently extended to the United States

Rexel's action plan is the result of the efforts of a cross-functional working group.

This working group carried out a pilot approach analysis, which made it possible to map the processing of personal data in several Rexel subsidiaries in France and Europe. The feedback received, the experience gained, and the analysis of the pilot results led to the development of a data protection program with an EEA-wide roadmap.

Secondly, an analysis of the application of the GDPR for Rexel's subsidiaries operating outside the EEA was conducted. In 2019, a cross-functional working group carried out the analysis and determined the roadmap to be rolled out in Rexel's subsidiaries in the United States in consideration of local regulations relating to data protection, in particular of the California Consumer Privacy Act.

Cross-functional initiatives

The roadmap is organized around several major initiatives that include the establishment of a record of data processing activities, employees training, management of the exercise of data subjects' rights, governance of procedures and data, contractual commitments, and IT protection.

Results

At December 31, 2020, 92% of the employees of the Rexel European subsidiaries were trained in the protection of personal data and in the operational implementation of the European General Data Protection Regulation (compared to 94% at December 31, 2019). This difference is due to changes in the workforce of the Group European subsidiaries.

Actions

Policies and procedures

The Group has an internal personal data chart that defines a set of rules to be respected in the conducting of Rexel's activities. This charter incorporates the major personal data protection principles and is the ground of several policies and procedures drafted to support Rexel's employees and stakeholders in the performance of their activities.

For example, one of the procedures focuses on the practical application of the data subjects' rights, another on the principle of privacy by design. A special reporting system (e-mail alert line to the Group Data Protection Officer) was put in place for data breaches. Guidelines were written to determine and regulate the commitments required from providers for the protection of the personal data entrusted to them.

A process for updating policies and procedures was initiated in 2020 in order to reflect the regulatory changes, ensure the adjustment to Rexel's internal evolutions and to the special circumstances of the year 2020. For example, an enriched and improved version of the procedure applicable for personal data breach is being finalized.

Employee training

Various training and information sessions are offered in several formats, such as e-learning modules on main data protection principles, on privacy by design, on contractual requirements and on the GDPR itself.

Special poster campaigns are also carried out. Finally, more targeted presentations are planned for the teams that process personal data more specifically, such as the human resources, e-commerce, IT, and general services departments.

Contractual commitments

Rexel's suppliers and service providers may process personal data on behalf of the Group. Rexel must ensure that its partners and suppliers apply adequate data protection levels. This involves reviewing and updating contractual commitments and the security policies put in place by those service providers.

International transfers of personal data

Over the past year, the authorities' requirements in terms of personal data protection reinforced the guidance of personal data transfers outside the EEA. In order to face these evolutions, a mapping exercise of personal data flow outside the EEA was initiated in every subsidiary of the Group in September 2020. In particular, this initiative shall allow reflecting the new requirements in all the relevant contractual documentation.

4.3 Involving and supporting employees

Challenges

The Covid-19 pandemic has impacted the business of the Rexel Group's subsidiaries, requiring the adaptation of some human resources policies and impacting their performance. In the short term, one of the main challenges was to preserve the health and safety of employees.

Recruiting and retaining talent

Talent recruitment is a key challenge for Rexel, which operates in a highly competitive environment. To support the transformation and digitization of its business activity, the Group relies on amongst other its employee value proposition and in particular has set up an ambitious recruitment and communication strategy to make the Group more attractive.

Skills development

The women and men of Rexel have developed very specialized know-how to offer a distinctive customer experience. This expertise is based on skills that are regularly updated. Developing a culture of sharing knowledge and experiences and offering customized training to employees are among the Group's strategic priorities.

Employee engagement

To position itself in the markets of the future (energy efficiency, industry 4.0, connected buildings), employee engagement is essential. This engagement is based on an understanding of strategy, management, career development, company image, and teamwork.

4.3.1 Supporting the human resources policy through a decentralized structure

Human resources policy

Rexel's human resources policies are based on decentralized management, in which the central functions contribute their expertise to the subsidiaries. This grassroots structure is respectful of local conditions and strengthens Group flexibility, agility and team autonomy. It means finding the right balance between the initiatives of the Group Human Resources Department, which creates the roadmap, and their deployment at the local level.

These human resources policies are supported by tools that increase their efficiency. They include an online academy (Rexel Academy), a human resources information system (SuccessFactors), a digital job board, management and performance recognition tools, and a regular survey that measures employee engagement.

In 2020, human resources policies were adjusted to take into account the Covid-19 pandemic context: implementation of adapted health policies, development of specific communication practices, increase of human resources processes and tools digitalization, adjustment of working methods, including remote working.

Workforce distribution

As of December 31, 2020, the Group had 24,818 employees, compared to 26,537 as of December 31, 2019. Among these employees, 24,198 were on permanent contracts (compared to 25,785 in 2019). The decrease in the total workforce is mainly due to a drop in recruitments.

■ Breakdown of employees by region

	REGISTERED WORKFORCE (NUMBER OF EMPLOYEES) AT DECEMBER 31	
NUMBER OF EMPLOYEES	**2020**	**2019**
Total workforce	24,818	26,537
By region		
Europe	15,040	15,613
North America	7,320	8,397
Asia-Pacific	2,458	2,527

■ Breakdown of employees by gender and status at December 31, 2020

	MANAGERS				NON-MANAGERS			
	WOMEN		MEN		WOMEN		MEN	
Rexel Group	**1,030**	**(20.4%)***	**4,007**	**(79.6%)***	**4,580**	**(23.2%)****	**15,201**	**(76.8%)****
Europe	529	(17.8%)*	2,439	(82.2%)*	2,815	(23.3%)**	9,257	(76.7%)**
North America	407	(26.8%)*	1,112	(73.2%)*	1,179	(20.3%)**	4,622	(79.7%)**
Asia-Pacific	94	(17.1%)*	456	(82.9%)*	586	(30.7%)**	1,322	(69.3%)**
Total by status	**5,037**				**19,781**			

* As a percentage of managers.
** As a percentage of non-managers.

4.3.2 Attracting and retaining talent

4.3.2.1 Attracting talent

Rexel's ability to locate and identify profiles in line with its strategic priorities is essential and requires active talent management. The Group constantly reviews and improves its structures and processes to anticipate future needs.

In 2020, the Rexel Group hired 2,475 employees, all types of contracts and statuses combined, compared to 4,588 new hires in 2019. Together, these hires accounted for 10% of the Rexel Group's total workforce (compared to 17.3% in 2019).

Performance

■ Number and characteristics of recruitments

	2020	2019
Number of recruitments	**2,475**	**4,588**
Of which:		
• Permanent employees	2,072	3,887
• Fixed-term employees	403	701
• Managers (permanent)	259	498
• Non-managers (permanent)	1,813	3,389
• Women (permanent)	418	889
• Men (permanent)	1,654	2,998

Related risk (SNFP)

Difficulties to attract and retain talent.

Key performance indicator

INDICATOR	UNIT	SCOPE	2020	2019	VARIATION
Integration rate	%	100%	66.6	71.6	-7%

Strategy and actions

Employee integration

Many measures are taken at the country level to promote the integration of new employees and reduce turnover. These include company intros, welcome booklets, tutorials, regular follow-up interviews, technical, product, or organizational training, inter-departmental rotations, and integration seminars.

At the Group level, a special onboarding site has been available to subsidiaries since 2016. It presents the activities and business lines to new employees before their arrival.

Furthermore, in 2019, Rexel has completed this initiative thanks to an online process (onboarding) to prepare for the arrival of new employees on the SuccessFactors tool.

The new employee integration rate (defined as the rate of new permanent hires present in the Group three months after their recruitment) was 90.5% in 2020, compared to 90.1% in 2019. The medium-term integration rate (defined as the rate of new hires still present within the Rexel Group one year after their recruitment) was 66.6%, compared to 71.6% in 2019. This rate decreased due to the context of the Covid-19 pandemic and reorganizations that led to the departure of employees. Despite this context, new measures have been implemented to facilitate the integration of new employees *via* digital tools and improvements of communication methods.

Rexel's goal was to reach a medium-term integration rate of over 80% in 2020.

Employee value proposition

Rexel's employee value proposition consists of five promises: "think ahead", "work with a great team", "make a personal impact", "learn from the best", "earn the career you want". These promises embody collective energy and irrigate all of the Group's human resources policy and commitments. Each subsidiary embodies these promises locally.

A strong employee value proposition has a positive impact on the ability to attract talent. It is an instrument to retain and motivate employees. Thus, 85% of Satisfaxion 2018 internal survey respondents said they were *"proud to work for their company"*.

4.3.2.2 Retaining talent

89% of respondents to the Satisfaxion 2018 internal Engagement Survey feel that their *"qualities and skills are fully applied in their work"*. 81% feel that *"work gives them a sense of personal accomplishment"*. These results reflect the Group's ability to offer a stimulating and rewarding work environment conducive to the retention of talent.

Strategy and actions

Performance reviews

The Rexel Group has a proactive policy to make an annual performance interview a standard practice for all its employees.

Performance

In 2020, most entities organized annual individual performance interview sessions in which a total of 83.2% of employees took part (82.8% in 2019).

■ **Performance reviews**

	2020	2019
Number of employees who received a performance review	20,648	21,978
% of employees reviewed in relation to the total workforce	83.2%	82.8%

Feedback culture

Rexel implemented a continuous performance process which aims to simplify and strengthen regular exchanges between managers and their employees through the feedback culture.

Mobility policy

Functional and geographical mobility is a major component of the human resources strategy and a lever for talent retention. Mobility promotion at Rexel, coupled with skills management, offers employees opportunities for growth. These opportunities are available on a Group job board. In 2020, nearly 800 offers were published on this portal.

Performance

A total of 1,986 employees on open-ended contracts had mobility in 2020 (3,049 in 2019), representing 8.2% of the workforce on open-ended contracts (11.8% in 2019).

Of the 1,986 employees who changed positions internally in 2020, 928 were involved in vertical mobility (promotion), around 3.8% of Rexel Group employees on open-ended contracts (1,761 in 2019, or 6.8% of the workforce). Of the promoted employees, 27.8% were non-managers who became managers (22.8% in 2019).

Of the 1,986 employees who changed positions internally in 2020, 1,058 were involved in horizontal mobility, around 4.4% of Rexel Group employees on open-ended contracts (1,288 in 2019, or 5% of the workforce).

Managerial development programs

To retain its key talents, the Group has strengthened its training around leadership. Group Advanced Leadership is a program ran on nine-month cycles with a blended learning system that combines face-to-face training and e-learning. It is complemented by external coaching, personal development sessions and the development of a transformation-centered business case. 91% of the participants in the last session of this program would recommend the training to a colleague or peer.

Many programs of this type are also deployed within the subsidiaries. For example, in the United States, the Grow Achieve Inquire Network (GAIN) program focuses on developing employee leadership and personal development around three areas of expertise: communication, operations management and business approach. This program is deployed in part on Rexel Academy's. The context of the pandemic did not prevent some of the subsidiaries from developing managerial development programs, notably thanks to IT tools. The German subsidiary launched the *Zusammen Führen* program aiming at developing leadership and cooperation. In Australia, the Branch Manager Boot Virtual Camp program presents all the tools needed for all branch managers in order to allow them to better exercise their responsibilities and the Driving Branch Scorecard Virtual Program assists them in driving strategic changes.

Performance

4,868 Group managers (defined as persons with at least one employee under their responsibility, or according to the application of local definitions such as the inclusion of any employee with "manager" status for certain countries), received training in 2020 (4,300 in 2019), 21% of people trained (compared to 20.3% in 2019).

Action plans to reduce absenteeism

Rexel is implementing special measures to reduce the absenteeism rate. These actions include special monitoring by human resources managers, the establishment of regular reporting, consultation and training, regular medical visits and indexing of bonuses for showing up at work, post or schedule arrangements, and return-to-work reports. In Switzerland, for example, all managers are trained in conducting return-to-work interviews to limit absenteeism.

Performance

The Rexel Group absenteeism rate was 4.9% in 2020, compared to 4.7% in 2019.

4.3.2.3 Employment dynamics

Workforce turnover

The decline in activity was offset by measures to reduce working hours in the form of partial unemployment (particularly in France, the United States, the United Kingdom, Switzerland, Italy, Belgium and Norway), negotiated reduced working time (in Sweden), unpaid leave (in Canada) and a reduction in hiring.

The Rexel Group is aware of the challenge of workforce turnover, and it analyzes employees' reasons for leaving and changes in the integration rate of new hires (see section 4.3.2.1 "Attracting talent" of this Universal Registration Document). In addition, most of the Group's subsidiaries organize exit interviews with departing employees to understand the reasons for their resignation.

The turnover rate is defined as the average of the entry and departure rates:

- the entry rate is defined as the total number of hires with open-ended contracts divided by the total workforce with open-ended contracts; and
- the departure rate is defined as the total number of departing employees with open-ended contracts divided by the total workforce with open-ended contracts.

In 2020, the entry rate into the Rexel Group was 8.6% (15.1% in 2019).

In 2020, the departure rate for Rexel Group employees was 15.4% (17.7% in 2019).

This means that for 2020, the Rexel Group turnover rate was 12% (16.4% in 2019).

■ **Employee turnover rate of the Rexel Group at December 31**

	2020	2019
Staff turnover rate	12%	16.4%

Recruitment

During 2020, the 2,475 hires in open-ended contracts and fix-term contracts (4,588 in 2019) represented 10% (17.3% in 2019) of the total Group workforce (see section 4.3.2.1 "Attracting talent" of this Universal Registration Document).

Departures

During 2020, 3,736 employees in permanent contract have left the group Rexel (compared to 4,566 for 2019). Resignations represent the largest reason for deartures (48.5% in 2020, compared to 53.8% in 2019).

The reasons for the departures are detailed below.

■ **Reasons for the departure of permanent employees in 2020**

	NUMBER	AS A PERCENTAGE OF DEPARTURES
Number of departures	**3,736**	**15.4% of all permanent employees**
Of which:		
• Resignations	1,814	48.5%
• Redundancies (economic layoffs)	616	16.5%
• Dismissals for other reasons	423	11.3%
• Retirements or early retirements	253	6.8%
• Cessation and/or sale of activity	373	10%
• Other reasons	257	6.9%

Collective procedures

In 2020, economic redundancies within the Rexel Group affected 616 employees, compared to 663 in 2019, thus the most significant reorganizations took place in Canada, the United States and the United Kingdom.

Alternatives to dismissals have been put in place, such as internal and/or external redeployment solutions notably in the United Kingdom. In addition, and to the extent possible, the reorganizations were discussed with employee representatives in order to provide the affected employees with support measures, such as outplacement, and financial compensation.

4.3.2.4 Compensation

Strategy and actions

The compensation policy is based on individual performance and company results. Compensation levels are defined for each country to satisfy two requirements: the competitiveness of the compensation offered and internal fairness.

56.8% of Rexel Group employees on open-ended contracts are eligible for individual variable compensation (58.2% in 2019). This mainly affects sales functions and employees with managerial responsibilities.

Finally, 74.3% of Rexel Group employees are members of a profit-sharing (interessement or a participation) plan calculated on the basis of collective results (68.7% in 2019).

Performance

Salaries and expenses totaled €1,526.4 million in 2020, compared to €1,690.2 million in 2019.

Employee shareholding

Since the Group's initial public offering in 2007, five share ownership plans have been offered to employees. They are reserved for employees and allow them to acquire shares on preferential terms (discount on the reference price of the share, employer contribution). Employees are given a sense of participation in the Group's performance and increase their stake in its capital to consolidate their commitment.

The most recent, Opportunity16, was offered to nearly 90% of the Group's workforce in 14 countries, 17.6% of eligible employees took part, with rates higher than 20% in Belgium, Canada, China, the Netherlands and France.

Performance

As of December 31, 2020, the number of shares held by employees and former employees under employee share ownership plans represented 0.51% of Rexel's share capital and voting rights (0.53% at December 31, 2019).

Company benefits

In the majority of countries in which the Rexel Group operates, supplemental health and provident insurance policies are offered to employees in addition to the legally mandated coverage. Membership in these supplemental plans is either voluntary or mandatory, depending on the country, and most frequently cover all employees. In addition, depending on local regulations, certain Group entities have set up supplemental pension programs for their employees.

Finally, the Rexel Group has set standard minimum coverage for business-related accidents through the Rexel+ plan. This plan provides for an indemnity corresponding to one or two years of basic salary in the event of death or serious permanent disability. Launched on July 1, 2010, this plan is managed at the local level and illustrates Rexel's ongoing commitment to social responsibility. The "Rexel+" program consists of four local insurance policies that cover Austria, Luxembourg, and the United Kingdom, and a policy issued by France covering Slovenia under the freedom to provide services.

Performance

As of December 31, 2020, four countries were therefore involved in the Rexel+ program, and nearly 3,000 employees benefit from this program.

Other benefits

Furthermore, a number of benefits or services are often granted to employees in addition to what is legally required. They are either negotiated under collective agreements or granted unilaterally and offer, in particular, housing benefits, meal and/or transport allowances, concierge services, childcare, family leave, medical assistance, legal assistance services or support for assisting employees.

4.3.3 Deepening engagement, improving skills

4.3.3.1 Employees engagement

Related risk (SNFP)

Lack of engagement from employees (including for inclusion & diversity reasons).

In 2018, the level of engagement (*i.e.* category including questions related to engagement) reached 79% (+1 point compared to 2015), and the Group intends to reach a level of at least 80% in the next survey. Due to the context of the Covid-19 pandemic, no global engagement survey was conducted, therefore this rate could not be updated in 2020.

Engagement surveys

Actions

Rexel makes the Satisfaxion Pulse tool available to its subsidiaries, it enables employee surveys to be carried out. This tool has enabled the Canadian and Swedish subsidiaries to measure employee satisfaction after the implementation of action plans identified thanks to the latest Satisfaxion 2018 global survey. In 2020, several subsidiaries in Canada, Belgium and Switzerland have carried out surveys relating to the perception of the health crisis and the measures put in place accordingly.

In 2018, Rexel conducted its sixth global internal engagement survey "Satisfaxion". This barometer recorded a participation rate of 71% (compared to 69% in 2015).

24,635 employees were invited to respond to the online questionnaire available in 14 languages and administered in 23 Group countries. There were 23,648 comments in response to the two open questions included the survey.

Compared to the last survey in 2015, among the ten categories, eight received more favorable results, one is stable and one is not comparable because it is new. The five categories that constitute the levers of Rexel's employees engagement have changed compared to the survey in 2015:

- strategy and leadership: 80% favorable opinions (+4 points);
- career development: 64% favorable opinions (+4 points);
- management: 77% (+2 points);
- company image: 73% (+2 points); and
- teamwork & cooperation: 81% favorable opinions (+2 points).

The results of the survey confirmed the importance given to team spirit rooted in the Group's culture and identity. 90% of respondents also believed that the work done "*contributes to the achievement of the company's goal and objectives*".

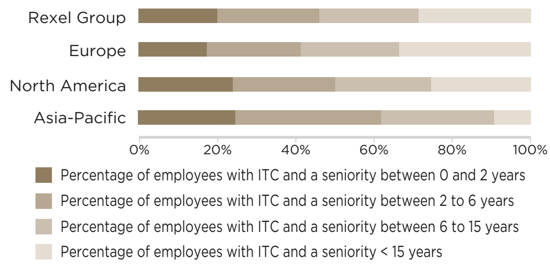
Results reporting was conducted among teams in all subsidiaries. In order to improve the comprehension of certain subjects, workshops involving employees were organized in some subsidiaries. In 2019, Rexel subsidiaries conducted action plans following the result of this survey.

Seniority

The engagement of Rexel employees is also reflected in their average seniority (11 years) and the variety of profiles.

Performance

Breakdown of permanent employees by seniority



There have been significant variations in seniority depending on geographical areas: renewal of employees is much faster in the Asia-Pacific region (62% of employees with open-ended contracts have less than 6 years of seniority), whereas in Europe, employees with more than 15 years of seniority account for 34% of the number of employees with open-ended contracts.

4.3.3.2 Development and training

Related risk (SNFP)

Risk of skills obsolescence in a rapidly changing environment.

Key performance indicator

INDICATOR	UNIT	SCOPE	2020	2019	VARIATION
Average hours of training per employee trained	Hours	100%	11	15	-26.7%

Strategy and actions

Training is essential to acquire new expertise and master digital and other technologies. To prepare the teams for the world of energy of the future, the Group relies in particular on Rexel Academy, its online academy. This platform is accessible in 24 countries and offers different types of programs to develop professional and product skills, promote personal development, and ultimately employability.

The programs are aligned with the Group's strategic priorities. In 2020, more than 810 new modules were deployed.

In 2020, several topics and training programs were identified to meet this objective. These include mastery of new digital technologies and the impact of data in the organization (CRM, pricing, webshop), collaborative tools, new sales techniques, and customer advice and service.

Flexible learning solutions (e-learning and face-to-face training) are offered to employees. Sessions are tailored to position, skills, development prospects, local requirements, and personal and collective goals. Some modules are designed by specialists (category managers or pricing experts) to better meet the needs of learners.

In 2020, Rexel Academy has deployed 85 transformation-specific modules, 5,700 employees in 18 countries took part.

The online Academy has also made it possible to provide extensive virtual training regarding barrier gestures to fight against the spread of the Covid-19 ("Zero Covid at Rexel").

In 2020, 24,800 people had access to the Rexel Academy, a penetration rate of 99% and 22,900 of them have carried out at least one training session on the platform, *i.e.* a commitment rate of 92%.

Performance

The total number of people who received training (excluding security training) was 23,221 in 2020, representing 93.6% of the total workforce, compared to 21,232 in 2019 (80%).

The number of hours of training provided (excluding security training) was 254,406 hours as of December 31, 2020 (316,506 hours as of December 31, 2019). The average number of training hours (excluding safety training) taken by employees (trained) in 2020 was 11 (15 in 2019). This decline is due to the decrease of the activity in 2020. The Group's ambition is to increase this number of hours at over 17 hours per trained employee in 2021.

In 2020, 122,721 hours of training were held online, compared to 133,869 hours in 2019.

In 2020, 21% of the 23,221 people who received training were managers (20.3% in 2019) and 79% occupied non-managerial positions (79.7% in 2019).

■ **Total number of employees traning and training hours (excluding safety training)**[1]

	2020		2019	
	NUMBER OF EMPLOYEES TRAINED DURING THE YEAR (EXCLUDING TRAINING HOURS RELATED TO SAFETY)	TOTAL NUMBER OF TRAINING HOURS (EXCLUDING TRAINING HOURS RELATED TO SAFETY)	NUMBER OF EMPLOYEES TRAINED DURING THE YEAR (EXCLUDING TRAINING HOURS RELATED TO SAFETY)	TOTAL NUMBER OF TRAINING HOURS (EXCLUDING TRAINING HOURS RELATED TO SAFETY)
Rexel Group	23,221	254,406	21,232	316,506
Europe	12,755	128,283	12,823	158,879
North America	8,277	84,576	5,961	127,938
Asia-Pacific	2,189	41,547	2,448	29,689

(1) For the calculation of the number of people trained, all employees present for all or part of the year 2020 are taken into account. However, for the calculation of the total workforce (as presented in section 4.3.1 "Supporting the human resources policy through a decentralized structure" of this universal registration document), employees present at December 31, 2020 are taken into account. This explains why, for 2020, the number of employees trained in North America is higher than the number of employees on the total headcount.

4.3.3.3 Social dialogue

Rexel attaches great importance to the freedom of expression and representation of its employees. The Group recognizes the importance of social partners. This principle is included in the Ethics Guide applicable in all countries in which the Rexel Group operates (see section 4.2 “Acting with ethics and integrity” of this Universal Registration Document).

Strategy

Employee representation

The representation of Rexel Group employees is such that:

- 338 employees are involved in representative bodies (423 in 2019), representing 1.4% of the total number of employees with open-ended contracts in the Rexel Group (1.6% in 2019); and
- 121 employees are appointed by a trade union organization as representatives (115 in 2019), representing approximately 0.5% of the total number of employees with open-ended contracts in the Rexel Group (0.4% in 2019).

European Works Council

Established in December 2005, the European Works Council is a discussion and information platform that represents the 14,231 European employees of the Rexel Group. The council is a forum for dialogue between management and the 20 employee representatives of the 15 European countries represented. It meets once a year. The Bureau comprises five permanent members and meets four times a year. In 2020, the European Works Council addressed in particular health measures implemented in the context of the Covid-19 pandemic and the monitoring of the activity in this context; it also dealt with the consequences of the Brexit. The European Works Council was also consulted on the Hungarian subsidiary disposal plan in the context of the sale by the Group of Suministros Eléctricos Erka, an entity belonging to the Spanish subsidiary.

Collective agreements

In 2020, 37 agreements were negotiated and signed between the employee representatives and entities of the Rexel Group. In total, 45.4% of the Rexel Group’s workforce is covered by a collective agreement. Most of these agreements were signed in Spain, France, Belgium, Austria and Germany and included quality of work life, wages, profit-sharing, employee shareholding and social dialogue. Some other agreements previously executed are still in force; they concern in particular gender equality in the workplace and the professional integration of people with disabilities.

Out of all the agreements, five were related to health and/or safety.

Profit-sharing and employee shareholding agreements in France

As of December 31, 2020, the employees of Rexel France, Rexel Development, Conectis and Esabora were covered by a profit-sharing agreement with specific calculation criteria for each of these subsidiaries.

The employee shareholding agreements in place in the relevant French subsidiaries comply with the provisions of the French Labor Code.

Social movements

In 2020, the total number of strike hours was 1,558.5 hours, due to a social movement within logistics centers in France and a national movement in Belgium not related to the business of Rexel.

4.3.3.4 Well-being and health and safety at work

Related risk (SNFP)

Inappropriate and/or non-compliant working conditions.

Key performance indicator

INDICATOR	UNIT	SCOPE	2020	2019	VARIATION
Frequency rate	%	100%	5.0	6.1	-18%

In addition to its legal obligations, the Group's responsibility is demonstrated through the constant attention paid to the health and safety of its employees. The safety of employees, stakeholders, and property has always been a priority for Rexel. The main risks for employees relate to road traffic, falls, machine operation, materials handling, handling of cables, and computer work.

Strategy and actions

A responsible, efficient, and consistent safety policy has been deployed since 2015 in the countries in which the Group operates. To reinforce responsible culture and practices, the Group enhances and supplements the procedures and rules in place to promote a common framework for all its entities.

The Group policy aims to:

- Guarantee a safe working environment wherever Rexel operates;
- Build a culture of shared responsibility; and
- Ensure employee commitment through the exchange of good practices.

To create a common language around safety, Rexel has implemented ten safety principles. These ten principles make it possible to establish a comprehensive approach and promote safe and responsible practices and behaviors. They target key risks to which Rexel is exposed as a result of its activity.

In 2020, in the context of the Covid-19 pandemic, the Group's subsidiaries adopted a set of "Zero Covid at Rexel" measures, to ensure systematic protection for employees, customers and Rexel's business partners. These measures aim in particular to comply with protective measures, use protective equipment and more generally to adopt the appropriate behavior.

Drawing in particular on the lessons learned from the consequences of the Covid-19 pandemic, the Group has undertaken to update the policy put in place in 2015 and to include more specifically the psycho-social risks.

In addition, other occupational health and safety initiatives continued to be implemented locally during the Covid-19 crisis.

Many initiatives are involved in making Rexel a safe place for employees: nearly 94% of the latter have an assigned health and safety officer. Numerous initiatives are designed. Good gestures and posture guides are distributed in France, Belgium and Australia.

Some countries have chosen to engage in the ISO 45001 occupational health and safety certification process. Subsidiaries based in Finland, the United Kingdom, Austria and Spain have implemented this health and security risk management method.

These initiatives offer employees a safe work environment. 92% of Satisfaxion 2018 engagement survey respondents say that their *"workspace is a safe place to work"*.

In 2020, the Covid-19 pandemic context led all subsidiaries to implement protection policies specific to employees: "Zero Covid at Rexel".

Well-being at work

The quality of life at work is an essential component for retaining employees. Each subsidiary is invited to implement action plans to encourage employee engagement. Many initiatives illustrate this concern such as: the right to disconnect, promotion of physical activity and stress management. In the specific context of the health crisis, and in particular of remote working, particular attention has been paid to psycho-social risks and the subsidiaries have implemented initiatives to keep in touch with their employees notably through the enhancement of usual management and communication methods.

In Australia, a partnership was set up to raise awareness among employees about their mental health: this partnership takes the form of training to combat anxiety and depression. In France, the Group's HQ and Rexel France have set up an employee psychological hotline. In Belgium, employees receive information on stress at work and the importance of ergonomics at work on a regular basis. In the United Kingdom, employees have access to an app to seek financial, mental and physical advice.

In 2019, a teleworking system was set up at Rexel's headquarters. In 2020 and in the context of the Covid-19 pandemic, the Group's subsidiaries largely used teleworking to protect their employees while ensuring business continuity.

Other measures to protect the well-being of employees continued to apply. Accordingly, in the main French subsidiary Rexel France, a program against dependence (tobacco, alcohol, etc.) is available for employees who want to take advantage of it. Financial assistance is being offered. Employees can see specialty doctors. A program for family caregiver employees is also available.

The French subsidiary offers employees dealing with the illness or with loss of autonomy of a loved one a telephone platform that help them apply for assistance or choose a medical home or home caregiver. The purpose of this turnkey solution is to prevent employee absenteeism. The plan also includes social support for employees in difficulty (housing, over-indebtedness, divorce, or occupational health).

Performance

At the Rexel Group level, numerous indicators are monitored and analyzed to help define appropriate action plans.

■ Number of accidents

	2020	2019
Number of accidents leading to death	0	0
Number of accidents leading to time off work	217	282
Number of accidents not leading to time off work	514	830

In 2020, 731 work accidents were identified within the Rexel Group (1,112 in 2019): none resulted in death, 217 resulted in work stoppage (282 in 2019), and 514 did not lead to a work stoppage (830 in 2019).

The number of workdays lost as a result of work accidents was 7,271 in 2020, compared to 6,690 in 2019.

Most of the work-related accidents that resulted in work stoppage involved the logistics function (109 accidents, or 50.2%) and the commercial/sales function (82 accidents, or 37.8%).

■ Frequency rate of work accidents

	2020	2019
Frequency rate of work accidents	5.0	6.1

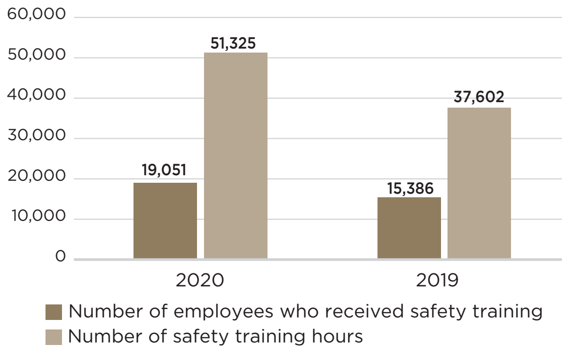
The Rexel Group accident frequency rate, calculated as the number of work accidents resulting in lost time per million hours worked, was 5.0 in 2020.

■ Severity rate of work accidents

	2020	2019
Severity rate of work accidents	0.17	0.15

The Rexel Group accidents severity rate, defined as the number of workdays lost due to temporary disability per 1,000 hours worked, was 0.17 in 2020 compared to 0.15 in 2019.

■ **Safety training**



The share of people who received safety training was 76.8% of the total workforce in 2020 (19,051 employees). This share was 58% in 2019.

Professional illnesses

In 2020, 3 occupational diseases were recognized, compared to 7 in 2019.

4.3.3.5 Organization of working time

The duration of working time varies according to the regulations of the countries in which the Group operates.

On average in the Rexel Group, employees work 39 hours a week.

Breakdown of workforce by type of contract and function

The Rexel Group employs only a few people on fixed-term or temporary contracts. These types of contracts are used mainly to meet specific needs.

In 2020, the average monthly number of temporary workers working as full-time equivalents was 722, or 2.9% of the total monthly average workforce (3.3% in 2019).

■ **Organization of working time**

PART-TIME EMPLOYMENT AND OVERTIME HOURS	**2020**	**2019**
Percentage of part-time employees	3.6%	3.5%
Percentage of overtime hours / total working hours	1%	1.3%
Number of overtime hours	422,571	602,674

The number of people employed part-time within the Rexel Group was 898 as of December 31, 2020 (929 in 2019), or 3.6% of the total workforce (3.5 in 2019).

Overtime

To manage the working time of its employees, the Rexel Group rarely relies on overtime: 422,571 overtime hours were worked in 2020 by all Rexel Group employees, or 1% of the annual number of hours worked (compared with 602,674 overtime hours, or 1.3% of the total annual number of hours worked in 2019).

4.3.4 Supporting diversity, inclusion, and equal opportunity

Because diversity is a societal challenge but also a lever for improvement of performance, Rexel is committed, through its Ethics Guide in particular, to ensuring equal treatment between women and men in a comparable situation in all areas: recruitment, compensation, careers, training, etc.

The Ethics Guide presents the economic, environmental and social principles that the Rexel Group defends and respects. It expressly refers to dignity, diversity, and respect for people. The Ethics Guide also prohibits any form of discrimination against employees.

A section dedicated to diversity and inclusion was launched in Rexel Academy in 2019. This section contains modules that promote diversity and showcases employee testimonials.

4.3.4.1 Gender equality

Strategy and actions

Rexel strives to respect equality between men and women in comparable situations in career development, training and compensation.

In this respect, Rexel was recognized as "Diversity Leader 2020" in a study conducted among more than 8,000 companies worldwide by the *Financial Times* and the Statista institute on corporate diversity and inclusion. Rexel ranked second of its wholesale industry.

In honor of International Women's Day, Rexel launched a new initiative asking employees around the Group the question "What do you want for women at Rexel?". The question stimulated both discussion and reflection around gender equality in the workplace and around the importance of inclusion at Rexel. Four main themes emerged which were transformed into four commitments around the culture of inclusion: to provide an environment in which employees feel empowered and based on team spirit, to focus on supporting a healthy culture to ensure employees are engaged, energized and happy, to recognize the importance of having women leaders and are committed to growing this number and to offer equal opportunities based on skills.

Specific initiatives have been adopted on this basis regarding the governing bodies (see chapter 3 section 3.1.5 "Non-discrimination and diversity policies in the governing bodies" of this Universal Registration Document). These initiatives were recognized: in the 2019 ranking of the representation of women in governing bodies of major French companies published by the Secretary of State for gender equality and anti-discrimination, Rexel ranking improved by over 40 places. In 2020, gender equality was achieved within the Board of Directors.

Gender equality is also reflected in locally led actions to reduce disparities and promote this equality.

In 2019, Rexel France and Rexel headquarters made commitments through agreements on professional gender equality, and which are still in force. These agreements provide concrete measures aimed at increasing the share of women within the Group, enabling them to build a professional career, reaching managerial positions, raising awareness on the themes of diversity, inclusion and parenthood, to take into account the latter to correct possible imbalances in compensation and to provide the adaptation of working conditions in cases of pregnancy. Professional mix is encouraged during the recruitment process and, upstream, during the vocational orientation of the youngest.

In addition, more than 50 female employees of Rexel France are involved in the *"Capital Filles"* association, which aims at strenghtening the autonomy and the confidence of young girls from priority neighborhoods and rural areas, as well as to support them in their educational choices and their discovery of the company. In 2021, Rexel's headquarters also joined the initiative.

The US subsidiary has a "Women in Rexel" women's community whose objective is to create a community that fosters collaboration, development and empowerment by implementing an environment that recognizes the value of individual diversities. The second annual session of "Women in Rexel" was held virtually in September 2020, with more than 1,000 participants. The conference aroused enthusiasm among the different regional entities that have started to organize their own "Women in Rexel" groups.

Other initiatives have been adopted by the Rexel Group's subsidiaries: promotion of balance between working time and family life, adoption of a charter on equality, promotion of equal pay. As such, the Swiss subsidiary obtained a certificate which ensures that it respects the principle of equal pay for work of equal value.

Performance

As of December 31, 2020, women accounted for 22.6% of the total workforce (22.9% in 2019). This percentage is in line with market realities and the low percentage of women in the specialized distribution sector.

The 2020 indicators show insignificant differences for the following data:

- Mobility and promotion

  In the year 2020, 8.3% of women experienced job mobility, compared to 8.2% of men (respectively 10.8% and 12.1% in 2019).

  78 (1.7%) of non-manager women were promoted to managers (82 or 1.7% in 2019). For men, the rate was close: 180 men, or 1.2% of non-manager men (320, or 2% in 2019).

- Salary increases

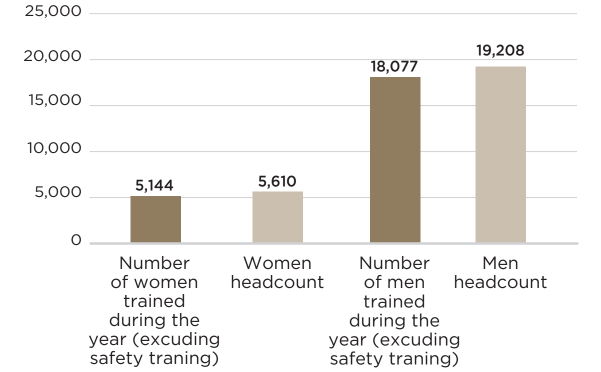
  65.5% of women with open-ended contracts with at least one year of seniority received a raise in 2020, compared to 62.2% of men with open-ended contracts with at least one year of seniority.

- Recruitment

  Of the employees with open-ended contracts hired in 2020, 20.2% were women and 79.8% were men (respectively, 22.9% and 77.1% in 2019).
- Training

  In 2020, 22.2% of the employees who received training were women, whereas they accounted for 22.6% of the total workforce and 77.8% of the employees who received training were men, whereas they represented 77.4% the total workforce of the Rexel Group. In addition, 27% of the participants in all the sessions of the Group Advanced Leadership Program were women (see Section 4.3.2.2 "Developing talent" in this Universal Registration Document).

Breakdown of employees and training per gender (excluding safety training)



4.3.4.2 Employees with disabilities

Encouraging the employment of people with disabilities is a conviction that is part of a process of equal access to employment for all.

Strategy and actions

In France, the agreement for the professional integration of people with disabilities for the period 2017-2020 taken by Rexel France includes the following measures for awareness-raising, employee education and recruitment:

- A communication and information plan for employees and managers. The HR teams took special training courses in 2019. A disability awareness campaign was launched with the creation of posters and a newsletter distributed internally. An employee video also shows living together on a day-to-day basis;
- A recruitment plan was launched with the publication of offers on specialized sites for professional and social integration (Association AGEFIPH). Rexel is also committed to providing access to higher education for young people with disabilities. The French subsidiary participated in a disabled student video contest alongside the *TousHanScène* association. About a hundred videos were produced by students from 58 higher education institutions. Employees had the opportunity to vote for the video of their choice; and
- An employment maintenance program with acoustic and ergonomic studies and post adaptations was also deployed to improve the working conditions of people with disabilities.

Thus, the percentage of disabled employees from among the total workforce at Rexel France increased from 1.1% in 2008 to 3.8% in 2020.

The agreement provided for an employment rate for people with disabilities of 3.8% by 2020, and this objective has been achieved.

Performance

In 2020, the Rexel Group employed 500 employees who reported a disability (409 in 2019), or around 2% of its total workforce (1.5% in 2019).

Employees who declared themselves to be disabled in 2020 accounted for 1.4% of all hires with open-ended contracts as of December 31, 2020 (1.6% in 2019).

4.3.4.3 Generational diversity

Intergenerational diversity is an issue for Rexel. 32.8% of the Group's workforce are seniors (employees over 50). This issue is addressed through the implementation of proactive career management and skills policies (see Section 4.3.3 "Deepening engagement, improving skills" of this Universal Registration Document). Seniors accounted for 5.9% of permanent hires in 2020 (13.6% in 2019) and young graduates accounted for 7.1% (5.8% in 2019).

Rexel is increasing the inclusion of young people in particular through a proactive policy to recruit work-study students (114 work-study students recruited in 2020 compared to 282 in 2019, mainly in France, Switzerland and Germany). In 2020, according to an external survey "Happy trainees" in France, 88.4% of the work-study students who answered would recommend Rexel.

This generational diversity is appreciated by employees, as shown by the results of the latest Satisfaxion survey: 90% of respondents are satisfied with the relationship between people of different generations.

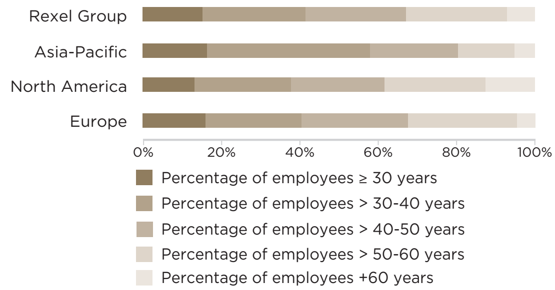
Performance

As of December 31, 2020, the average age of all Rexel Group employees was 43.6 (43 in December 31, 2019).

The most represented age group is the 50s-60s (6,374 people), followed by the 40-50 age group (6,331 people).

Seniors (defined as employees over 50) accounted for 32.8% of the total workforce (31.3% in 2019) and under 30s accounted for 15.6% (17.4% in 2019).

Breakdown of permanent employees by age (Employees with open-ended contracts)



4.3.5 Methodological note

In 2020, the mapping of extra-financial risks revealed a new risk: long-term human resources management. As this risk has been newly identified, the specific policies, actions and key performance indicators that will be attached to it are still being development and will be highlighted in the EFPD 2021.

The employee-related scope of reporting includes all fully consolidated legal entities having at least one employee. Acquired or newly created entities are included in the scope of reporting:

- In the year of acquisition if before November 1 (inclusive); or
- As from January 1 of the year N+1 if after November 1.

The analysis of social data is carried on a current basis for years 2019 and 2020 (the impact of the sale of Gexpro services activities in the United States and Hungary is not visible in the 2019 figures).

The Rexel Group organizes social data into the following regions for analysis:

- North America: Canada and USA;
- Asia-Pacific: Australia, China, India, New Zealand, Saudi Arabia and the UAE; and
- Europe: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Russia, Slovenia, Spain, Sweden, Switzerland and the UK.

Employment indicators are collected and consolidated *via* Enablon to which all reporting entities have access.

It should be noted that:

- The workforce is defined by the number of (full-time and part-time) permanent and fixed-term employees on the payroll at December 31. Employees on extended leave (for example parental leave, sabbatical leave or leave of absence to start a business) are included in the reported workforce.

  The following categories are excluded:
  - Interns (paid or unpaid);
  - Temporary employees;
  - Subcontractors;
  - Employees in early retirement (persons in early retirement, pre-pensioners having an effective working contract until the date of actual retirement); and
  - Employees falling under the V.I.E. scheme (a kind of international internship);

- The inclusion of new employees is reported by reason:
  - Hiring of (full-time and part-time) permanent or fixed-term employees;
  - Integration of employees of acquired entities; and
  - Other reasons, for example Group mobility (internal transfer of permanent employees from one entity of the Rexel Group to another);

  The following reasons are excluded:
  - Promotions;
  - Changes in function or level within the same entity;
  - Hiring of interns and temporary workers; and
  - Hiring of employees under the V.I.E. scheme;
- In countries such as China and the USA where permanent employment (indefinite contract) is not common practice, the term "permanent employee" applies to any employee who is not hired for a specific project having a set period;
- The number of training hours is based in part on a follow-up taken from Rexel Academy. This tool does not allow for an exhaustive census, which is why another part is based on estimation in some entities (*e.g.* based on the average number of training hours per employee);
- The absenteeism rate is calculated in reference to the number of calendar days, as is the standard, on the basis of the total number of absentee days (for any reason) and the number of days in the year. In 2020, the exclusion of maternity and paternity leaves led to a natural decrease in the absenteeism rate compared to 2019;
- The frequency rate of work accidents only takes work accidents leading to at least one lost day (excluding the day of the accident) into account;
- The severity rate of work accidents is calculated on the basis of lost days as a result of work accidents and the number of hours worked. The number of hours worked corresponds to the real duration of working time during which employees are exposed to the risk of an accident; and
- The bases on which the number of lost days related to work accidents is calculated take account of the differences in local legislation and may differ from those defined in the HR scope of reporting, commuting accidents are excluded.

4.4 Improving environmental performance

Challenges

The Covid-19 pandemic has impacted the business of the Rexel Group's subsidiaries, affecting their environmental performance. The strong declines observed in 2020 on most environmental indicators are mainly explained by the measures implemented to struggle against the pandemic.

Climate change

The fight against climate change is one of the major challenges of the 21st century. To limit the rise in global temperatures below 2°C by 2100, which is the goal of the Paris Agreement, the global economy must change profoundly. As a player in this transformation, Rexel is undertaking innovative programs for managing energy sources and reducing greenhouse gas emissions throughout its value chain. Since 93% of the greenhouse gas emissions occur during the use of products stage, Rexel contributes to the fight against climate change through its expertise in selecting the most efficient solutions.

Setting new standards

The Group's environmental performance is at the heart of its sustainable development strategy. A player in the energy transition, Rexel sets ambitious objectives that strengthen its leading position among its stakeholders.

Resources management

About fifty million tons of electrical and electronic equipment are thrown away each year[1] around the world, and only 10% will undergo some kind of recycling. Minimizing the waste generated in a branch or logistics center and offering its customers product collection and recycling solutions are Rexel's two priorities for sustainable resources management.

Commitments

Reduce greenhouse gas emissions by 35% in Rexel operations by 2030 (compared to 2016).

Reduce by 45% the carbon intensity[2] of the products and services sold by the Group by 2030 (compared to 2016).

4.4.1 Strengthening environmental oversight

4.4.1.1 Environmental policy

With its presence in 25 countries and over 2,000 sites (branches, logistics centers, main offices), the Rexel Group faces an environmental challenge that comes more from the dispersion of its impacts than their magnitude. Oversight of the environmental strategy is therefore a key element to coherently and sustainably managing the reduction of the footprint of sites, shipping, and the solutions marketed by the Rexel Group.

Related risk (SNFP)

Rexel operations non-compliant with environmental regulations.

Key performance indicator

				CONSTANT SCOPE			
INDICATOR	UNIT	2020	SCOPE	2020	2019	VARIATION	SCOPE
Sites covered by internal environmental management systems	%	43%	100%	43%	45%	-2 pts	100%

Strategy and actions

The Group's sustainable development strategy, environmental policy, and operational implementation are managed by the Sustainable Development Department, which reports to the General Secretary of the Group, in coordination with the head office's functional departments and local operational teams. Objectives, results, and projects are presented once a year to the Rexel Board of Directors.

The Group implements dedicated procedures, tools, and resources to manage its environmental impacts. It is essential for employees to take these challenges into account for this policy to be successful.

The Group's environmental strategy has three levels:

1. Procedures and rules common to all subsidiaries;
2. Control of implementation of those rules in operations; and
3. Performance indicators that verify progress.

(1) Estimate of the United Nations Environment Program (https://www.unenvironment.org/es/node/6295).

(2) Greenhouse gas emissions relating to the use of products and services sold by the Group, per euro of sales.

4.4.1.1.1 Common procedures and rules

Environmental Charter

To support the operational implementation of its policy, the Rexel Group has used an Environmental Charter for several years. Regularly updated to take account of changes in the Company, it is now published in 23 languages and deployed in all Rexel Group subsidiaries.

The Environmental Charter details the Rexel Group's three environmental commitments:

1. Improving the environmental performance of Rexel building
   - By upgrading facilities with energy-efficient equipment for lighting, heating, cooling, etc.; and
   - By managing, segregating and redirecting waste to recycling or other appropriate treatment channels.
2. Reducing the environmental footprint of operations
   - By minimizing the use of packaging and paper; and
   - By optimizing transport flows and thereby reducing fuel consumption and associated greenhouse gas emissions.
3. Developing and promoting energy-efficient solutions
   - By providing customers with a wide selection of innovative products and services in energy management and renewable energy sources use; and
   - By training Rexel Group commercial teams on up-to-date technologies and providing them with specific marketing and information materials.

Results

At the end of 2020, the Environmental Charter was on display in 94% of the Rexel Group's sites (96% in 2019).

Environmental reporting

To measure the performance of its subsidiaries, Rexel has set up centralized reporting. This management tool makes it possible to monitor the environmental impacts of all activities and have a global vision of the Group's environmental footprint *via* the monitoring of key indicators. The tool promotes the continuous improvement of performance and communication between Group subsidiaries.

Environmental information and reporting procedures are audited by an Independent Third Party each year. Beyond the regulatory response, this audit helps to ensure the reliability of the published information and to monitor the implementation of action plans.

The reporting guidelines are based on internationally recognized standards:

- Version 4 of the GRI (Global Reporting Initiative) sustainable development reporting guidelines, an internationally recognized framework for defining performance indicators and reporting procedures; and
- The GHG Protocol (Greenhouse Gas Protocol) to quantify and report greenhouse gas emissions in a transparent manner.

Each year, an environmental reporting summary is sent to each country. This document contains physical and financial information and enables each subsidiary to compare itself with other Group entities over all indicators.

4.4.1.1.2 Implementation controls

Environmental management system

The Rexel Group continues to implement environmental management systems (EMS), which define and document procedures to control the environmental aspects of its activities and allow improvement plans to be managed. Since 2013, the Rexel Group has published its own environmental management standard to harmonize, support, and accelerate the deployment of the EMS in the subsidiaries.

Several subsidiaries have embarked on an ISO 14001 certification process, thus demonstrating their commitment to the continuous improvement of their environmental strategy.

Results

At the end of 2020, 43% of the Rexel Group's sites will applied an EMS, compared to 45% in 2019.

At the end of 2020, 24% of sites obtained ISO 14001 certification, a stable share compared to 2019.

In addition, certain subsidiaries have also agreed to implement energy management systems that are compliant with ISO 50001. These subsidiaries represent 15% of the Group's sites and 8% of the Group's energy consumption.

Since 2018, Austria and the United Kingdom implemented a highly structured approach by obtaining four certifications (ISO 14001, ISO 9001, ISO 50001 and OHSAS 18001).

Environmental experts' network

Rexel relies on a network of 74 environmental officers, who are located in the subsidiaries. These experts are responsible for implementing Group policies, guiding strategy, and managing environmental reporting in addition to their operational responsibilities.

They are invited to participate every year to the international sustainable development seminar to discuss the Group's challenges and priorities and share best practices from the subsidiaries. In 2020, considering the health context, the seminar could not be held. It was replaced by online events: themed workshops, presentations of the Group strategy and of the tools made available, sharing of good practice among subsidiaries, the fruits of the Rexel Foundation's work, were part of the program of these digital meetings.

To foster dialogue and gather feedback from local offices, this annual meeting is supplemented by quarterly updates and regular informal exchanges led by the Group's Sustainable Development Department. A platform for exchange also provides this community with key documents to help spread best practices. An internal social network supplements the environmental officers and provides a place to share information about sustainable development and discuss the progress of their achievements.

Employee training

The Sustainable Development Department raises awareness among employees about environmental and societal issues. Sustainable development training is available *via* Rexel Academy. It presents the main challenges and principles of sustainable development with videos, case studies, and quizzes. The goal is to inform 100% of the Group's employees about sustainable development.

A comprehensive e-learning module on energy efficiency is also available to everyone, based on three levels of expertise. The purpose of this program is to help employees improve their level of knowledge, strengthen their expertise, and gain confidence when they talk about energy efficiency.

4.4.1.2 Environmental incidents

Strategy

Compliance with environmental regulatory requirements is a key aspect of the definition of environmental policy, at the Group level and at the local level. The main regulations that may have an impact on the Rexel Group's activities are described in Section 1.8.2 "Environmental regulations" of this Universal Registration Document.

Prevention and management of environmental incidents

The non-financial risk analysis shows that the Rexel Group's activities present a limited risk to the environment. However, environmental incidents are given special attention and are monitored on a daily basis *via* the EMS and annually through environmental reporting. In 2020, no Rexel Group entity reported any significant environmental incidents.

Some installations have to be declared or registered with the administrative authorities, obtain environmental permits and operating licenses, and undergo regulatory controls. In France, for example, the Rexel Group is affected by legislation concerning Installations Classified for the Protection of the Environment (ICPEs). As such, some installations, within logistics centers especially, have to be declared or registered depending on the level of hazard or inconvenience that they represent. These include covered warehouses where combustible materials, plastics, paper, and cardboard are stored and battery charging workshops. Obtaining and renewing these declarations and administrative authorizations is sometimes subject to local oversight.

Resources devoted to reducing environmental risks

Given the Rexel Group's profile, the environmental risk linked to its operations is low. The costs associated with the assessment, prevention, and treatment of environmental risks therefore represent small amounts that are integrated into the Rexel Group's investment processes and have not been identified separately. In addition, environmental risk is taken into account when new entities are acquired: an environmental audit procedure (due diligence) is systematically implemented.

Expenses incurred to prevent the impact of activity on the environment

Sites for which certain environmental risks have been identified, especially ones with a fuel storage point, follow the regulations applicable to them and implement operational procedures, quality systems, and a set of safety measures. Expenses incurred by the Rexel Group to prevent the impact of activity on the environment is included in the Group's traditional investment process and has not been identified separately.

4.4.2 Committing to climate

Climate change is one of the major challenges of the present time. Energy management alone can absorb 40% of the greenhouse gas reductions needed to meet the targets of the Paris Agreement on climate change.

The Rexel Group is committed to limiting the rise in global temperatures well below +2°C by the end of the century and contributes to the fight against climate change:

- By offering its customers the products and solutions to accelerate the energy transition;
- By reducing its own environmental footprint; and
- By encouraging all of its stakeholders to commit to being a player in the transition to a low-carbon economy.

Related risk (SNFP)

Inadequate response to climate change challenges.

Key performance indicators

				CONSTANT SCOPE			
INDICATOR	UNIT	2020	SCOPE	2020	2019	VARIATION	SCOPE
Scope 1 direct emissions	tCO_2e	59,955	100%	59,955	71,374	-16.0%	100%
Scope 2 indirect emissions	tCO_2e	27,114	100%	27,114	32,452	-16.4%	100%
Scope 3 indirect emissions (estimate)	$MtCO_2e$	33.0	100%	33.0	35.2	-6.2%	100%

4.4.2.1 2-degree target

Strategy

In 2019, the Rexel Group set itself two new ambitious targets to reduce greenhouse gas emissions. In line with the Paris Agreement on climate change and validated by the Science Based Targets initiative (SBTi), these objectives aim to contribute to limiting global warming to below +2°C by 2100.

Rexel is first committed to reducing its greenhouse gas emissions related to energy consumption in its operations (scopes 1 and 2) by 35% by 2030, compared to 2016. While the ambition is high, Rexel can rely on the continuous improvement of its operational performance.

In addition, Rexel is committed to reducing greenhouse gas emissions related to the consumption of products sold by 45% per euro of sales (scope 3) by 2030, compared to 2016. This source of GHG emissions is by far the most important in the electricity value chain with 93% of emissions. Rexel's unique position should enable it to direct the sector's growth towards an ambitious low carbon energy transition. Between 2010 and 2019, Rexel more than doubled its sales of energy efficiency and renewable energy sources solutions, exceeding its 2020 target.

These objectives have been recognized by the Science Based Targets initiative (SBTi) as helping to limit global warming to well below +2°C. This international initiative is a collaboration between the United Nations Global Compact, the World Wildlife Fund (WWF), the CDP and the World Resources Institute (WRI). SBTi defines and promotes best practices for setting objectives using a scientific approach and independently evaluates companies' objectives.

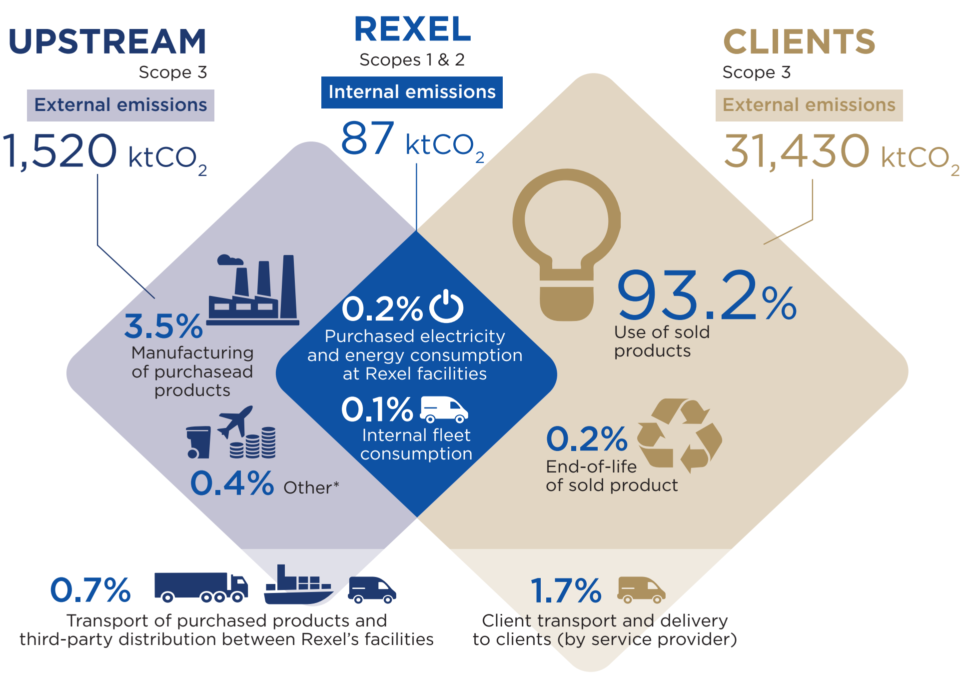
Results

In 2020, Rexel reduced its greenhouse gas emissions:

- Scopes 1 and 2: by 25.4% compared to 2016, in absolute terms;
- Scope 3, use of products sold: by 16.2% compared to 2016, per euro of sales.

4.4.2.2 Reduce greenhouse gas emissions across the value chain

Rexel assesses each year its greenhouse gas emissions throughout its value chain. Analysis of the greenhouse gas emission assessment shows that internal emissions (Scopes 1 and 2 as defined hereafter) are relatively low. The most significant item is related to product use (Scope 3 as defined hereafter).



* Employee commuting, business trips, waste at Rexel sites, capital goods, etc.

Scope 1

The Group's direct greenhouse gas emissions (Scope 1) are still measured in comparison to the entire value chain. They include emissions related to primary energy consumption (mainly natural gas and domestic fuel oil) on site as well as emissions related to the fuel consumption of vehicles operated by the Rexel Group.

Results

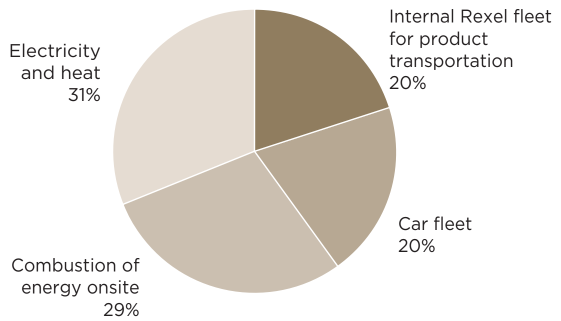
In 2020, direct greenhouse gas emissions represented 59,955 tons of CO_2 equivalent, a figure obtained over a scope representing 100% of Group revenues. These emissions are down/ 16% compared to the previous year, on a constant scope.

Direct greenhouse gas emissions from on-site primary energy combustion are estimated at 24,897 tons of CO_2 equivalent in 2020. These emissions decreased by 6.7% compared to 2019, on a constant scope.

Greenhouse gas emissions from freight shipping totaled 17,216 tons of CO_2 equivalent. These emissions decreased by 13.4% compared to 2019, on a constant scope.

Emissions involving business trips made by the fleet of cars owned or leased by the subsidiaries of the Rexel Group represented 17,841 tons of CO_2 equivalent. These emissions decreased by 28.1% compared to 2019, on a constant scope.

■ Scopes 1 and 2 direct GHG emissions by source (2020)



Scope 2

Indirect (Scope 2) emissions are related to the production of electricity, steam, and heat consumed by the Group's sites. More than 94% of those emissions are related to electricity consumption in buildings. The remaining Scope 2 indirect emissions are associated with heat consumption.

Results

Indirect emissions, Scope 2, in 2020 totaled 27,114 tons of CO_2 equivalent, a value obtained over a scope representing 100% of the Rexel Group's revenues.

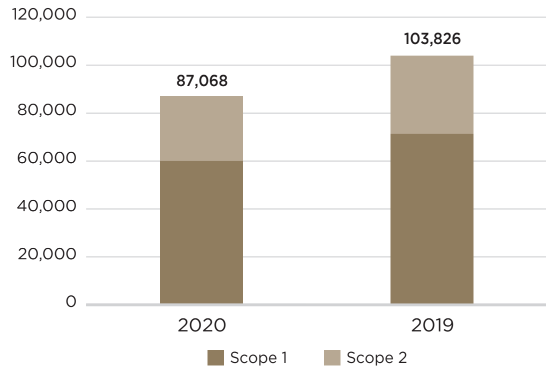
Emissions related to electricity consumption has accounted for 26,609 tons of CO_2 equivalent and decreased by 16.5% from 2019 to 2020, on a constant scope. Electricity consumption decreased by nearly 13.3% at the same time.

Greenhouse gas emissions related to heat production has accounted for 505 tons of CO_2 equivalent and decreased by 11.8% between 2019 and 2020 while heat consumption decreased by 7.3%, on a constant scope.

Internal emissions (Scopes 1 and 2)

Total Scopes 1 and 2 emissions decreased by 16.1% on a constant scope between 2019 and 2020. These results are explained in particular by the decline of activity in 2020 related to the pandemic and the continuous improvement of the energy performance of the Group's sites and fleet of vehicles.

■ Evolution of GHG emissions (Scopes 1 and 2), constant scope (tCO_2e)



Scope 3

In 2020, Rexel updated its evaluation of the indirect greenhouse gas emissions (Scope 3). Based on a robust and audited methodology, this heavy work offers the best estimate available. It may not however accurately reflect the actual emissions in Scope 3.

These emissions are estimated at 33.0 million tons of CO_2 equivalent ($MtCO_2e$) and represent more than 99.7% of the Group's impact on the climate:

- The first item is estimated at 30.8 $MtCO_2e$ and concerns the use of the products sold by Rexel;
- The second and largest item corresponds to purchases of goods and services, which represent slightly over 1.2 $MtCO_2e$; and
- Next come the upstream and downstream shipping of goods and products, which represent 0.8 $MtCO_2e$.

4.4.2.3 Help professionals promote and install energy-efficient solutions

To contribute to the fight against climate change, Rexel must accelerate the distribution of energy-efficient solutions and renewable energies to its 615,000 active customers around the world. Its responsibility as a distributor is to seek and encourage more energy-efficient, less impactful solutions for the planet.

Renewing and diversifying the products and services portfolio to promote solutions with lower energy requirements also contributes to the Group's economic performance. These solutions also help end-users reduce their energy bills and streamline their costs. These solutions are presented in Section 4.5.2. "Creating value for customers" of this Universal Registration Document.

Beyond the satisfaction of the needs of customers and end-users, promoting energy efficiency solutions contributes to the Rexel's climate goals, under the Science Based Targets initiative in particular.

4.4.3 Setting an example

To reduce its environmental footprint and remain exemplary, the Group's structured operational performance strategy involves implementing energy-efficient and renewable energy solutions on its sites.

4.4.3.1 Strengthen site energy efficiency

Strategy and actions

Improving building energy performance involves measuring and controlling consumption. For many years, Rexel has been pursuing a continuous improvement strategy that forms part of the core of its environmental management system.

Taking this further, a growing number of Group subsidiaries are implementing energy efficiency action plans in the wake of energy audits or ISO 50001 certification.

This continuous improvement strategy, along with the widespread use of LED lighting and energy steering in branches and logistics centers, explains the continuous decline in the Rexel Group's energy consumption.

Rexel is continuing its efforts through the implementation of the following measures:

- The improvement of lighting equipment, through the use of LED and other low-power technologies and control and automation systems (home automation, presence and light sensors, etc.);
- The modernization of heating, air conditioning, and ventilation systems and better oversight (lower room temperature set point, etc.); and
- The management of energy consumption *via* annual environmental reporting or specific management measures and tools in certain subsidiaries (site-by-site management on a monthly basis, or even in real time).

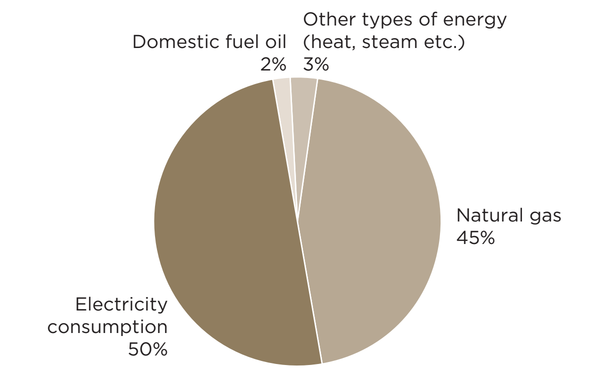
Results

In 2020, total on-site energy consumption was 261,623 MWh, a value obtained over a scope representing 100% of the Rexel Group's revenues. It represents a decrease of 10.0% compared with the previous year, on a constant scope, due in particular to the decline of activity related to the pandemic as well as the measures taken to control energy consumption and reduce operating costs.

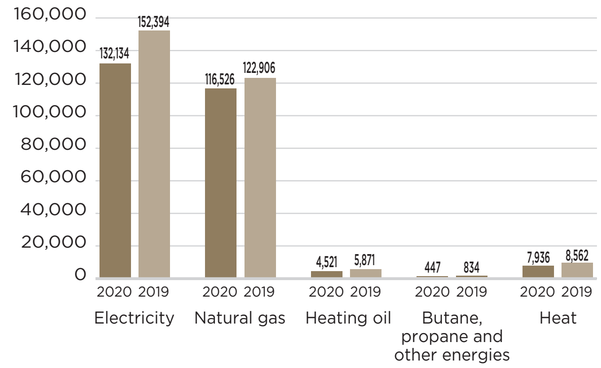
The Group strives to use renewable energy sources, as much as possible, by developing its own photovoltaic production capacities, subscribing to contracts with power suppliers that use certified renewable energy sources (photovoltaic, hydraulic, biomass, etc.), or by connecting directly to biomass-based heat networks.

In 2020, 17.8% of electricity consumption on-site came from contracts with suppliers that use certified renewable sources.

On-site energy consumption by type of energy (2020)



Energy consumption evolution (MWh), constant scope



4.4.3.2 Reduce the carbon footprint of shipping

Strategy

Shipping is an important aspect of Rexel's sustainable development policy. The Group's activities entail continuous optimization of logistics, from suppliers to customers. The Group has logistics centers in each country and a flexible structure that allows it to optimize its supplies to meet customer needs. In addition, the Rexel's sales activities require a daily presence of sales forces with customers in their local communities. As a result, Rexel works to reduce the impact of its shipping on the climate.

Logistics flows

The extensive network of branches throughout France and abroad, combined with state-of-the-art logistics that ensure "just-in-time" delivery of approximately 500,000 orders a day, are some of the challenges that make Rexel constantly optimize its organizational structure and processes.

Optimizing costs and increasing flexibility and service for customers while reducing the fuel consumption and mileage of its direct and indirect fleet are the goals that Rexel has set for itself to reduce its carbon footprint:

- Pooling shipments: by subcontracting shipping to service providers that pool the fill of trucks with other local companies, Rexel streamlines its logistics operations and reduces its environmental impact;
- Streamlining delivery routes: powerful planning tools can help reduce mileage. Optimization of vehicle loading, the use of GPS systems to measure various performance indicators (fuel consumption, CO_2 emissions, distances travelled, loading rates, etc.), and the introduction of electric vehicles and hybrids also help to limit these impacts; and
- Using "clean" carriers: taking environmental criteria into account in carrier selection is another one of the measures taken by the Group. The environmental performance of vehicles and their maintenance, driver training, and the monitoring of fuel consumption and greenhouse gas emissions are among the criteria for selecting its logistics partners.

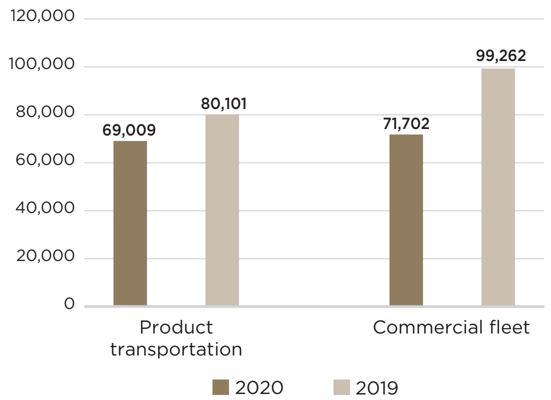
In addition, the Group offers some of its urban customers to deliver them to optimize global logistics. This service will optimize logistics and provide a number of benefits across the country: reduction in kilometers travelled and greenhouse gas emissions, reduced road congestion or improved air quality.

Results

In 2020, the Rexel Group's internal fleet for the shipment of goods consisted of 964 trucks and 513 vans in total, a decrease by 16% in the number of vehicles compared to 2019 (984 trucks and 775 vans) on a constant scope.

In 2020, that fleet consumed 4.7 million liters of diesel and 2.0 million liters of gasoline, for total energy consumption of 69,009 MWh. On a constant scope, between 2019 and 2020, energy consumption decreased by 13.8%.

■ **Evolution of energy consumption by internal fleet (MWh), constant scope**



Commercial fleet

Rexel's activity requires a great deal of business travel. Most subsidiaries have a fleet of vehicles that they own or lease long-term. Sustainable fleet management reduces fuel consumption and the related emissions.

For several years, Rexel's indirect purchasing department has been deploying master agreements to streamline the company's vehicle fleet (cars and utility vehicles) and improve its environmental performance. Thanks to the partnerships signed with long-term lessors and certain car manufacturers, the Rexel Group gives its subsidiaries support as they implement this streamlining policy and encourages monitoring of performance indicators (fuel consumption, CO_2 emission rate per kilometer).

Results

In 2020, the Rexel Group fleet consisted of 5,110 cars (excluding commercial vehicles) and consumed nearly 4.8 million liters of diesel and 2.2 million liters of gasoline. This represents an energy consumption of 71,702 MWh. On a constant scope, between 2019 and 2020, energy consumption decreased by 27.8%.

4.4.4 Managing resources in a sustainable manner

Sustainable management of resources helps to ensure the competitiveness and continuity of the Group's business in the context of rapidly changing legislation and the depletion of natural resources. The reduction and recovery of waste in the value chain are a major challenge for Rexel.

Related risk (SNFP)

Inadequate management of natural resources and waste.

Key performance indicator

				CONSTANT SCOPE			
INDICATOR	UNIT	2020	SCOPE	2020	2019	VARIATION	SCOPE
Consumption of materials for packaging	Tons	14,757	100%	14,757	16,999	-13.2%	100%

Strategy and actions

As part of its commitment to the circular economy, Rexel seeks to reduce the amount of waste generated by its activities and promotes its recovery. The Group encourages all of its branches, logistics centers, and subsidiary head offices, through its Environmental Charter, to:

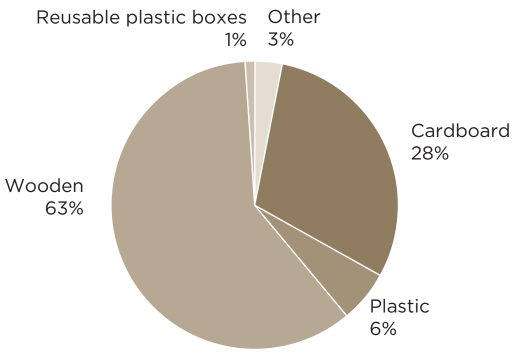
- Put in place a selective sorting system for paper, cardboard, plastic, and wood waste for recycling or recovery;
- Ensure that hazardous waste (such as batteries and computer and electrical equipment) are sent for environmentally sound processing and recycling; and
- Contribute, in accordance with local regulations, to the collection and recovery of some special customer waste such as WEEE, waste from electrical and electronic equipment.

Packaging

The Group has put in place a packaging reduction policy. Volume reduction and the use of innovative, recyclable packaging and reusable materials are just some of the long-term initiatives. Many countries have put in place a system to reuse pallets, wooden reels, and cardboard boxes from suppliers for customer delivery. Reusable packaging is also becoming more commonplace. The use of reusable plastic bins and metal boxes between logistics centers and branches helps to streamline packaging and limit the use of plastic films.

To deploy these actions more quickly and efficiently, a dedicated working group was launched in 2019. Bringing together operational logistics managers and experts on environmental issues, from several Group subsidiaries, its objective is to define a method for the financial and environmental characterization of packaging flows, making it possible to launch targeted reduction actions. The working group's work continues in 2020.

■ Packaging material consumption by type of material (2020)

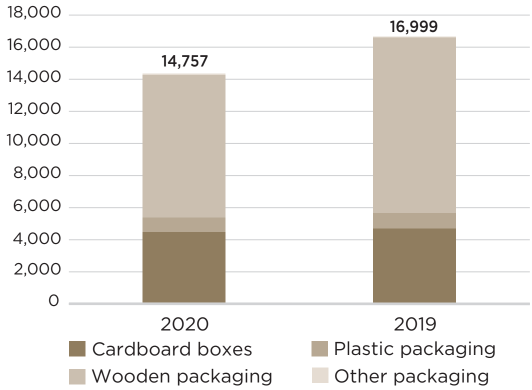


Results

The total quantity of packaging (cardboard, plastic, wood, and other types) consumed by the Rexel Group in 2020 is, based on a scope representing 100% of Rexel Group revenues, estimated at 14,757 tons. This volume decreased by 13.2% compared to 2019, on a constant scope.

The decrease observed in 2020 is essentially due to the pandemic. However, the change in distribution and logistics models tends to lead to an increase in the consumption of packaging materials. Rexel Group seeks to better know these flows to control them. The current working group will allow innovative solutions to be found for a sustainable reduction in the consumption of packaging materials.

■ Evolution of packaging material consumption (tons), constant scope



Paper consumption

For several years, the Group has put in place action plans to reduce paper consumption, by raising employee awareness of better consumption habits and reduction of the number of catalogs and business documents printed.

The digitization of catalogs and brochures and the dematerialization of ordering, delivery, and billing processes have also contributed to this reduction in consumption.

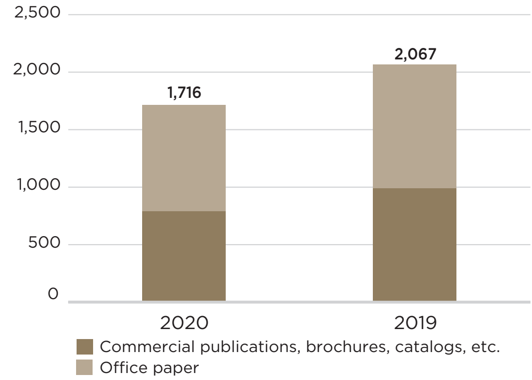
Results

For the printing of its brochures and catalogs, the Rexel Group consumed approximately 925 tons of paper in 2020. The consumption of other paper (office paper, billing, etc.) totaled nearly 790 tons. Total paper consumption therefore decreased by 17.0% between 2019 and 2020, on a constant scope. These figures were calculated on the basis of a scope representing 100% of the Rexel Group's revenues.

77% of the total amount of paper used was certified (from recycled fiber or sustainably managed forests).

1 2 3 4 5 6 7 8

■ Evolution of paper consumption (tons), constant scope



Waste management

It is Rexel's responsibility to limit and recycle the waste generated by its business activity and help its customers reduce and manage their waste.

The tonnage of waste generated by Rexel is estimated at 30,469 tons in 2020, all materials combined (excluding WEEE and batteries), based on a scope representing 100% of the Rexel Group's revenue.

On a constant scope, a decrease of 3.4% in waste generated was recognized from 2019.

Ordinary waste

The Group's branches are encouraged to put in place selective sorting systems (for cardboard, plastic, and wood in particular) for recycling or recovery. The total quantity of waste recovered by Rexel, all materials combined (excluding WEEE and batteries), was approximately 20,050 tons in 2020 (20,979 tons in 2019), or 65.8% of the total waste generated (66.5% in 2019). On a constant scope, there is a decrease of 4.4% of total recovered waste compared to 2019.

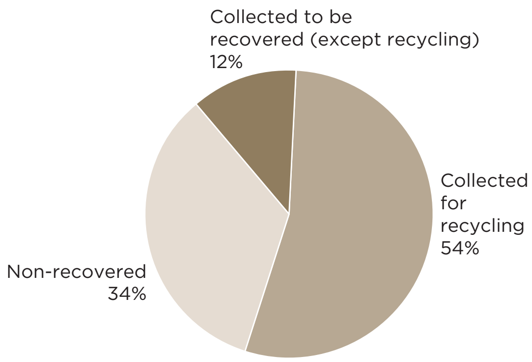
In the global health context of 2020, the Group's sites sometimes experienced difficulties in maintaining a high recovery rate. Waste collection in many countries was in fact disrupted by the health measures put in place by national and local authorities. In some areas, selective sorting had to be put on hold by waste collection service providers during lockdown periods.

Special waste

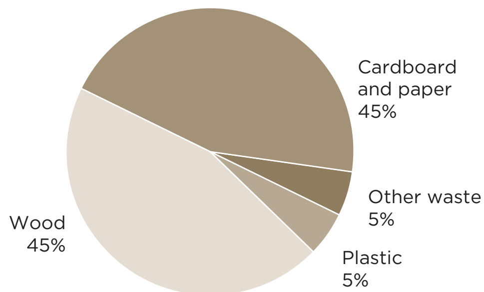
The Group has set up a management and recovery system for waste from electrical and electronic equipment (WEEE) in its European subsidiaries and branches in accordance with the European Directive. About 1,109 tons of this waste was sent for recycling, down 20.6% compared to 2019. Outside Europe, a number of subsidiaries have gone beyond the applicable legal requirements and also offer this service to their customers. Today 18 countries have implemented this type of procedure.

In France, the *"chez Rexel c'est 100% des équipements recyclés"* (at Rexel, it is 100% of recycled equipments) program is based on a partnership with the eco-organization Ecosystem in place since 2016. Three solutions are proposed: deposit in a branch, provision of containers directly to customers, or on their sites. All used equipment can be recycled: building equipment, industrial equipment, network infrastructure, communication security, heating and air conditioning systems, power generators, measuring and mounting tools, lighting, and plumbing.

■ Waste produced by destination (2020)



■ Waste recycled by type (2020)



4.4.5 Additional information about the environment

Based on the assessment of the Group's non-financial risks plus the materiality analysis of its sustainable development challenges, Rexel believes that the following information is insignificant in terms of its activity and the expectations of its stakeholders:

- Water consumption;
- Pollution and nuisances;
- Discharges into water and soil;
- Discharges into the air (except greenhouse gases);
- Noise pollution;
- Odor nuisances; and
- Biodiversity.

Nevertheless, the Rexel Group has put in place a system to monitor some of these environmental aspects to prevent any deviations and anticipate future restrictions. Quantitative indicators for this information are presented in the summary table in Section 4.6 "Summary of indicators" of this Universal Registration Document.

4.4.6 Methodological note

4.4.6.1 Reporting Protocol

The main aims of environmental reporting are to feed the Sustainable Development department's dashboard on an annual basis in order to steer the deployment of the approach, facilitate information sharing and the detection of good practices within Rexel Group, meet external reporting requirements, notably the Statement of Non-Financial Performance in application of Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code, and respond to stakeholders' requests (customers, investors, suppliers, rating agencies, NGOs, etc.).

The Rexel Group is therefore committed to providing environmental reporting that meets the following requirements: consistency (ensuring that data is comparable and established according to standard rules), exhaustiveness and accuracy (reported data provides a true image of the reality), materiality (the data reflects the most significant issues), transparency and verifiability (the data sources, calculation and assumption methods are available and easy to access).

In each entity, a contributor is responsible for collecting all the data which is then checked by a validator.

Some information indicated in Articles L.225 102-1, R.225-105 and R.225-105-1 of the French Commercial Code is not covered in this Universal Registration Document. The analysis of non-financial risks, along with the materiality analysis, shows that the following issues are not relevant or do not present significant risks in view of Rexel Group's activities:

- Food waste; and
- Societal commitments promoting the fight against food insecurity, respect for animal welfare, and responsible, fair and sustainable nutrition.

Since 2008, a dedicated reporting software tool in the form of a secure internet platform has enabled the Rexel Group to make its data collection more reliable. In 2020, the Sustainable Development Department continued its efforts to make the collection process more reliable and ensure the correct application of the rules defined in its reporting protocol, accessible in English and French. This environmental reporting protocol defines:

- The environmental reporting objectives;
- The reporting application scope;
- The procedures for collecting and reporting the information;
- The selected indicators and their definition, in order to ensure correct and uniform understanding by all employees; and
- The formulas used to calculate certain indicators, such as conversion factors.

External verification

All of the material environmental information, including qualitative and quantitative data, is subject to external verification by one of the appointed Statutory Auditors, in order to increase stakeholder confidence in this information and in compliance with the Statement of Non-Financial Performance provision and its application decree.

Reporting Scope

The scope covered by the environmental reporting process aims to be identical to that selected to prepare the consolidated financial statements, as defined by Rexel Group's Financial Department.

Recently acquired entities (*i.e.* acquired during the financial year or late in the previous financial year) are not included in the scope, due to the difficulty in obtaining certain information during the acquisition year. No entity is concerned in 2020.

In 2020, the Gexpro Services entity, which is in the process of being sold, has been excluded from both the financial and environmental reporting scopes.

Consequently, in 2020, 100% of the environmental scope corresponds to the financial reporting scope.

Calculation of the indicator coverage scopes

Exceptionally, and if their reliability is not considered satisfactory, certain data of certain entities may be excluded from the reporting. This year, no entity has been excluded from the reporting scope, whatever the indicator considered, all entities having reliable and verifiable data in 2019 and 2020.

The exclusions are taken into account in the calculation of the coverage scopes. The coverage scopes are indicated for each indicator in the text and summary table in section 4.6 "Summary of indicators" of this Universal Registration Document. They correspond to the ratio of the total revenue of entities that have reported the indicator to the total revenue of Rexel Group excluding entities acquired during the financial year.

Restatement of 2019 data

Some 2019 data required corrections applied retroactively.

INDICATOR	RESTATEMENT
Energy consumption	The 2019 data was revised downwards following amendments applied *a posteriori* to the figures of the German entity in terms of heat consumption.
Paper consumption	The 2019 data was revised downwards following amendments applied *a posteriori* to the figures of the Swiss entity.
Total quantity of packaging purchased	The 2019 data was revised downwards following amendments applied *a posteriori* to the figures of the Austrian entity.
Total quantity of waste collected and sent for recycling	The 2019 data was revised upwards following amendments applied *a posteriori* to the figures of Dutch and New Zealand entities.
Scope 2 indirect emissions	The 2019 data was revised downwards following amendments applied *a posteriori* to the figures relating to the heat consumption of the German entity.

Calculation of constant scope

To analyze changes from one year to another, the environmental indicators are also presented with a constant scope. The data is restated as follows:

- The data from year N-1 does not include: the de-consolidated entities (due to divestment) as well as entities for which data has been partially excluded in year N; and
- The data from year N does not include: the newly consolidated entities (due to acquisition or scope widening) as well as entities for which data has been partially excluded in year N-1.

These restatements do not correct variations due to growth or reduction in activity within the entities.

Accounting for greenhouse gas emissions

Methodology and references

The methodology used by the Rexel Group to quantify its greenhouse gas emissions is based on the GHG Protocol framework.

The Scope 1 represents direct GHG emissions, from sources held or controlled by Rexel. Thus, the Group has chosen to include emissions from vehicles on long term lease contracts over which it exercises operational control.

The Scope 2 accounts for indirect GHG emissions resulting from the production of electricity and heat purchased by the Rexel Group.

The Scope 3 accounts for indirect GHG emissions resulting from the Rexel Group activities, but which come from sources that do not belong to the Group or over which the Group only exercises operational control or has a limited impact.

Emission factors used

In 2020, emission factors for Scope 1 are derived from the GHG Protocol (“Emission Factors from Cross-Sector Tools 2014”) with the exception of “other energies” categories.

The emission factors associated with network electricity consumption used in the reporting software are those published by the IEA (International Energy Agency). In 2020, the values applied are those values of 2019.

In the case of specific supply contracts (in particular, those including a proportion of renewable energy), the emission factors applied are those indicated by the suppliers.

Calculation of emissions related to transport

To obtain the most reliable data based on available activity data, the emissions due to transport are calculated:

- From fuel consumption, by applying an emissions factor for each fuel type (diesel, gasoline or LPG); and
- If this is not available, from distances traveled by applying an average emissions factor per kilometer, and by distinguishing between 3 vehicle categories: cars (weight under 1.5 ton), light utility vehicles such as vans (weight less than or equal to 3.5 tons) and heavy vehicles (weight over 3.5 tons).

Revenue from sales of energy efficiency and renewable energy sources solutions

In 2011, the definition of sales categories for energy efficiency and renewable energy sources was clarified. The energy efficiency solutions segment includes products and services that enable a measurable, indirect or direct, reduction in energy consumption. This includes eco-efficient lighting (sources and accessories), control systems (such as detectors and sensors), measurement systems (smart meters, etc.) and eco-efficient power systems.

The renewable energy sources segment includes photovoltaic solutions (all products, accessories and services associated with photovoltaic systems, off-grid or grid connected) and the sales of products and services for the wind power market (components and accessories supplied to the different sector players).

The sales figures for 2019 and 2020 are presented with comparable structures and exchange rates.

4.5 Promoting responsible practices in the value chain

Challenges

Traceability of the supplier chain

Rexel maintains a regular dialogue with its suppliers to share its ambitions for sustainable development with them. Their commitment is essential to the control of social and environmental risks along the value chain and the availability of responsible energy management solutions to installers and users.

Eco-friendly solutions

Energy performance is at the core of Rexel’s business model. An opinion leader in eco-friendly solutions, the Group is constantly renewing and adapting its offer to provide its professional customers with products that are more environmentally friendly and energy-efficient. Rexel provides its customers with the necessary resources and expertise to support them in these new markets and to help them be more competitive.

Energy progress

Over one billion people worldwide have no access to electricity and the number of people living in fuel poverty continues to grow. The Group uses its know-how, expertise, and network for social innovation and the fight against fuel poverty by supporting projects and solidarity initiatives through the Rexel Foundation for a better energy future.

Commitment

80% of direct purchases assessed using CSR criteria by 2020.

4.5.1 Developing relationships of trust from suppliers to customers

An essential link in the energy value chain, Rexel's ambition is to be a trusted partner for its suppliers, customers, and end-users alike. The creation of shared value involves sound and balanced relationships between all stakeholders and the regular and controlled assessment of social, societal, and environmental performance, at each stage.

Suppliers and subcontractors contribute to the growth of the Rexel Group through their capacity for innovation, demands for product quality, and ability to develop new markets. Rexel participates in their performance by supporting them in their development and supporting their activity through its omnichannel presence, the recognized expertise of its sales teams, and its capacity for innovation in sales and logistics.

It is Rexel's responsibility as a distributor to guide customers toward the best products and the solutions best suited for them and support them in an industry in constant transformation. To go beyond their expectations and support them in a responsible way, the Group's primary concern is to provide them with excellent services, which are the foundation of the legitimacy and trust it enjoys with its customers.

At the heart of the value chain, Rexel plays a key role in connecting suppliers and customers. It is Rexel's responsibility to inform suppliers of the needs, uses, and constraints of customers and end-consumers. It is also Rexel's role to inform customers and end-users about the specific features of products and prepare markets for future innovations. Rexel can thus assure its customers that the products it selects are manufactured under good conditions and meet environmental and social standards. This helps to develop and sustain a climate of trust within the energy value chain.

Related risk (SNFP)

Inappropriate and/or non-compliant practices at suppliers and subcontractors.

Key performance indicator

INDICATORS	2020	2019
Direct purchases having received a request to assess their performance in terms of sustainable development	77%	67%
Direct purchases assessed using sustainable development criteria	60.1%	52.4%

Strategy

Sustainable development clauses in contracts

When it signs contracts with its suppliers, the Group requires them to comply with requirements pertaining to rejection of forced labor and child labor, wage and benefit, health and safety, non-discrimination, respect and dignity, and freedom of speech and association, environment. In line with the Rexel Ethics Guide, suppliers promise to respect these principles and the rules of the International Labor Organization, in particular.

Responsible Supplier Charter

To reinforce the trusting relationships set between Rexel and its business partners, a Responsible Supplier Charter was created in 2020. This Charter formalizes the commitments expected from Rexel's suppliers, service providers and subcontractors in terms of ethics, respect for human rights, protection of employee rights, respect for the environment and compliance with applicable laws and regulations. It also reiterates Rexel's commitments to them.

By adhering to this Charter, the suppliers undertake to comply with and implement, and to ensure that their own suppliers, subcontractors and service providers, comply with and implement all principles set out therein, in accordance with their contractual commitments and with the applicable laws and regulations.

Committed to progress formalized especially through its Ethics Guide and its Charter for the Environment, the Rexel Group wishes to support its suppliers, whenever possible, in a process of continued improvement of their sustainable development performance. This Responsible Supplier Charter completes the support system.

It will be deployed in 2021 with its relevant suppliers and employees.

Supplier CSR assessment platform

Since 2015, Rexel has deployed tools to analyze the CSR performance of its suppliers to anticipate and control the risks specific to their activities. The system is based on control and monitoring procedures throughout the entire value chain. Since 2017, this system has been a key element of Rexel's response to the due diligence law, as specified in Section 4.7.2.2 "Regular assessment procedures for the situation of subsidiaries, subcontractors, or suppliers with whom an established commercial relationship is maintained with regard to risk mapping" of this Universal Registration Document.

The Group's approach is based on the use of a shared platform that collects social, ethical, and environmental data from its main suppliers. The system helps to prevent risks related to respect for human rights and fundamental freedoms, working conditions, and the environment. The approach focuses primarily on so-called "strategic" suppliers, which are suppliers whose added value is significant for the Group in terms of revenues, geographic deployment, or innovation. The Group has set itself a goal to cover 80% of its direct purchase volume in value by 2020.

Beyond the assessment, suppliers must provide evidence that long-term procedures are being implemented and that results are being monitored for all criteria assessed.

The assessment tool follows a structured and precise methodology and calendar. For each supplier, a two-person team is created. This team includes a member of the sustainable development staff, who is tasked with guiding the process and the responsible purchaser for the supplier at the local level. He or she has a key role; to be in constant contact with the suppliers, explain the process, encourage participation, and communicate results. This involves gathering feedback from local offices and promoting the application of the ethical and sustainable development principles among suppliers in order to create shared value.

Each supplier receives individualized feedback from Rexel following the assessment. If needed, corrective or improvement actions may be implemented. These demanding assessment tools improve the transparency and traceability of Rexel's value chain and limit its risks. Data retrieval makes it possible to compare performances through common indicators and to share the results with all stakeholders. The objective is to initiate a collective dynamic of continuous improvement and to promote a relationship model based on trust and integrity.

On-site audits

In addition to this platform, Rexel carries out on-site audits for certain suppliers located in risk-prone countries.

Actions

On-site audits

As part of the vigilance plan, Rexel incorporates additional controls relating to social, environmental and Human Rights performance. 17 on site audits were carried out in 2019, at suppliers mainly located in Asia, but also in Europe. Due to the pandemic, on-site audits could not be carried out in 2020.

Following these audits, progress plans are put in place. If the level of compliance is not satisfactory and the corrective measures requested are not implemented, collaboration with the supplier is terminated.

Conflict minerals

Rexel is committed to responsible sourcing and does not wish to fuel armed conflict through its purchasing practices or those of its suppliers. The Group requires its suppliers to ensure the compliance of their logistics chains and, in particular, the absence of conflict minerals in their supplies.

Rexel formalized this commitment in its Declaration on conflict minerals, available on its website www.rexel.com/en.

Results

Since the beginning of the process, more than 350 suppliers representing 77% of direct Group's purchases have received a request to assess their performance in terms of sustainable development.

As at December 31, 2020, 174 single suppliers, representing 60.1% of direct Rexel Group's purchases (in value), responded to the assessment questionnaire.

4.5.2 Creating value for customers

Rexel uses its privileged position to inform its professional customers (leading contractors and craftsmen, installers, industrial leaders, and tertiary sector companies) about eco-friendly electrical and energy solutions and to encourage their adoption. The Group has selected a range of solutions that responds to the structural trends of its market: the need for energy management for lower and smarter consumption and the necessary development of renewable energies.

Related risks (SNFP)

Products not compliant with the legislation in terms of dangers for human beings and/or the environment.

Products damaging people's health and safety, and the environment, related to the sold products.

Products viewed as misleading the customer of the end user.

Key performance indicators

INDICATOR	2020	2019
European subsidiaries having implemented a management system for REACh and RoHS	100%	100%
Whistleblowing alerts on products, including products' compliance	0	0

Strategy

Nowadays, customers (industrialists, installers, and end-users) require electrical equipment to be comfortable, safe, ergonomically designed, and energy-efficient. By keeping up with changing trends in uses and consumption patterns, Rexel allows installers to expand into new markets such as electric mobility, energy saving certificates, and the connected objects market.

Actions

Energy-efficient

In connected homes, users of the Energeasy Connect solution developed by Rexel deploy a dedicated application and programmable scenarios to control various home functionalities related to comfort, safety, and electricity consumption control. With over 7,000 installations in France by 20,000 installers and nearly 160,000 connected pieces of equipment to date, Rexel is strengthening its value proposition in this market.

In the energy renovation sector, the Primexel program developed by the Group, in partnership with *Économies d'Énergie,* positions Rexel as a committed player in energy transition. The tool allows professional customers eligible for Energy Efficiency Certificates (EECs) to simulate their savings and the amount of their premiums if they carry out work to reduce the energy consumption of buildings.

In response to the development of new types of aids, Rexel France launched a website in 2020 in partnership with Butagaz, a multi-energy supplier, and Drapo, a specialist in innovative financial solutions for installers. The platform makes it easier for installers to access all existing financial aid (CEE, Ma PrimeRénov, etc.) and simplifies their administrative tasks, thus contributing to the deployment of energy efficiency plans in buildings.

The energy efficiency solutions segment includes products and services that enable a measurable, indirect, or direct reduction in energy consumption.

Rexel estimates its 2020 sales for energy efficiency solutions at € 1,258.7 million, around 10% of Group total sales. With a decrease limited to 3.2% in 2020, this segment is showing better resistance than other Group's activities, which is down 6.5%.

An additional indicator relating to green turnover is presented in Section 4.7 "Green turnover".

Electric mobility

Rexel is positioning itself in this high-potential sector with a range of charging stations for electric vehicles. The Group offers packaged solutions based on the number of vehicles to be recharged, the level of accessibility required, and the type of conventional or photovoltaic power supply. These comprehensive solutions include a needs study, subsidy applications, lease financing if necessary, and the installation itself by a certified installer, which involves configuration of the electrical panel, connection, protection, commissioning, startup assistance, and the control panel.

Renewable energy solutions

Around the world, photovoltaic solar power solutions have proven their effectiveness in reducing greenhouse gas emissions from residential or tertiary buildings at increasingly competitive costs. Rexel provides a complete range of solutions: solar panels, fastening structures, inverters, special cables, and safety equipment.

In the wind energy sector, the Group offers supply and inventory management services and provides products for assembly lines. In some subsidiaries, kitting (batch preparation) services are also offered. Its range of offers covers electrical components, cables, and all other items needed to manufacture turbines or operate wind farms.

In 2020, revenue from wind power fells sharply, due to the sale of Gexpro Services.

In 2020, Rexel generated sales of €266.9 million from sales of photovoltaic solutions, an increase of approximately 12% compared to 2019, on a comparable basis.

Installer training

New environmental regulations, financing offers backed by energy-efficient products, products with a strong technological or technical component, the installer and electrician professions and the skills required for them are changing.

To encourage customers to improve their skills, the Group focuses on advice, financial and technical assistance. Customers thus receive support to better sell, design, and install the new solutions safely on sites.

Training suited to the installer's needs is most often provided in branches by expert employees, external partners, or manufacturers. They are supplemented by tools (websites, installation tutorials, telephone hotline, documentation) that enable customers to continuously train and maintain their expertise.

In 2020, Rexel France launched its training platform to enable professionals to develop their skills and strengthen their know-how. The training offered, either remotely or face-to-face, mainly concerns connected housing, electric mobility and electrical safety.

Compliance and product safety for customers and end-users

As a non-manufacturing distributor, Rexel's responsibility is to ensure that the products selected comply with the health and safety standards in force.

Rexel's commitment focuses on two areas:

- Compliance with environmental regulations: a responsible person is identified within each subsidiary in question to ensure compliance with European regulations related to the RoHS directive for restricted chemical substances and the REACh regulation for the declaration of chemical substances. Assessment questionnaires are sent to suppliers at the request of customers. The Group also ensures compliance with the conflict minerals regulation; and
- Information about the safety of products and solutions: installers are trained and made aware of the safety rules related to the on-site handling of products and equipment.

Proximity and customer satisfaction

Product quality and availability are two essential vectors for customer satisfaction. Customer knowledge, the technical and financial expertise of sales teams, product innovation, and logistics excellence are among the levers and competitive advantages that contribute to customer loyalty and satisfaction.

Rexel has built a customer-focused structure based on an omnichannel model. The range of points of contact continues to grow and now includes branches, call centers, outside sales reps, technical expertise centers, EDI (Electronic Data Interchange), the webshop, web configurator, new automated models of the Autostore types, and even mobile applications.

This organization relies on daily relationships of trust, a guarantee of shared and lasting value creation. In this context, Rexel is committed to providing its customers with complete and sincere information on the products and services offered.

The Group offers, for example, a product visual recognition web application for the immediate placement of orders. From one photo taken on-site, an installer can access all the specifications of a product and check its price and availability in a few seconds.

The extensiveness of the Group's distribution network is also a real competitive advantage. Its 1,906 branches are constantly adapting to changing needs and lifestyles. The establishment of mobile branches on construction sites or provision of supplies through counters open day and night, as in Finland, are but a few examples.

This model makes it possible to maintain continuous contact with electricians. Electricians can go to a branch in the morning before going on-site and go to the webshop in the evening to place an order, which will be delivered the next day, either at the branch *via* Click & Collect, or directly at the site.

Because reliable provision of supplies is also a key factor in customer satisfaction, Rexel makes the optimization of logistics flows a priority. 59 logistics centers are committed to next-day delivery of nearly 50,000 references to all customers worldwide. Customized tools such as kitting (preassembly of orders) keep customers continuously supplied and improve their productivity. Beyond its role as a distributor, the Group is positioned to be a facilitator for its customers.

Rexel's subsidiaries are constantly listening to customers. They solicit their feedback and assess their satisfaction through questionnaires and surveys. In 2020, 18 countries regularly measure their customers' satisfaction rate using a common indicator, the Net Promoter Score. Surveys are also occasionally conducted in the other countries of the Group.

Rexel's CSR performance: a trusted partner for its clients

It is Rexel's ambition to be a trusted partner in the energy value chain. The Group regularly responds to CSR assessment requests from its customers. With an EcoVadis score of 71/100, Rexel retained its Gold level and ranks in the top 5% of companies assessed by EcoVadis worldwide, in all business sectors and the top 1% of its sector of activity.

4.5.3 Fighting for energy progress

Since 2013, Rexel has been committed through its Foundation for energy progress to working alongside associations, non-governmental organization, and partners to support solidarity projects and improve access for the most disadvantaged to energy efficiency. In doing so, it brings innovative solutions that meet today's societal challenges:

- Economically, energy efficiency reduces energy dependence on fossil fuels;
- Environmentally, it responds to the need to reduce greenhouse gas emissions; and
- Socially, it facilitates access for everyone to energy and is a tool in the fight against fuel poverty.

Strategy

Since its creation, the Rexel Foundation has had three main missions:

- Provide support for solidarity projects of general interest led by NGOs, associations, and partners to improve the access of disadvantaged populations to energy efficiency;
- Promotion and support for innovative solutions and models through an innovation platform and support for social entrepreneurship. This platform focuses on energy efficiency; and
- Expansion of knowledge and awareness of energy efficiency by building a shared knowledge base through studies, conferences, workshops, and applied research programs.

More recently, in 2018, the Rexel Foundation has added a fourth mission by deciding to act as an "operating" Foundation in order to fight against energy precariousness in Roubaix.

Actions

Inclusion of people experiencing fuel poverty in Roubaix

In 2018, the Foundation decided to take direct action on fuel poverty through a new collaborative approach that puts forward the voices of vulnerable people. For 2 years now, local non-profit organizations, local authorities, business partners and employees have been meeting regularly in Roubaix, around residents in fuel poverty. Collaborative workshops involving residents, local actors and experts allow us to think together on these life paths, in order to collectively find solutions to leave energy precariousness.

This initiative was presented to all fuel poverty experts on November 28, 2019 during the Rexel Foundation's 5th Innovation Day, which brought together more than 100 people. This approach was summarized in a booklet and the methodology was documented. These documents are available on the Rexel Foundation website in open source to strengthen the social impact of the project and transfer it to other territories.

Solutions emerged from the various collaborative sessions and are currently being implemented by the Group. Residents are still at the core of the measures; they widely contribute to the definition of solutions and are associated with their actions.

Social entrepreneurship project in France

In 2020, the Rexel Foundation supported the project *"Un toit vers l'emploi"* ("A roof for employment") carried by Entrepreneurs du Monde. This project aims to develop an offer of Tiny houses in Rouen's metropole, and then other Normandy cities with a simultaneous support to search for a job for any homeless, houseless or insecure housing individual, wanting to improve his/her situation.

The objective is also to ensure the local production of approximately forty eco-friendly houses by these individuals in precarious situations. Four pilot houses were made available over the year.

Rexel France employees shared their expertise for the implementation of a photovoltaic solution with energy storage. The photovoltaic solution fed by free solar energy, without CO_2 emissions, and built with recyclable panels, allows offering a clean and autonomous energy source with respect for the environment and the comfort of occupants.

Social entrepreneurship project in India

In 2020, and for the second year, the Rexel Foundation supported the association LP4Y *via* the "Green Village" project in India, which supports the professional and social integration of underprivileged young people. The initiative aims to develop the entrepreneurial spirit in young people living in disadvantaged rural areas that are remote from job opportunities. Twenty young people aged 17 to 24 have joined this project in Raipur to follow a program dedicated to the creation, construction, and management of one photovoltaic micro-powerplant. They receive training in communication and teamwork before they are connected to the world of work through a network of partners and local actors.

Also in India, the Rexel Foundation supported in 2020 the association *"Un enfant par la main"*, to help reopen 4 social centers for children destroyed during the 2018 floods in Tamil Nadu. The electrification works of these schools with solar panels were successfully carried out during the year despite difficulties relating to the Covid-19 pandemic.

Employee and partner involvement

The Foundation also encourages the Group's employees to get involved in the Foundation through the following initiatives:

- Be an ambassador in their country to support the Foundation's teams; and
- Sponsor a project by submitting a solidarity project in line with the Foundation's positioning.

For instance, in cooperation with the Rexel Foundation, Rexel France teams decided to support the *"Café joyeux"* project in 2019 to open a new café employing people with disabilities in Versailles. It should only open in 2021 instead of 2020 due to the Covid-19 pandemic.

Several entities of the Rexel Group have also supported joint solidarity initiatives by making products, equipment, or skill-based sponsorship available free of charge.

The total amount of Rexel Group donations, including funds paid by the Rexel Foundation, totaled €836,225 in 2020 and €945,828 in 2019.

Results

The Rexel Foundation is present in 20 countries. It has supported more than 70 projects for 165,000 beneficiaries since its creation in 2013.

4.6 Summary of indicators

ETHICS

INDICATOR	2020	SCOPE	CONSTANT SCOPE 2020	CONSTANT SCOPE 2019	CONSTANT SCOPE VARIATION	CONSTANT SCOPE SCOPE
Queries received by ethics officers						
Number of queries received by ethics officers	57	100%	57	43	+32.6%	100%
Training						
Business ethics training penetration rate within Rexel						
Competition law training	80%	100%	80%	72%	+8 pts	100%
Anti-corruption training	86%	100%	86%	81%	+5 pts	100%
Personal data protection training penetration rate within Rexel European subsidiaries	92%	100%	92%	94%	-2 pts	100%

SOCIAL

INDICATOR	2020	SCOPE	CURRENT SCOPE 2019	CURRENT SCOPE VARIATION
Total Headcount on December 31				
Total Headcount	*24,818*	*100%*	*26,537*	*-6.5%*
ATTRACTING AND RETAINING TALENT				
Attracting talent				
Total external hires	***2,475***	***100%***	***4,588***	***-46.1%***
Number of external hires on permanent contract	2,072	100%	3,887	-46.7%
Number of external hires on fix-term contract	403	100%	701	-42.5%
Number of external hired managers on permanent contract	259	100%	498	-48%
Number of external hired non-managers on permanent contract	1,813	100%	3,389	-46.5%
Number of external hires of women on permanent contracts	418	100%	889	-53%
Number of external hires of men on permanent contracts	1,654	100%	2,998	-44.8%
Retaining talent and reducing absenteeism				
% of mobilities over total headcount	8.2%	100%	11.8%	-30.5%
Absenteeism rate	4.9%	100%	4.7%	+4.3%
Performance review				
% of annual review completed (over total headcount)	83.2%	100%	82.8%	+0.5%
EMPLOYMENT DYNAMICS				
Reasons for the departure of permanent employees in 2019				
Total number of departures	***3,736***	***100%***	***4,566***	***-18.2%***
Number of redundancies (layoffs) of permanent employees	616	100%	663	-7.1%
Number of dismissals for other reasons of permanent employees	423	100%	709	-40.3%
Number of retirements and pre-retirements of permanent employees	253	100%	253	0%
Number of departures of permanent employees due to the sale of business	373	100%	164	+127.4%
Number of other departures of permanent employees	257	100%	320	-19.7%
Number of resignations of permanent employees	1,814	100%	2,457	-26.2%
% Rate of successful integrations (3 months)	90.5%	100%	90.1%	+0.4%
% Stability index of new employees (12 months)	66.6%	100%	71.6%	-7%

SOCIAL				
			CURRENT SCOPE	
INDICATOR	2020	SCOPE	2019	VARIATION
Turnover				
% Turnover	12%	100%	16.4%	-26.8%
Compensation				
% of employees (with ITC) eligible to an individual variable part in their compensation	56.8%	100%	58.2%	-2.4%
DEEPENING ENGAGEMENT, IMPROVING SKILLS				
Development and training				
Number of employee trained (including those trained in safety, ethics and compliance) during the year	24,123	100%	25,484	-5.3%
Number of employees trained during the year (excluding those trained in safety)	23,221	100%	21,232	+9.4%
Percentage of employees trained during the year/Total headcount (excluding those trained in safety)	93.6	100%	80	+17%
Total number of training hours (excluding those training hours related to safety)	254,406	100%	316,506	-19,6%
Among them, number of on-line training hours	122,721	100%	133,869	-8.3%
Among them, number of physical training hours	131,685	100%	186,636	-29.4%
Average hours of training per employee trained during the year (excluding training in H&S)	11	100%	15	-26.7%
Health and safety				
Frequency rate	5.0	100%	6.1	-18%
SUPPORTING DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY				
Woman representation				
Number of Females	5,610	100%	6,073	-7.6%
% of Females / Total employees	22.6%	100%	22.9%	-1.3%
Promotion per gender				
% of Male non-manager becoming manager	1.2%	100%	2%	-40%
% of Female non-manager becoming managers	1.7%	100%	1.7%	0%
Recruitment per gender				
% of Females recruited on permanent contracts / total of external hires on permanent contracts	20.2%	100%	22.9%	-11.8%
% of Males recruited on permanent contracts / total of external hires on permanent contracts	79.8%	100%	77.1%	+3.5%
Salary increases				
% of Females with a raise of their basic salary (with permanent contract and at least 1 year of seniority)	65.5%	100%	79.8%	-17.9%
% of Males with a raise of their basic salary (with permanent contract and at least 1 year of seniority)	62.2%	100%	75%	-17.1%
Generational diversity				
Average age of employees (permanent and fix-term)	43.6	100%	43	+1.4%
% of employees < 30 years / total headcount	15.6%	100%	17.4%	-10.3%
% of employees > 50 years / total headcount	32.8%	100%	31.3%	+4.8%
% of employees > 60 years (senior) / total headcount	7.1%	100%	6.4%	+10.9%

ENVIRONMENT							
				CONSTANT SCOPE			
INDICATOR	UNIT	2020	SCOPE	2020	2019	VARIATION	SCOPE
CONSUMPTION OF RESOURCES							
On-site energy consumption	**MWh**	**261,623**	**100.0%**	**261,623**	**290,596**	**-10.0%**	**100.0%**
Of which electricity consumption	MWh	132,134	100.0%	132,134	152,394	-13.3%	100.0%
Of which natural gas consumption	MWh	116,526	100.0%	116,526	122,906	-5.2%	100.0%
Of which domestic fuel oil consumption	MWh	4,521	100.0%	4,521	5,871	-23.0%	100.0%
Of which butane, propane and other energies consumption	MWh	447	100.0%	447	834	-46.4%	100.0%
Of which heat consumption	MWh	7,936	100.0%	7,936	8,562	-7.3%	100.0%
Energy consumption from internal fleet	**MWh**	**140,711**	**100.0%**	**140,711**	**179,363**	**-21.5%**	**100.0%**
Of which transportation of products by the internal fleet	MWh	69,009	100.0%	69,009	80,101	-13.8%	100.0%
Of which commercial fleet	MWh	71,702	100.0%	71,702	99,262	-27.8%	100.0%
Water consumption	**m^3**	**527,606**	**100.0%**	**527,606**	**560,578**	**-5.9%**	**100.0%**
Packaging consumption	**Tons**	**14,757**	**100.0%**	**14,757**	**16,999**	**-13.2%**	**100.0%**
Of which cardboard	Tons	4,478	100.0%	4,478	4,688	-4.5%	100.0%
Of which plastics	Tons	900	100.0%	900	982	-8.4%	100.0%
Of which wood	Tons	8,897	100.0%	8,897	10,819	-17.8%	100.0%
Of which reusable plastic boxes	Tons	76	100.0%	76	75	1.2%	100.0%
Of which other packaging	Tons	406	100.0%	406	436	-6.9%	100.0%
Paper consumption	**Tons**	**1,716**	**100.0%**	**1,716**	**2,067**	**-17.0%**	**100.0%**
Of which commercial paper	Tons	925	100.0%	925	1,076	-14.0%	100.0%
WASTE							
Waste generated	**Tons**	**30,469**	**100.0%**	**30,469**	**31,548**	**-3.4%**	**100.0%**
Of which waste recovered	Tons	20,050	100.0%	20,050	20,979	-4.4%	100.0%
Recovery rate	%	65,8%	100.0%	65.8%	66.5%	-0.7 pts	100.0%
GREENHOUSE GAS EMISSIONS							
Scope 1 direct emissions	**tCO_2e**	**59,955**	**100.0%**	**59,955**	**71,374**	**-16.0%**	**100.0%**
Emissions related to on-site energy combustion	tCO_2e	24,897	100.0%	24,897	26,691	-6.7%	100.0%
Emissions related to the transportation of products by the internal fleet	tCO_2e	17,216	100.0%	17,216	19,870	-13.4%	100.0%
Emissions related to business travel by company cars	tCO_2e	17,841	100.0%	17,841	24,814	-28.1%	100.0%

ENVIRONMENT							
				CONSTANT SCOPE			
INDICATOR	UNIT	2020	SCOPE	2020	2019	VARIATION	SCOPE
Scope 2 indirect emissions	**tCO_2e**	**27,114**	**100.0%**	**27,114**	**32,452**	**-16.4%**	**100.0%**
Emissions related to the production of purchased and consumed electricity	tCO_2e	26,609	100.0%	26,609	31,879	-16.5%	100.0%
Emissions related to the production of purchased and consumed heat	tCO_2e	505	100.0%	505	572	-11.8%	100.0%
Scope 3 indirect emissions (estimate)	**$MtCO_2e$**	**33.0**	**100.0%**	**33.0**	**35.2**	**-6.2%**	**100.0%**
ENVIRONMENTAL MANAGEMENT SYSTEM							
Sites covered by an internal environmental management system	%	42.6%	100.0%	42.6%	44.7%	-2.1 pts	100,0%
Sites covered by a certified environmental management system	%	23.9%	100.0%	23.9%	23.7%	0.1 pt	100,0%
Sites covered by a certified energy management system	%	14.6%	100.0%	14.6%	14.7%	-0.1 pt	100,0%

VALUE CHAIN							
				CONSTANT SCOPE			
INDICATOR	UNIT	2020	SCOPE	2020	2019	VARIATION	SCOPE
SUPPLIERS EVALUATION							
Direct purchases having received a request to assess their performance in terms of sustainable development	%	77%	100%	77%	67%	+10 pts	100%
Direct purchases evaluated on sustainable development critera	%	60.1%	100%	60.1%	52.4%	+7.7 pts	100%
PRODUCT SAFETY							
European subsidiaries having implemented a management system for REACh and RoHS	%	100%	100%	100%	100%	–	100%
SALES OF ENERGY EFFICIENCY AND RENEWABLE ENERGY SOLUTIONS							
Sales of energy efficiency solutions	Euros million	1,258.7	100.0%	1,258.7	1,300.0	-3.2%	100%
Sales of photovoltaic solutions	Euros million	266.9	100.0%	266.9	238.7	11.8%	100%
Sales from the wind turbine market	Euros million	11.7	100.0%	11.7	7.8	50.0%	100%

4.7 Green turnover

In addition to the indicators relating to revenue from sales of energy efficiency and renewable energy sources solutions, presented in Section 4.5.2, and to align with the best practices observed in its sector, Rexel has decided to calculate a new indicator relating to green turnover for fiscal year 2020. This indicator, calculated for the first time in January 2021 as part of the strategic reflection presented during Investor Day on February 11, 2021, may change depending on advances in regulations, particularly European taxonomy.

Green turnover gathers products and services that provide customers with efficiency gains in terms of energy and CO_2, without having any major harmful impact on the environment.

In 2020, green turnover represents approximately 50% of the Group's activity, which corresponds to the best estimate to date.

Green turnover includes:

- the offer linked to energy efficiency, including eco-efficient lighting, control systems, measurement systems and eco-efficient power systems;
- the offer linked to electric mobility;
- the offer linked to the production of renewable energy;
- heating and ventilation which brings comfort and energy efficiency to the end customer;
- the offer linked to the transport of electricity which provides energy efficiency, including industrial cables;
- white and brown products with at least an A energy label or its equivalent in other countries.

Green turnover does not include tools, racks and cabinets, accessories, sanitary, oil heating, alarms, access controls, safety blocks, video surveillance, systems opening and emergency lighting.

Aligned with the regulations under discussion, including the European taxonomy, sales related to the oil, gas and mining sectors are excluded.

4.8 Vigilance plan

4.8.1 Presentation of the vigilance plan

Law No. 2017-399 of March 27, 2017 respecting the duty of care of parent companies and contracting companies requires large companies to implement vigilance measures to identify and prevent serious infringements of human rights and fundamental freedoms and the health and safety of persons and the environment that may result from the activities of their group and value chain.

Companies must implement a vigilance plan comprising five measures:

1. Risk mapping for identification, analysis, and prioritization (Section 4.8.2.1 “Risk mapping for identification, analysis and prioritization” of this Universal Registration Document);
2. Regular assessment procedures for the situation of subsidiaries, subcontractors, or suppliers with whom an established commercial relationship is maintained with regard to risk mapping (Section 4.8.2.2 “Regular assessment procedures for the situation of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained with regard to risk mapping” of this Universal Registration Document);
3. Appropriate actions to mitigate risks or prevent serious harm (Section 4.8.2.3 “Appropriate actions to mitigate risks or prevent serious harm” of this Universal Registration Document);
4. A whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations in said company (Section 4.8.2.4 “Whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group” of this Universal Registration Document); and
5. A system for monitoring the measures implemented and assessing their effectiveness (Section 4.8.2.5 “System for monitoring the measures implemented and assessing their effectiveness” of this Universal Registration Document).

To comply with the French Law and preserve the Group’s values, Rexel adopted the vigilance plan described below in 2017. It is based in particular on a process to identify major risks throughout the value chain, taking into account all upstream and downstream activities of Rexel and its stakeholders (employees, suppliers, users of products and services), and existing assessment procedures and mitigation measures at the Group and subsidiaries levels.

At the same time, Rexel has set up its whistleblowing and reporting mechanism to comply with various applicable regulations. This vigilance plan reinforces the actions that have been in place for several years to identify and prevent serious infringements of human rights and fundamental freedoms and the health and safety of individuals and the environment in subsidiaries and throughout the value chain.

The vigilance plan involves the Group Sustainable Development Department, the General Secretary, the Group Purchasing and Supplier Relationship Department, the Group Human Resources Department, the Group Finance Department, and external experts.

4.8.2 Measures of the vigilance plan

4.8.2.1 Risk mapping for identification, analysis and prioritization

Rexel has implemented a process to identify and assess its major risks related to human rights and fundamental freedoms, health and safety, and the environment. The methodology is summarized below. In 2018, this analysis was conducted at Group level throughout its value chain for all Rexel product families. It is updated regularly.

The methodology used to perform this mapping makes it possible to assess the risks specific to Rexel's activities and value chain. This risk mapping was conducted using statistical tools which allowed to assess risks by product family and by country, supplemented by library research and interviews with internal and external experts for the types of risks most specific to Rexel, along with certain internal procedures, namely:

- Group risk mapping;
- Materiality analysis of sustainable development challenges;
- Risk mapping related to the Statement of Non-Financial Performance;
- Reporting of environmental, social, and societal impacts;
- Whistleblowing procedures; and
- Any regulation that requires the identification, assessment, or mapping of risks that may be considered non-financial (including the French "Sapin 2" Law, the French "Energy Transition for Green Growth" Law, and the EU "General Data Protection Regulation").

Then, a group of internal experts selected the most relevant risks to the Rexel Group's activity in working group meetings organized by the Group Sustainable Development Department. Representatives of the European Works Council take part in these meetings.

Finally, the risk selection in the vigilance plan was made in close cooperation with the risk analysis carried out pursuant to the Law on Statements of Non-Financial Performance. Risks relating to the Duty of Vigilance are summarized in the table of non-financial risk factors in Section 4.1.3 "Main non-financial risks" of this Universal Registration Document.

4.8.2.2 Regular assessment procedures for the situation of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained with regard to risk mapping

Rexel Group subsidiaries

The Rexel Group wants to set standards and, for several years, it has put in place measures to identify and prevent serious infringements of human rights and fundamental freedoms and the health and safety of individuals and the environment in its subsidiaries.

The Rexel Group and its network of branches are a decentralized structure that relies on the empowerment of the entire chain of command (see Section 2.3.3 "Steering and monitoring of the internal control system" in this Universal Registration Document). The Internal Control Guidelines, which were revised in 2016, incorporate controls related to ethics, employee health and safety, and compliance with environmental, Human Rights laws and Fundamental Freedoms. The assessment system is based on the annual self-assessment of these controls by the subsidiaries and the implementation of action plans to improve their control.

To guide the Rexel Group's ethics strategy, a network of Ethics Officers has been established. They are appointed by the General Manager in each country and perform this function in addition to their other activities. They ensure that the Ethics Guide is distributed to all employees, take the initiative in implementing Rexel Group principles and ethical practices, and answer any questions that are submitted to them.

In addition to the self-assessment performed by the subsidiaries, risk mitigation actions are conducted by the internal audit and/or external audit and the functional departments of the head office, which assist the entities in the implementation of those controls. This system is managed and overseen by the Rexel Audit and Risk Committee.

Supplier and subcontractor evaluation

Strategy

In 2015, the Rexel Group deployed a global platform to gather information about and assess its suppliers' and subcontractors' performance in terms of sustainable development.

Since then, evaluation campaigns have been launched regularly thanks to this global platform. At the end of 2020, over 350 suppliers, representing 77% of the Rexel Group's direct purchases, received an evaluation request.

The questionnaire covers 120 criteria divided into four categories: environment, social and human rights, ethics, and responsible purchasing. Suppliers and subcontractors must provide evidence that long-term procedures are being implemented and that results are being monitored for all criteria. The questionnaires are assessed by an external expert, who assigns a score for each of the four themes.

Beyond the platform, the assessment process follows a structured methodology and timetable that guarantee its success. To support its partners in this process, for each supplier, Rexel has set up a two-person team that includes one person from the Group's Sustainable Development Department, who guarantees compliance with the method, and a purchaser responsible for the supplier, who is responsible for explaining the process and involving the supplier and for communicating developments to all purchasing teams.

Each request for assessment is accompanied by information explaining the approach, the methodology to be followed, and the contact details of the persons in charge for Rexel. The Group sends numerous reminders, makes several telephone calls, and mobilizes its management to encourage its main suppliers to get involved.

At the end of each campaign, suppliers receive individualized feedback. A detailed report on CSR performance and areas of progress is distributed to all suppliers who participated in the campaign. Those who have declined, however, despite the Group's efforts, receive a personalized letter restating Rexel's commitments and warning of the consequences of a refusal.

Commitment

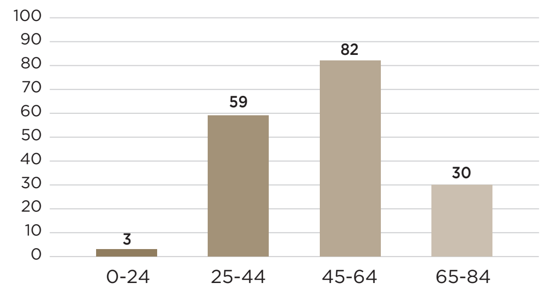
The Group's objective is to evaluate the CSR performance of 80% of its volume of direct purchases (in value) in 2020.

Results

Since the beginning of the process, more than 350 suppliers representing 77% of direct Group's purchases have received a request to assess their performance in terms of sustainable development.

As at December 31, 2020, 174 single suppliers, representing 60.1% of direct Rexel Group's purchases (in value), responded to the assessment questionnaire.

The results are presented below:



Distribution of suppliers according to their score, on a 0-100 performance

Supplier on-site audits

In addition to these assessments, based on the risk mapping, in particular the cross-referencing of product-specific risks with country-specific risks, Rexel conducts on-site audits for certain targeted suppliers. In 2018, as part of the implementation of the vigilance plan, the Group undertook two actions:

- Extend the scope of on-site audits to ensure that they cover all due diligence themes; and

- Increase the number of on-site audits by focusing on the countries most at risk.

As part of the vigilance plan, Rexel incorporates additional controls relating to social, environmental and Human Rights performance. In 2020, none of the planned on-site audits in Asia or in Europe could have been carried out because of the pandemic.

Following these audits, progress plans are put in place. If the level of compliance is not satisfactory and the corrective measures requested are not implemented, collaboration with the supplier is terminated.

4.8.2.3 Appropriate actions to mitigate risks or prevent serious harm

In addition to the supplier assessments described above, Rexel requires its suppliers and subcontractors to comply with the principles set out in its Ethics Guide and, through contracts, with the general terms and conditions of purchase, which include clauses that mandate compliance with the fundamental conventions of the International Labor Organization and local legislation, especially with respect to minimum wages, working time, environment, health, and safety.

Internally, compliance with the rules of ethics implies continuous mobilization of employees. For this reason, team training and information sessions are essential. These special sessions focus on competition, anti-corruption, data protection and trade restrictions. They are available in the Group's languages. Special face-to-face programs are also offered to the employees who are most exposed to certain risks.

The integration of the Group's values and ethical principles in behaviors is a key factor for the strategy's success. This requirement is supported by a network of Compliance Officers and a network of Ethics Officers who work closely with local management. The establishment of a collaborative and decentralized structure enables the understanding of the ethical principles and the deployment of the action plans in the various countries where the Group operates.

The effectiveness of this structure is reflected in the results of the most recent Satisfaxion internal engagement survey conducted by the Group in 2018: *"Eighty-six percent of respondents are fully aware of Rexel's ethical commitments through the Ethics Guide"*, a five-point increase over the previous campaign (2015).

However, no control system, regardless of how old or well tested it is, can guarantee the absence of risk, and it is the responsibility of the Group and its subsidiaries to develop collaboration and control systems with suppliers and subcontractors to minimize risk and implement corrective action in cases where non-compliance is identified.

4.8.2.4 Whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group

Rexel has whistleblowing procedures for employees, external and temporary workers, suppliers, customers, and stakeholders in all countries. It allows incidents to be reported in all Group languages. The whistleblowing procedures are available on the dedicated website (https//ethique.rexel.com/en). It is centralized and confidential. Each alert is handled by the Ethics Committee, an *ad hoc* committee composed of the General Secretary, the Human Resources Director, and the Compliance Officer. This new alert line takes into account the requirements of French laws relating to transparency, the fight against corruption and the modernization of economic life and the duty of vigilance of parent companies and contracting companies. The procedures meet all legal requirements, including guarantees of the rights of whistleblowers.

The Ethics Officers, who are local relays, also answer questions concerning the Rexel Group's ethical practices that may be addressed to them. Whether or not they are an employee, anyone can ask questions with full confidentiality.

The table below summarizes the questions received in 2020 by all Ethics Officers according to their type, author, subject, and geographical area.

57 ethics cases were submitted to Rexel Group Ethics Officers during the year. All queries were processed, verified, and followed by preventive and/or corrective actions as appropriate.

		NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2020	NUMBER OF QUERIES RECEIVED BY ETHICS OFFICERS IN 2019
Type of query	Information	27	7
	Complaint	30	35
	Legal dispute	0	1
	Other	0	0
Source of query	Customers	2	4
	Rexel employees	49	28
	Suppliers	2	1
	Local authorities	1	0
	Employee representatives / trade unions	0	0
	Anonymous	1	5
	Other	2	5
Subject of query	Customer relations	4	2
	Supplier relations	3	0
	Relations between employees	16	10
	Discrimination	4	5
	Working conditions	10	17
	Anti-corruption	1	1
	Tax evasion	0	0
	Anti-fraud and anti-theft	19	4
	Environmental protection	0	4
Type of measures implemented	Preventive	7	17
	Corrective	50	22
Region	Europe	1	3
	North America	31	35
	Asia-Pacific	25	5

4.8.2.5 System for monitoring the measures implemented and assessing their effectiveness

Rexel has established a Steering Committee tasked with the implementation of due diligence. The Committee coordinates and verifies the risk mapping as well as the action plan and its implementation. The Steering Committee assesses the relevance of the risk mitigation actions and put in place the action plans, including:

- Launch of campaigns for the CSR assessment of suppliers in 2019 and 2020, allowing to cover at the end of 2020 77% of the Group direct purchases (see Section 4.8.2.2 "Regular assessment procedures for the situation of subsidiaries, subcontractors or suppliers with whom an established commercial relationship is maintained with regard to risk mapping" of this Universal Registration Document);
- 2018 update to the whistleblowing mechanism (see Section 4.8.2.4 "Whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group" of this Universal Registration Document); and
- Review of suppliers and subcontractors audits' perimeter to incorporate sustainable development criteria (see Section 4.8.2.4 "Whistleblowing and reporting mechanism for the existence or emergence of risks prepared in consultation with the representative trade union organizations within the Group" of this Universal Registration Document).

- Ethics Guide update

  The Ethics Guide is regularly updated. As a result, the anti-corruption commitments were reviewed in 2018 in the French context of the December 9, 2016 law on transparency, the fight against corruption and the modernization of economic life. This key support was enriched with specific documents such as the Anti-Corruption Code of Conduct, the Competition Law Guide, and the Environmental Charter, which clarify the Group's more specific commitments.

- Continued deployment of the anti-corruption program

  Rexel continues to strengthen its program to detect and prevent corruption with its Anti-Corruption Code of Conduct. This code meets the requirements of French Law. It defines and illustrates the different types of behavior to be avoided. The code is appended to the rules of procedure, and it invites employees to tell all stakeholders (customers, suppliers, and partners) about the company's commitment to corruption prevention and the anti-corruption rules themselves. This document is available on the ethics and compliance website https://ethique.rexel.com/en.

- New gift and invitations and travel compliance business trip guidelines

  The Group is a key link in the value chain between electrical equipment suppliers, customers, and end-users. The proximity of 16,000 salespeople to their suppliers and customers is an advantage. This commercial proximity must remain exemplary so that lasting business relationships can be maintained in a climate of trust and mutual respect. To provide a clear and structured framework for all its employees, the Group has put in place specific rules relating to business travel and gifts and invitations offered and received.

- Stronger personal data protection

  The Group has an internal personal data charter that defines a set of rules to be respected within the framework of Rexel's activities. This charter incorporates the major personal data protection principles and consists of several policies and procedures to support Rexel's employees and partners in the performance of their activities.

  Various training and information sessions are offered to employees, in particular e-learning modules and special poster campaigns.

  More targeted presentations are planned for the teams that process personal data more specifically, such as the human resources, e-commerce, IT, and general services departments.

  Rexel's suppliers and service providers may process personal data on behalf of the Group. Rexel must ensure that its partners and suppliers apply adequate data protection levels. This involves reviewing and updating contractual commitments and the security policies put in place by those service providers.

On a general manner, the risks identification process will be reviewed regularly to incorporate potential changes in the Group's supply chain as well as changes in the assessment of impacts or probability of occurrence.

Rexel will ensure that the vigilance plan follows developments that affect the Group, particularly in the event of a change in strategy, significant acquisitions, or the acquisition of new markets with new risks.

4.9 Independent verifier's report

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French Law and professional standards applicable in France.

Report by one of the Statutory Auditors, appointed as an independent third party, on the non-financial information statement included in the management report

For the year ended 31 December 2020

To the annual general meeting,

In our capacity as Statutory Auditor of Rexel SA (hereinafter the "entity), appointed as an independent third party and accredited by Cofrac (accreditation Cofrac Inspection n° 3-1060 whose scope is available at www.cofrac.fr), we hereby report to you on the non-financial information statement for the year ended December 31, 2020 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code *(Code de commerce)*.

The entity's responsibility

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are available on request from the entity's head office.

Independence and quality control

Our independence is defined by the provisions of article L.822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de déontologie)* of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the provisions of article R.225-105 of the French Commercial Code; and
- The fairness of the information provided in accordance with article R.225-105 I, 3 and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation; and
- The compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L.225-102-1 III, as well as information set out in the second paragraph of article L.22-10-36 regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L.225-102-1 III, 2;
- we verified that the Statement presents the business model and the principal risks associated with the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement includes a clear and reasoned explanation for the absence of policies concerning one or more of the risks;
- we verified that the Statement covers the scope of consolidation, *i.e.*, all the companies included in the scope of consolidation in accordance with article L.233-16 within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities including Rexel Austria, Rexel Germany, Rexel New Zealand, Rexel Middle East, Rexel UK, and Elektro Material AG, and covers between 20% and 22.5% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important; and
- we assessed the overall consistency of the Statement based on our knowledge of the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work was carried out by a team of 5 people between early November 2020 and mid-February 2021 and took a total of 6 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 5 interviews with the people responsible for preparing the Statement representing the sustainable development, human resources, and compliance departments.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, February 11, 2021

One of the Statutory Auditors

PricewaterhouseCoopers Audit

French original signed	French original signed
Amélie Wattel	Pascal Baranger
Partner	Sustainable Development Director

Appendix: List of the information we considered most important

Key performance indicators and other quantitative results:

- **Social scope:**
  - Mobility rate;
  - Percentage of women on the Executive Committee;
  - Workplace accident frequency and gravity rates;
  - Number and percentage of trained employees (excluding security);
  - Average number of training hours per employee;
  - Headcount rotation rate;
  - Percentage of females and young graduates recruited;
  - Percentage of handicapped employees in the company;
  - Number of annual evaluations carried out and the percentage of employees concerned;
  - Annual number of ethical referrals;
  - New employee integration rate.
- **Environmental Scope:**
  - Number of sites where the Environmental Charter is displayed;
  - Percentage of sites covered by environmental or energy management systems;
  - Sales of energy efficiency and renewable energy systems;
  - Greenhouse gas emissions scopes 1, 2 and 3;
  - Water and energy consumption (including electricity and gas);
  - Volume of waste produced and methods of treatment;
  - Volume of packaging purchased.
- **Societal Scope:**
  - Annual number of ethical alerts concerning suppliers and sub-contractors;
  - Annual number of ethical alerts concerning product conformity;
  - GDPR training coverage rate;
  - Percentage of European subsidiaries with a REACh and RoHS management system;
  - Percentage of purchases evaluated according to sustainable development criteria.
- **Qualitative information (actions and results):**
  - Mapping of personal data flows;
  - Business ethics training for employees;
  - Involvement of female employees in the *"Capital Filles"* Association;
  - Rexel 10 Security Principles;
  - Zero-Covid focus deployed throughout the entire company;
  - Alignment of Rexel Academy contents with the company's strategic objectives;
  - Implementation of a tool allowing subsidiaries to carry out satisfaction studies;
  - Local actions implemented to manage the psychosocial aspects of confinement;
  - Rationalization of the commercial fleet;
  - Action plans implemented to reduce paper consumption;
  - Updating of the "Data Breach" Policy;
  - Product manipulation and workplace equipment security training for installers;
  - Energeasy Connect Solution;
  - Primexel Program.

5

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Activity report

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This document is a free translation into English of the activity report for the period ended December 31, 2020 issued in the French language and is provided solely for the convenience of English speaking readers. In the event of any ambiguity or discrepancy between this unofficial translation and the activity report for the period ended December 31, 2020, the French version will prevail.

Pursuant to article 28 of the Regulation (EC) N°809/2004 of the European Commission dated April 29, 2004, the following information is incorporated by reference in this Universal Registration Document :

- the operating and financial review of the Rexel Group for the year ended December 31, 2019, the consolidated financial statements (as well as the related report of the Statutory Auditors) and the annual financial statements (as well as the related report of the Statutory Auditors) which are respectively included in pages 246 to 263, in pages 264 to 336, and 338 to 359, respectively, of the French version of the Universal Registration Document filed with the *Autorité des marchés financiers* on March 9, 2020, under number D.20-0111 ; and
- the operating and financial review of the Rexel Group for the year ended December 31, 2018, the consolidated financial statements (as well as the related report of the Statutory Auditors) and the annual financial statements (as well as the related report of the Statutory Auditors) which are respectively included in pages 228 to 244, in pages 246 to 315, and 316 to 338, respectively, of the French version of the Registration Document filed with the *Autorité des marchés financiers* on April 3, 2019, under number D.19-0264.

The information in these documents that is not incorporated by reference is either irrelevant for the investor or is covered in another section of this Universal Registration Document.

5.1 Activity report

5.1.1 Operating and financial review and prospects

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The Group consists of Rexel and its subsidiaries (herein after referred to as “the Group” or “Rexel”).

The activity report is presented in euros and all numbers are rounded to the nearest tenth of a million, except where otherwise stated. Totals and sub-totals presented in the activity report are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to rounding.

5.1.1.1 Financial position of the Group

5.1.1.1.1 Group Overview

The Group is a worldwide leader in the professional distribution of low and ultra-low voltage electrical products, based on sales and number of branches. The Group principally operates in three geographic areas: Europe, North America and Asia-Pacific. This geographic segmentation is based on the Group’s financial reporting structure.

In 2020, the Group recorded consolidated sales of €12,592.5 million, of which €7,083.3 million were generated in Europe (56% of sales), €4,342.0 million in North America (35% of sales) and €1,167.2 million in Asia-Pacific (9% of sales).

The Group’s activities in Europe (56% of Group sales) are in France (which accounts for 37% of Group sales in this region), the United Kingdom, Germany, Sweden, Switzerland, Belgium, Austria, the Netherlands, Norway, Finland, Spain, Ireland, Italy, Slovenia, Portugal, Russia and Luxembourg.

The Group’s activities in North America (35% of Group sales) are in the United States and Canada. The United States account for 78% of Group sales in this region, and Canada for 22%.

The Group’s activities in Asia-Pacific (9% of Group sales) are in Australia, China, New Zealand, India and Middle East. China accounts for 43% of Group sales in this region and Australia for 42%.

This activity report analyses the Group’s sales, gross profit, distribution and administrative expenses, and operating income before amortization of intangible assets recognized on purchase price allocations and other income and other expenses (EBITA) separately for each of the three geographic segments, as well as for the "Other operations" segment.

5.1.1.1.2 Significant events

Covid-19 has significantly impacted the world economy in 2020. Many countries have imposed travel bans, lockdown and quarantine measures to refrain the outbreak. Businesses dealt with lost revenues and temporarily disrupted supply chains. While some countries had eased the lockdown after the first wave of the pandemic, the release had been gradual in summertime, and sanitary measures were resumed in the fourth quarter of 2020, although to a lesser extent, due to the appearance of a second wave of the Covid-19. As a response to this unprecedented crisis, numerous governments have taken measures to provide both financial and non-financial assistance to the affected entities. As electrical products availability was deemed essential in most of the countries where lockdown measures were implemented, Rexel’s business was not interrupted although adversely impacted by demand decrease, especially in the second quarter of 2020.

The Group reacted to sudden decline of electrical equipment demand, starting in March 2020 in most of the countries, by adapting its operations running with most of its logistic centers and branches remaining open and expanding its offering of digital solutions. The Group implemented action plans that included sanitary measures, cash protection and temporary cost saving measures including part time employment.

In this context, sales were down 17.7% organically in the second quarter of 2020 and shown a good sequential recovery in the third quarter (-4.2%) and in the fourth quarter (-0.7%) as compared to the same periods in 2019. As a result of sales volume decrease, operating income before other income and expenses went down to €526.5 million in 2020 from €663.2 million in 2019. As a percentage of sales, EBITA margin deteriorated only by 67 bps (from 4.9% to 4.3%) other income thanks to active opex management on workforce reduction and leveraging on partial unemployment.

As part of these measures taken by most of the governments to assist entities in the Covid-19 crisis, Rexel benefited from direct subsidies to compensate partial unemployment of its employees that were recognized in profit or loss, as personnel expenses, for €37.6 million.

Expected credit losses were reviewed upwards resulting in a €17.8 million increase of net allowance for account receivables as compared to 2019 reflecting mainly the effect of the Covid-19 crisis.

Moreover, the Group identified, in the first half of 2020, some indicators requiring performing impairment testing of its cash-generating units with goodwill. As a result, a €486.0 million impairment loss was recognized in the first semester ended June 30, 2020, mainly allocated to the following cash-generating units: the United Kingdom, the United States, Canada and Germany.

Consistently with the recognition of goodwill impairment losses, net deferred tax assets were written down by €28.4 million as of December 31, 2020 reflecting remote future taxable gains in some tax jurisdictions (the UK, Germany and New Zealand).

To secure its cash position due to the uncertainty surrounding the effects of the Covid-19 health crisis, the Group partly drew down €550 million of its revolving credit facilities out of €850 million on March 25, 2020.

The cumulative effects of strong Free Cash Flow generation as well as the €153.5 million of cash proceeds on Gexpro Services and export Spanish businesses divestment and the decision by the Board of Directors to cancel its proposal to distribute a dividend allowed the Group:

- to pay off these credit facilities on June 24, 2020; and
- to early repay on December 15, 2020, its 2.625% €300 million senior notes due 2024, resulting in derecognition profit of €4.2 million.

As of December 31, 2020, Rexel's liquidity stood at €1,459 million and was deemed appropriate by the Management to face any amount falling due within the next twelve months and beyond.

5.1.1.1.3 Seasonality

Despite the low impact of seasonality on sales, changes in the Group's working capital requirements lead to variations in cash flows over the course of the year. As a general rule, the Group's EBITA and cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters.

5.1.1.1.4 Impact of changes in copper price

The Group is indirectly exposed to fluctuations in copper price in connection with its distribution of cable products. Cables represent approximately 15% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect suppliers' commercial policies and the competitive environment of markets in which the Group operates. Changes in copper price have an estimated "recurring" and "non-recurring" effect on the Group's performance, assessed as part of the monthly internal reporting process of the Rexel Group:

- The recurring effect related to the change in copper-based cable prices corresponds to the change in the value of the copper included in the sales price of cables from one period to another. This effect mainly relates to sales.
- The non-recurring effect related to the change in copper-based cable prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until such inventory has been rebuilt (direct effect on gross profit). In practice, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, where appropriate, by the non-recurring portion of changes in distribution and administrative expenses (principally the variable portion of compensation of sales personnel, which accounts for approximately 10% of the change in gross profit).

The impact of these two effects is assessed for as much of the Group's total cable sales as possible over each period, and in any case covering at least a majority of sales. Group procedures require entities that do not have information systems capable of such comprehensive calculation to estimate these effects based on a sample representing at least 70% of sales during the period. The results are then extrapolated to all cables sold during the period for that entity. On the basis of the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

5.1.1.1.5 Comparability of the Group's operating results and adjusted EBITA

The Group undertakes acquisitions and disposals that may alter its scope of consolidation from one period to another. Currency exchange rates may also fluctuate significantly. In addition, the number of working days in each period also has an impact on the Group's consolidated sales. Lastly, the Group is exposed to fluctuations in copper price. For these reasons, a comparison of the Group's reported operating results over different periods may not provide a meaningful comparison of its underlying business performance. Therefore, in the analysis of the Group's consolidated results presented below, financial information is also restated to give effect to the following adjustments.

Excluding the effects of acquisitions and disposals

The Group adjusts its results to exclude the effects of acquisitions and disposals. Generally, the Group includes the results of an acquired company in its consolidated financial statements at the date of the acquisition and ceases to include the results of a divested company at the date of its disposal. To neutralize the effects of acquisitions and disposals on the analysis of its operations, the Group compares the results of the current year against the results of the preceding financial year, as if the preceding financial year had the same scope of consolidation for the same periods as the current year.

Excluding the effects of exchange rate fluctuations

Fluctuations in currency rates against the euro affect the value of the Group's sales, expenses and other balance sheet items as well as the income statement. By contrast, the Group has relatively low exposure to currency transaction risk, as cross-border transactions are limited. To neutralize the currency translation effect on the comparability of its results, the Group restates its comparative period results at the current year's exchange rates.

Excluding the non-recurring effect related to changes in copper price

To analyze the financial performance on a constant adjusted basis, the estimated non-recurring effect related to changes in copper-based cable prices, as described in paragraph 5.1.1.1.4 Impact of changes in copper price above, is excluded from the information presented for both the current and the previous periods. Such information is referred to as "adjusted" throughout this activity report.

Excluding the effects of different numbers of working days in each period on sales

The Group's sales in a given period compared with another period are affected by the number of working days, which changes from one period to another. In the analysis of its consolidated sales, the Group neutralizes this effect by proportionally adjusting the comparative sales number of the comparative period to match with the current period's number of working days. No attempt is made to adjust any line items other than sales for this effect, as it is not considered relevant.

Accordingly, in the following discussion of the Group's consolidated results, some or all of the following information is provided for comparison purposes:

- On a constant and actual number of working days basis, which means excluding the effect of acquisitions and disposals and the effect of fluctuations in exchange rates. Such information is used for comparison of sales;
- On a constant and same-day basis, which means on a constant basis (as described above) and restated for the effect of different numbers of working days in each period. Such information is used only for comparisons related to sales; and
- On a constant basis, adjusted, which means on a constant basis (as described above) and adjusted for the estimated non-recurring effect related to changes in copper-based cable prices. Such information is used for comparisons of gross profit, distribution and administrative expenses, and EBITA. This information is not generated directly by the Group's accounting systems but is an estimate of comparable data in accordance with the principles explained above.

The Group uses the "EBITA" and "Adjusted EBITA" measures to monitor its performance. Neither EBITA nor Adjusted EBITA is an accepted accounting measure under IFRS. The table below reconciles reported operating income before other income and other expenses to Adjusted EBITA on a constant basis.

(in millions of euros)	YEAR ENDED DECEMBER 31 2020	2019
Operating income before other income and other expenses	**526.5**	**663.2**
Changes in scope of consolidation	—	(16.1)
Foreign exchange effects	—	(4.5)
Non-recurring effect related to copper	(10.6)	7.6
Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions	10.5	14.3
Adjusted EBITA on a constant basis	**526.4**	**664.4**

5.1.1.2 Comparison of financial results as of December 31, 2020 and as of December 31, 2019

5.1.1.2.1 Rexel Group's consolidated financial results

The following table sets out Rexel's consolidated income statement for 2020 and 2019, in millions of euros and as a percentage of sales.

In addition, the table below sets out the net effect of acquisitions and disposals and the effect of exchange rate fluctuation on prior year comparative figures. This table also presents comparable data adjusted for copper price fluctuation according to paragraph 1.1.4.

	YEAR ENDED DECEMBER 31, 2020		YEAR ENDED DECEMBER 31, 2019		Δ %	
	Reported	**Adjusted**	**Reported**	**On a constant basis, adjusted**	**Reported**	**On a constant basis, adjusted**
Sales	**12,592.5**	**12,592.5**	**13,742.3**	**13,391.6**	**(8.4)%**	**(6.0)%**
Same-day basis						*(6.5)%*
Gross profit	3,103.4	3,092.7	3,432.0	3,350.9	(9.6)%	(7.7)%
as a % of sales	*24.6%*	*24.6%*	*25.0%*	*25.0%*		
Operating expenses	(2,282.5)	(2,282.4)	(2,472.9)	(2,409.2)	(7.7)%	(5.3)%
Depreciation	(283.9)	(283.9)	(281.6)	(277.3)	0.8%	2.4%
Distribution and administrative expenses before amortization of intangible assets	(2,566.4)	(2,566.3)	(2,754.6)	(2,686.5)	(6.8)%	(4.5)%
as a % of sales	*(20.4)%*	*(20.4)%*	*(20.0)%*	*(20.1)%*		
EBITA	**537.0**	**526.4**	**677.5**	**664.4**	**(20.7)%**	**(20.8)%**
as a % of sales	***4.3%***	***4.2%***	***4.9%***	***5.0%***		
Amortization of intangible assets [(1)]	(10.5)	—	(14.3)	—	(26.4)%	—
Operating income before other income and expenses	**526.5**	**—**	**663.2**	**—**	**(20.6)%**	**—**
Other income and expenses	(529.9)	—	(176.8)	—	199.7%	—
Operating income/(loss)	**(3.4)**	**—**	**486.4**	**—**	**n.a.**	**—**
Net financial expenses	(117.2)	—	(165.3)	—	(29.1)%	—
Pre tax income/(loss)	**(120.6)**	**—**	**321.1**	**—**	**n.a.**	
Income taxes	(140.7)	—	(117.3)	—	20.0%	—
Net income/(loss)	**(261.3)**	**—**	**203.8**	**—**	**n.a.**	**—**
Effective tax rate	*n.a.*	—	*36.5%*	—	—	—

(1) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.

Sales

In 2020, Rexel's consolidated sales amounted to €12,592.5 million, as compared to €13,742.3 million in 2019.

On a reported basis, sales were down 8.4% year-on-year, including a negative foreign exchange currency impact of 1.1% and a negative net effect from divestments of 1.5%.

- The negative impact of currency amounted to €150.7 million, mainly due to the depreciation of the US dollar, the Canadian dollar and the Norwegian krone against the euro.
- The negative net effect from the change in structure amounted to €200.0 million, resulting from the divestment of Gexpro Services business (distribution of C-parts products to OEM industries) in the USA and the Spanish export business.

On a constant and same-day basis, sales decreased by 6.5%, including a positive impact of 0.2 percentage point due to change in copper-based cable prices. By geography, North America decreased by 12.3%, Europe decreased by 3.9% while Asia-Pacific increased by 1.6%.

On a constant and actual number of working days basis, sales decreased by 6.0%.

After a strong start to 2020 with solid sales growth, Rexel changed abruptly in mid-March with the spread of the Covid-19 pandemic to virtually all the markets in which it operates, resulting in government-imposed lockdowns. In this context sales were down 10.6% in the first half of 2020 compared to first half of 2019 on a constant and same-day basis. In the second half of 2020, Rexel demonstrated its ability to adapt and respond to a challenging business environment globally posted a strong recovery as compared to the first half of 2020, with a better than expected business activity during this second wave of the Covid-19 outbreak which represented a limited decrease of 2.4% on a constant and same-day basis as compared to the second half of 2019.

The table below summarizes the impact on sales evolution of the number of working days, changes in scope and in currency effects:

	Q1	Q2	Q3	Q4	YEAR ENDED DECEMBER 31, 2020
Growth on a constant and same-days basis	(3.3)%	(17.7)%	(4.2)%	(0.7)%	(6.5)%
Number of working days effect	0.3%	—	0.4%	1.6%	0.5%
Growth on a constant and actual-day basis	**(3.0)%**	**(17.7)%**	**(3.8)%**	**0.9%**	**(6.0)%**
Changes in scope effect	(0.6)%	(1.9)%	(1.7)%	(1.6)%	(1.5)%
Foreign exchange effect	0.9%	0.2%	(2.3)%	(3.0)%	(1.1)%
Total scope and currency effect	**0.3%**	**(1.7)%**	**(4.1)%**	**(4.6)%**	**(2.6)%**
Growth on a reported basis (1)	**(2.7)%**	**(19.1)%**	**(7.7)%**	**(3.7)%**	**(8.4)%**

(1) Growth on a constant basis and actual number of working days compounded by the scope and currency effects.

Gross profit

In 2020, gross profit amounted to €3,103.4 million, down 9.6%, on a reported basis, as compared to €3,432.0 million in 2019 .

On a constant basis, adjusted gross profit decreased by 7.7% and adjusted gross margin temporarily decreased by 46 basis points to 24.6% of sales mainly due to unfavorable country mix and lower supplier rebates.

Distribution & administrative expenses before amortization of intangible assets

In 2020, distribution and administrative expenses before amortization of intangible assets amounted to €2,566.4 million, down 6.8% on a reported basis, as compared to €2,754.6 million in 2019.

On a constant basis, adjusted distribution and administrative expenses decreased by 4.5%, representing 20.4% of sales in 2020 as compared to 20.1% of sales in 2019, mainly reflecting structural cost structure adaptation to mitigate Covid-19 sales drop related impact and government supports.

EBITA

In 2020, as a result, EBITA stood at €537.0 million, down 20.7%, on a reported basis, as compared to €677.5 million in 2019, including a negative foreign exchange currency impact of €4.5 million and a negative net effect from divestment of €16.1 million.

On a constant basis, adjusted EBITA decreased by 20.8% to €526.4 million and adjusted EBITA margin stood at 4.2% of sales, down 78 basis points year-on-year.

Other income and expenses

In 2020, other income and expenses represented a net expense of €529.9 million, consisting mainly of:

- €486.0 million goodwill impairment, of which €162.4 million on the UK, €108.2 million on the USA, €75.2 million on Canada, €74.6 million on Germany, €40.5 million on Australia, €17.5 million on Norway, due to economic environment downturn as a result of the Covid-19 health crisis;
- €26.1 million restructuring plans mostly incurred in China, Germany, US, Sweden, and the UK;
- €32.5 million fair value adjustments of assets held for sale in connection with the expected divestment of Rexel Arabia Electrical Supplies and an electrical distribution to DIY customers business in France.

Partly offset by:

- €5.7 million disposal gains of Gexpro Services business in USA and a Spanish export business;
- €13.7 million gain mainly related to real estate properties divestments.

In 2019, other income and expenses represented a net expense of €176.8 million, consisting mainly of:

- €118.0 million goodwill and other intangible assets with indefinite life impairment, of which €58.9 million allocated to Norway, €22.0 million to New Zealand, €21.3 million to the UK, €9.3 million to Finland and €6.6 million to Middle East;
- €32.6 million restructuring plans mostly incurred in connection with the:
  - Turn-around of the UK operations including footprint reduction, closing of the national distribution center, optimization of the product offering plan and change in management team;
  - Transformation plan in Germany;
  - Reduction in work force in some region in the USA.
- €24.0 million other non-recurring expenses including: (i) professional fees relating to business transformation and development projects, acquisition and divestment projects, forensic & legal investigations, (ii) senior executives employment contract termination costs, and (iii) a settlement loss in connection with the wind-up of a multi-employee defined pension scheme in the USA;
- €17.2 million fair value adjustments of assets held for sale in connection with the expected divestments from the US non-core Gexpro Services business and a Spanish export business.

Partly offset by €19.5 million disposal gains consisting mainly in a €6.5 million gain as a result of the divestment in a joint-venture in China (Rexel Hailongxing), €7.0 million building disposal gains and €5.6 million exchange gain related to the liquidation of a dormant affiliate in Czech Republic.

Net Financial expenses

Net financial expenses were €117.2 million in 2020 compared to €165.3 million in 2019, of which €42.7 million of lease interest expenses in 2020 compared to €45.5 million in 2019.

Excluding lease interest expenses, net financial expenses decreased from €119.8 million in 2019 to €74.5 million in 2020.

In 2019, net financial expenses included a €20.8 million one-off loss related to the early repayment of the €650 million senior notes due 2023. In 2020, the early repayment of the €300 million senior notes due 2024 resulted in a €4.2 million gain.

Excluding the above impacts, net financial expenses were down €20.3 million in 2020 compared to 2019 mainly due to the combined effect of lower effective interest rate and reduced average gross debt. Effective interest rate of the gross financial debt stood at 2.45% down 17 basis points, year-on-year.

Tax expense

Tax expense were €140.7 million compared to €117.3 million in 2019.

In 2020 tax expense included a €28.4 million deferred tax asset write-down (€5.5 million in 2019) mainly in the UK, Germany and New Zealand. In 2019, tax expense comprised a €29.5 million gain in connection with the release of a reserve on disputed interest expenses tax deductibility following the decision of the Appeal Court in favor of Rexel.

Excluding these non-recurring items, tax expense decreased from €141.3 million in 2019 to €112.3 million in 2020 as a result of the combined effects of lower profit before tax excluding non-tax-deductible goodwill impairment loss which stood at €365.4 million in 2020 as compared to

€419.1 million in 2019 and the decrease in legal tax rate in France (from 34.43% to 32.02%) and in Belgium (from 29.6% to 25.0%).

Net income/(loss)

As a result of the above items, net loss stood at €261.3 million in 2020, as compared to a net income of €203.8 million in 2019.

5.1.1.2.2 Europe (56% of Group sales)

	YEAR ENDED DECEMBER 31, 2020		YEAR ENDED DECEMBER 31, 2019		Δ %	
	Reported	**Adjusted**	**Reported**	**On a constant basis, adjusted**	**Reported**	**On a constant basis, adjusted**
Sales	**7,083.3**	**7,083.3**	**7,331.5**	**7,312.7**	**(3.4)%**	**(3.1)%**
Same-day basis						*(3.9)%*
Gross profit	1,899.8	1,896.0	1,999.7	2,000.0	(5.0)%	(5.2)%
as a % of sales	*26.8%*	*26.8%*	*27.3%*	*27.3%*		
Operating expenses	(1,361.4)	(1,361.3)	(1,397.2)	(1,393.7)	(2.6)%	(2.3)%
Depreciation	(158.6)	(158.6)	(156.8)	(156.6)	1.2%	1.3%
Distribution and administrative expenses before amortization of intangible assets	(1,520.1)	(1,520.0)	(1,554.0)	(1,550.2)	(2.2)%	(2.0)%
as a % of sales	*(21.5)%*	*(21.5)%*	*(21.2)%*	*(21.2)%*		
EBITA	**379.8**	**376.0**	**445.7**	**449.8**	**(14.8)%**	**(16.4)%**
as a % of sales	*5.4%*	*5.3%*	*6.1%*	*6.2%*		

Sales

In 2020, sales in Europe amounted to €7,083.3 million, down 3.4% on a reported basis, as compared to €7,331.5 million in 2019.

Exchange rate variations accounted for a decrease of €6.9 million, mainly due to the depreciation of the Norwegian krone and British pound against euro partly offset by the appreciation on the Swiss franc against the euro.

The negative net effect of change in structure of €11.9 million was associated to the divestment of the Spanish export business.

On a constant and same-day basis, sales decreased by 3.9% as compared to 2019, including the negative impact of 0.1 percentage point due to the lower copper-based cable prices.

On a constant and actual number of working days basis, sales decreased by 3.1%, impacted by a favorable calendar impact of 0.8 percentage point.

In France, sales amounted to €2,637.4 million in 2020, a decrease of 6.5% as compared to 2019 on a constant and same-day basis, reflecting a strong rebound in the second half of 2020 up 2.6% as compared to the second half of 2019, thanks to the residential market (proximity business) and the specialty business HVAC (Heating, Ventilation and Air Conditioning) who showed resilience throughout the year.

In Scandinavia sales amounted to €981.2 million in 2020, an increase of 3.5% from 2019 on a constant and same-day basis, with Sweden flat compared to 2019 with a good demand from small & medium electrical contractors and Utility business. In Norway, sales amounted to +8.2% on a constant and same-day basis benefiting from significant price increase offsetting the impact on imported products of the Norwegian Krone's depreciation. This good momentum throughout the year was mainly fueled by Utility business and C&I, partially offset by industry slowdown (difficult market environment). Finland sales were up 7.4% on a constant and same-day basis sustained by a good momentum in all segments except industry.

In the Netherlands, sales amounted to €330.7 million in 2020, an increase by 1.3% from 2019 on a constant and same-day basis, widely driven by good developments for most customer segments and products (notably residential market). In Belgium, sales amounted to €442.1 million in 2020, up 1.3% on a constant and same-day basis, with a strong performance in the second half of 2020, up 9.4% notably driven by residential and photovoltaic equipment in the Flemish part of the country as Government subsidies ended in December 2020.

In Germany, sales stood at €693.3 million in 2020, a 6.4% increase compared to 2019 on a constant and same-day basis, reflecting strong performance in residential market (proximity business) and commercial segment benefiting from the reorganization measures.

In the United Kingdom, sales amounted to €604.3 million in 2020, a decrease of 17.5% from 2019 on a constant and same-day basis, in a deteriorating market environment notably due to uncertainty around Brexit. Slow recovery started in August with a 8.2% decrease in the fourth quarter reflecting the first benefits of the reorganization focusing on proximity and digitalization.

In Switzerland and Austria, sales amounted respectively to €497.9 million and €383.2 million in 2020. Sales in Switzerland decreased by 1.5% from 2019, on a constant and same-day basis. In the fourth quarter of 2020, sales were up 3.1% as compared to the fourth quarter of 2019 reflecting a solid rebound driven by building installation equipment. Sales in Austria increased by 2.4% from 2019, on a constant and same-day basis sustained by a strong recovery in the second half of 2020, up 6.6% as compared to the second half of 2019 driven by a good performance in the residential end-market.

Gross profit

In 2020, on a constant basis, adjusted gross profit decreased by 5.2% and adjusted gross margin decreased by 58 basis points to 26.8% of sales due to unfavorable country mix with decreasing sales in France (accretive in gross margin) and sales growth in Germany (at a lower gross margin rate in the region). Moreover, adjusted gross margin was negatively impacted by supplier rebates, as a consequence of lower purchases volume in 2020.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets decreased by 2.0% in 2020, representing 21.5% of sales in 2020, a 26 basis points deterioration as compared to 2019, reflecting lower volume partly offset by temporary opex reduction including governmental supports and by more structural measures to adjust to lower sales. As of December 31, 2020, workforce was reduced by 3.7% as compared to last year.

EBITA

In 2020, as a result, on a reported basis, EBITA amounted to €379.8 million, down 14.8% as compared to €445.7 million in 2019, including a positive foreign exchange currency impact of €1.1 million.

On a constant basis, adjusted EBITA decreased by 16.4% as compared to 2019 and adjusted EBITA margin decreased by 84 basis points to 5.3% of sales.

5.1.1.2.3 North America (35% of Group sales)

	YEAR ENDED DECEMBER 31, 2020		YEAR ENDED DECEMBER 31, 2019		Δ %	
	Reported	**Adjusted**	**Reported**	**On a constant basis, adjusted**	**Reported**	**On a constant basis, adjusted**
Sales	**4,342.0**	**4,342.0**	**5,233.0**	**4,931.0**	**(17.0)%**	**(11.9)%**
Same-day basis						*(12.3)%*
Gross profit	1,002.2	995.3	1,218.2	1,142.4	(17.7)%	(12.9)%
as a % of sales	*23.1%*	*22.9%*	*23.3%*	*23.2%*		
Operating expenses	(752.2)	(752.2)	(908.6)	(852.4)	(17.2)%	(11.7)%
Depreciation	(81.4)	(81.4)	(83.0)	(79.7)	(2.0)%	2.1%
Distribution and administrative expenses before amortization of intangible assets	(833.6)	(833.6)	(991.6)	(932.1)	(15.9)%	(10.6)%
as a % of sales	*(19.2)%*	*(19.2)%*	*(18.9)%*	*(18.9)%*		
EBITA	**168.6**	**161.7**	**226.6**	**210.3**	**(25.6)%**	**(23.1)%**
as a % of sales	*3.9%*	*3.7%*	*4.3%*	*4.3%*		

Sales

In 2020, sales in North America amounted to €4,342.0 million, down 17.0%, on a reported basis, as compared to €5,233.0 million in 2019.

Exchange rate variations accounted for a decrease of €113.8 million, mainly due to the depreciation of the US dollar against the euro.

The negative net effect of change in structure of €188.1 million was associated to the divestment, end of February 2020, of Gexpro Services business (distribution of C-parts products to OEM industries) in the USA.

On a constant and same-day basis, sales decreased by 12.3% as compared to 2019, including the positive impact of 0.5 percentage point due to higher copper-based cable prices.

In the United States, sales stood at €3,390.0 million in 2020, a 12.6% decrease from 2019 on a constant and same-day basis. The country was hardly hit by the pandemic resulting in a 22.8% drop in the second quarter of 2020, followed by a slight sequential improvement in the third quarter of 2020 with a 12.9% decrease. In the fourth quarter of 2020, sales were down 7.7% with a better resilience in Northwest, Mountain plains and Florida sustained by market share gains and proximity business. However, the other regions faced a more challenging situation due to commercial projects cancellation, lower demand in heavy industry and in Oil ans Gas business.

In Canada, sales amounted to €952.1 million in 2020, a 11.0% decrease from 2019 on a constant and same-day basis. The country followed the same pattern as the United States with a large drop of 23.6% in the second quarter of 2020, preceding a slow improvement in the third and fourth quarters of 2020 respectively down 12.3% and 8.2%. In the fourth quarter of 2020, the slight improvement came from better automation business in OEM (Original Equipment manufacturer) and auto, petrochemicals and large industrial contractors.

Gross profit

On a constant basis, adjusted gross profit decreased by 12.9% and adjusted gross margin decreased by 25 basis points to 22.9% of sales mainly driven by lower rebates level in the US as a consequence of lower purchases level and stock obsolescence issues in both countries partly offset by pricing initiatives in both countries.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets decreased by 10.6%, representing 19.2% of sales in 2020, a 30 basis points deterioration as compared to the 18.9% in 2019, mainly due to lower volume in the United States offsetting temporary costs reduction initiatives, especially on workforce and permanent measures to adjust to lower activity. As of December 31, 2020, workforce was reduced by 10.4% as compared to last year.

EBITA

In 2020, as a result, EBITA amounted to €168.6 million, down 25.6%, on a reported basis, as compared to €226.6 million in 2019, including a negative foreign exchange currency impact of €4.9 million.

On a constant basis, adjusted EBITA decreased by 23.1% from 2019 and adjusted EBITA margin decreased by 54 basis points to 3.7% of sales.

5.1.1.2.4 Asia-Pacific (9% of Group sales)

	YEAR ENDED DECEMBER 31, 2020		YEAR ENDED DECEMBER 31, 2019		Δ %	
	Reported	**Adjusted**	**Reported**	**On a constant basis, adjusted**	**Reported**	**On a constant basis, adjusted**
Sales	**1,167.2**	**1,167.2**	**1,177.9**	**1,147.9**	**(0.9)%**	**1.7%**
Same-day basis						*1.6%*
Gross profit	200.8	200.8	214.2	208.5	(6.3)%	(3.7)%
as a % of sales	*17.2%*	*17.2%*	*18.2%*	*18.2%*		
Operating expenses	(153.1)	(153.1)	(159.8)	(155.8)	(4.2)%	(1.7)%
Depreciation	(25.8)	(25.8)	(26.8)	(26.1)	(4.0)%	(1.2)%
Distribution and administrative expenses before amortization of intangible assets	(178.9)	(178.9)	(186.7)	(181.9)	(4.2)%	(1.6)%
as a % of sales	*(15.3)%*	*(15.3)%*	*(15.8)%*	*(15.8)%*		*0.5%*
EBITA	**21.9**	**21.9**	**27.5**	**26.6**	**(20.5)%**	**(17.8)%**
as a % of sales	*1.9%*	*1.9%*	*2.3%*	*2.3%*		

Sales

In 2020, sales in Asia-Pacific amounted to €1,167.2 million, down 0.9%, on a reported basis, as compared to €1,177.9 million in 2019.

Exchange rate variations accounted for a decrease of €30.0 million, mainly due to the depreciation of Australian dollar against the euro.

On a constant and same-day basis, sales increased by 1.6% as compared to 2019, including the positive impact of 0.3 percentage point due to the higher copper-based cable prices.

In Australia, sales amounted to €484.5 million in 2020, stable year-on-year, on a constant and same-day basis. In the fourth quarter sales were up 1.2% as compared to the fourth quarter of 2019 back to organic growth after a 1.2% drop in sales in the third quarter of 2020, driven by a good momentum on proximity business offsetting the loss of two industrial contracts which contributed for -3.5% in the fourth quarter of 2020.

In China, sales amounted to €504.8 million in 2020, a 6.9% increase compared to 2019, on a constant and same-day basis. Sales in China were impacted earlier than others by the Covid-19 crisis with significant drop in sales in the first quarter. In the second quarter sales were up 13.9% and 17.0% in the second semester as compared to last year, on a constant and same-day basis driven by growing automation demand, government spending in infrastructure and a large aerospace contract.

In addition, Asia–Pacific performance was impacted by a complete lockdown of New Zealand, India and Middle East especially in first half of 2020, these countries are now in a recovery path but at a slower pace for New Zealand.

Gross profit

In 2020, on a constant basis, adjusted gross profit decreased by 3.7% and adjusted gross margin decreased by 96 basis-point to 17.2% of sales, mainly impacted by a lower commercial margin in China due to the customer mix and lower supplier rebates due to lower activity in Pacific countries.

Distribution & administrative expenses before amortization of intangible assets

On a constant basis, adjusted distribution and administrative expenses before amortization of intangible assets decreased by 1.6% as compared to 2019, representing 15.3% of sales in 2020, a 52 basis-point improvement as compared to 2019, reflecting structural measures to reduce opex combined with temporary government subsidies. As of December 31, 2020, workforce was reduced by 3.0% as compared to last year.

EBITA

In 2020, as a result, EBITA amounted to €21.9 million, down 20.5%, on a reported basis, as compared to €27.5 million in 2019.

On a constant basis, adjusted EBITA decreased by 17.8% from 2019 and adjusted EBITA margin decreased by 45 basis points to 1.9% of sales.

5.1.1.2.5 Other operations

	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019	Δ %
	Reported	**Reported**	**Reported**
Sales	**—**	**—**	**—**
Gross profit	0.6	—	—
Operating expenses	(15.7)	(7.3)	114.5%
Depreciation	(18.1)	(15.0)	20.7%
Distribution and administrative expenses	(33.8)	(22.3)	51.6%
EBITA	**(33.2)**	**(22.3)**	**(48.8)%**

This segment mostly includes unallocated corporate-hosted expenses. In 2020, EBITA was negative by €33.2 million compared to €22.3 million in 2019, back to a normalized level of overhead costs in 2020 where 2019 was particularly at a low point.

5.1.2 Liquidity and capital resources

5.1.2.1 Cash flow

The following table sets out Rexel's cash flow statement for 2020 and 2019 together with a reconciliation of free cash flow before and after interest and income tax paid.

(in millions of euros)	YEAR ENDED DECEMBER 31, 2020	YEAR ENDED DECEMBER 31, 2019	**Change**
Operating cash flow before interest and taxes	739.5	823.3	(83.8)
Financial interest on borrowings paid (1)	(66.5)	(82.3)	15.9
Income tax paid	(88.5)	(118.2)	29.7
Operating cash flow before change in working capital	**584.4**	**622.7**	**(38.3)**
Change in working capital requirements	122.5	(70.0)	192.5
Net cash flow from operating activities	**706.9**	**552.7**	**154.2**
Net cash flow from investing activities	**67.6**	**(118.2)**	**185.9**
o.w. Operating capital expenditures (2)	*(76.6)*	*(116.5)*	*39.9*
Net cash flow from financing activities (3)	**(580.2)**	**(456.3)**	**(123.8)**
Net cash flow	**194.4**	**(21.9)**	**216.2**
Operating cash flow	739.5	823.3	(83.8)
Repayment of lease liabilities	(172.3)	(175.2)	2.8
Change in working capital requirements	122.5	(70.0)	192.5
Operating capital expenditures	(76.6)	(116.5)	39.9
Free cash flow before interest and taxes	**613.0**	**461.6**	**151.4**
Financial interest on borrowings paid	(66.5)	(82.3)	15.9
Income tax paid	(88.5)	(118.2)	29.7
Free cash flow after interest and taxes	**458.0**	**261.0**	**196.9**
Total Free cash flow after interest and taxes	**458.0**	**261.0**	**196.9**

	AS OF DECEMBER 31	
	2020	**2019**
Working capital requirement as a % of sales (4) at:		
Constant basis	10.7%	11.3%

(1) Excluding interest on lease liabilities.
(2) Net of disposals.
(3) Including lease liabilities repayment.
(4) Working capital requirements, end of period, divided by last 12-month sales.

5.1.2.1.1 Cash flow from operating activities

Rexel's net cash flow from operating activities was an inflow of €706.9 million in 2020 compared to €552.7 million in 2019.

Operating cash flow

Operating cash flow before interest, income tax and changes decreased from €823.3 million in 2019 to €739.5 million in 2020 mainly due to sales drop in 2020 as compared to 2019, and EBITA declined as a result of the adverse impact of the Covid-19 health crisis in 2020.

Interest and taxes

Net interest paid decreased from €82.3 million in 2019 to €66.5 million in 2020 reflecting both a lower effective interest rate in 2020 as compared to 2019 and the reduction of the average indebtedness.

Income tax paid decreased by €29.7 million from €118.2 million in 2019 to €88.5 million in 2020 as a result of lower taxable income in 2020 due to sales decrease.

Change in working capital requirements

Change in working capital requirements accounted for an inflow of €122.5 million in 2020 as compared to a €70.0 million outflow in 2019. In 2020, net inventories and net trade receivables contributed respectively for a €113.7 million and €87.4 million to change in working capital requirements (respectively a €62.7 million outflow and a €18.7 million inflow in 2019) driven by lower activity along with initiatives to reduce inventory. Also, supplier rebates receivables contributed for a €59.9 million inflow in 2020 (€22.1 million outflow in 2019) as a result of sales decrease.

Working capital requirements as of December 31, 2020

As a percentage of sales over the last 12 months, on a constant basis, working capital requirements amounted for 10.7% of sales as of December 31, 2020, as compared to 11.3% as of December 31, 2019. This 51 basis-point improvement on working capital requirements was primarily associated with inventory management reflecting an improvement by 5 days of inventories, better collection of trade receivables resulting in a decrease of 5 days of sales outstanding partly offset by a 5 days decrease in days of payables outstanding (on a constant basis) as of December 31, 2020 as compared to December 31, 2019. Moreover, lower level of activity contributed to the reduction of working capital requirements associated with taxes and supplier rebates receivables.

5.1.2.1.2 Cash flow from investing activities

Cash flow from investing activities consisting of acquisitions and disposals of fixed assets, as well as financial investments, amounted to a €67.6 million inflow in 2020, as compared to €118.2 million outflow in 2019.

	YEAR ENDED DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Acquisitions of operating fixed assets	(112.0)	(125.5)
Proceed from disposal of operating fixed assets	33.0	7.9
Net change in debts and receivables on fixed assets	2.4	1.2
Net cash flow from capital expenditures	**(76.6)**	**(116.5)**
Acquisition of subsidiaries, net of cash acquired	(5.0)	(4.2)
Proceeds from disposal of subsidiaries, net of cash disposed of	153.5	6.5
Net cash flow from financial investments	**148.5**	**2.3**
Net change in long-term investments	**(4.3)**	**(4.0)**
Net cash flow from investing activities	**67.6**	**(118.2)**

Acquisitions and disposals of operating fixed assets

Acquisitions of operating fixed assets, net of disposals, accounted for an outflow of €76.6 million in 2020, as compared to €116.5 million in 2019.

In 2020, gross capital expenditures stood at €112.0 million (€125.5 million in 2019), mainly in information technology and digital transformation projects. IT and Digital projects represented 57% of the total gross capex in 2020 (62% in 2019). Disposals of fixed assets were €33.0 million (€7.9 million in 2019) mainly driven by real estate properties disposals.

Acquisitions and disposals of subsidiaries

Net cash flow from financial investments accounted for an inflow of €148.5 million in 2020 in connection with the net proceeds from disposal of Gexpro Services business in the USA.

5.1.2.1.3 Cash flow from financing activities

In 2020, net cash flow from financing activities represented a net cash outflow of €580.2 million, mainly resulting from the:

- Repayment of the €300 million senior notes due 2024 for a total amount of €303.9 million including a redemption premium of €3.9 million;
- €172.3 million lease liabilities repayment; and
- €93.0 million decrease in assigned receivables associated with securitization programs.

In 2019, net cash flow from financing activities represented a net cash outflow of €456.3 million, mainly resulting from the:

- Repayment of the €650 million senior notes due 2023 for a total amount of €666.9 million including a redemption premium of €16.9 million;
- €175.2 million lease liabilities repayment;
- Dividend distribution of €133.0 million;
- €71.6 million decrease in assigned receivables associated with securitization programs.

Partly offset by the:

- €600 million issuance of senior notes due 2026 with coupons of 2.75% for an amount net of transaction costs of €594 million.

5.1.2.2 Sources of financing

In addition to the cash from operations, the Group's main sources of financing are bond issuances, securitization programs and multilateral credit lines.

At December 31, 2020, Rexel's consolidated net debt amounted to €1,334.9 million, consisting of the following items :

	AS OF DECEMBER 31					
	2020			2019		
(in millions of euros)	CURRENT	NON CURRENT	TOTAL	CURRENT	NON CURRENT	TOTAL
Senior notes	—	1,105.5	1,105.5	—	1,413.4	1,413.4
Securitization	0.4	818.0	818.4	620.0	332.9	952.9
Bank loans	8.1	0.3	8.5	13.0	0.9	13.9
Commercial paper	50.0	—	50.0	50.0	—	50.0
Bank overdrafts and other credit facilities	58.6	—	58.6	65.5	—	65.5
Accrued interests	3.6	—	3.6	4.6	—	4.6
Less transaction costs	(3.7)	(8.6)	(12.3)	(4.2)	(14.1)	(18.4)
Total financial debt and accrued interest	**117.0**	**1,915.2**	**2,032.2**	**748.8**	**1,733.1**	**2,481.8**
Cash and cash equivalents			(685.4)			(514.3)
Accrued interest receivable			(0.8)			(2.0)
Debt hedge derivatives			(11.1)			(19.6)
Net financial debt			**1,334.9**			**1,945.9**

At December 31, 2020, the Group's liquidity amounted to €1,459.5 million (€1,284.5 million at December 31, 2019).

	DECEMBER 31	
In millions of euros	2020	2019
Cash and cash equivalents	685.4	514.3
Bank overdrafts	(58.6)	(65.5)
Commercial paper	(50.0)	(50.0)
Undrawn Senior Credit Agreement	850.0	850.0
Bilateral facilities	32.6	35.6
Liquidity	**1,459.5**	**1,284.5**

At December 31, 2020, Rexel's ratings by the financial rating agencies were as follows:

	DECEMBER 31, 2020	
Rating agency	Moody's	Standard & Poor's
Long-term rating	Ba2	BB
Short-term rating	–	B
Outlook	Stable	Stable

Senior Credit Facility Agreement

Under the Senior Credit Facility Agreement, Rexel must maintain a leverage ratio below 3.50 times as at June 30 and December 31 of each year. The indebtedness ratio, as calculated under the terms of the Senior Credit Agreement, stood at 2.14x as of December 31, 2020 (as compared to 2.47x as December 31, 2019).

5.1.3 Outlook

The objectives and forecast presented in this section have been determined on the basis of data, assumptions and estimates that are considered reasonable by the Rexel Group's management. These data, assumptions and estimates may change as a result of uncertainties relating to, among other things, the economic, financial, accounting, competitive and regulatory environment, or other factors that are currently unknown to the Rexel Group as of the date of this document. In addition, the occurrence of certain of the risks described in chapter 2 "Risk Factors and Internal Control" of this Registration document could have an impact on the business, the financial condition, and the results of operations of the Rexel Group and hence its ability to achieve these objectives and forecasts. The Rexel Group can give no assurances and provide no guarantee that the following objectives and forecast will be met.

5.1.3.1 Comparison between the Rexel Group 2020 forecasts and achievements

For 2020, Rexel had expressed the following forecast, on the basis of the assumptions set forth in the Universal registration document filed with the *Autorité des marchés financiers* on March 9, 2020 under number D.20-0111. Rexel targeted, at comparable scope of consolidation and exchange rates:

- Adjusted EBITA growth of between 2% and 5%;
- Free Cash Flow conversion of circa 65%;
- Further improvement of the indebtedness ratio (Net Debt/EBITDA after Leases).

On March 25, 2020, Rexel suspended its 2020 guidance which was no longer relevant in the current unprecedented Covid-19 environment.

On December 3, 2020, Rexel provided a trading update on its outlook for full-year 2020:

- Limited actual day sales drop in full-year to circa 7%;
- Adjusted EBITA margin at circa 4.1%;
- Free Cash Flow before Interest and Tax of at least €500 million in 2020, implying a minimum Free Cash Flow conversion of 90% and a Net debt/EBITDA after Leases ratio of circa 2.5x in December 2020, as calculated under the Senior Credit Agreement terms.

On February 11, 2021, Rexel released its 2020 full year results, above its objectives:

- Actual day sales decreased by 6.0% in full-year 2020;
- Adjusted EBITA margin stood at 4.2%;
- Free Cash Flow before Interest and Tax amounted to €613 million in 2020, implying a Free Cash Flow conversion of 101.2% and a Net debt/EBITDA after Leases ratio of 2.14x in December 2020, as calculated under the Senior Credit Agreement terms.

5.1.3.2 Rexel 2021 forecasts

Leveraging on its continuous efforts, Rexel targets for 2021, at comparable scope of consolidation and exchange rates, assuming an improvement in the sanitary situation as vaccines become available:

- Same day sales growth of between 5% and 7%;
- An adjusted EBITA margin of circa 5%;
- Free cash flow conversion above 60%.

The above forecasts were prepared on the basis of the accounting principles adopted by the Group to prepare its consolidated financial statements for the financial year ended December 31, 2020. Furthermore, these forecasts, and the underlying assumptions, were also established in application of the provisions of Delegated Regulation (EU) No 2019/980 and the ESMA (European Securities and Markets Authority) recommendations relating to forecasts. The foregoing forecasts are based on data, assumptions and estimates deemed reasonable by the management of the Group. These data, assumptions and estimates may change due to uncertainties related, among other things, to the economic, financial, accounting, competitive and regulatory environment, or to other factors currently unknown to the Group on the date of recording of this Universal registration document, and in particular, the uncertainty surrounding the potential effects of the coronavirus epidemic on the business. In addition, the occurrence of some of the risks described in Chapter 2 "Risk factors" could have an impact on the Group's ability to achieve these objectives. The Group can give no assurance and provides no guarantee that the forecasts mentioned above will be achieved.

5.1.3.3 Rexel mid-term ambition

Rexel proved its agility and adaptability to address short terms headwinds, as illustrated by the strong reduction in operating expenses carried out over the past year, and robust and resilient free cash flow generation across the cycle.

After leading Rexel's transformation, the company's strengthened and experienced management team is fully focused on driving execution to deliver the following targets in the 2021-2023 period:

- Growth in revenue: outperform the market by 50 bps to 100 bps;
- Improvement in profitability: Adjusted EBITA margin from around 5% in 2021 to above 6.0% in 2023 at constant scope and circa 6.5% including potential portfolio management;
- Enhanced cash generation: Free Cash Flow before Interest and Tax conversion rate above 60%;
- Balanced capital allocation:
  - A dividend policy of at least 40% of recurring net income;
  - Normalized capital expenditures to sales level of circa 0.9%;
- Balance sheet optimization: Net Debt/EBITDA after Leases ratio of around 2.5x, as calculated under the Senior Credit Agreement terms, to create value by seizing market opportunities or increasing return to shareholders.

ESG targets for 2030 are also embedded in Rexel's ambition: a 35% reduction in CO_2 emissions of its operations (compared to 2016, scope 1&2) and a 45% reduction in CO_2 emissions from the use of products sold (compared to 2016, scope 3).

5.1.4 Dividend policy

The Board of Directors may propose a dividend distribution to the Shareholders' Meeting. Dividends that have not been claimed within five years after their payment date are transferred to the French State.

Rexel's medium-term objective is to generate a solid available cash flow before interest and taxes, thanks to a low capital intensity and a tight management of the working capital requirement, allowing for, *inter alia*, the funding of an attractive dividend representing at least 40% of the recurring net result.

In respect of the financial year ended on December 31, 2020, the Board of Directors will submit a proposal to the Shareholders' Meeting to be held on April 22, 2021, to distribute an amount of €0.46 per share, deducted from premium, payable in cash in early may 2021, in order to enable Rexel to comply with its commitments as regards the distribution of dividends to the shareholders.

Rexel has distributed the following amounts in respect of the last three financial years:

YEAR	TOTAL AMOUNTS DISTRIBUTED	AMOUNT DISTRIBUTED PER SHARE
2020	€139,507,247	€0.46 (*)
2019	–	–
2018	€132,965,266	€0.44

(*) Amount subject to the approval of the shareholders upon the Shareholders' Meeting.

5.1.5 Significant changes in the issuer's financial or commercial position

On February 2, 2021 Rexel Canada has acquired the Canadian Utility business of WESCO International ("WESCO Canada Utility"). The acquisition of WESCO Canada Utility will provide Rexel Canada with enhanced development opportunities in an attractive and resilient business. It also allows Rexel Canada to offer a complementary range of products to its existing utility contractor customer base and to further expand its footprint in the country. WESCO Canada Utility's sales stood over CAD 70 million in 2020. Due to local market dynamics, the Group does not want to disclose the purchase price at this stage.

This acquisition will be consolidated in 2021.

5.1.6 Information on payments terms granted to suppliers and customers of Rexel

Invoices received or issued, unpaid or overdue as at December 31, 2020 (article D.441-4 I of the French Commercial Code)

	ARTICLE D.441-4 I. 1°: INVOICES RECEIVED, UNPAID AS OF DECEMBER 31, 2020	ARTICLE D.441-4 I. 2°: INVOICES ISSUED, UNPAID AS OF DECEMBER 31, 2020
(A) Overdue invoices		
Number of invoices concerned	5	—
Total amount of invoices concerned (including taxes) (in thousands of euros)	3	
Percentage of total purchases for the year (excluding taxes)	0.02%	
Percentage of sales for the year (excluding taxes)		
(B) Invoices excluded from (A) relating to payables and receivables in dispute or not recognized		
Number of excluded invoices	2	
Total amount of excluded invoices (including taxes) (in thousands of euros)	7	
(C) Benchmark payment terms used (contractual or statutory terms – article L.441-6 or article L.443-1 of the French Commercial Code)		
Payment terms used to calculate overdue payments	Contractual terms: 30 days average Statutory terms: NA	Contractual terms: 30 days average Statutory terms: NA

5.1.7 Company results over the last five years (As required by article R.225-102 of the French commercial decree)

(in euros)	January 1 to December 31 2016	January 1 to December 31 2017	January 1 to December 31 2018	January 1 to December 31 2019	January 1 to December 31 2020
SHARE CAPITAL AT YEAR END					
a) Share capital	1,514,490,115	1,516,715,885	1,519,944,495	1,520,510,065	1,522,125,530
b) Number of issued shares	302,898,023	303,343,177	303,988,899	304,102,013	304,425,106
c) Number of convertible bonds	—	—	—	—	—
INCOME STATEMENT INFORMATION					
a) Sales, excluding sales taxes	1,544,737	1,900,545	2,234,707	1,256,921	1,437,674
b) Net income before taxes, depreciation and provisions	216,217,885	(70,780,934)	(27,864,731)	(74,281,399)	(44,758,027)
c) Income taxes	(44,184,303)	(86,022,026)	(54,447,774)	(58,111,590)	(46,428,531)
d) Net income	260,711,376	14,281,261	26,018,952	(14,542,954)	(6,783,866)
e) Amount distributed	120,822,691	126,851,362	132,965,266	—	139,507,247[(1)]
EARNINGS PER SHARE					
a) Earnings per share after taxes but before depreciation and provisions	0.86	0.05	0.09	(0.05)	0.01
b) Earnings per share after taxes, depreciation and provisions	0.86	0.05	0.09	(0.05)	(0.02)
c) Amount paid per share	0.40	0.42	0.44	—	0.46[(1)]
PERSONNEL					
a) Number of employees	—	—	—	—	—
b) Total remuneration	—	—	—	—	—
c) Total social charges and other personnel related expenses	—	—	—	—	—

(1) Proposed distribution to be voted at the annual general meeting April 22, 2021.

5.2

CONSOLIDATED FINANCIAL STATEMENTS

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Pursuant to article 28 of the Regulation (EC) N°809/2004 of the European Commission dated April 29, 2004, the following information is incorporated by reference in this Registration document:

- the consolidated financial statements and the audit report for the financial year ended December 31, 2019, set out on pages 264 to 336 of the French version of the Universal Registration Document for the financial year ended December 31, 2019, filed with the AMF on March 9, 2020, under number D.20-0111; and
- the consolidated financial statements and the audit report for the financial year ended December 31, 2018, set out on pages 246 to 315 of the French version of the Registration Document for the financial year ended December 31, 2018, filed with the AMF on April 3, 2019, under number D.19-0264.

5.2 Consolidated financial statements

5.2.1 Consolidated financial statements as of December 31, 2020

Consolidated Statement of Profit or Loss

(in millions of euros)	**Note**	FOR THE YEAR ENDED DECEMBER 31 **2020**	**2019**
Sales	5	12,592.5	13,742.3
Cost of goods sold		(9,489.0)	(10,310.3)
Gross profit		**3,103.4**	**3,432.0**
Distribution and administrative expenses	6	(2,576.9)	(2,768.8)
Operating income before other income and expenses		**526.5**	**663.2**
Other income	8	25.0	26.9
Other expenses	8	(554.9)	(203.7)
Operating income		**(3.4)**	**486.4**
Financial income		3.8	2.7
Interest expense on borrowings		(65.7)	(71.8)
Non-recurring redemption gain (loss)		4.2	(20.8)
Other financial expenses		(59.5)	(75.4)
Net financial expenses	9	**(117.2)**	**(165.3)**
Net income before income tax		**(120.6)**	**321.1**
Income tax	10	(140.7)	(117.3)
Net income		**(261.3)**	**203.8**
Portion attributable:			
to the equity holders of the parent		*(261.2)*	*204.4*
to non-controlling interests		*(0.1)*	*(0.6)*
Earnings per share:			
Basic earnings per share (in euros)	*19*	*(0.86)*	*0.68*
Fully diluted earnings per share (in euros)	*19*	*(0.86)*	*0.68*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(in millions of euros)	Note	FOR THE YEAR ENDED DECEMBER 31 2020	2019
Net income		**(261.3)**	**203.8**
Items to be reclassified to profit or loss in subsequent periods			
Net gain / (loss) on net investment hedges		5.2	(15.2)
Income tax		(1.7)	5.2
Sub-total		**3.5**	**(10.0)**
Foreign currency translation adjustment		(148.8)	87.6
Income tax		4.3	(5.6)
Sub-total		**(144.5)**	**82.0**
Net gain / (loss) on cash flow hedges		(5.7)	(9.6)
Income tax		1.3	3.1
Sub-total		**(4.4)**	**(6.5)**
Items not to be reclassified to profit or loss in subsequent periods			
Net gain/ (loss) on remeasurements of net defined benefit liability	21.3	(44.7)	(50.3)
Income tax		5.8	4.1
Sub-total		**(38.9)**	**(46.2)**
Other comprehensive income / (loss) for the period, net of tax		**(184.3)**	**19.3**
Total comprehensive income / (loss) for the period, net of tax		**(445.6)**	**223.1**
Portion attributable:			
to the equity holders of the parent		*(445.5)*	*223.7*
to non-controlling interests		*—*	*(0.5)*

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

(in millions of euros)	Note	AS OF DECEMBER 31 2020	2019
ASSETS			
Goodwill	11.1	3,192.2	3,785.5
Intangible assets	11.1	997.5	1,027.5
Property, plant and equipment	11.2	253.3	273.3
Right-of-use assets	11.3	895.5	898.2
Long-term investments	11.4	41.3	49.2
Deferred tax assets	10.2	29.7	60.1
Total non-current assets		**5,409.5**	**6,093.8**
Inventories	12.1	1,511.1	1,696.9
Trade accounts receivable	12.2	1,899.7	2,059.3
Current tax assets		4.8	7.9
Other accounts receivable	12.3	448.9	533.1
Assets held for sale	13	3.7	169.4
Cash and cash equivalents	14	685.4	514.3
Total current assets		**4,553.7**	**4,980.9**
Total assets		**9,963.2**	**11,074.8**
EQUITY			
Share capital	16	1,522.1	1,520.5
Share premium	16	1,450.5	1,451.2
Reserves and retained earnings		822.5	1,258.4
Total equity attributable to equity holders of the parent		**3,795.1**	**4,230.1**
Non-controlling interests		(0.4)	5.2
Total equity		**3,794.8**	**4,235.3**
LIABILITIES			
Interest bearing debt (non-current part)	22.1	1,915.2	1,733.1
Lease liabilities (non-current part)	11.3	837.0	846.5
Net employee defined benefit liabilities	21.2	320.9	312.1
Deferred tax liabilities	10.2	184.1	184.6
Provisions and other non-current liabilities	20	46.7	40.8
Total non-current liabilities		**3,303.9**	**3,117.1**
Interest bearing debt (current part)	22.1	113.3	744.2
Accrued interest	22.1	3.6	4.6
Lease liabilities (current part)	11.3	168.7	163.5
Trade accounts payable		1,807.3	2,021.7
Income tax payable		17.1	14.1
Other current liabilities	24	741.0	738.9
Liabilities directly associated with the assets held for sale	13	13.6	35.3
Total current liabilities		**2,864.5**	**3,722.4**
Total liabilities		**6,168.4**	**6,839.4**
Total equity and liabilities		**9,963.2**	**11,074.8**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(in millions of euros)	Note	FOR THE YEAR ENDED DECEMBER 31 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income		(3.4)	486.3
Depreciation, amortization and impairment of assets and assets write off	6-8	812.8	433.1
Employee benefits		(29.6)	(24.5)
Change in other provisions		13.0	(15.4)
Other non-cash operating items		(10.7)	(10.6)
Interest on lease liabilities	11.3	(42.7)	(45.5)
Financial interest paid on borrowings		(66.5)	(82.3)
Income tax paid		(88.5)	(118.2)
Operating cash flows before change in working capital requirements		**584.4**	**622.7**
Change in inventories		113.6	(62.7)
Change in trade receivables		87.4	18.7
Change in trade payables		(150.1)	(3.8)
Change in other working capital items		71.6	(22.3)
Change in working capital requirements		**122.5**	**(70.0)**
Net cash from operating activities		**706.9**	**552.7**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of tangible and intangible assets		(109.6)	(124.3)
Proceeds from disposal of tangible and intangible assets		33.0	7.9
Acquisitions of subsidiaries, net of cash acquired		(5.0)	(4.2)
Proceeds from disposal of subsidiaries, net of cash disposed of		153.5	6.5
Change in long-term investments		(4.3)	(4.0)
Net cash from investing activities		**67.6**	**(118.2)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Disposal / (Purchase) of treasury shares		4.0	2.2
Acquisition of non-controlling interests		(14.7)	—
Issuance of senior notes net of transaction costs	22.2	—	594.4
Early repayment of senior notes	22.2	(303.9)	(666.9)
Net change in credit facilities, commercial papers, other financial borrowings	22.2	(0.2)	(6.4)
Net change in securitization	22.2	(93.0)	(71.6)
Repayment of lease liabilities	11.3	(172.3)	(175.2)
Dividends paid	17	—	(133.0)
Net cash from financing activities		**(580.2)**	**(456.3)**
Net (decrease) / increase in cash and cash equivalents		**194.4**	**(21.9)**
Cash and cash equivalents at the beginning of the period		514.3	544.9
Effect of exchange rate changes on cash and cash equivalents		(22.0)	(3.0)
Cash and cash equivalents reclassified to assets held for sale	13	(1.3)	(5.7)
Cash and cash equivalents at the end of the period		**685.4**	**514.3**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(in millions of euros)	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	FOREIGN CURRENCY TRANSLATION	CASH FLOW HEDGE RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY	**TOTAL ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT**	NON-CONTROLLING INTERESTS	**TOTAL EQUITY**
FOR THE YEAR ENDED DECEMBER 31, 2019										
Balance at January 1, 2019		1,519.9	1,554.0	1,226.4	(7.4)	1.8	(152.4)	4,142.5	3.9	4,146.4
Net income		–	–	204.4	–	–	–	204.4	(0.6)	203.8
Other comprehensive income		–	–	–	71.9	(6.5)	(46.2)	19.2	0.1	19.3
Total comprehensive income for the period		**–**	**–**	**204.4**	**71.9**	**(6.5)**	**(46.2)**	**223.7**	**(0.5)**	**223.1**
Cash dividends	17	–	(104.9)	(28.0)	–	–	–	(133.0)	–	(133.0)
Allocation of free shares and free shares cancelled		0.6	2.1	(2.7)	–	–	–	–	–	–
Share-based payments	7	–	–	7.3	–	–	–	7.3	–	7.3
Acquisition of non-controlling interests		–	–	(5.0)	–	–	–	(5.0)	2.7	(2.3)
Disposal of subsidiaries		–	–	–	(7.4)	–	–	(7.4)	(0.9)	(8.3)
Disposal / (Purchase) of treasury shares		–	–	2.1	–	–	–	2.1	–	2.1
Balance at December 31, 2019		1,520.5	1,451.2	1,404.4	57.1	(4.7)	(198.6)	4,230.1	5.2	4,235.3
FOR THE YEAR ENDED DECEMBER 31, 2020										
Balance at January 1, 2020		1,520.5	1,451.2	1,404.4	57.1	(4.7)	(198.6)	4,230.1	5.2	4,235.3
Net income		–	–	(261.2)	–	–	–	(261.2)	(0.1)	(261.3)
Other comprehensive income		–	–	–	(141.0)	(4.4)	(38.9)	(184.3)	–	(184.3)
Total comprehensive income for the period		**–**	**–**	**(261.2)**	**(141.0)**	**(4.4)**	**(38.9)**	**(445.5)**	**–**	**(445.6)**
Cash dividends	17	–	–	–	–	–	–	–	–	–
Allocation of free shares and free shares cancelled		1.6	(0.7)	(0.9)	–	–	–	–	–	–
Share-based payments	7	–	–	11.3	–	–	–	11.3	–	11.3
Acquisition of non-controlling interests		–	–	(8.7)	(0.4)	–	–	(9.1)	(5.6)	(14.7)
Disposal of subsidiaries		–	–	–	4.5	–	–	4.5	–	4.5
Disposal / (Purchase) of treasury shares		–	–	3.8	–	–	–	3.8	–	3.8
Balance at December 31, 2020		1,522.1	1,450.5	1,148.7	(79.7)	(9.1)	(237.5)	3,795.2	(0.4)	3,794.8

The accompanying notes are an integral part of these consolidated financial statements.

Accompanying Notes

1. General information

Rexel was incorporated on December 16, 2004. Shares of Rexel were admitted to trading on the Eurolist market of Euronext Paris on April 4, 2007. The Group consists of Rexel SA and its subsidiaries (hereafter referred to as “the Group” or “Rexel”).

The Group, headquartered in Paris, France, is mainly involved in the business of the distribution of low and ultra-low voltage electrical products to professional customers. It serves the needs of a large variety of customers and markets in the fields of construction, industry, and services. The product offering covers electrical installation equipment, conduits and cables, lighting, security and communication, climate control, tools, and white and brown goods. The principal markets in which the Group operates are in Europe, North America (the United States and Canada) and Asia-Pacific (mainly in China, Australia and New Zealand).

These consolidated financial statements cover the period from January 1 to December 31, 2020 and were authorized for issue by the Board of Directors on February 10, 2021.

2. Significant events

For the year ended December 31, 2020

Covid-19 has significantly impacted the world economy in 2020. Many countries have imposed travel bans, lockdown and quarantine measures to refrain the outbreak. Businesses dealt with lost revenues and temporarily disrupted supply chains. While some countries had eased the lockdown after the first wave of the pandemic, the release had been gradual in summertime, and sanitary measures were resumed in the fourth quarter of 2020, although to a lesser extent, due to the appearance of a second wave of the Covid-19. As a response to this unprecedented crisis, numerous governments have taken measures to provide both financial and non-financial assistance to the affected entities. As electrical products availability was deemed essential in most of the countries where lockdown measures were implemented, Rexel’s business was not interrupted although adversely impacted by demand decrease, especially in the second quarter of 2020.

The Group reacted to sudden decline of electrical equipment demand, starting in March 2020 in most of the countries, by adapting its operations running with most of its logistic centers and branches remaining open and expanding its offering of digital solutions. The Group implemented action plans that included sanitary measures, cash protection and temporary cost saving measures including part time employment.

In this context, sales were down 17.7% organically in the second quarter of 2020 and shown a good sequential recovery in the third quarter (-4.2%) and in the fourth quarter (-0.7%) as compared to the same periods in 2019. As a result of sales volume decrease, operating income before other income and expenses went down to €526.5 million in 2020 from €663.2 million in 2019. As a percentage of sales, EBITA margin deteriorated only by 67 bps (from 4.9% to 4.3%) thanks to active opex management on workforce reduction and leveraging on partial unemployment.

As part of these measures taken by most of the governments to assist entities in the Covid-19 crisis, Rexel benefited from direct subsidies to compensate partial unemployment of its employees that were recognized in profit or loss, as personnel expenses, for €37.6 million (see note 6. Distribution & administrative expenses).

Expected credit losses were reviewed upwards resulting in a €17.8 million increase of net allowance for account receivables as compared to 2019 reflecting mainly the effect of the Covid-19 crisis.

Moreover, the Group identified, in the first half of 2020, some indicators requiring performing impairment testing of its cash-generating units with goodwill. As a result, a €486.0 million impairment loss was recognized in the first semester ended June 30, 2020, mainly allocated to the following cash-generating units: the United Kingdom, the United States, Canada and Germany (see note 11.1 Goodwill and intangible assets).

Consistently with the recognition of goodwill impairment losses, net deferred tax assets were written down by €28.4 million as of December 31, 2020 reflecting remote future taxable gains in some tax jurisdictions (the UK, Germany, New Zealand) (see note 10.3 Effective tax rate).

To secure its cash position due to the uncertainty surrounding the effects of the Covid-19 health crisis, the Group drew down €550 million of its revolving credit facilities out of €850 million on March 25, 2020.

The cumulative effects of strong Free Cash Flow generation as well as the €153.5 million of cash proceeds on Gexpro Services business and export Spanish business divestments and the decision by the Board of Directors to cancel its proposal to distribute a dividend allowed the Group:

- to pay off these credit facilities on June 24, 2020; and
- to early repay on December 15, 2020, its 2.625 % €300 million senior notes due 2024. A gain of 4.2 million has been recognized in the net financial expenses (see note 22.1.2 Senior notes).

As of December 31, 2020, Rexel's liquidity stood at €1,459 million and was deemed appropriate by the Management to face any amount falling due within the next twelve months and beyond (see note 23.3 Liquidity Risk).

For the year ended December 31, 2019

In March 2019, Rexel issued a 2.75% €600 million senior notes due 2026. Proceeds received from these issuances were used to early repay the 3.50% €650 million senior notes due 2023. A loss of €20.8 million had been recognized in the net financial expenses (see note 22.1.2 Senior notes).

3. Significant accounting policies

3.1 Statement of compliance

The consolidated financial statements (hereafter referred to as "the financial statements") for the year ended December 31, 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as well as the standards of the International Accounting Standards Board (IASB) which are in force at December 31, 2020.

IFRS as adopted by the European Union can be consulted on the European Commission's website (https://www.efrag.org).

3.2 Basis of preparation

The financial statements are presented in euros and all values are rounded to the nearest tenth of a million, unless otherwise stated. Totals and sub-totals presented in the consolidated financial statements are first computed in thousands of euros and then rounded to the nearest tenth of a million. Thus, the numbers may not sum precisely due to this rounding effect.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed frequently, and thus the effect of changes in accounting estimates is accounted for from the date of the revision.

Information related to the main estimates and judgments made on the application of accounting policies which have significant effect on the financial statements are described in the following notes:

- Business combinations (notes 3.5 and 4);
- Impairment of intangible assets and goodwill (notes 3.5 and 11.1);
- Employee benefits (notes 3.15 and 21);
- Provisions and contingent liabilities (notes 3.17, 20 and 27);
- Supplier rebates (see notes 3.19 and 12.3);
- Lease contracts (see notes 3.7 and 11.3);
- Recognition of deferred tax assets (notes 3.22 and 10);
- Measurement of share-based payments (notes 3.16 and 18).

3.2.1 Changes in accounting policies - amended IFRS standards

Effective as of January 1, 2020, the following new amendments previously endorsed by the European Union are applicable to Rexel. These changes had no material effect on the Group's financial statements:

- Amendments to IFRS 16 "Covid-19-Related Rent concessions"

  On May 28, 2020, the IASB issued an amendment that allows a lessee, as a practical expedient, not to assess whether rent concessions that are a direct consequence of the Covid-19 pandemic, are lease modifications. It applies only to payments originally due on or before June 30, 2021. When electing for this practical expedient, changes in lease payments that arise from rent concessions are recognized in profit or loss for the reporting period. This amendment applies retrospectively for annual reporting periods beginning on or after June 1, 2020 with earlier application permitted. Rexel elected to apply this practical expedient that does not materially impacts the Group's financial statements.

- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material"

  In October 2018, the IASB issued amendments to IAS 1 and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

- Amendments to IFRS 3 "Business Combinations": Definition of a Business

  Amendments to IFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group.

- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"

  In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 to address issues in relation to the IBOR reform and its potential impacts on hedge accounting requirements in the period before the replacement of an interest rate benchmark with an alternative interest rate. The amendments:

  - allow entities to assume that the interest rate benchmark will not be materially altered as a result of the reform, when applying hedge accounting requirements;
  - are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;
  - are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and
  - require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

Floating rates, nominal amounts and maturities of financial instruments used by the Group are detailed note 23.

These amendments had no impact on the consolidated financial statements of the Group.

3.2.2 New and amended accounting standards and interpretations endorsed by the European Union with effect in future periods

The following standards, amendments and interpretations issued by IASB and IFRS Interpretation Committee have been endorsed by the European Union but are not yet effective at the reporting date:

- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures" and IFRS 16 Leases - Phase 2

  On August 27, 2020, the IASB published Interest Rate Benchmark Reform – Phase 2. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments:

  - include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss;
  - permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognize hedge ineffectiveness. Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR. The cash flow hedge reserve is released to profit or loss in the same period or periods in which the hedged cash flows based on the RFR affect profit or loss;

- provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The relief allows entities upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months;

• include disclosures on how the entity is managing the transition to RFRs and its risk management strategy.

The amendments are mandatory, with earlier application permitted. They apply retrospectively for annual reporting periods beginning on or after January 1, 2021.

3.2.3 Accounting standards and interpretations issued by IASB and IFRS Interpretation Committee but not yet endorsed by the European Union

The following standards and interpretations issued by IASB and IFRS Interpretation Committee are not yet approved by the European Union. Their potential impact is currently under review by the Group:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-Current”

  On January 23, 2020, the IASB issued amendments to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. These amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023.

- Amendments to IAS 16 “Property, Plant & Equipment – Proceeds before Intended Use”

  On May 14, 2020, the IASB issued to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. These amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2022.

- Amendments to IAS 37 “Onerous Contract – Cost of fulfilling a Contract”

  On May 14, 2020, the IASB issued amendments to specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2022.

- Annual improvements to IFRS Standards 2018-2020

  On May 14, 2020, the IASB published Annual improvements to IFRS Standards 2018-2020 Cycle including among others the following amendments:

  - IFRS 1 – The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.
  - IFRS 9 – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
  - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

3.3 Basis of Consolidation

The consolidated financial statements include the financial statements for Rexel S.A., parent company of the Group, and its direct and indirect subsidiaries as of December 31, 2020. The subsidiaries (including Special Purpose Entities) are controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In assessing control, present and potential voting rights are taken into account.

The subsidiaries are fully consolidated from the date on which control is obtained to the date when control ceases. All assets and liabilities, unrealized gains and losses, income and expenses, dividends, and other transactions arising from intragroup transactions are eliminated when preparing the consolidated financial statements.

Losses within a subsidiary are attributed to the non-controlling interests for their share even if that results in a deficit balance.

3.4 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The functional currency of Rexel and the presentation currency of the Group's financial statements are the euro.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the foreign exchange rate prevailing at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities that are measured at cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation are translated into euro at foreign exchange rates prevailing at the balance sheet date. The revenues and expenses of foreign operations are translated into euro at rates approximating the foreign exchange rates ruling at the dates of the transactions. All resulting translation differences are recognized as a separate component of equity (foreign currency translation reserve).

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognized in the income statement as part of the gain or loss on disposal.

3.5 Intangible assets

Goodwill

The cost of an acquisition is measured at acquisition date. Any contingent considerations are recognized at their fair value estimated as of the acquisition date. Subsequent changes in the fair value of contingent considerations are recognized in the income statement. For each business combination, the Group measures the non-controlling interests either at fair value or at the proportionate share of the acquiree's identifiable net assets. The costs of acquisition are recognized as expenses.

At the acquisition date, any excess of the consideration transferred and the non-controlling interests over the fair value of the net assets acquired is allocated to goodwill.

Goodwill is then measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units (CGUs).

Goodwill is not amortized but subject to an impairment test, as soon as there is an indication that it may be impaired, and at least once a year. Indications that goodwill may be impaired include material adverse changes of a lasting nature affecting the economic environment or the assumptions and objectives made at the time of acquisition.

A goodwill impairment loss is recognized whenever the carrying amount of the cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement (in "Other expenses").

Impairment losses in respect of goodwill may not be reversed.

When goodwill is allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets

Intangible assets other than goodwill are stated at cost less accumulated amortization (see below) and impairment losses.

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Identifiable intangible assets existing at the date of acquisition in a business combination are recognized as part of the purchase accounting and measured at fair value. Intangible assets are considered identifiable if they arise from contractual or legal rights or are separable.

Amortization

Amortization is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite.

Intangible assets with an indefinite useful life are tested for impairment at each annual balance sheet date, at least. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the assessment of indefinite useful life for this asset continues to be justified. If not, a change in the useful life assessment from indefinite to finite is made on a prospective basis. Other intangible assets are amortized from the date that they are available for use. Estimated useful lives of capitalized software development costs range from 3 to 10 years.

3.6 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives are as follows:

- Commercial and office buildings — 20 to 35 years;
- Building improvements and operating equipment — 5 to 10 years;
- Transportation equipment — 3 to 8 years;
- Computers and hardware — 3 to 5 years.

The assets' residual values, useful lives, and methods of depreciation are reviewed and adjusted if appropriate at each balance sheet date.

3.7 Lease contracts

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. It applies a single recognition and measurement model for all leases except for short-term leases and leases of low-value assets. The Group recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (*i.e.* the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment (see note 3.8).

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees if any. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification (a change in the lease term, in the in-substance fixed lease payments or in the assessment to purchase the underlying asset).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (*i.e.* those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases of office equipment (including copiers, printers, laptops) that are individually considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as part of the distribution and administrative expenses on a straight-line basis over the lease term.

Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its lease agreements, to extend the lease term of properties part of its branch network. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal on a site by site basis among which: the cost of relocation including the effect of potential business disruptions on operations resulting from a lease termination, the attractiveness of the location, and the investments in leasehold improvements. Typically, the Group considers renewal options in determining the lease term at inception of the lease. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (*i.e.* adverse changes in the attractiveness of the location or business strategy change).

Following the decision reached by the IFRS IC on the lease term of a cancellable or renewable lease and issued on December 16, 2019, the Group concluded that the term of its leases reflects a reasonable expectation of the period during which the underlying asset will be used, consistent with the broader economics of the contract and with the useful life of non-removable leasehold improvements.

Discount rate

The Group uses the IBR to measure the lease liability as the implicit interest rate of lease agreements is not readily available. The incremental borrowing rate is determined by reference to the 7-year currency swap applicable to each of the Group's entities in their own functional currencies after adding back the Group's credit spread. The Group credit spread is derived from the cost of issuing senior notes which is the primary source of funding of the Group.

Income tax

The Group elected for the recognition of deferred tax calculated on the right-of-use assets and the lease liabilities.

3.8 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. Fair value less costs to sell is based on available data derived from sale transactions on an arm's length basis for similar assets on observable market prices less incremental costs of disposing of the asset. Value-in-use is calculated based on a discounted cash flow model. These cash flows are derived from the budget for the next three years and then extrapolated for two additional years. Value-in-use calculation is most relevant to goodwill and other intangible assets with indefinite useful life recognized by the Group such as distribution network and strategic supplier relationships. It may also apply to right-of-use assets and other fixed assets once goodwill and other intangibles have been fully impaired.

3.9 Inventories

Inventories are mainly composed of goods held for resale. Inventories are stated at the lower of cost and net realizable value. Cost is calculated by reference to a first-in first-out basis, including freight in costs, net of any purchase rebates. Net realizable value is the estimated selling price at balance sheet date, less the estimated selling expenses, taking into account technical or marketing obsolescence and risks related to slow moving inventory.

3.10 Financial assets

Classification of financial assets and measurement

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income "FVOCI" or fair value through profit or loss "FVPL". Financial assets managed by the Group consist primarily of trade receivables and cash and cash equivalents as well as financial derivatives including interest rate swaps and forward exchange contracts used for hedging and other interest rate derivatives that are not designated as hedging instruments in hedge relationships.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables do not contain a significant financing component and are initially measured at the transaction cost.

Trade receivables are classified as measured at amortized cost as they are held with the objective to collect contractual cash flows that are solely payments of principal and interests on the principal outstanding. Financial assets at amortized cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial derivative assets designated as cash flow hedge instruments are classified as measured at FVOCI at initial recognition. Fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss (see note 3.12).

Cash and cash equivalents and financial derivatives which the Group had not designated as hedge instruments are classified at FVPL. Cash and cash equivalents comprise cash balances and demand deposits with banks and other short-term highly liquid investments subject to an insignificant risk of changes in value. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

Derecognition of trade receivables

Rexel runs several on-going securitization and factoring programs which allow the Group to assign eligible trade receivables and receive cash payments in exchange. Trade receivables are derecognized from the balance sheet when the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows to a third party under a "pass-through" arrangement and the Group has transferred substantially all the risks and rewards attached to the receivables.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has not transferred all the risks and rewards of the asset, the Group continues to recognize the transferred receivables. In that case, the Group also recognizes an associated liability for the cash received in exchange of the assigned receivables.

Impairment

The Group recognizes an allowance for expected credit losses (ECLs) for all trade receivables. The Group applies a simplified approach in calculating ECLs and recognizes a loss allowance based on a standard ageing matrix for defaulted receivables. The Group considers a trade receivable in default when contractual payments are 30 days past due. For non-defaulted receivables (non-due and less than 30 days past-due), the Group recognizes expected credit losses based on the historical ratio of credit losses to sales. However, in certain cases, the Group may also consider a trade receivable to be in default when there is objective evidence that the Group is unlikely to receive the outstanding contractual amounts in full.

3.11 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. These costs include fees and commissions paid to agents and advisers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums, or allocations of internal administrative or overhead expenses.

Trade accounts payable include exclusively payables due to suppliers of goods held for resale. Invoices payable to general and administrative suppliers are presented as other payables in other current liabilities. Transaction cost is deemed to be the fair value as payables do not contain significant financing component (due date less than one year).

"Loans and borrowings" category is the most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (EIR). Transaction costs are included in the calculation of amortized cost using the effective interest rate method and, in effect, amortized through the income statement over the life of the instrument. Gains and losses are recognized in profit or loss when the liabilities are derecognized.

Financial liabilities at fair value through profit or loss include solely derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined. Fair value changes subsequent to initial recognition are recognized in the statement of profit or loss.

Financial derivative liabilities designated as cash flow hedge instruments are classified as measured at FVOCI at initial recognition. Fair value changes are recognized in other comprehensive income "OCI". Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss (see note 3.12).

3.12 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment;
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Fair value hedges

Fair value hedge accounting is used when a derivative financial instrument is designated as a hedge of the variability of the fair value of a recognized liability, including fixed rate indebtedness such as bonds.

The hedging instrument is measured at fair value with changes in fair value recognized in the income statement. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying amount of the hedged item and is also recognized in the income statement.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining life of the hedging instrument using the effective interest rate method. When the hedged item is derecognized, the unamortized fair value is recorded immediately in profit or loss.

Cash flow hedges

When a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognized in the cash flow hedge reserve as other comprehensive income.

When the forecasted transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain (loss) is removed from the cash flow hedge reserve and included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, then the associated gains and losses that were recognized as other comprehensive income are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (*i.e.*, when interest income or expense is recognized).

For cash flow hedges, other than those described in the previous paragraph, the associated cumulative gain (loss) is removed from the cash flow hedge reserve and recognized in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognized immediately in profit or loss.

If the hedged transaction is no longer expected to take place, then the cumulative unrealized gain (loss) recognized as other comprehensive income is immediately reclassified to profit or loss.

Hedge of net investment in foreign operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognized directly in other comprehensive income. The ineffective portion is recognized immediately in profit or loss. Gains and losses accumulated in equity are recognized in the income statement when the foreign operation is disposed of.

3.13 Fair value measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the following fair value hierarchy:

Level 1

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. This valuation method is referred to as Level 1 in the hierarchy established by IFRS 13.

Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation models incorporating various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward interest rate curves. The assumptions used are observable either directly (*i.e.* as prices) or indirectly (*i.e.* derived from prices). This valuation method is referred to as Level 2 in the hierarchy established by IFRS 13.

Whether a financial instrument is valued using one or the other of these methods is indicated in the summary of financial assets (note 15) and the summary of financial liabilities (note 24).

3.14 Share capital

Repurchase of equity instruments

When the company purchases its own equity instruments, the amount of the consideration paid, including directly attributable costs, is recognized as a reduction in equity.

Dividends

Dividends paid in cash are recognized as a liability in the period in which the distribution has been approved by the shareholders.

3.15 Employee benefits

3.15.1 Short-term employee benefits

Short-term employee benefits include wages, salaries, social security contributions, compensated absences, profit-sharing and bonuses and are expected to be settled wholly before twelve months after the end of the reporting period. Short-term employee benefit obligations are measured on an undiscounted basis and are recognized in operating income as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.15.2 Post-employment and other long-term benefits

Post-employment and other long-term benefits include:

- Post-employment benefits including pensions, retirement supplements and medical benefits after retirement;
- Other long-term benefits (during employment) mainly including jubilees and long service awards.

These benefits are classified as either:

- Defined contribution plans when the employer pays fixed contributions into a separate entity recognized as an expense in profit and loss and will have no legal or constructive obligation to pay further contributions; or
- Defined benefit plans when the employer guarantees a future level of benefits.

Post-employment benefits

The Group's net obligation in respect of defined post-employment benefit plans, including pension plans, is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed periodically by an independent actuary using the projected unit credit method.

The liability recognized in the balance sheet in respect of defined benefit schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets.

When the calculation results in plan assets exceeding liability, the recognized asset is limited to the present value of any currently available future refunds from the plan or reductions in future contributions to the plan.

When the benefits of a plan are improved (reduced), the portion of the increased (decreased) benefit relating to past service by employees is recognized immediately as an expense (income) in the income statement. The current and past service costs as well as administrative costs paid from registered pension plans' assets are presented in the income statement as part of the distribution and administrative expenses. The net interest expenses (income) relating to the discounting of the net funded position (defined benefit obligation less plan assets) is presented in net financial expenses in the income statement.

Remeasurements of net defined benefit obligation including (i) actuarial gains and losses, (ii) actual return on plan assets including administrative expenses allocated to manage plan assets, and (iii) changes in the effect of the asset ceiling are recognized in other comprehensive income.

Other long-term benefits

Long-term benefits mainly include jubilees or long service leaves. The Group's net obligation in respect of long-term benefits, other than post-employment plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The value of the obligation is determined using the projected unit credit method. This amount is discounted at the rate based on high quality corporate bonds with maturity dates close to those of the Group's obligations prevailing on the balance sheet date.

Actuarial gains and losses are immediately recognized in the income statement as part of the distribution and administrative expenses.

3.16 Share-based payments

Bonus share programs, qualified as equity-settled, allow Group employees to receive shares of the parent company of the Group. The fair value of bonus shares allocated is recognized as a personnel expense with a corresponding increase in other reserves in equity over the period during which the employees become unconditionally entitled to the options (the vesting period). The expense is based on fair value estimate of the equity instruments in accordance with conditions of granting.

Fair value of bonus shares is measured at grant date using an appropriate model depending on the characteristics of the plans.

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3.17 Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when the amount can be estimated reliably.

If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

Provision for restructuring

A restructuring is a program that is planned and controlled by management that materially changes either the scope of the business or the manner in which that business is conducted.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for. Restructuring expenses are presented in "Other expenses" (see note 3.20). Restructuring costs principally include personnel costs (severance payments, early retirement costs, notice period not worked), branch closure costs and indemnities for the breach of non-cancellable agreements.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provisions for disputes and litigations

Provisions for disputes and litigation include estimated costs for risks, disputes, litigation and third party claims, and the probable costs associated with warranties given by the Group in the context of the disposal of non-current assets or subsidiaries.

These provisions also include costs of personnel disputes and tax litigation. A provision is not made for tax assessments received or in course of preparation when there is a reasonable probability that the Group will succeed in convincing the authority of its position.

Any accepted assessment is recorded as a liability when the amount can be reasonably estimated.

3.18 Revenues from contracts with customers

Rexel's performance obligations consist mainly of delivery of electrical products and associated transportation services to ship the products to the customer's site. Due to the nature of its business, contracts with customers are generally entered into for a period of less than one year.

Revenues arising from the sale of goods and delivery services invoiced to customers are presented in sales in the income statement. Sales are recognized at the point in time when the control of the goods is transferred to the customer generally on delivery or shipment of the products.

Rexel's performance obligations are fulfilled through warehouse sales or direct sales:

- Warehouse sales consist in goods shipped directly from Rexel's inventory locations to customers;
- Direct sales are arrangements with customers whereby the Group engages a third-party supplier to ship the products to the customer, based on Rexel's purchase order with the customer, without any physical transfer to and from the Group's warehouse. For the vast majority of its direct sales transactions, the Group acts as a principal as:
  - it is ultimately responsible for fulfillment of the customer's order and has discretion in establishing pricing,
  - it obtains controls of the goods at the point in time they are shipped by the third-party supplier but does not transfer control of the products to the customer until they are delivered to the customer's site,
  - also, Rexel has inventory risk relating to the specified goods as it bears the risk of loss during the transit and the risk of return from the customer subsequent to the delivery.

In very limited instances where these conditions are not fulfilled, the Group is deemed to act as an agent and recognizes a commission income for the excess of the amount invoiced to the customer and the amount charged by the supplier.

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts and recognizes a refund liability for the expected future rebates.

Certain arrangements provide a customer with a right to return the goods within a specified period. For goods that are expected to be returned, instead of sales, the Group recognizes a refund liability. To estimate the variable consideration for the expected goods returned, the Group applies the most likely amount method. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

3.19 Supplier rebates

In line with industry practice, Rexel enters into annual agreements with a number of suppliers whereby volume-based rebates, marketing support and other discounts are received in connection with the purchase of goods for resale from these suppliers.

Rebates relating to the purchase of goods for resale are accrued and recognized as a deduction of cost of goods sold or a deduction of inventory for the goods in stock at the balance sheet date.

Part of volume-based rebates are determined by reference to guaranteed rates of rebate (unconditional rebates). These are calculated through a mechanical process with minimal judgement. Another part of volume-based rebates is subject to stepped targets, the rebate percentage increasing as volumes purchased reach agreed targets within a set period of time (conditional rebates). The majority of suppliers' rebate agreements apply to annual purchases eligible to rebates. Determination of the rebate amount recorded in the income statement at the balance sheet date is based on the most likely amount method which relies on estimate of purchases subject to rebates by category of products.

Marketing support, which represents a smaller part of the Group's supplier rebates is recognized in the cost of goods sold once all relevant performance criteria have been met.

3.20 Other income and other expenses

Other operating income and expenses include, irrespective of their amount, gains and losses on asset disposals, asset impairment and write-offs, expenses arising from the restructuring or integration of acquired companies, separation costs, acquisition related costs from business combinations and gains or losses on earn out as well as other significant items such as disputes. These items are presented separately in the income statement in order to allow the Chief Executive Officer and the Deputy Chief Executive Officer acting as Chief operating decision maker within the meaning of IFRS 8 "Operating Segments", to assess the trading performance of the business segments.

3.21 Financial expenses (net)

Financial expenses (net) comprise interest payable on borrowings calculated using the effective interest rate method, dividends on preference shares classified as liabilities, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognized in profit or loss (see note 3.12).

Interest income is recognized in profit or loss as it accrues, using the effective interest rate method. Dividend income is recognized in profit or loss on the date the entity's right to receive payment is established which in the case of quoted securities is the ex-dividend date. The interest expense component of finance lease payments is recognized in profit or loss using the effective interest rate method.

3.22 Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or in equity, in which case it is recognized respectively in other comprehensive income or in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: (i) goodwill not deductible for tax purposes, (ii) differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future, and (iii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available to recover this asset. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Practically, this is achieved through a valuation allowance recognized against deferred tax assets.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when they relate to income tax levied by the same tax jurisdiction and the Group intends to settle its current tax assets and liabilities on a net basis.

Information as to the calculation of income tax on the profit for the periods presented is included in note 10.

3.23 Segment reporting

In accordance with IFRS 8 "Operating segments", operating segments are based on the Group's management reporting structure. The information is shown by geographic zone consistently with Group's internal organization.

Based on this structure, the reportable segments are Europe, North America and Asia-Pacific.

The Group's financial reporting is reviewed monthly by the Chief Executive Officer acting as the Chief operating decision maker.

3.24 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and free shares granted to employees.

4. Business combinations

In 2019 and 2020, the Group did not proceed to any significant business combination.

5. Segment report

The reportable segments are Europe, North America and Asia-Pacific.

Information by geographic segment for the year ended December 31, 2020 and 2019

	2020					
(in millions of euros)	EUROPE	NORTH AMERICA	ASIA-PACIFIC	**TOTAL OPERATING SEGMENTS**	CORPORATE HOLDINGS AND OTHER RECONCILING ITEMS	**TOTAL GROUP**
FOR THE YEAR ENDED DECEMBER 31						
Warehouse sales	6,731.1	2,759.1	1,038.0	**10,528.3**	–	**10,528.3**
Direct sales	562.9	1,612.6	130.2	**2,305.7**	–	**2,305.7**
Rebates, discount and services	(210.8)	(29.7)	(1.1)	**(241.6)**	–	**(241.6)**
Sales to external customers	**7,083.3**	**4,342.0**	**1,167.2**	**12,592.5**	**–**	**12,592.5**
EBITA [(1)]	379.8	168.6	21.9	**570.2**	(33.2)	**537.0**
Goodwill impairment	(257.1)	(183.4)	(45.5)	**(486.0)**	–	**(486.0)**
AS OF DECEMBER 31						
Working capital	651.3	558.7	122.7	**1,332.8**	(18.3)	**1,314.5**
Goodwill	2,005.3	1,113.4	73.4	**3,192.2**	–	**3,192.2**

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

	2019					
(in millions of euros)	EUROPE	NORTH AMERICA	ASIA-PACIFIC	**TOTAL OPERATING SEGMENTS**	CORPORATE HOLDINGS AND OTHER RECONCILING ITEMS	**TOTAL GROUP**
FOR THE YEAR ENDED DECEMBER 31						
Warehouse sales	6,904.1	3,380.7	1,048.6	**11,333.4**	–	**11,333.4**
Direct sales	641.9	1,888.5	130.5	**2,660.9**	–	**2,660.9**
Rebates, discount and services	(214.5)	(36.2)	(1.3)	**(252.0)**	–	**(252.0)**
Sales to external customers	**7,331.5**	**5,233.0**	**1,177.9**	**13,742.3**	**–**	**13,742.3**
EBITA [(1)]	445.7	226.6	27.5	**699.8**	(22.3)	**677.5**
Goodwill impairment	(80.2)	–	(17.8)	**(98.0)**	–	**(98.0)**
AS OF DECEMBER 31						
Working capital	694.9	709.5	138.3	**1,542.7**	(16.4)	**1,526.4**
Goodwill	2,263.6	1,402.2	119.7	**3,785.5**	–	**3,785.5**

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

The reconciliation of EBITA with the Group's consolidated income before income taxes is presented in the following table:

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	**2020**	**2019**
EBITA	**537.0**	**677.5**
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities	(10.5)	(14.3)
Other income and other expenses	(529.9)	(176.8)
Net financial expenses	(117.2)	(165.3)
Net income before tax	**(120.6)**	**321.1**

The reconciliation of the total allocated assets and liabilities with the Group's consolidated total assets is presented in the following table:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31 2020	2019
Working capital	1,314.5	1,526.4
Goodwill	3,192.2	3,785.5
Total allocated assets & liabilities	**4,506.6**	**5,311.9**
Liabilities included in allocated working capital	2,542.5	2,757.7
Accrued interest receivable	0.8	2.0
Other non-current assets	2,187.6	2,248.1
Deferred tax assets	29.7	60.1
Current tax assets	4.8	7.9
Assets classified as held for sale	3.7	169.4
Derivatives	2.0	3.3
Cash and cash equivalents	685.4	514.3
Group consolidated total assets	**9,963.2**	**11,074.8**

6. Distribution & administrative expenses

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31 2020	2019
Personnel costs (salaries & benefits) (1)	1,526.4	1,690.2
Delivery costs	241.3	247.8
Other external costs	359.1	402.2
Depreciation expense (2)	283.9	281.6
Building and occupancy costs	107.2	106.7
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities	10.5	14.3
Bad debt expense (3)	48.5	26.1
Total distribution and administrative expenses	**2,576.9**	**2,768.8**

(1) Including Government grants recognized in Personnel costs for €37.6 million for the year ended December 31, 2020. These subsidies were recognized in profit or loss over the periods in which the related personnel costs for which the subsidies are intended to compensate for were incurred.
(2) Including depreciation expense of right-of-use assets for €178.5 million (€178.3 million for the year ended December 31, 2019) (see note 11.3).
(3) Including (i) a provision for expected credit losses and losses on receivables written-off of €39.8 million for the year ended December 31, 2020 versus €22.0 million for the year ended December 31, 2019, mainly reflecting higher expected credit losses as a result of the Covid-19 crisis, and (ii) customer credit insurance premiums net of recoveries.

7. Salaries & benefits

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31 2020	2019
Salaries and social security charges	1,503.0	1,622.2
Share-based payments	11.3	7.3
Pension and other post-retirement benefits-defined benefit plans	15.6	12.7
Other employee expenses (1)	(3.5)	48.1
Total employee benefits	**1,526.4**	**1,690.2**

(1) Including Government grants recognized in Personnel costs for €37.6 million for the year ended December 31, 2020.

The table below sets forth average number of employees by geographic segment:

	FOR THE YEAR ENDED DECEMBER 31	
	2020	2019
Europe	13,571	15,254
North America	7,291	8,692
Asia-Pacific	2,465	2,525
Total operating segments	**23,327**	**26,471**
Corporate Holdings	164	160
Group average number of employees	**23,491**	**26,631**

The average number of employees for the year ended December 31, 2020 includes the effect of temporary workforce reduction as part of partial unemployment measures implemented as a response to the Covid-19 crisis.

8. Other income & other expenses

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	2020	2019
Gains on disposal of fixed assets (1)	13.7	7.0
Gain on disposal of investments in consolidated companies (2)	5.7	12.5
Gain on lease terminations	4.0	5.5
Release of unused provisions	0.7	0.2
Gains on earn-out	0.4	—
Other operating income	0.5	1.6
Total other income	**25.0**	**26.9**
Restructuring costs (3)	(26.1)	(32.6)
Impairment of intangible assets with indefinite useful life (4)	(486.0)	(118.0)
Fair value adjustments of assets held for sale (5)	(32.5)	(17.2)
Loss on lease terminations	—	(0.6)
Losses on non-current assets disposed of	(1.8)	(6.5)
Impairment of other assets	(0.8)	(2.0)
Litigations	(0.4)	(2.7)
Other operating expenses (6)	(7.3)	(24.0)
Total other expenses	**(554.9)**	**(203.7)**

(1) Mainly including gains on real estate properties divestments.
(2) Including a €4.2 million gain on Gexpro Services disposal and €1.4 million relating to the Spanish export business divestment for the year ended December 31, 2020. For the year ended December 31, 2019, disposal gains were mainly related to (i) the sale of the 65% interest in Rexel Hailongxing, a joint-venture based in Beijing for €6.5 million, and (ii) to a €5.6 million exchange gain as a result of the accumulated foreign currency transaction adjustment recycled into profit and loss following the completion of the liquidation and deregistration process of Rexel CZ, a dormant affiliate incorporated.
(3) Including the effect of restructuring plans mostly incurred in China, Germany, US, Sweden, and the UK. In 2019, including the effect of the turn-around of the UK operations, the transformation plan in Germany and reduction in work-force in some regions in the USA.
(4) Consisting in goodwill impairment losses mainly allocated to the United Kingdom (€162.4 million), United States of America (€108.2 million), Canada (€75.2 million), Germany (€74.6 million), Australia (€40.5 million), Norway (€17.5 million) (see note 11.1). In 2019, impairment losses were allocated to: Norway (€58.9 million), New Zealand (€21.8 million), the United Kingdom (€21.4 million) Finland (€9.3 million) and Middle East (€6.6 million).
(5) Of which fair value adjustments of assets held for sale of (i) €21.5 million related to the expected sale of an electrical distributor to DIY customers in France, and (ii) €11.1 million related to Rexel Arabia (see note 13). In 2019, fair value adjustments of assets held for sale of €10.9 million related to the expected sale of Gexpro Services in the US and €6.3 million to Spanish export business.
(6) Of which acquisition and divestment projects and severance costs in 2020. In 2019, including non-recurring professional fees relating to business transformation and development projects, legal investigations fees, senior executive employment contract termination expenses and a settlement loss of defined benefit pension scheme in the USA.

9. Net financial expenses

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Interest income on cash and cash equivalents	1.5	1.5
Interest income on receivables and loans	2.2	1.3
Financial income	**3.8**	**2.7**
Interest expense on financial debt (stated at amortized cost)	(61.0)	(77.6)
Interest gain / (expense) on interest rate derivatives	(0.8)	7.8
Change in fair value of interest rate derivatives through profit and loss	(3.9)	(2.0)
Interest expense on borrowings	**(65.7)**	**(71.8)**
Non-recurring redemption gain (loss) (1)	**4.2**	**(20.8)**
Foreign exchange gain (loss)	*2.1*	*(1.2)*
Change in fair value of exchange rate derivatives through profit and loss	*1.5*	*0.8*
Net foreign exchange gain (loss)	3.6	(0.4)
Net financial expense on employee benefit obligations	(8.0)	(9.6)
Interest on lease liabilities	(42.7)	(45.5)
Others (2)	(12.4)	(19.9)
Other financial expenses	**(59.5)**	**(75.4)**
Net financial expenses	**(117.2)**	**(165.3)**

(1) Non-recurring gain of €4.2 million in 2020 (of which a €3.9 million loss related to the redemption premium, €2.1 million unamortized transaction costs and 10.3 million gain associated to fair value hedge adjustments) related to the early redemption of the 2.625% €300 million senior notes due 2024.

Non-recurring loss of €20.8 million in 2019 (of which a €16.9 million loss related to the redemption premium, €(4.7) million unamortized transaction costs and 0.7 million gain associated to fair value hedge adjustments) related to the early redemption of the 3.50% €650 million senior notes due 2023 in 2019 (see note 22.1.2).

(2) Mainly interests on derecognized receivables.

10. Income tax

Rexel and its French subsidiaries have formed a tax group from January 1, 2005. Rexel uses tax consolidation in other countries where similar options exist.

10.1 Income tax expense

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Current tax	(101.9)	(109.0)
Deferred tax (1)	(40.0)	(7.4)
Prior year adjustments on current tax or deferred tax	1.2	(0.9)
Total income tax expense	**(140.7)**	**(117.3)**

(1) Including €28.4 million non-recurring deferred tax asset write-down (€5.5 million in 2019) - see note 10.2.

10.2 Deferred tax assets and liabilities

Changes in net deferred tax assets / (liabilities) are as follows:

(in millions of euros)	2020	2019
Net deferred tax at the beginning of the year	**(124.5)**	**(120.6)**
Deferred tax income (expense)	(45.5)	(6.0)
Other comprenhensive income	9.7	6.8
Change in consolidation scope	1.0	—
Currency translation adjustment	6.4	(0.9)
Other changes	(1.5)	(4.0)
Net deferred tax at the end of the year	**(154.3)**	**(124.5)**

Analysis of deferred tax assets and liabilities by nature is as follows:

	AS OF DECEMBER 31	
(in millions of euros)	2020	2019
Intangible assets	(290.6)	(316.7)
Property, plant and equipment	(6.3)	(8.3)
Right-of-use assets	28.3	29.4
Financial assets	10.5	11.3
Trade accounts receivable	13.1	10.4
Inventories	18.3	22.5
Employee benefits	88.1	86.4
Provisions	10.5	8.5
Financing fees	1.2	(0.1)
Other items	(9.2)	(8.8)
Tax losses carried forward	191.0	206.9
Deferred tax assets / (liabilities), net	**54.9**	**41.5**
Valuation allowance on deferred tax assets	(209.3)	(166.1)
Net deferred tax assets / (liabilities)	**(154.4)**	**(124.6)**
of which deferred tax assets	29.7	60.1
of which deferred tax liabilities	(184.1)	(184.6)

A valuation allowance on deferred tax assets of €209.3 million was recognized as of December 31, 2020 (€166.1 million as of December 31, 2019), as a result of the recoverability assessment of the net deferred tax assets by each tax entity. The recoverable amount is based on the expected taxable profits over the next 5 years.

Consistently with goodwill impairment test as of December 31, 2020, the recoverability of net deferred tax assets has been revised leading to a write-off of €28.4 million in the following fiscal jurisdictions: the United Kingdom (€14.2 million), Germany (€10.5 million) and New Zealand (€3.2 million).

As of December 31, 2020, deferred tax assets arising on tax losses carried forward that are not expected to be used within five years were subject to a valuation allowance mostly in Spain, the United Kingdom, Germany, Italy, China and New Zealand. The expiry date of such tax losses carried forward is as follows:

	AS OF DECEMBER 31	
(in millions of euros)	**2020**	**2019**
One year	3.0	0.7
Two years	3.6	0.5
Three years	2.9	0.1
Four years	0.9	2.2
Five years	—	2.0
Thereafter	783.6	675.3
Total tax losses carried forward (tax basis) subject to a valuation allowance	**794.0**	**680.8**

10.3 Effective tax rate

	FOR THE YEAR ENDED DECEMBER 31			
(in millions of euros)	**2020**		**2019**	
Income before tax and before share of profit in associates	(120.6)		321.1	
French legal tax rate		*32.02%*		*34.43%*
Income tax calculated at the legal tax rate	38.6		(110.6)	
Differences of tax rates between French and foreign jurisdictions	(7.6)		14.9	(4.7)%
Changes in tax rates	10.2		—	—
(Current year losses unrecognized), prior year losses recognized (1)	(41.7)		(14.8)	4.6%
(Non-deductible expenses), tax exempt revenues (2)	(133.5)		(29.3)	9.1%
Others (3)	(6.6)		22.5	(7.0)%
Actual income tax expense	**(140.7)**	**n.a**	**(117.3)**	**36.5%**

(1) Including deferred tax assets write-down of €28.4 million in 2020 mainly allocated to Germany, the United Kingdom and New Zealand (€5.5 million in 2019).
(2) Including tax impact of non-deductible goodwill impairment expense of €124.9 million (€21.5 million in 2019).
(3) Including in 2019 the release of a €29.5 million reserve on disputed interest expenses tax deductibility following the decision of the Appeal Court in favor of Rexel.

11. Long-term assets

11.1 Goodwill and intangible assets

(in millions of euros)	STRATEGIC PARTNERSHIPS	DISTRIBUTION NETWORKS	DISTRIBUTION NETWORKS SOFTWARE AND OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS	GOODWILL
Gross carrying amount as of January 1, 2019	**185.6**	**650.4**	**732.2**	**1,568.3**	**4,478.4**
Change in consolidation scope	—	—	(13.5)	**(13.5)**	**(31.7)**
Additions	—	—	57.1	**57.1**	**—**
Disposals	—	—	(13.5)	**(13.5)**	**—**
Currency translation adjustment	—	12.1	9.6	**21.7**	**71.1**
Other changes	—	—	(14.8)	**(14.8)**	**(54.5)**
Gross carrying amount as of December 31, 2019	**185.6**	**662.5**	**757.1**	**1,605.2**	**4,463.3**
Change in consolidation scope	—	—	(0.2)	**(0.2)**	**(4.0)**
Additions	—	—	55.5	**55.5**	**—**
Disposals	—	—	(23.0)	**(23.0)**	**—**
Currency translation adjustment	—	(20.6)	(21.5)	**(42.1)**	**(123.7)**
Other changes	—	—	(0.9)	**(0.9)**	**(11.8)**
Gross carrying amount as of December 31, 2020	**185.6**	**641.9**	**766.9**	**1,594.5**	**4,323.8**
Accumulated amortization and depreciation as of January 1, 2019	**—**	**(11.4)**	**(519.0)**	**(530.4)**	**(607.4)**
Change in consolidation scope	—	—	11.5	**11.5**	**31.3**
Amortization expense	—	—	(62.4)	**(62.4)**	**—**
Impairment losses	—	(17.5)	(2.5)	**(20.0)**	**(98.0)**
Release	—	—	10.6	**10.6**	**—**
Currency translation adjustment	—	(0.2)	(5.6)	**(5.8)**	**(3.7)**
Other changes	—	—	18.9	**18.9**	**—**
Accumulated amortization and depreciation as of December 31, 2019	**—**	**(29.1)**	**(548.6)**	**(577.7)**	**(677.8)**
Change in consolidation scope	—	—	0.6	**0.6**	**—**
Amortization expense	—	—	(60.0)	**(60.0)**	**—**
Impairment losses	—	—	—	**—**	**(486.0)**
Release	—	—	22.0	**22.0**	**—**
Currency translation adjustment	—	0.2	17.0	**17.2**	**25.6**
Other changes	—	—	0.9	**0.9**	**6.6**
Accumulated amortization and depreciation as of December 31, 2020	**—**	**(28.9)**	**(568.0)**	**(596.9)**	**(1,131.6)**
Carrying amount as of January 1, 2019	**185.6**	**639.0**	**213.2**	**1,037.9**	**3,871.0**
Carrying amount as of December 31, 2019	**185.6**	**633.4**	**208.5**	**1,027.5**	**3,785.5**
Carrying amount as of December 31, 2020	**185.6**	**613.1**	**198.9**	**997.5**	**3,192.2**

Strategic partnerships

Strategic partnerships acquired in business combinations arise from contractual rights. Their valuation is determined on the basis of a discounted cash flow model.

Distribution networks

Distribution networks are considered separable assets as they could be franchised. They correspond to the value added to each branch through the existence of a network and include notably banners and catalogues. Their measurement is performed using the royalty relief

1 2 3 4 5 6 7 8

method based on royalty rates used for franchise contracts, taking their profitability into account. The royalty rate ranges from 0.4% to 1.0% of sales depending on each country.

Strategic partnerships and distribution networks are regarded as having an indefinite useful life when there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group. They are not amortized and are tested for impairment annually or as soon as there is an indication that these assets may be impaired.

Software and other intangible assets

This caption mainly includes the net book value of software for €128.6 million as of December 31, 2020 (€135.0 million as of December 31, 2019) and customer relationships for €10.2 million as of December 31, 2020 (€21.0 million as of December 31, 2019).

Customer relationships are recognized when the acquired entity establishes relationships with key customers through contracts. Customer relationships are measured using an excess profit method and are amortized over their useful lives based on historical attrition ranging from 5 to 15 years.

Goodwill

Goodwill arising in a business combination represents a payment made in anticipation of future economic benefits arising from assets that are not capable of being identified individually and accounted for separately, such as market shares, the value of workforce, the potential to develop existing business assets and expected synergies from the combination. In the wholesale distribution sector, these synergies notably include those expected in terms of purchasing, logistics, network and administration. Goodwill is tested at least annually for impairment purposes.

The table below sets forth the allocation of goodwill and intangible assets with indefinite useful life by cash-generating unit.

		AS OF DECEMBER 31					
(in millions of euros)		2020			2019		
CGU	GEOGRAPHIC SEGMENT	GOODWILL	INTANGIBLE ASSETS	TOTAL	GOODWILL	INTANGIBLE ASSETS	TOTAL
France	Europe	1,066.8	169.4	1,236.2	1,066.8	169.4	1,236.2
United States	North America	749.5	139.7	889.2	936.5	152.6	1,089.1
Canada	North America	363.9	64.8	428.7	465.7	69.4	535.1
Switzerland	Europe	277.5	39.0	316.5	276.2	38.8	315.0
United Kingdom	Europe	13.7	56.9	70.6	181.3	60.1	241.4
Sweden	Europe	184.5	18.7	203.2	177.2	18.0	195.2
Germany	Europe	23.6	51.7	75.3	98.2	51.7	149.9
Australia	Asia-Pacific	61.3	24.4	85.7	102.8	24.3	127.1
Austria	Europe	89.8	13.0	102.8	89.8	13.0	102.8
Belgium	Europe	79.4	—	79.4	79.4	—	79.4
Norway	Europe	48.3	11.8	60.1	70.3	12.6	82.9
Other		234.1	209.2	443.2	241.4	209.2	450.6
	Total	**3,192.2**	**798.7**	**3,990.8**	**3,785.6**	**819.0**	**4,604.6**

Impairment test

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. At June 30, 2020, the Group considered, among other factors, the unexpected decreasing demand in electrical products as a result of the Covid-19 related lockdown measures associated with global economic environment downturn when reviewing for indicators of impairment. In addition, in the first semester of 2020, the market capitalization of Rexel declined significantly below the book value of its equity, indicating a potential impairment of goodwill and other intangible assets with indefinite useful life. As a result, management performed an impairment test as of June 30, 2020 for all its cash-generating units (CGUs) carrying goodwill and other intangible assets with indefinite useful life.

Value-in-use key assumptions

The Group's impairment test for goodwill was based on value-in-use calculations that use a discounted cash flow model. In this unprecedented situation of ongoing economic uncertainty surrounding the Covid-19 health crisis, the Group suspended its 2020 annual guidance. In the absence of available operational business plans, expected cash flows were adjusted to reflect post-Covid-19 sales trends and profitability. Updated sales trends and profitability were based both on inside and outside available information, including a benchmark of financial analysts forecasts.

Different sets of assumptions were used and the most likely scenario was retained. This scenario, whose pattern is a 2019 sales level recovery expected between 2022 and 2023, was built for goodwill impairment testing purposes only and doesn't constitute a medium-term guidance from a group's management perspective due to high uncertainty around the evolution of Covid-19 health crisis.

The value-in-use calculation is mostly sensitive to EBITA margins factored in the terminal value, discount rates and long-term growth rates.

- EBITA Margin

EBITA margin factored in the terminal value cash flow is set on a country by country basis based on both historical and expected performance, Rexel's market share and characteristics of the local market and by reference to other cash-generating units within the Group with similar profile.

- Discount rate and long term growth rate

The following after tax discount rates and long term growth rate were used to estimate the value-in-use of the CGUs:

	AS OF DECEMBER 31,					
	2020			2019		
CGU	DISCOUNT RATE (WACC)	LONG TERM GROWTH RATE (G)	WACC - (G)	DISCOUNT RATE (WACC)	LONG TERM GROWTH RATE (G)	WACC - (G)
France	8.0%	1.6%	6.4%	7.9%	1.8%	6.2%
United States	8.3%	2.2%	6.1%	8.4%	2.3%	6.2%
Canada	8.3%	2.0%	6.3%	8.3%	2.0%	6.3%
Switzerland	7.6%	1.0%	6.6%	7.5%	1.8%	5.8%
United Kingdom	7.9%	2.0%	5.9%	8.1%	1.8%	6.4%
Sweden	8.0%	1.8%	6.3%	7.6%	1.8%	5.9%
Germany	7.1%	2.0%	5.1%	7.0%	1.8%	5.3%
Australia	9.8%	2.4%	7.4%	8.9%	2.5%	6.4%
Austria	8.1%	2.0%	6.1%	7.5%	1.8%	5.8%
Belgium	7.4%	1.7%	5.7%	7.4%	1.8%	5.7%
Norway	7.5%	2.0%	5.5%	7.8%	1.8%	6.1%
Other	7.8% to 15.6%	1.4% to 4.0%	6.4% to 11.6%	7.4% to 16.6%	1.8% to 3.0%	5.6% to 13.6%

Impairment losses

As a result of the test, the Group recognized a goodwill impairment loss of €486.0 million for the period ended June 30, 2020 that was allocated to the following cash-generating units:

(in millions of euros)		2020
CGU	GEOGRAPHIC SEGMENT	GOODWILL IMPAIRMENT
United Kingdom	Europe	162.4
United States	North America	108.2
Canada	North America	75.2
Germany	Europe	74.6
Australia	Asia-Pacific	40.5
Norway	Europe	17.5
Other		7.6
	Total	**486.0**

In addition, as required by IAS 36 "Impairment of Assets", the Group also performed an annual impairment test as of December 31, 2020 to assess the recoverable amount of goodwill and intangible assets with indefinite useful life. Financial prospects, wacc and long-term growth rate assumptions have been updated to reflect economic conditions prevailing at the reporting date using the same methodology as for first semester of 2020 impairment calculation. No additional impairment was recognized at year-end.

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In 2019, following lower than expected performance in Norway, Finland, New Zealand, Middle East and in the United Kingdom, the Group adjusted downwards its prospects, including, the normative EBITA margin factored in the terminal value where appropriate, resulting in the following impacts:

(in millions of euros)		2019		
CGU	GEOGRAPHIC SEGMENT	GOODWILL IMPAIRMENT	DISTRIBUTION NETWORK IMPAIRMENT	TOTAL
Norway	Europe	58.9	—	58.9
New Zealand	Asia-Pacific	11.1	10.7	21.8
United Kingdom	Europe	21.4	—	21.4
Finland	Europe	—	9.3	9.3
Middle East	Asia-Pacific	6.6	—	6.6
	Total	**98.0**	**20.0**	**118.0**

Sensitivity analysis

The table below summarizes the impact by cash-generating units of a change of 50 bps in EBITA margin, discount rate and long term growth rate on the impairment expense:

CGU	GOODWILL AND INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE	EBITA MARGIN (-50 bps)	DISCOUNT RATE (+50 bps)	LONG TERM GROWTH RATE (-50 bps)
France	1,236.2	—	—	—
United States	889.2	—	—	—
Canada	428.7	(47.6)	(40.4)	(30.7)
Switzerland	316.5	—	—	—
United Kingdom	70.6	—	—	—
Sweden	203.2	—	—	—
Germany	75.3	(34.1)	(7.1)	(2.1)
Australia	85.7	(1.8)	—	—
Austria	102.8	—	—	—
Belgium	79.4	—	—	—
Norway	60.1	(13.2)	(6.1)	(4.8)
Other	443.2	(2.5)	—	—
Total	**3,990.8**	**(99.2)**	**(53.6)**	**(37.6)**

11.2 Property, plant & equipment

(in millions of euros)	LAND & BUILDINGS	PLANT & EQUIPMENT	OTHER TANGIBLE ASSETS	**TOTAL PROPERTY, PLANT AND EQUIPMENT**
Gross carrying amount as of January 1, 2019	**186.3**	**643.5**	**38.2**	**868.0**
Change in consolidation scope	(3.2)	(8.1)	—	**(11.4)**
Additions	2.4	56.8	9.2	**68.4**
Disposals	(7.3)	(35.4)	(1.6)	**(44.3)**
Currency translation adjustment	3.7	7.2	0.3	**11.2**
Other changes	0.2	4.6	(10.0)	**(5.3)**
Gross carrying amount as of December 31, 2019	**181.9**	**668.7**	**36.0**	**886.6**
Change in consolidation scope	0.3	0.1	0.2	**0.6**
Additions	2.1	47.7	6.8	**56.6**
Disposals	(13.9)	(39.1)	(1.5)	**(54.6)**
Currency translation adjustment	(3.3)	(13.1)	(0.4)	**(16.7)**
Other changes	(2.3)	(0.6)	(2.9)	**(5.8)**
Gross carrying amount as of December 31, 2020	**164.8**	**663.7**	**38.2**	**866.7**
Accumulated amortization and depreciation as of January 1, 2019	**(105.4)**	**(472.9)**	**(23.1)**	**(601.4)**
Change in consolidation scope	2.7	6.7	—	**9.4**
Depreciation expense	(5.4)	(47.4)	(2.4)	**(55.2)**
Impairment losses	—	(0.1)	—	**(0.2)**
Release	3.6	35.1	1.1	**39.8**
Currency translation adjustment	(2.1)	(4.8)	—	**(6.9)**
Other changes	—	1.1	—	**1.1**
Accumulated amortization and depreciation as of December 31, 2019	**(106.5)**	**(482.3)**	**(24.5)**	**(613.4)**
Change in consolidation scope	—	—	—	**—**
Depreciation expense	(5.0)	(48.7)	(2.1)	**(55.9)**
Impairment losses	—	—	—	**—**
Release	4.5	36.5	0.4	**41.3**
Currency translation adjustment	1.7	8.4	—	**10.2**
Other changes	2.3	2.0	—	**4.3**
Accumulated amortization and depreciation as of December 31, 2020	**(103.1)**	**(484.1)**	**(26.2)**	**(613.4)**
Carrying amount as of January 1, 2019	**80.9**	**170.6**	**15.1**	**266.6**
Carrying amount as of December 31, 2019	**75.4**	**186.3**	**11.6**	**273.3**
Carrying amount as of December 31, 2020	**61.7**	**179.6**	**12.0**	**253.3**

11.3 Leases

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period.

(in millions of euros)	PROPERTIES	OTHER EQUIPMENTS	TOTAL RIGHT-OF-USE
As of January 1, 2019	**767.2**	**66.2**	**833.4**
Additions	200.0	38.3	**238.2**
Depreciation expenses and impairment	(145.1)	(35.0)	**(180.1)**
Currency translation adjustment	10.8	0.9	**11.7**
Change in consolidation scope	(4.9)	—	**(5.0)**
As of December 31, 2019	**827.9**	**70.3**	**898.2**
Additions	166.3	41.8	**208.1**
Depreciation expenses and impairment	(144.5)	(34.5)	**(179.0)**
Currency translation adjustment	(28.2)	(2.9)	**(31.1)**
Change in consolidation scope	(0.1)	(0.6)	**(0.8)**
As of December 31, 2020	**821.4**	**74.1**	**895.5**

Set out below are the carrying amounts of lease liabilities recognized and the movements during the period.

	AS OF DECEMBER 31					
	2020			2019		
(in millions of euros)	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Properties	137.6	789.2	926.8	133.9	802.4	936.3
Others equipments	31.1	47.9	78.9	29.7	44.1	73.7
Total lease liabilities	**168.7**	**837.0**	**1,005.7**	**163.5**	**846.5**	**1,010.0**

(in millions of euros)	TOTAL LEASE LIABITIES
As of January 1, 2019	**944.5**
Additions	**233.1**
Interest expenses	**45.5**
Payments	**(220.7)**
Currency translation adjustment	**13.5**
Change in scope	**(5.9)**
As of December 31, 2019	**1,010.0**
Additions	**203.8**
Interest expenses	**42.7**
Payments	**(215.0)**
Currency translation adjustment	**(35.3)**
Change in scope	**(0.5)**
As of December 31, 2020	**1,005.7**

The lease debt maturity breaks down was as follow:

(in millions of euros)	AS OF DECEMBER 31 2020	2019
DUE WITHIN		
One year	168.7	163.5
Two years	152.9	146.8
Three years	133.7	125.1
Four years	115.4	107.7
Five years	99.0	92.1
Thereafter	336.0	374.8
Total lease liabilities	**1,005.7**	**1,010.0**

Set out below, are the amounts recognized in profit or loss for the year ended December 31, 2020 and for the year ended December 31, 2019:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31 2020	2019
Depreciation of right-of-use assets	(178.5)	(178.3)
Interest on lease liabilities	(42.7)	(45.5)
Rent on short term and low-value assets leases	(16.2)	(15.5)
Impairment of assets	(0.4)	(1.8)
Net gain on lease termination	4.0	4.9
Total amount recognized in P&L	**(233.8)**	**(236.2)**

11.4 Long-term investments

(in millions of euros)	AS OF DECEMBER 31 2020	2019
Deposits	31.9	29.0
Derivatives	9.1	19.9
Loans	—	0.1
Other long-term investments	0.2	0.2
Long-term investments	**41.3**	**49.2**

12. Current assets

12.1 Inventories

(in millions of euros)	AS OF DECEMBER 31 2020	2019
Cost	1,591.7	1,772.7
Allowance	(80.6)	(75.8)
Inventories	**1,511.1**	**1,696.9**

Changes in impairment losses

(in millions of euros)	2020	2019
Allowance for inventories as of January 1,	**(75.8)**	**(79.0)**
Change in consolidation scope	0.1	5.1
Net change in allowance	(16.4)	(5.1)
Currency translation adjustment	3.1	(1.4)
Other changes	8.5	4.5
Allowance for inventories	**(80.6)**	**(75.8)**

12.2 Trade accounts receivable

	AS OF DECEMBER 31	
(in millions of euros)	2020	2019
Nominal value	2,001.5	2,157.3
Impairment losses	(101.8)	(98.0)
Trade accounts receivable	**1,899.7**	**2,059.3**

Trade accounts receivable includes sales taxes collected on behalf of tax authorities that, in certain circumstances, may be recovered when the client defaults. Recoverable taxes amounted to €234.3 million as of December 31, 2020 (€250.0 million as of December 31, 2019).

The Group has implemented credit insurance programs in certain significant countries. Trade accounts receivable covered by these programs amounted to €808.8 million as of December 31, 2020 (€832.4 million as of December 31, 2019).

Also, in some countries, the Group benefits from additional guarantees according to the specificities of local jurisdictions, notably in the United States and in Canada. Trade accounts receivable covered by these guarantees represented €174.9 million as of December 31, 2020 (€213.4 million as of December 31, 2019).

Changes in impairment losses

(in millions of euros)	2020	2019
Impairment losses on trade accounts receivable as of January 1,	**(98.0)**	**(113.8)**
Change in consolidation scope	(0.1)	0.7
Net allowance [(1)]	(39.8)	(22.0)
Write off	34.7	25.2
Foreign exchange movement	2.1	(0.8)
Other changes	(0.6)	12.6
Impairment losses on trade accounts receivable as of December 31,	**(101.8)**	**(98.0)**

(1) See note 6. Distribution & administrative expenses.

As of December 31, 2020, trade receivables were subject to impairment losses estimated on an individual basis following the assessment of the customer default risk for €66.9 million (€89.1 million as of December 31, 2019).

Ageing of receivables is detailed as follows:

In accordance with the accounting principle stated in note 3.10, all receivables are subject to an impairment loss estimated on ageing-based matrix for €30.8 million as of December 31, 2020 (€23.9 million as of December 31, 2019).

	AS OF DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Non due	1,669.3	1,727.0
From 1 to 30 days	207.9	255.5
From 31 to 60 days	55.7	72.0
From 61 to 90 days	21.4	30.0
From 91 to 180 days	20.9	34.9
Above 180 days	26.4	37.7
Total	**2,001.5**	**2,157.3**

12.3 Other accounts receivable

	AS OF DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Suppliers' rebates and services [(1)]	255.8	316.1
VAT receivable and other sales taxes	20.3	23.6
Prepaid expenses	33.3	36.9
Derivatives	2.0	3.3
Other receivables	137.4	153.3
Total other accounts receivable	**448.9**	**533.1**

(1) Suppliers' rebates and services income recognized for the year ended December 31, 2020 were €786.0 million (€883.5 million for the year ended December 31, 2019).

13. Assets held for sale

Assets and liabilities are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The Group must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up to date in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognized at the lower of their carrying amount and fair value less costs to sell.

Assets and liabilities associated with activities classified as held for sale are as follows:

	AS OF DECEMBER 31					
	2020			2019		
(in millions of euros)	ELECTRICAL SUPPLIES TO DIY CUSTOMERS (FRANCE)	REXEL ARABIA ELECTRICAL SUPPLIES	TOTAL	GEXPRO SERVICES	SPANISH EXPORT BUSINESS	TOTAL
Assets						
Non-current assets	—	—	—	52.2	—	52.2
Current assets	—	2.5	2.5	103.2	8.5	111.6
Cash and cash equivalents	0.3	0.9	1.2	0.9	4.7	5.6
Total assets	**0.3**	**3.4**	**3.7**	**156.2**	**13.2**	**169.4**
Liabilities						
Non-current liabilities	0.3	—	0.3	6.0	0.3	6.3
Current liabilities	7.8	5.5	13.3	26.9	2.1	29.0
Total liabilities	**8.1**	**5.5**	**13.6**	**32.9**	**2.4**	**35.3**
Net assets held for sale	**(7.8)**	**(2.1)**	**(9.9)**	**123.3**	**10.8**	**134.1**

13.1 Assets held for sale as of December 31, 2020

Electrical equipment distributor to DIY customers in France

On January 15, 2021, following on-going negotiations with a third party initiated in 2020, the Group entered into a put option to divest from an electrical equipment distributor to DIY customers in France operated by an affiliate of Rexel France, subject to prior notice and advise of the work council of the entity. In this respect, as of December 31, 2020, assets and liabilities have been remeasured at their fair-value less cost to sell and reclassified as Assets Held For Sale and an impairment charge of €21.5 million was recognized (see note 8).

Rexel Arabia Electrical Supplies

On December 10, 2020, the Group entered into a sale share agreement to divest from its investments in Rexel Arabia Electrical Supplies (65% shareholding interest). The sale share agreement provides for certain conditions precedent to closing of the said transaction, which is expected to take place in the first quarter of 2021. As of December 31, 2020, the sale transaction being highly probable, the group of assets to be disposed of has been reclassified as Assets Held for Sale on the balance sheet. Net assets were remeasured at fair value less costs to sell before reclassification and an impairment charge of €11.1 million was recognized (see note 8). The sale agreements do not provide the purchaser for any specific guarantee for damages and liabilities other than customary.

13.2 Assets held for sale as of December 31, 2019

In 2019, the Group entered into:

- a stock and asset purchase agreement to dispose its non-core Gexpro Services business;
- a share sale agreement to divest from its 100% shareholding interest in Suministros Electricos Erka S.L.U., a non-core affiliate incorporated in Spain.

As of December 31, 2019, the group of assets to be disposed of had been reclassified as Assets held for sale on the balance sheet. Net assets were remeasured at fair value less costs to sell before reclassification. These transactions were closed down in the first semester of 2020 and a €5.7 million gain were recognized in other income, of which €4.2 million on Gexpro Services business sale transaction and €1.4 million on Suministros Electricos Erka S.L.U. sale.

14. Cash and cash equivalents

(in millions of euros)	AS OF DECEMBER 31 2020	2019
Cash at bank	684.5	513.3
Cash in hand	0.9	1.0
Cash and cash equivalents	**685.4**	**514.3**

15. Summary of financial assets

				AS OF DECEMBER 31			
				2020		2019	
(in millions of euros)	NOTE	CATEGORY IFRS 9	FAIR VALUE HIERARCHY*	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Hedging derivatives (1)		FV P&L	2	9.1	9.1	19.4	19.4
Hedging derivatives (1)		FV OCI	2	—	—	0.5	0.5
Other derivative instruments not eligible to hedge accounting		FV P&L	2	—	—	—	—
Deposits		AC		31.9	31.9	29.0	29.0
Loans		AC		—	—	0.1	0.1
Others (2)		N/A		0.2	N/A	0.2	N/A
Total long-term investments	11.4			**41.3**	**—**	**49.2**	**—**
Trade accounts receivable	12.2	AC		**1,899.7**	**1,899.7**	**2,059.3**	**2,059.3**
Supplier rebates receivable		AC		255.8	255.8	316.1	316.1
VAT and other receivable (2)		N/A		20.3	N/A	23.6	N/A
Other accounts receivable		AC		137.4	137.4	153.3	153.3
Other derivative instruments eligible to hedge accounting		FV OCI	2	—	—	0.2	0.2
Other derivative instruments not eligible to hedge accounting		FV P&L	2	2.0	2.0	3.1	3.1
Prepaid expenses (2)		N/A		33.3	N/A	36.9	N/A
Total other current assets	12.3			**448.9**	**—**	**533.1**	**—**
Cash		FV P&L		685.4	685.4	514.3	514.3
Cash and cash equivalents	14			**685.4**	**—**	**514.3**	**—**

Amortized cost	AC
Fair value through profit or loss	FV P&L
Fair value through other comprehensive income	FV OCI
Not applicable	N/A

* For fair value hierarchy see note 3.13.
(1) Specific accounting treatment for hedging.
(2) Not a financial instrument under IFRS 9.

16. Share capital and premium

16.1 Changes in share capital and issuance premium

Rexel's share capital is composed of ordinary shares, with a par value of €5. The following table shows changes in the share capital and issuance premium:

	NUMBER OF SHARES	SHARE CAPITAL	SHARE PREMIUM
		(in millions of euros)	
As of January 1, 2019	**303,988,899**	**1,519.9**	**1,554.0**
Issuance of shares in connection with free shares plans (1)	113,114	0.6	—
Allocation of free shares	—	—	(10.4)
Free shares cancelled	—	—	12.6
Cash dividends	—	—	(104.9)
As of December 31, 2019	**304,102,013**	**1,520.5**	**1,451.2**
Issuance of shares in connection with free shares plans (2)	323,093	1.6	—
Allocation of free shares	—	—	(5.9)
Free shares cancelled	—	—	5.3
As of December 31, 2020	**304,425,106**	**1,522.1**	**1,450.6**

(1) Issuance of 113,114 shares in connection with the 2015 bonus shares plan ("4+0 Plan").
(2) Issuance of 323,093 shares in connection with the 2016 bonus shares plan ("4+0 Plan").

16.2 Capital Management and treasury shares

The Shareholders' Meeting of June 25, 2020 authorized the Board of Directors, with the option of sub-delegation, to have Rexel buy up to a maximum number of shares representing up to 10% of the company's share capital for a maximum price of €30 per share. This program is capped at €250 million with a term of 18 months from the date of the Shareholders' Meeting (ending December 25, 2021).

The objectives of this program in decreasing order of priority are as follows:

- Ensuring liquidity and activity in the market for the shares through an investment services provider;
- Setting up any stock option plan of the Company;
- Retaining and delivering shares further to an exchange or as a consideration in the context of external growth transactions within the limit of 5% of the share capital of Rexel;
- Granting shares in connection with the exercise of rights attached to securities conferring access to Rexel shares;
- Cancelling all or part of any shares so repurchased;
- Any other actions that comply with applicable regulations in force.

In connection with this share buy-back program, Rexel entered into an agreement with a financial institution to promote the liquidity of Rexel shares on the market, in compliance with the *Autorité des marchés financiers* (AMF) requirements, for an amount of €18.3 million as of December 31, 2020 (€14.9 million as of December 31, 2019).

Rexel also repurchased in previous years treasury shares to serve its free share plans (727,903 shares held as of December 31, 2020).

As of December 31, 2020, Rexel held in aggregate 1,148,482 treasury shares (1,748,912 as of December 31, 2019) valued at an average price of €12.64 per share (€12.35 per share as of December 31, 2019) that were recognized as a reduction in shareholders' equity, for a total of €14.5 million (€21.6 million as of December 31, 2019).

Net capital gains realized on the sale of treasury shares in 2020 amounted to €1.2 million net of tax and were recognized as increase in shareholders' equity (net capital gains of €0.8 million in 2019).

17. Dividends

	FOR THE YEAR ENDED DECEMBER 31	
	2020	2019
Dividends per share	€—	€0.44
Dividends paid in cash (in millions of euros)	**0.0**	**133.0**

18. Share based payments

18.1 Bonus share plans

In addition to its employee long-term profit sharing policy, Rexel has annual bonus share plans in place; the principal characteristics of which are described below:

Plans issued in 2020

On September 28, 2020, Rexel entered into three free share plans for top executive managers amounting to a maximum of 1,566,140 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on three years after the grant date (September 29, 2023) with no subsequent restrictions.

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Plan	3+0 PERFORMANCE SHARES PLAN	3+0 RESTRICTED AND PERFORMANCE SHARES PLAN	3+0 RESTRICTED SHARES PLAN	**TOTAL**
Vesting conditions	Three year service condition from grant date and performance conditions based on:	Limited to a fixed number of shares, three year service condition from grant date with no performance conditions and for the remaining shares, additional performance conditions based on:	Three year service condition from grant date without any performance conditions	
	(i) 2019/2022 average growth of EBITA in value (ii) 2019/2022 average Organic Sales Growth (iii) average free cash flow before interest and tax to EBITDA between 2020 to 2022 (iv) Rexel share market performance compared to peers			
Delivery date	September 29, 2023	September 29, 2023	September 29, 2023	
Share fair value at grant date September 28, 2020(1)	*8.41*	*8.54*	*8.74*	***8.48***
Maximum number of shares granted on September 28, 2020	**890,920**	**544,020**	**131,200**	**1,566,140**
Number of shares cancelled	(720)	(2,640)	(400)	**(3,760)**
Total maximum number of shares granted as of December 31, 2020	**890,200**	**541,380**	**130,800**	**1,562,380**

(1) The fair value of Rexel's shares was computed based on a Monte-Carlo model which simulates the evolution of Rexel and panel shares quotations at the end of the three or four-year vesting period. The effect of restrictions attached to the dividend rights until the delivery date of the shares to the beneficiaries was computed in the fair value calculation.

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Plans issued in 2019

On May 23, 2019, Rexel entered into three free share plans for top executive managers amounting to a maximum of 2,082,522 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on three years after the grant date (May 24, 2022) with no subsequent restrictions.

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Plan	3+0 PERFORMANCE SHARES PLAN	3+0 RESTRICTED AND PERFORMANCE SHARES PLAN	3+0 RESTRICTED SHARES PLAN	TOTAL
Vesting conditions	Three year service condition from grant date and performance conditions based on:	Limited to a fixed number of shares, three year service condition from grant date with no performance conditions and for the remaining shares, additional performance conditions based on:	Three year service condition from grant date without any performance conditions	
	(i) 2018/2021 average growth of EBITA in value (ii) 2018/2021 average Organic Sales Growth (iii) average free cash flow before interest and tax to EBITDA between 2019 to 2021 (iv) Rexel share market performance compared to peers			
Delivery date	May 24, 2022	May 24, 2022	May 24, 2022	
Share fair value at grant date May 23, 2019[1]	*8.59*	*8.83*	*9.23*	***8.74***
Maximum number of shares granted on May 23, 2019	**1,016,875**	**932,147**	**133,500**	**2,082,522**
2019 adjustment[2]	34,040	32,081	4,698	**70,819**
Number of shares cancelled	(29,000)	(24,250)	(3,000)	**(56,250)**
Total maximum number of shares granted as of December 31, 2019	**1,021,915**	**939,978**	**135,198**	**2,097,091**
Number of shares cancelled	(49,292)	(53,132)	(5,180)	**(107,604)**
Total maximum number of shares granted as of December 31, 2020	**972,623**	**886,846**	**130,018**	**1,989,487**

(1) The fair value of Rexel's shares was computed based on a Monte-Carlo model which simulates the evolution of Rexel and panel shares quotations at the end of the three or four-year vesting period. The effect of restrictions attached to the dividend rights until the delivery date of the shares to the beneficiaries was computed in the fair value calculation.

(2) Following the distribution of dividends by deduction of share premium on July 5, 2019 and in accordance with provisions contained in free share plans issued by Rexel, rights granted under such alive plans were adjusted to allow holders to invest the same amount of money as planned at the grant date.

Plans issued in 2018

On May 24, 2018, Rexel entered into three free share plans for top executive managers amounting to a maximum of 1,900,032 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on three years after the grant date (May 25, 2021) with no subsequent restrictions, the so-called "3+0 Plan".

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Plan	3+0 PERFORMANCE SHARES PLAN	3+0 RESTRICTED AND PERFORMANCE SHARES PLAN	3+0 RESTRICTED SHARES PLAN	TOTAL
Vesting conditions	Three year service condition from grant date and performance conditions based on:	Limited to a fixed number of shares, three year service condition from grant date with no performance conditions and for the remaining shares, additional performance conditions based on:	Three year service condition from grant date without any performance conditions	
	(i) 2017/2020 average growth of EBITA in value (ii) 2017/2020 average Organic Sales Growth (iii) average free cash flow before interest and tax to EBITDA between 2018 to 2020 (iv) Rexel share market performance compared to peers			
Delivery date	May 25, 2021	May 25, 2021	May 25, 2021	
Share fair value at grant date May 24, 2018[(1)]	*10.52*	*10.88*	*11.5*	***10.71***
Maximum number of shares granted on May 24, 2018	**1,007,625**	**822,907**	**69,500**	**1,900,032**
2019 adjustment[(2)]	30,124	25,116	2,376	**57,616**
Number of shares cancelled	(133,475)	(111,790)	(3,500)	**(248,765)**
Total maximum number of shares granted as of December 31, 2019	**904,274**	**736,233**	**68,376**	**1,708,883**
Number of shares cancelled	(89,997)	(48,717)	(3,626)	**(142,340)**
Total maximum number of shares granted as of December 31, 2020	**814,277**	**687,516**	**64,750**	**1,566,543**

(1) The fair value of Rexel's shares was computed based on a Monte-Carlo model which simulates the evolution of Rexel and panel shares quotations at the end of the three or four-year vesting period. The effect of restrictions attached to the dividend rights until the delivery date of the shares to the beneficiaries was computed in the fair value calculation.

(2) Following the distribution of dividends by deduction of share premium on July 5, 2019 and in accordance with provisions contained in free share plans issued by Rexel, rights granted under such alive plans were adjusted to allow holders to invest the same amount of money as planned at the grant date.

Plans issued in 2017

On May 23, 2017, Rexel entered into free share plans for top executive managers amounting to a maximum of 1,873,975 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on their country of residence:

- either three years after the grant date (May 24, 2020), these being restricted for an additional two-year period (until May 24, 2022), the so-called "3+2 Plan",
- or four years after the grant date (May 24, 2021) with no subsequent restrictions, the so-called "4+0 Plan".

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Vesting conditions	Three year service condition from grant date and performance conditions based on:	Four year service condition from grant date and performance conditions based on:	**TOTAL**
	(i) 2016/2019 average growth of EBITA in value (ii) 2016/2019 average Organic Sales Growth (iii) average free cash flow before interest and tax to EBITDA between 2017 to 2019 (iv) Rexel share market performance compared to peers		
Plan	3+2	4+0	
Delivery date	May 24, 2020	May 24, 2021	
Share fair value at grant date May 23, 2017[1]	*12.75*	*12.34*	***12.48***
Maximum number of shares granted on May 23, 2017	**643,200**	**1,230,775**	**1,873,975**
2019 adjustment[2]	18,245	30,698	**48,943**
Number of shares cancelled	(114,900)	(342,700)	**(457,600)**
Total maximum number of shares granted as of December 31, 2019	**546,545**	**918,773**	**1,465,318**
Number of shares cancelled	(154,445)	(319,930)	**(474,375)**
Number of shares delivered	(392,100)	—	**(392,100)**
Total maximum number of shares granted as of December 31, 2020	**—**	**598,843**	**598,843**

(1) The fair value of Rexel's shares was computed based on a Monte-Carlo model which simulates the evolution of Rexel and panel shares quotations at the end of the three or four-year vesting period. The effect of restrictions attached to the dividend rights until the delivery date of the shares to the beneficiaries was computed in the fair value calculation.

(2) Following the distribution of dividends by deduction of share premium on July 5, 2019 and in accordance with provisions contained in free share plans issued by Rexel, rights granted under such alive plans were adjusted to allow holders to invest the same amount of money as planned at the grant date.

Plans issued in 2016

On June 23, 2016, Rexel entered into free share plans for top executive managers amounting to a maximum of 1,820,625 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on their country of residence:

- either three years after the grant date (June 24, 2019), these being restricted for an additional two-year period (until June 24, 2021), the so-called "3+2 Plan",
- or four years after the grant date (June 24, 2020) with no subsequent restrictions, the so-called "4+0 Plan".

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Vesting conditions	Three year service condition from grant date and performance conditions based on:	Four year service condition from grant date and performance conditions based on:	**TOTAL**
	(i) 2015/2018 average growth of EBITA in value (ii) 2015/2018 average Organic Sales Growth (iii) average free cash flow before interest and tax to EBITDA between 2016 to 2018 (iv) Rexel share market performance compared to peers		
Plan	3+2	4+0	
Delivery date	June 24, 2019	June 24, 2020	
Share fair value at grant date June 23, 2016(1)	*10.91*	*10.50*	***10.64***
Maximum number of shares granted on June 23, 2016	**741,500**	**1,079,125**	**1,820,625**
2016 and 2019 adjustment(2)	25,142	48,070	**73,212**
Number of shares cancelled	(579,464)	(791,888)	**(1,371,352)**
Number of shares delivered	(187,178)	—	**(187,178)**
Total maximum number of shares granted as of December 31, 2019	**—**	**335,307**	**335,307**
Number of shares cancelled	—	(12,214)	**(12,214)**
Number of shares delivered	—	(323,093)	**(323,093)**
Total maximum number of shares granted as of December 31, 2020	**—**	**—**	**—**

(1) The fair value of Rexel's shares was computed based on a Monte Carlo model which simulates the evolution of Rexel and panel shares quotations over three years. The impact of restrictions attached to the dividends until the delivery date of the shares to the beneficiaries was excluded from the fair value.

(2) Following the distribution of dividends by deduction of share premium on July 5, 2016 and on July 5, 2019 and in accordance with provisions contained in free share plans issued by Rexel, rights granted under such alive plans were adjusted to allow holders to invest the same amount of money as planned at the grant date.

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18.2 Share-based payment expenses

Expenses related to free share plans accounted for in "Distribution and administrative expenses" are summarized as follows:

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	2020	2019
Plans issued in 2015	—	0.1
Plans issued in 2016	0.5	—
Plans issued in 2017	2.7	3.6
Plans issued in 2018	2.8	1.2
Plans issued in 2019	4.1	2.0
Plans issued in 2020	0.9	—
Expense related to employee share purchase plan	0.4	0.4
Total free share plans expense	**11.3**	**7.3**

19. Earnings per share

Information on the earnings and number of ordinary and potential dilutive shares included in the calculation is presented below:

	FOR THE YEAR ENDED DECEMBER 31,	
	2020	2019
Net income attributed to ordinary shareholders *(in millions of euros)*	**(261.2)**	**204.4**
Weighted average number of ordinary shares *(in thousands)*	302,293	302,049
Non-dilutive potential shares *(in thousands)*	—	—
Weighted average number of issued common shares adjusted for non-dilutive potential shares *(in thousands)*	**302,293**	**302,049**
Basic earning per share *(in euros)*	**(0.86)**	**0.68**
Dilutive potential shares *(in thousands)* (1)	1,192	728
• of which bonus shares *(in thousands)*	1,192	728
Weighted average number of common shares adjusted for dilutive potential shares *(in thousands)*	**303,485**	**302,777**
Fully diluted earnings per share *(in euros)*	**(0.86)**	**0.68**

(1) The number of potential dilutive shares does not take into account the free shares whose allocation is subject to future performance or market conditions not yet met at the balance sheet date.

20. Provisions and other non-current liabilities

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	2020	2019
Provisions	32.8	26.2
Derivatives	6.5	7.3
Other non-current liabilities (1)	7.3	7.3
Provisions and other non-current liabilities	**46.7**	**40.8**

(1) Including employee profit sharing related payables in France in the amount of €7.3 million (€7.3 million at December 31, 2019).

The variation in provisions is detailed in the table below:

(in millions of euros)	RESTRUCTURING (1)	OTHER LITIGATION & CLAIMS (2)	LEASE ASSETS RESTORATION (3)	TOTAL PROVISIONS
As of January 1, 2019	**26.0**	**15.1**	**3.4**	**44.5**
Increase	8.3	6.2	—	**14.5**
Use	(24.5)	(3.1)	(1.8)	**(29.5)**
Release	(0.1)	(1.1)	—	**(1.1)**
Currency translation adjustment	0.1	—	0.1	**0.3**
Other changes	(0.8)	(2.5)	0.7	**(2.5)**
As of December 31, 2019	**9.1**	**14.6**	**2.4**	**26.2**
Increase	21.4	9.5	0.9	**31.8**
Use	(10.8)	(3.1)	(1.1)	**(14.9)**
Release	(0.4)	(0.2)	—	**(0.6)**
Currency translation adjustment	—	(0.1)	(0.1)	**(0.1)**
Other changes	(7.3)	(2.2)	—	**(9.5)**
As of December 31, 2020	**12.1**	**18.6**	**2.1**	**32.8**

(1) Provisions for reorganization and business transformation programs to adapt the Group's structure to current trading conditions. These restructuring plans resulted in the closure of branches, optimization of distribution centers and back office reorganization. Provisions for restructuring activities undertaken at December 31, 2020, mainly concerned Europe for €9.6 million (€6.8 million in 2019), Asia-Pacific for €1.5 million (€2.1 million in 2019) and North America for €1.0 million (€0.3 million in 2019).

(2) Other litigation and claims amounted to €18.6 million (€14.6 million in 2019), of which €2.7 million relating to litigation with French social security authorities (€2.7 million in 2019), €3.6 million to employee claims (€2.8 million in 2019) and €2.2 million to trade disputes (€1.7 million in 2019).

(3) Provisions for lease assets restoration incurred mainly in the United Kingdom for €0.9 million (€2.0 million in 2019) and in Switzerland for €0.8 million.

21. Post-employment and long-term benefits

21.1 Defined benefit plans description

The Group provides employee benefits under various arrangements, including defined benefit and defined contribution plans. The specific conditions of these plans vary according to the rules applying in each country concerned. These plans include pensions, lump-sum payments on retirement, jubilees, early retirement benefits, and health care and life insurance benefits in favor of former employees, including retired employees.

The most significant funded defined benefit pension plans sponsored by the Group are in the United Kingdom, in Canada and in Switzerland. Related funds are managed through independent vehicles.

In the United Kingdom, Rexel operates deferred final salary defined benefits through the Rexel UK Pension Scheme fund. All sections under this plan are closed to new entrants with effect of April 5, 2002. Accrued benefits and pensions are subject to indexation. Statutory funding objectives are agreed between the Trustee board and the company. In that respect, the Trustee board carries out a full valuation of the Scheme at least every three years, after which a recovery plan of contributions is agreed with the company to restore any funding deficit. The most recent full valuation was performed on April 5, 2020. The Trustee board is also responsible for determining the investment strategy of the plan.

In Switzerland, Rexel provides a second pillar pension plan for their employees. Assets are managed through a pension fund *"Pension Kasse"*, the *Elektro Material Pension Plan*. The plan runs under a contribution-based pension plan agreement with guaranteed return, thus qualifying as a defined benefit plan. The Pension Board *"Conseil de Fondation"* is responsible to set up adequate company's and employee's contribution and asset allocation strategy that seeks to meet at least guaranteed return. A full valuation of this plan is performed each year.

In Canada, defined benefit pension plans mainly include:

- The Employees' Plan which is a registered plan and has both defined benefit and defined contribution provisions. The defined benefit provision of the plan has a career average type formula. This plan was closed to new entrants on January 1, 2000.
- The Executives' Pension Plan and the Supplementary Executives' Retirement Plan ("SERP") which provide retirees with a pension based on a percentage of their prior earnings. The Executives' Plan is a final average earnings

defined benefit registered plan. The SERP has two provisions: the first provides benefit in excess of the limits of the Executives' Plan and the second portion provides a term annuity upon retirement based on a notional account.

A full actuarial valuation of Canadian plans is performed every three years. The most recent valuations were performed in December 2020.

21.2 Employee Benefit Plan information

The change in the present value of the obligation in respect of defined benefit plans is as follows:

	DEFINED BENEFIT OBLIGATIONS				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2019	**461.5**	**221.1**	**228.1**	**193.7**	**1,104.4**
Service cost	—	2.1	6.1	5.6	13.7
Interest cost	13.9	8.8	2.3	3.9	28.9
Benefit payments	(16.6)	(13.4)	(12.3)	(9.7)	(51.9)
Employee contributions	—	0.4	4.1	0.4	4.9
Currency translation adjustment	25.6	15.6	9.0	0.5	50.7
Remeasurements					
Effect of change in demographic assumptions	—	—	*2.0*	*(0.3)*	*1.7*
Effect of change in financial assumptions	*62.4*	*24.2*	*5.9*	*19.5*	*112.0*
Effect of experience adjustments	*(0.4)*	*(0.2)*	*4.9*	*(3.4)*	*0.9*
As of December 31, 2019	**546.3**	**258.7**	**250.2**	**210.1**	**1,265.3**
Service cost	—	2.2	7.2	6.0	15.4
Interest cost	10.3	7.5	0.6	2.6	21.0
Benefit payments	(15.6)	(12.4)	(7.6)	(9.3)	(44.9)
Employee contributions	—	0.4	4.3	0.4	5.1
Change in consolidation scope	—	—	—	(0.6)	(0.6)
Currency translation adjustment	(29.7)	(17.5)	1.1	(2.3)	(48.4)
Past service cost / settlement and other	0.2	—	—	—	0.2
Remeasurements					
Effect of change in demographic assumptions	—	—	—	*(1.2)*	*(1.2)*
Effect of change in financial assumptions	*57.5*	*21.5*	*(1.1)*	*8.4*	*86.4*
Effect of experience adjustments	*(10.5)*	*(1.4)*	*2.6*	*1.6*	*(7.6)*
As of December 31, 2020	**558.6**	**258.9**	**257.4**	**215.7**	**1,290.6**

The change in the fair value of the defined benefit plan assets breaks down as follows:

	PLAN ASSETS				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2019	**354.1**	**168.3**	**224.6**	**91.1**	**838.0**
Employer contributions	13.9	6.8	8.0	8.4	37.1
Employee contributions	—	0.4	4.1	0.4	4.9
Interest income	8.4	6.8	2.5	1.7	19.4
Benefit payments	(16.6)	(13.4)	(12.3)	(9.7)	(52.0)
Currency translation adjustment	19.4	11.8	8.9	0.2	40.2
Return on plan assets excluding interest income (OCI) (1)	32.2	12.3	11.7	9.0	65.3
As of December 31, 2019	**411.4**	**193.2**	**247.5**	**101.0**	**953.1**
Employer contributions	18.9	6.6	8.5	11.2	45.3
Employee contributions	—	0.4	4.3	0.4	5.1
Interest income	5.6	5.7	0.7	1.2	13.1
Benefit payments	(15.6)	(12.4)	(7.6)	(9.3)	(44.9)
Currency translation adjustment	(22.4)	(13.0)	1.1	(0.4)	(34.6)
Return on plan assets excluding interest income (OCI) (1)	23.8	7.2	0.3	1.5	32.7
As of December 31, 2020	**421.8**	**187.6**	**254.9**	**105.5**	**969.7**

(1) Of which €(12.0) million of asset ceiling on the Switzerland plan (€3.6 million in 2019).

The change in the net liability / (asset) breaks down as follows:

	NET LIABILITY / (ASSET)				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2019	**107.4**	**52.7**	**3.5**	**102.6**	**266.2**
Service cost	—	2.1	6.1	5.6	13.7
Interest cost	5.4	2.0	(0.2)	2.2	9.4
Employer contributions	(13.9)	(6.8)	(8.0)	(8.4)	(37.1)
Currency translation adjustment	6.2	3.8	0.1	0.3	10.4
Remeasurements	29.8	11.7	1.2	6.8	49.4
As of December 31, 2019	**134.9**	**65.5**	**2.7**	**109.1**	**312.1**
Service cost	—	2.2	7.2	6.0	15.4
Interest cost	4.7	1.8	—	1.5	7.9
Past service cost/settlement and other	0.2	—	—	—	0.2
Employer contributions	(18.9)	(6.6)	(8.5)	(11.2)	(45.3)
Change in consolidation scope	—	—	—	(0.6)	(0.6)
Currency translation adjustment	(7.3)	(4.6)	—	(1.9)	(13.7)
Remeasurements	23.3	12.9	1.2	7.4	44.9
As of December 31, 2020	**136.8**	**71.4**	**2.5**	**110.2**	**320.9**

The reconciliation of the liability recognized on the balance sheet and the present value of the obligation in respect of defined benefit plans is as follows:

	LIABILITY RECONCILIATION				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
For the year ended December 31, 2019					
Defined benefit obligations	**546.3**	**258.7**	**250.2**	**210.1**	**1,265.3**
of which Funded schemes	*545.9*	*236.6*	*247.5*	*125.1*	*1,155.2*
of which Unfunded schemes	*0.4*	*22.1*	*2.6*	*85.0*	*110.1*
Fair value of plan assets	(411.4)	(193.2)	(247.5)	(101.0)	(953.1)
Recognized net liability for defined benefit obligations	**134.9**	**65.5**	**2.7**	**109.0**	**312.1**
For the year ended December 31, 2020					
Defined benefit obligations	**558.6**	**258.9**	**257.4**	**215.7**	**1,290.6**
of which Funded schemes	*558.1*	*236.8*	*254.9*	*126.4*	*1,176.2*
of which Unfunded schemes	*0.4*	*22.1*	*2.5*	*89.3*	*114.4*
Fair value of plan assets	(421.8)	(187.6)	(254.9)	(105.5)	(969.7)
Recognized net liability for defined benefit obligations	**136.8**	**71.4**	**2.5**	**110.2**	**320.9**

21.3 Remeasurements of the net defined benefit liability

	OTHER COMPREHENSIVE INCOME				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Return on plan assets excluding interest income and asset ceiling	(32.2)	(12.3)	(11.9)	(9.0)	(65.4)
Effect of change in demographic assumptions	—	—	2.1	(0.3)	1.8
Effect of change in financial assumptions	62.4	24.2	5.8	19.1	111.5
Effect of experience adjustments	(0.4)	(0.2)	5.9	(2.9)	2.4
OCI recognized for the year ended December 31, 2019	**29.8**	**11.6**	**2.0**	**6.9**	**50.3**
Return on plan assets excluding interest income and asset ceiling	(23.7)	(7.2)	(0.3)	(1.4)	(32.7)
Effect of change in demographic assumptions	—	—	—	(1.2)	(1.2)
Effect of change in financial assumptions	57.5	21.5	(1.1)	8.3	86.2
Effect of experience adjustments	(10.5)	(1.4)	2.5	1.8	(7.6)
OCI recognized for the year ended December 31, 2020	**23.3**	**12.9**	**1.1**	**7.4**	**44.7**

21.4 Employee Benefit expense

The expense recognized in the consolidated income statement breaks down as follows:

	EXPENSE				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service costs (1)	—	2.1	6.1	5.6	13.7
Past service costs (1)	—	—	—	(0.1)	—
Net Interest expense (2)	5.4	2.0	—	2.2	9.6
Other (1)	—	0.1	(1.0)	(0.2)	(1.0)
Expense recognized for the year ended December 31, 2019	**5.5**	**4.2**	**5.1**	**7.6**	**22.3**
Service costs (1)	—	2.2	7.2	6.0	15.4
Past service costs (3)	0.2	—	—	—	0.2
Net Interest expense (2)	4.7	1.8	—	1.5	8.0
Other (1)	—	0.1	0.1	—	0.2
Expense recognized for the year ended December 31, 2020	**4.9**	**4.1**	**7.3**	**7.5**	**23.7**

(1) Recognized as personnel costs (see note 7).
(2) Recognized as net financial expenses (see note 9).
(3) Recognized as other expenses.

There have been no significant plan amendments or settlements for the years ended December 31, 2020 and December 31, 2019.

21.5 Plan asset allocation

	PLAN ASSETS CLASS		
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND
Cash and cash equivalents	5.0	0.9	11.9
Equity instruments (quoted in an active market)	12.3	84.2	91.6
Debt instruments (quoted in an active market)	73.8	105.0	96.5
Real estate	—	—	57.2
Investment funds	315.9	—	—
Asset held by insurance company	4.1	3.1	3.1
Other	0.4	—	5.1
As of December 31, 2019	**411.4**	**193.2**	**265.4**
Cash and cash equivalents	5.0	0.9	14.4
Equity instruments (quoted in an active market)	12.6	81.8	104.7
Debt instruments (quoted in an active market)	71.5	102.0	99.5
Real estate	—	—	62.7
Investment funds	328.0	—	—
Asset held by insurance company	4.2	2.9	1.3
Other	0.3	—	2.2
As of December 31, 2020	**421.8**	**187.6**	**284.8**

21.6 Actuarial assumptions

The main actuarial assumptions are as follows:

	UNITED KINGDOM		CANADA		SWITZERLAND	
	2020	2019	2020	2019	2020	2019
Average plan duration (in years)	17	17	13	12	15	15
Discount rate (in %)	1.50	2.00	2.40	3.10	0.25	0.25
Future salary increases (in %)	N/A	N/A	3.00	3.00	0.50	0.75

Discount rates have been set by reference to market yields on high quality corporate bonds (AA rated-bonds by at least one of the top three rating agencies: Standard & Poor's, Moody's and Fitch) with a similar duration to the underlying obligation. Each future year expected benefit payments are discounted by the corresponding of the yield curve and when there is no deep market in bonds with a sufficiently long maturity to match the maturity of the benefit payments, the discount rate is estimated by extrapolating current market rates along the yield curve. Then a single discount rate is calculated that, when applied to all cash flows, results in the same interest cost as the application of the individual rates would have produced.

21.7 Post-employment plan risks

In order to identify and deal with the risks in relation to the management of pension and other post-retirement plans, a pension committee made up by Finance and Human Resources representatives, meets on a quarterly basis. This pension committee, supported by experts, reviews, in particular, the funding of pension plans, and the performance of the pension plan's assets. It is informed of any material event in relation to the benefits granted to employees, the financial impact in relation to the plans, or changes in the regulations. The committee reports to Audit Committee on a yearly basis.

The Group's major defined benefit plans are subject to funding requirements that mainly fluctuate based on interest rates, performance of plan assets and changes in local regulations. Depending on changes in the above parameters, the Group may be required to make additional contributions to the pension funds in a defined time frame.

- Volatility in discount rates and inflation

The defined benefit liability is calculated by discounting future expected cash flows. Discount rates are determined based upon bonds yield prevailing at the measurement date which may fluctuate from one period to another. In addition, accrued benefits and pension annuities are usually subject to salary increase and conditional or unconditional indexation which vary depending on inflation level. Any change in the above parameters may adversely affect the defined benefit liability and the service cost, and thus triggers additional contributions to comply with local minimum funding requirements.

- Volatility in asset values

Plan assets mainly include equities, fixed incomes securities and other assets which values are subject to market volatility. A downturn in financial markets would result in an increase of the net liability and, therefore, in reduced funding ratios requiring additional contributions from the Group in a defined time frame.

Sensitivity analysis

	SENSITIVITY TO A 50 BASIS POINTS DECREASE IN DISCOUNT RATE				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost	—	0.1	0.5	0.4	1.1
Defined Benefit Obligation	51.5	16.4	21.1	14.8	103.9

	SENSITIVITY TO A 10% DOWNTURN IN FINANCIAL MARKET				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Plan assets	(1.3)	(8.2)	(10.5)	(0.4)	(20.4)

Risk Management

To mitigate risks identified above, the Group has already implemented or is currently setting up the following actions which include changes in the design of the defined benefit schemes as well as financial measures:

- Closure of defined benefits schemes, where appropriate, and move to defined contribution plans, with frozen benefit rights;
- Rationalization of benefits including the level of pension benefits, conversion rate factors and indexation caps;
- Selective additional cash contributions to increase funding level, on top of regular contributions;
- Inflation and Interest rate hedging;
- Adoption of investment strategies that broadly match the nature of the liabilities, with a progressive alignment of asset allocation and pension plans duration;
- Regular meetings with trustees;
- Periodic review of investment performance by independent advisors to monitor investment volatility.

21.8 Expected cash flows

	EXPECTED CASH FLOW				
(in millions of euros)	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Expected benefit payments for 2021	16.3	12.4	7.5	7.7	43.9
Expected benefit payments for 2022	16.3	12.7	8.0	8.4	45.5
Expected benefit payments for 2023	16.7	12.9	8.7	15.5	53.8
Expected benefit payments for 2024	17.1	13.2	9.9	10.2	50.5
Expected benefit payments for 2025 and after	116.6	82.8	52.2	68.8	320.4
Expected benefit contributions for 2021	14.0	6.4	6.5	5.8	32.7

22. Financial liabilities

This note provides information on financial liabilities as of December 31, 2020. Financial liabilities include interest-bearing loans from financial institutions, borrowings and accrued interests less transaction costs.

22.1 Net financial debt

As of December 31, 2020, Rexel's consolidated net debt stood at €1,334.9 million, consisting of the following items:

	AS OF DECEMBER 31					
	2020			2019		
(in millions of euros)	CURRENT	NON CURRENT	TOTAL	CURRENT	NON CURRENT	TOTAL
Senior notes	—	1,105.5	1,105.5	—	1,413.4	1,413.4
Securitization	0.4	818.0	818.4	620.0	332.9	952.9
Bank loans	8.1	0.3	8.5	13.0	0.9	13.9
Commercial paper	50.0	—	50.0	50.0	—	50.0
Bank overdrafts and other credit facilities	58.6	—	58.6	65.5	—	65.5
Accrued interests (1)	3.6	—	3.6	4.6	—	4.6
Less transaction costs	(3.7)	(8.6)	(12.3)	(4.2)	(14.1)	(18.4)
Total financial debt and accrued interest	**117.0**	**1,915.2**	**2,032.2**	**748.8**	**1,733.1**	**2,481.8**
Cash and cash equivalents			(685.4)			(514.3)
Accrued interest receivable			(0.8)			(2.0)
Debt hedge derivatives (2)			(11.1)			(19.6)
Net financial debt			**1,334.9**			**1,945.9**

(1) Of which accrued interests on Senior notes for €1.2 million as of December 31, 2020 (€1.6 million as of December 31, 2019).
(2) Debt hedge derivatives include fair value hedge interest rate derivatives and foreign exchange derivatives designated as hedge of financial debt.

22.1.1 Senior Facility Agreement

The Senior Facility Agreement initially executed on March 15, 2013 subsequently amended - the latest amendment being dated January 31, 2018 - provides multicurrency revolving credit facility for an aggregate maximum initial amount of €850 million with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Bank France, Natixis and Société Générale as Mandated Lead Arrangers and Bookrunners. Facilities can also be drawn down through swingline loans for an aggregate amount of €137.8 million.

On January 16, 2020, Rexel exercised its option to extend the final maturity date by one additional year, from January 31, 2024 to January 31, 2025.

On March 25, 2020, the Group drew down €550 million out of €850 million of its available credit facilities in order to secure its cash position due to the second quarter sales decrease as a result of Covid-19 related lockdown measures. On June 24, 2020, these facilities were paid-off and €850 million of these facilities remained available as of December 31, 2020.

Interest and margin

Amounts drawn bear interest at a rate determined in reference to (i) the EURIBOR rate when funds are made available in Euro or the LIBOR rate when funds are made available in currencies other than Euro, (ii) the applicable margin, (iii) certain *premia* for loans in currencies other than euro, and (iv) mandatory costs (representing the costs to be borne by the lenders for the financing of the banking control system imposed by the banking regulatory authorities of their respective countries), if any.

Swingline drawings bear interest at a rate determined in reference to (i) the EONIA rate, (ii) the applicable margin, and (iii) mandatory costs, if any.

The initial applicable margin is 1.25% per annum and varies in accordance with the ratio (defined as the ratio of consolidated adjusted total net debt to consolidated adjusted EBITDA, in each case as such terms are defined under the Senior Facility Agreement) calculated as of December 31 and June 30 of every year. The margin ranges from 0.60% to 2.25%.

In addition, the applicable margin shall be increased by a utilization fee that varies depending on the percentage of the total commitment drawn under the Senior Facility Agreement at any given time.

Rexel shall also pay a commitment fee in the base currency on that lender's available commitment the amount of which varies based on the leverage ratio.

The Leverage Ratio corresponds to adjusted total net debt relative to adjusted EBITDA. According to the Senior Facility Agreement provisions, adjusted EBITDA and adjusted total net debt are calculated as if there has been no change in accounting policies. Following the adoption of IFRS 16 as of January 1, 2019, the following terms are determined on a pre IFRS 16 basis:

"Adjusted EBITDA" means, in relation to a measurement period, consolidated operating income without double counting before other income (or expenses) as defined in the relevant consolidated accounts of the Group:

- Including the last 12 months of Adjusted EBITDA of any Subsidiary acquired in that measurement period *prorata* the participation of the Group;
- Including proceeds related to commodity price derivatives entered into to hedge exposure to the price fluctuation of certain commodities which do not qualify for cash flow hedge accounting as per applicable IFRS;
- After adding back EBITDA of assets held for sale and not taking into account EBITDA of assets sold during the measurement period;
- After adding back net operational depreciation/amortization;
- Taking no account of any expense referable to equity settled share based compensation of employees or management, to the extent the balance of it is taken in account into financial indebtedness;
- After adding back non-cash employee share, incentive or remuneration scheme costs entered into as part of equity-based remuneration of employees of the Group, as well as legal profit sharing, to the extent the balance of it is taken into account in financial indebtedness;
- Excluding the non-recurring impact of the evolution of the copper prices as disclosed in the press release published in connection with the consolidated financial statements for such measurement period;
- After adding back any other restructuring and/or acquisition costs relating to any permitted acquisition.

"Adjusted total net debt" means:

- Any indebtedness for or in respect of interest bearing debt (whether or not in cash or in kind, both current and non-current) but which shall:
  - Exclude any upfront, legal, advisory costs related to the implementation of such debt as well as the financial charges accounted for as a result of the repayment of any outstanding debt of the borrower;
  - Exclude intragroup loans between members of the Group;
  - Include any indebtedness for or in respect of any amount payable in respect of securities issued by any member of the Group which are not mandatorily redeemable in shares; and
  - Include any other amount raised under any other transaction accounted for as borrowing under the accounting standards;
- Any indebtedness for or in respect of accrued interest (including capitalized interest and any payment in kind) other than in respect of intragroup loans between members of the Group; less
- Cash and cash equivalents.

This ratio may exceed 3.50 on three accounting dates during the life of the Senior Facility Agreement, being specified that only two of such three accounting dates may be consecutive, and provided that (i) such ratio does not exceed 3.75 times on two accounting dates during the life of the Senior Facility Agreement and (ii) such ratio does not exceed 3.90 times on one accounting date during the life of the Senior Facility Agreement.

In addition to the Senior Facility Agreement, Rexel entered into one bilateral term loan agreement of €35.6 million (US$ 40.0 million) which matures in June 2021.

As of December 31, 2020, all these credit facilities were undrawn.

22.1.2 Senior notes

As of December 31, 2020, the carrying amount of the existing senior notes is detailed as follows:

	AS OF DECEMBER 31					
	2020			2019		
(in millions of euros)	NOMINAL AMOUNT	FAIR VALUE ADJUSTMENTS (1)	TOTAL	NOMINAL AMOUNT	FAIR VALUE ADJUSTMENTS (1)	TOTAL
2.625% Senior notes due 2024	—	—	—	300.0	8.0	308.0
2.125% Senior notes due 2025	500.0	4.9	504.9	500.0	5.0	505.0
2.750% Senior notes due 2026	600.0	0.7	600.7	600.0	0.4	600.4
TOTAL	**1,100.0**	**5.5**	**1,105.5**	**1,400.0**	**13.4**	**1,413.4**

(1) Adjustment to reflect interest rate fluctuations on the part of the notes hedged through fair value hedge derivatives (see note 23.1).

€300 million notes due 2024 (early redeemed in December 2020)

On March 13, 2017, Rexel issued €300 million of senior unsecured notes due 2024 which bear interests at 2.625% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15, 2017. The notes mature on June 15, 2024 and are listed on the Luxembourg Stock Exchange.

On December 15, 2020, the Group early redeemed these notes. The redemption price was 101.310% of the principal amount of the redeemed notes and amounted €303.9 million. A gain of €4.2 million has been recognized in the net financial expenses including the early redemption premium of €3.9 million plus unamortized transaction costs of €2.1 million and a €10.3 million gain associated to fair value hedge adjustments. As part of the early repayment of these senior notes, interest rate derivatives were settled and Rexel received €8.8 million representing the settlement price of such interest rate derivatives.

€500 million notes due 2025

On November 20, 2017, Rexel issued €500 million of senior unsecured notes due 2025 which bear interests at 2.125% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15, 2018. The notes mature on June 15, 2025 and are listed on the Luxembourg Stock Exchange.

On or after December 15, 2020, the notes are redeemable in whole or in part by paying the redemption price set forth below:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
December 15, 2020	101.063%
December 15, 2021	100.531%
December 15, 2022 and after	100.000%

€600 million notes due 2026

On March 12, 2019, Rexel issued €600 million of senior unsecured notes due 2026 which bear interests at 2.75% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15, 2019. The notes mature on June 15, 2026 and are listed on the Luxembourg Stock Exchange.

These notes are redeemable in whole or in part at any time prior to March 15, 2022 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after March 15, 2022, the notes are redeemable in whole or in part by paying the redemption price set forth below:

REDEMPTION PERIOD BEGINNING ON:	REDEMPTION PRICE(AS A % OF PRINCIPAL AMOUNT)
March 15, 2022	101.375%
March 15, 2023	100.688%
March 15, 2024 and after	100.000%

22.1.3 Securitization programs

Rexel runs several on-going securitization programs which enable it to obtain financing at a lower cost than issuing bonds or incurring bank loans.

The specific characteristics of Rexel Group's securitization programs vary depending on the country. The relevant subsidiaries remain responsible for the collection of receivables once assigned. These receivables are assigned to special-purpose entities operating with no action required by the subsidiaries. The special purpose vehicles obtain the financing required to purchase these receivables, notably through the issuance of short-term debt instruments such as French, US, or Canadian commercial paper, which is rated by rating agencies.

In exchange for the assigned receivables, the subsidiaries receive a cash payment from the special purpose vehicle, the amount of which represents the value of the receivables minus an amount committed to guarantee their recovery, which latter amount is only reimbursed, in whole or in part, after complete payment of the receivables. However, under certain programs, the Group also has the option of contributing its receivables in exchange for subscribing the securitization vehicle's subordinated notes.

In view of their characteristics, notably the fact that the Group retains a significant part of the late payment and credit risks, these receivables assignment programs, with the exception of an off-balance sheet US program described in the following paragraphs, do not qualify for derecognition under IFRS 9 requirements. Therefore, assigned receivables remain classified as assets on the Group's balance sheet on the line "Trade accounts receivable" whereas the financing received is shown as financial debt.

In addition to these on-balance sheet programs, in 2009, the Group entered into an agreement with Ester Finance Titrisation (the purchaser), a French subsidiary of CALYON, to sell a participating interest in eligible trade receivables of Rexel's US subsidiaries under a *Receivables Participation Agreement* ("RPA"). This agreement was amended in 2016 and allows the Group to assign eligible receivables and receive cash consideration up to a maximum amount of US$225 million. The maturity of this program was extended to September 2022.

The purchase price of the receivables is equal to the face value of the receivables sold less a discount including a credit risk premium and the funding cost. Under the RPA, the Group is liable for collecting the receivables on behalf of the purchaser and receives servicing fees as remuneration of this obligation. As part of this transaction, the Group entered into a Collateral and Intercreditor Agreement to secure the performance of its obligations under the RPA. The obligations of the Group under the RPA guarantee the transfer of cash collected by the Group on behalf of the purchaser, as well as the payment of expenses and allowances due by the Group. However, these guarantees do not include any compensation obligation in relation to unrecovered receivables.

As a result of this agreement, credit risk, interest risk and late payments risk attached to the receivables assigned in relation to the Ester program are transferred to the purchaser through the credit and funding discounts. The dilution risk is not considered for risks and rewards analysis as this risk is not attached to the receivables but is analyzed as a risk of misuse of the securitization program as disputed receivables are not eligible to the program or as a risk attached to the servicing of the receivables that is guaranteed by a collateral. Therefore, receivables sold under this agreement are derecognized from the balance-sheet at the transfer date.

The difference between the sale price and the carrying value of these receivables is recorded in the income statement as a financial expense.

As of December 31, 2020, derecognized receivables totaled €138.2 million (€199.3 million as of December 31, 2019) and the discounting loss was recorded as a financial expense for €5.7 million (€11.5 million in 2019). Cash collected under the servicing agreement in relation to derecognized receivables and not yet transferred to the purchaser totaled €23,6 million and was recognized in financial liabilities (€37.6 million as of December 31, 2019).

The Group did not retain any interests in the receivables sold under this program.

Securitization programs are subject to certain covenants concerning the quality of the trade receivables portfolio including dilution (ratio of credit notes to eligible receivables), delinquency and default criteria (aging ratios measured respectively as overdue and doubtful receivables to eligible receivables). As of December 31, 2020, Rexel had satisfied all of these covenants. All the programs are on-going programs and therefore are not subject to seasonality other than seasonality arising in the ordinary course of business.

Information with respect to Rexel's securitization programs including the off-balance sheet programs is provided in the table below:

MAIN PROGRAMS	COMMITMENT AS OF DECEMBER 31, 2020		AMOUNT OF RECEIVABLES ASSIGNED AS OF DECEMBER 31, 2020		AMOUNT DRAWN DOWN AS OF DECEMBER 31, 2020		BALANCE AS OF DECEMBER 31 2020	BALANCE AS OF DECEMBER 31 2019	MATURITY
			(in millions of currency)				*(in millions of euros)*		
Europe and Australia [1]	EUR	300.0	EUR	411.1	EUR	300.0	300.0	376.0	12/16/2023
Europe	EUR	219.0	EUR	295.1	EUR	185.1	185.1	206.2	8/16/2022
United States - on balance sheet	USD	290.0	USD	437.9	USD	276.2	225.1	243.8	9/20/2022
United States - off balance sheet	USD	225.0	USD	169.6	USD	169.6	138.2	199.3	9/20/2022
Canada	CAD	185.0	CAD	225.1	CAD	168.6	107.8	126.7	9/19/2022
TOTAL							**956.3**	**1,152.1**	
Of which:									
• on balance sheet :							818.4	952.9	
• off balance sheet :							138.2	199.3	

(1) In December 2020, Rexel amended its European and Australian securitization program to extend the maturity date to December 2023 and to remove Australian trade receivables . As a result, the maximum commitment was reduced from €375 million to €300.0 million.

These securitization programs pay interest at variable rates including a specific credit spread to each program.

As of December 31, 2020, the total outstanding amount authorized for these securitization programs was €1,057.0 million, of which €956.3 million were used.

22.1.4 Factoring arrangements

In addition to its securitization programs, Rexel entered into factoring agreements in France and Belgium. Under these arrangements, Rexel assigns trade receivables to the factor and receives cash payment for a maximum amount of €95 million.

As a result of these arrangements, the Group transfers the credit risk, interest risk and late payment risk to the factor, and remains liable for collecting the receivable on behalf of the factor.

As of December 31, 2020, Rexel derecognized the trade receivables sold to the factor for €74.2 million (€68.4 million as of December 31, 2019). Cash collected on behalf of the factor in relation with the transferred receivables was recognized in financial liabilities for €25.8 million as of December 31, 2020 (€16.7 million as of December 31, 2019).

22.1.5 Commercial paper program

Rexel runs a €300 million commercial paper program, with fixed maturities ranging from one to three months depending on the notes, issued to diversify its investor base and minimize the cost of financing.

As of December 31, 2020, the company had issued €50.0 million of commercial paper (€50.0 million as of December 31, 2019).

22.1.6 Promissory notes

In order to manage its credit risk in China, the Group discounts with no recourse to various financial institutions non-matured promissory notes issued by banks ("Bank Acceptance Drafts") that are received from customers as payment of trade receivables. Rexel transfers risks and benefits associated with discounted Bank Acceptance Drafts.

As of December 31, 2020, Bank Acceptance Drafts were derecognized from the balance sheet for €74.5 million (€35.9 million as of December 31, 2019).

22.2 Change in net financial debt

As of December 31, 2020, and December 31, 2019, the change in net financial debt was as follows:

(in millions of euros)	2020	2019
As of January 1,	**1,945.9**	**2,014.7**
Issuance of senior notes net of transaction costs	—	594.4
Repayment of senior notes	(303.9)	(666.9)
Transaction costs and refinancing costs	(0.4)	(1.4)
Net change in credit facilities, commercial papers and other financial borrowings	0.2	(4.9)
Net change in credit facilities	**(304.1)**	**(78.8)**
Net change in securitization	(93.0)	(71.6)
Net change in financial liabilities	**(397.1)**	**(150.4)**
Change in cash and cash equivalents	(194.4)	22.0
Effect of exchange rate changes on net financial debt	(24.7)	26.4
Effect of acquisition	—	0.3
Amortization of transaction costs	4.3	4.6
Non-recurring redemption costs/ (gain)	(4.2)	20.8
Effect of assets held for sale classification	1.3	5.4
Other changes	3.9	2.0
As of December 31,	**1,334.9**	**1,945.9**

23. Market risks and financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

23.1 Interest rate risk

Rexel is exposed to interest rate risk through its indebtedness and cash management. Hedged items include borrowings, cash and cash equivalents and highly probable forecasted transactions derived from the 3-year Group business plan. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing debt, including senior notes, securitization and factoring arrangements, credit facilities and commercial paper. The risk component is limited to the risk-free interest rate, excluding credit spread and other financing components.

In order to hedge its exposure to changing interest rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a 80% hedging ratio on a one-year rolling basis, 50% on a two-year rolling basis, 25% on a three-year rolling basis of its net financial debt at fixed or capped rates with the remainder at variable interest rates with a flexibility of +/- 20%. To manage this, the Group mainly enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The breakdown of financial debt between fixed and variable rates, before and after hedging, is as follows:

	AS OF DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Senior notes and other fixed rate debt	1,086.9	1,382.2
Floating to fixed rate swaps	812.7	1,137.2
Fixed to floating rate swaps	550.0	(850.0)
Sub-total fixed or capped rate instruments	**2,449.6**	**1,669.3**
Floating rate debt before hedging	933.4	1,078.1
Floating to fixed rate swaps	(812.7)	(1,137.2)
Fixed to floating rate swaps	(550.0)	850.0
Cash and cash equivalents	(685.4)	(514.3)
Sub-total floating rate debt instruments	**(1,114.7)**	**276.6**
Total net financial debt	**1,334.9**	**1,945.9**

Fair value hedge derivatives

As of December 31, 2020, the portfolio of interest rate swaps used as hedge for exposure of changes in fair value of its senior notes disclosed in note 22.1.2 is as follows:

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE [1] *(in millions of euros)*
SWAPS PAYING VARIABLE RATE						
Euro	500.0	500.0	June 2022	0.57%	Euribor 3M	8.1
	50.0	50.0	June 2023	0.31%	Euribor 3M	1.1
Total		**550.0**				**9.1**

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €0.3 million.

The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement as interest expenses on borrowings. The changes in fair value of the derivatives and the changes in the fair value of the hedged item are recognized in the income statement to match each other.

Any adjustment to carrying value of items carried at amortized cost is amortized through profit or loss over the remaining term.

Fair value change of the hedging swaps for the year ended December 31, 2020 represented a loss of €2.9 million, offset by a gain of €0.2 million resulting from the change in the fair value of the senior notes.

Cash flow hedge derivatives

In accordance with the policy described above, the Group has entered into several fixed interest rate swap contracts.

Cash flow hedge swaps mature until June 2023. The Group intends to renew a significant portion of these swaps in order to hedge the variability of future interest expense related to its floating interest debt mainly associated with securitization programs, in accordance with the strategy described above. The allocation of hedging instruments among currencies hinges upon the Group's expectations concerning trends of the interest rates linked to those currencies.

As of December 31, 2020, derivative instruments classified as cash flow hedges are as follows:

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE(1) *(in milllions of euros)*
SWAPS PAYING FIXED RATE						
American dollar	250.0	203.7	December 2021	Libor 3M	2.88%	(5.2)
	100.0	81.5	January 2022	Libor 3M	2.54%	(2.0)
	125.0	101.9	April 2023	Libor 3M	1.47%	(3.0)
Canadian dollar	50.0	32.0	August 2021	CDOR 3M	2.34%	(0.3)
	90.0	57.6	March 2022	CDOR 3M	1.70%	(0.9)
Australian dollar	75.0	47.2	June 2023	BBSW AUD 3M	0.65%	(0.6)
Swiss franc	100.0	92.6	March 2022	Libor 3M	(0.75%)	—
	50.0	46.3	October 2021	Libor 3M	(0.43%)	(0.1)
Euro	150.0	150.0	March 2023	Euribor 3M	(0.53%)	—
Total		**812.7**				**(12.2)**

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €1.4 million.

The change in fair value of the cash flow hedging instruments for the year ended December 31, 2020 was recorded as a €5.4 million decrease in cash flow hedge reserve (before tax). The ineffectiveness recognized in profit and loss in 2020 was immaterial.

Sensitivity to interest rate variation

As of December 31, 2020, a 1% increase in interest rates on variable debt after effective interest rate hedging would lead to an increase in the current annual interest expense estimated to €5.7 million and a €9.9 million gain related to the change in fair value of the hedging instruments of which a €1.1 million in the income statement and €8.8 million in other comprehensive income.

23.2 Foreign exchange risk

The Group's financing policy is to centralize external borrowings and to provide financing to its foreign subsidiaries in their own functional currencies. The foreign currency risk arises principally from intercompany financings denominated in currencies other than euro and is managed at corporate level. In order to neutralize foreign exchange risk exposure, the Group's parent company incurs external indebtedness in foreign currencies other than euro or enters into foreign exchange derivatives (forward contracts or exchange rate swaps). For the year ended December 31, 2020, unrealized exchange gain in other comprehensive income related to external borrowings qualified as net investment hedges account for €5.2 million before tax.

As of December 31, 2020, the notional value of foreign exchange derivatives was €384.5 million (€392.8 million of forward sales and €8.3 million of forward purchases). Forward contracts are recognized at their fair value for a net positive amount of €2.0 million. The change in fair value of forward contracts for the year ended December 31, 2020 was recorded as a financial gain of €1.6 million.

Sensitivity to changes in foreign exchange rates

The Group's financial statements are presented in euros, and it is therefore required to translate into euro those assets, liabilities, revenues and expenses denominated in currencies other than the euro.

The results of these operations are included in the Group's consolidated income statement after conversion at the average rate applicable to the period. On an annual basis, a 5% increase (or decrease) of the euro against the main currencies (US dollar, Canadian dollar, Australian dollar and British Pound) would lead to a decrease (increase) in sales of €273.0 million and a decrease (increase) in operating income before other income and other expenses of €9.2 million.

The Group's financial liabilities and shareholders' equity are likewise included on its consolidated balance sheet after conversion at the financial year-end exchange rate. Thus, a 5% appreciation (depreciation) of the euro against the other currencies as compared to the closing exchange rates as of December 31, 2020 would result in a corresponding decrease (increase) in financial debt and shareholders' equity of €21.4 million and €114.1 million respectively.

Financial debt per repayment currency

The table below presents the financial debt's sensitivity to exchange rate changes for each repayment currency:

(in millions of euros)	EURO	US DOLLAR	CANADIAN DOLLAR	AUSTRALIAN DOLLAR	NORWEGIAN KRONE	SWEDISH KRONA	BRITISH POUND	SWISS FRANC	CHINESE RENMINBI	OTHER CURRENCIES	**TOTAL**
Financial liabilities	1,539.6	260.8	108.2	0.2	—	—	92.0	0.3	13.6	6.5	2,021.1
Cash and cash equivalents	(248.5)	(142.0)	(76.7)	44.0	(11.3)	(7.5)	(194.0)	(31.6)	(6.1)	(12.4)	(686.2)
Net financial position before hedging	**1,291.0**	**118.8**	**31.5**	**44.2**	**(11.3)**	**(7.5)**	**(102.0)**	**(31.4)**	**7.5**	**(5.9)**	**1,334.9**
Impact of hedges	(384.4)	77.2	—	(0.9)	—	1.1	—	308.4	(1.5)	0.1	—
Net financial position after hedging	**906.6**	**196.0**	**31.5**	**43.3**	**(11.3)**	**(6.4)**	**(102.0)**	**277.0**	**6.0**	**(5.8)**	**1,334.9**
Impact of a 5% increase in exchange rates	—	9.8	1.6	2.2	(0.6)	(0.3)	(5.1)	13.8	0.3	(0.3)	21.4

23.3 Liquidity Risk

The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its financial liabilities when they are due. The Group aims to maintain the level of its cash and cash equivalents and available credit facilities at an amount in excess of its cash outflows on financial liabilities over the next 12 months.

The contractual repayment schedule of financial liabilities is as follows:

(in millions of euros)	AS OF DECEMBER 31 2020	2019
DUE WITHIN		
One year	120.7	753.0
Two years	518.3	0.8
Three years	300.0	333.0
Four years	—	—
Five years	504.9	308.0
Thereafter	600.7	1,105.4
Total gross financial debt before transaction costs	**2,044.6**	**2,500.2**
Transaction costs	(12.3)	(18.4)
Gross financial debt	**2,032.3**	**2,481.8**

As of December 31, 2020, the remaining contractual cash flows in relation to financial indebtedness and derivatives, including interest owed, are as follows:

(in millions of euros)	FINANCIAL DEBT & INTERESTS	DERIVATIVES	TOTAL
DUE WITHIN			
One year	157.0	4.0	161.0
Two years	552.4	(1.2)	551.2
Three years	330.3	0.2	330.5
Four years	29.1	—	29.1
Five years	526.4	—	526.4
Thereafter	608.2	—	608.2
Total	**2,203.4**	**3.0**	**2,206.4**

The €500 million notes issued in November 2017 mature in June 2025 and the €600 million notes issued in March 2019 mature in June 2026.

The Senior Facility Agreement matures in January 2025 following the extension option exercised on January 2020 and provides a five-year multicurrency revolving credit facility for an aggregate maximum available amount of €850 million which can also be drawn down through swingline loans for an aggregate amount of €137.8 million. As of December 31, 2020, this facility was undrawn.

The US$ 40.0 million (€35.6 million) Credit Facility with Wells Fargo Bank International had been renewed for one year in 2020 and matures in June 2021. As of December 31, 2020, this facility was undrawn.

Lastly, as a result of amendments executed in 2019 and 2020 (see note 22.1.3), securitization programs mature in 2022 and 2023. The financing under these programs directly depends on the amounts and quality of transferred receivables. In the event that the relevant companies do not comply with certain obligations, these securitization programs may have to be repaid early, which could have an adverse effect on the Group's liquidity and financial situation. In addition, if the special purpose entities to which the receivables have been transferred were unable to issue short-term debt (commercial paper) under conditions that are equal to those available up to now, the Group's liquidity and financial position could be affected.

The trade accounts payable amounted to €1,807.3 million as of December 31, 2020 (€2,021.7 million as of December 31, 2019) and are due in less than one year.

The Group's liquidity increased from €1,284.5 million as of December 2019 to €1,459.5 million as of December 2020. The Group's liquidity is in excess of €1,338.7 million compared to €120.7 million expected to be paid within the next twelve months with respect to financial debt repayment schedule.

	AS OF DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Cash and cash equivalents	685.4	514.3
Bank overdrafts	(58.6)	(65.5)
Commercial paper	(50.0)	(50.0)
Undrawn Senior Facility Agreement	850.0	850.0
Bilateral facility	32.6	35.6
Liquidity	**1,459.5**	**1,284.5**

23.4 Counterparty risk

The financial instruments that could expose the Group to counterparty risk are mainly trade accounts receivable, cash and cash equivalents and derivative instruments.

Credit risk with respect to trade accounts receivable is limited due to the large number of customers, the diversity of their activities (contractors, manufacturers, municipalities), and their geographical spread in France and abroad. In addition, credit insurance programs have been implemented within the Group. As of December 31, 2020, the maximum risk corresponding to the total accounts receivable amounted to €1,899.7 million (€2,059.3 million as of December 31, 2019) and is detailed in note 12.2 Trade accounts receivable.

The counterparty risk concerning cash, cash equivalents and hedging instruments is likewise limited by the quality of the relevant counterparties, which are the Group's traditional banking partners for its financing and are almost exclusively based in Europe. The outstanding amount was €696.6 million as of December 31, 2020 (€537.5 million as of December 31, 2019), which equals the net book value of the aforementioned items.

The maximum counterparty risk on the Group's other financial assets was €479.0 million (€559.1 million as of December 31, 2019) and mainly corresponds to supplier discounts receivable.

24. Summary of financial liabilities

(in millions of euros)	CATEGORY IFRS 9	FAIR VALUE HIERARCHY*	AS OF DECEMBER 31 2020 CARRYING AMOUNT	2020 FAIR VALUE	2019 CARRYING AMOUNT	2019 FAIR VALUE
Bonds	AC	1	1,105.5	1,113.9	1,413.4	1,447.6
Other financial debts, including accrued interest	AC		926.7	926.7	1,068.5	1,068.5
Total financial liabilities			**2,032.2**	**—**	**2,481.8**	**—**
Hedging derivatives(1)	FV P&L	2	—	—	0.1	0.1
Hedging derivatives(1)	FV OCI	2	6.5	6.5	7.2	7.2
Other liabilities(2)	N/A		7.3	N/A	7.3	N/A
Total other non-current liabilities			**13.8**	**—**	**14.6**	**—**
Trade accounts payable	**AC**		**1,807.3**	**1,807.3**	**2,021.7**	**2,021.7**
Customer rebates payable	AC		161.7	161.7	162.7	162.7
Personal and social obligations(2)	N/A		235.8	N/A	265.0	N/A
VAT payable and other sales tax(2)	N/A		68.3	N/A	56.2	N/A
Hedging derivatives(1)	FV OCI	2	5.9	5.9	0.2	0.2
Other derivative instruments not eligible to hedge accounting	FV P&L	2	—	—	2.8	2.8
Other liabilities	AC		263.5	0.2	248.6	248.6
Deferred income(2)	N/A		5.7	N/A	3.5	N/A
Total other debts			**741.0**	**—**	**738.9**	**—**

Financial liabilities - stated at amortized cost	AC
Fair value through profit or loss	FV P&L
Fair value through other comprehensive income	FV OCI
Not applicable	N/A

* For fair values hierarchy see note 3.13.
(1) Specific accounting treatment for hedging.
(2) Not classified as a financial instrument under IFRS 9.

25. Related party transactions

Executive compensation

Expenses relating to compensation of the Executive Committee members of the Group are as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31 2020	2019
Salaries and other short-term benefits	6.1	6.9
Post-employment benefits (service costs)	0.3	0.5
Indemnities at termination of contract	1.3	1.4
Free shares and stocks options(1)	1.8	0.6

(1) Share-based payment expense is detailed in note 18.

Salaries and other short-term benefits comprise the social security contributions and payroll taxes paid by the Group.

In the event of a breach of employment contract, the Group could have to compensate the Executive Committee members a total amount of €8.3 million.

26. Statutory auditors fees

The table below is provided in accordance with regulation n° 2016-09 of the French Accounting Standard Authority (ANC) and sets forth the fees paid to statutory auditors in connection with their engagement in the parent company and the French subsidiaries. Amounts are exclusive of VAT and out-of pocket expense.

	PWC AUDIT		KPMG AUDIT		TOTAL	
(in millions of euros)	2020	2019	2020	2019	2020	2019
Audit services	0.9	0.9	1.0	0.9	1.9	1.8
Non-audit services	0.2	0.2	—	0.2	0.2	0.4
Total	**1.1**	**1.1**	**1.0**	**1.1**	**2.1**	**2.2**

Other related services include the fees related to mandatory services performed in accordance with French regulation, as well as comfort letters and CSR report.

27. Litigation & other contingencies

27.1 Litigations

Rexel Group is subject to legal, administrative and regulatory proceedings in the normal course of its business. A provision is recognized in the balance sheet when it is probable that an outflow of economic benefits from Rexel or one of its subsidiaries will be required to settle the obligation and when the amount can be estimated reliably.

The principal proceedings are set out below:

Asbestos litigation

The Group is party to several proceedings relating to exposure to asbestos-containing materials in the United States. The Group believes that the risk of it being ordered to pay significant amounts in connection with these proceedings is limited, and that these lawsuits will not therefore have, individually or as a whole, a material adverse effect on its financial condition or results of operations, since the claims may be rejected or settled for amounts partially or fully covered by Rexel's insurance policies. Considering the wide range of these claims, the different stages in the proceedings, the number of defendants and the absence of any individual claim, the Group cannot precisely assess the financial consequences that may result from these proceedings.

Antitrust investigation

On September 6, 2018, raids were performed in the offices of Rexel in relation to a judiciary investigation from the *Tribunal de Grande Instance* of Paris (Paris magistrate's court). This investigation, conducted with the assistance of the French Competition Authority, mainly deals with the mechanisms of price formation on the market of distribution of electrical equipment.

At this point, Rexel is not party to the proceedings and therefore is not aware of the practices that it might be accused of. While information has been released in the press, it does not allow to determine the offences that Rexel could be accused of.

It is therefore not possible to date to evaluate the degree of probability of formal indictments being made against Rexel nor of a possible adverse judgment and thus to evaluate the financial risk which Rexel is potentially exposed to.

27.2 Other contingent liabilities

The Group has granted the following warranties to purchasers in connection with the disposal of certain assets.

Latin America

With respect to the divestment of Latin America operations, the Group committed to indemnify for any damage incurred by the purchaser up to US$9 million. No claim is pending as of the balance sheet date.

Slovakia, Poland and Baltics

The agreements entered into with Würth group in connection with the disposal of operations in Slovakia, Poland and the Baltics provide for indemnification of any damage and liability incurred by the purchaser. The aggregate liability for indemnification shall not exceed €8 million. This warranty had not been called as of the balance sheet date.

28. Events after the reporting period

On February 2, 2021 Rexel Canada has acquired the Canadian Utility business of WESCO International ("WESCO Canada Utility"). The acquisition of WESCO Canada Utility will provide Rexel Canada with enhanced development opportunities in an attractive and resilient business. It also allows Rexel Canada to offer a complementary range of products to its existing utility contractor customer base and to further expand its footprint in the country. WESCO Canada Utility's sales stood at over CAD 70 million in 2020. Due to local market dynamics, the Group does not want to disclose the purchase price at this stage.

This acquisition will be consolidated in 2021.

29. Consolidated entities as of December 31, 2020

	HEAD OFFICE	% INTEREST
FRANCE		
Holding companies and Group services companies		
Rexel	Paris	Parent company
Rexel Développement S.A.S.	Paris	100.00
Rexel Amérique Latine S.A.S.	Paris	100.00
Operating companies		
Rexel France S.A.S.	Paris	100.00
Dismo France S.A.S.	St-Ouen-l'Aumône	100.00
Espace Elec S.A.S.	Ajaccio	100.00
BizLine S.A.S.	Paris	100.00
BCCT	Paris	100.00
Conectis S.A.S.	Paris	100.00
Francofa Eurodis S.A.S.	Neuilly-Plaisance	100.00
La Boîte Electrique	Paris	100.00
Esabora Digital Services	Paris	100.00
Sofinther	Bouguenais	100.00
Cordia	Mitry-Mory	100.00
EUROPE		
Germany		
Rexel GmbH	Munich	100.00
Rexel Germany GmbH & Co KG	Munich	100.00
Rexel Germany Verwaltungs GmbH	Munich	100.00
Rexel Germany Beteiligungs GmbH	Munich	100.00
Silstar Deutschland GmbH	Emmerich am Rhein	100.00
Rexel Industrial Solutions GmbH	Munich	100.00

	HEAD OFFICE	% INTEREST
United Kingdom		
Rexel Senate Ltd	Birmingham	100.00
Denmans Electrical Wholesalers Ltd	Birmingham	100.00
Senate Group Ltd	Birmingham	100.00
Rexel (UK) Holdings Ltd.	Birmingham	100.00
Rexel (UK) Ltd	Birmingham	100.00
Newey & Eyre Ltd.	Birmingham	100.00
Parker Merchanting Limited	Birmingham	100.00
WF Electrical Plc	Birmingham	100.00
Warrior (1979) Ltd.	Birmingham	100.00
Rexel UK Pension Trustees Ltd.	Birmingham	100.00
J&N Wade Limited	Birmingham	100.00
Clearlight Electrical Company	Birmingham	100.00
Sweden		
Rexel Sverige AB	Älvsjö	100.00
Moel AB	Bredaryd	100.00
Austria		
Rexel Central Europe Holding GmbH	Vienna	100.00
Rexel Austria GmbH	Vienna	100.00
Comtech IT Solutions GmbH	Annaberg	100.00
The Netherlands		
Rexel Nederland B.V.	Zoetermeer	100.00
Rexel Holding Netherlands B.V.	Hoofddorp	100.00
Rexel Holding Benelux BV	Hoofddorp	100.00
Italy		
Rexel Italia SpA	Milano	100.00
Spain		
Rexel Spain, S.L	Madrid	100.00
Belgium		
Rexel Belgium S.A.	Zellik	100.00
Portugal		
Rexel Distribuição de Material Electrico S.A.	Lisboa	100.00
Ireland		
M Kelliher 1998 Ltd.	Tralee	100.00
Switzerland		
Elektro Material AG	Zurich	100.00
Digitalfeld AG	Zurich	88.66
Luxembourg		
Rexel Luxembourg S.A.	Luxembourg	100.00
REXEL RE S.A.	Luxembourg	100.00
Slovenia		
Elektronabava d.o.o.	Ljubljana	100.00
Russia		
OOO Elektroskandia Rus	St. Petersburg	100.00
Finland		
Rexel Finland Oy	Hyvinkää	100.00
Norway		
Elektroskandia Norge AS	Langhus	100.00
Elektroskandia Norway Holding AS	Langhus	100.00

	HEAD OFFICE	% INTEREST
NORTH AMERICA		
United States		
Rexel USA, Inc	Dallas	100.00
SKRLA LLC	Dallas	100.00
SPT Holdings Inc.	Dallas	100.00
Rexel of America LLC	Dallas	100.00
Rexel Patriot Acquisition, LLC	Dallas	100.00
Canada		
Rexel North America Inc.	St Laurent	100.00
Rexel Canada Electrical Inc.	Mississauga	100.00
Rogers Electrical Wholesale Limited	North Bedeque	100.00
ASIA-PACIFIC		
Hong Kong SAR		
Huazhang Electric Automation Holding Co. Ltd	Hong Kong	100.00
China		
Rexel Ouneng (Beijing) Technology Co. Ltd	Beijing	100.00
Rexel Electric Co. Ltd	Shanghai	100.00
Zhejiang Huazhang Automation Equipment Co. Ltd	Huanzhou	100.00
Rexel Integrated Solutions (Shanghai) Co. Ltd	Shanghai	100.00
Rexel China Management Co. Ltd	Shanghai	100.00
Suzhou Xidian Co. Ltd	Suzhou	100.00
Beijing Zhongheng Hengxin Automation Equipment Co. Ltd	Beijing	100.00
Henan Qixin Automation Equipment Co. Ltd	Zhengzhou	100.00
Shanghai Suhua Industrial Control Equipment Co. Ltd	Shanghai	100.00
LinElec Business Consulting (Shanghai) Limited	Shanghai	100.00
Zhonghao (Shanghai) Technology Co. Ltd.	Shanghai	100.00
Jinan Rexel Enterprise Management Service Co., Ltd.	Jinan	100.00
India		
Rexel India Private Limited	Pune	100.00
Korea		
Gexpro Korea Co. Ltd	Seoul	100.00
Australia		
Rexel Holdings Australia Pty Ltd	Sydney	100.00
Rexel Electrical Supplies Pty Ltd	Sydney	100.00
Australian Regional Wholesalers Pty Ltd	Sydney	100.00
New Zealand		
Rexel New Zealand Limited	Auckland	100.00
Redeal Pensions Ltd	Auckland	100.00
Kingdom Saudi Arabia		
Rexel Services KSA LLC	Riyadh	100.00
Rexel Arabia Electrical Supplies LLC	Riyadh	65.00
United Arab Emirates		
Redco FZE	Jebel Ali	100.00
Rexel Emirates LLC	Abu Dhabi	90.00

5.2.2 Statutory auditors' report on the consolidated financial statements for the financial year ended December 31, 2020

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
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92208 Neuilly-sur-Seine Cedex

KPMG Audit
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2, avenue Gambetta
CS 60055
92066 Paris La Défense Cedex

1

Rexel S.A.

2

Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2020

3

To the Annual General Meeting of Rexel S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Rexel S.A. ("the Group") for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

4

The audit opinion expressed above is consistent with our report to the Audit Committee.

5

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

6

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics *(Code de déontologie)* for Statutory Auditors.

7

Justification of Assessments - Key Audit Matters

8

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of the recoverable amount of goodwill and other intangible assets with indefinite useful lives

Notes 3.5, 3.8, 11.1 to the consolidated financial statements

Description of risk

As of December 31, 2020, goodwill and other intangible assets with indefinite useful lives were recorded in the balance sheet for a net carrying amount of €3,192.2 million and €798.6 million, respectively, representing 40% of the Group's total assets. An impairment test for these assets is performed at least once a year at the level of the cash-generating units (CGU) to which they have been allocated. As described in Notes 3.5 and 3.8 to the consolidated financial statements, an impairment loss is recorded when the recoverable amount of the CGU falls below its carrying amount.

The recoverable amount of a CGU (country) is measured based on discounted future cash flows and requires a significant degree of judgment from management, especially for the determination of revenue and EBITA margin forecasts as well as the selection of discount rates and long term growth rates.

As described in Note 11.1 to the consolidated financial statements, in the first half of 2020, in the unprecedented situation surrounding the Covid-19 health crisis, an impairment test of all CGU carrying goodwill and other intangible assets with indefinite useful life. Cash flows were adjusted to reflect post Covid-19 sales trends and profitability. In this ongoing economic uncertainty and in the absence of available operational business plans, the 2020 impairment test was based both on inside and outside available information, including a benchmark of financial analysts forecasts. As a result, the Group recognized a €486 million impairment charge as of June 30, 2020. No additional impairment was recognized after the annual impairment test as of December 31, 2020.

Accordingly, we deemed the measurement of the recoverable amount of goodwill and other intangible assets with indefinite useful lives to be a key audit matter, due to: the weighting of these assets in the consolidated balance sheet the inherent uncertainty of specific inputs, in particular the likelihood of achieving forecast results included in such measurement the impact of sensitivity analyses described in Note 11.1.

How our audit addressed this risk

We gained an understanding of the Group's process to prepare the forecasted cash flows, based both on internal and external information, including financial analysts forecasts.

For CGUs for which the recoverable amount is close to the carrying amount, we performed the following:

- Assessed the components of the carrying value of a CGU to which the Group has allocated goodwill.
- Assessed the consistency of cash flow projections with the economic environments in which the Group's subsidiaries operate as well as the reliability of the estimate process in particular by examining any differences between past cash flow projections and actual cash flows.
- Assessed, with the assistance of our valuation experts, the reasonableness of the long term growth rates as well as discount rates applied to the forecasted cash flows of the various CGUs.
- Corroborated, including through interviews with management, the reasonableness of the main data and assumptions underlying cash flow projections (sales growth, EBITA margin).
- Tested the mathematical accuracy of the discounted cash flow model used and the sensitivity analyses.
- Verified that Note 11.1 to the consolidated financial statements included the appropriate disclosures.

Suppliers rebates

Notes 3.9, 3.19 and 12.3 to the consolidated financial statements

Description of risk

The Group enters into contract with its suppliers, through which it benefits from rebates, generally on an annual basis, based on the volumes of goods purchased and the performance of certain specific commercial actions. These rebates may be conditional or not on the achievement of pre-defined purchasing targets (unconditional or conditional rebates).

These rebates are recorded as reduction of the cost of goods sold.

We deemed the recognition of suppliers rebates to be a key audit matter, due to:

- The significance of suppliers rebates.
- The variety of contracts.
- The estimates required in terms of determining the purchasing data to which contract clauses apply to calculate receivables at the closing date.
- And their impact on the valuation of inventories.

The Covid-19 outbreak, as mentioned in the Note 2 of the consolidated financial statements, has adversely impacted the activity in some countries. The decrease in purchases impacting suppliers rebates, certain suppliers agreements have been renegotiated in the course of 2020.

How our audit addressed this risk

We analyzed the internal control procedures relating to the follow-up of rebates on contracts signed with suppliers and to estimate rebates in order to determine the cost of goods sold.

We also performed the following procedures:

- Analyzed, on a sample basis, the contracts signed with suppliers as well as the proper application of the terms and conditions of those contracts where used to determine rebates recognized during the year, particularly in terms of the volumes purchased and including the estimation of suppliers rebates receivables at year-end.
- Ensure that renegotiations with suppliers related to the context of the pandemic have been properly taken into account.
- Reconciled, on a sample basis, the amount of purchases made with the calculation bases for determining rebate receivables at year-end, as well as with any purchasing confirmations received from suppliers, and assessed the fulfillment of any conditional targets in terms of volumes purchased.
- Assessed the recoverability of supplier rebate receivables and verified that there are no aged uncollected receivables
- Compared the rebates collected after year-end with the rebate receivable recorded at year-end to assess the reliability of management estimates.
- Verified, on a sample basis, the appropriate allocation of suppliers rebates to the valuation of inventories.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code *(Code de commerce)* is included in the Group's information given in the management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of December 17, 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Rexel S.A. by the Annual General Meeting held on May 16, 2012 for PricewaterhouseCoopers Audit and May 25, 2016 for KPMG Audit.

As at December 31, 2020, PricewaterhouseCoopers Audit and KPMG Audit were in the ninth year and fifth year of total uninterrupted engagement, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, February 11, 2021

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit Department of KPMG S.A.	
Amélie Wattel	Pierre Clavier	Valérie Besson	Jean-Marc Discours

5.3

FINANCIAL STATEMENTS

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Pursuant to article 28 of the Regulation (EC) N°809/2004 of the European Commission dated April 29, 2004, the following information is incorporated by reference in this Universal Registration Document:

- the Company financial statements and the relevant audit report for the year ended December 31, 2019 which are included in pages 338 to 359 of the French version of the Universal Registration Document for the financial year ended on December 31, 2019 registered by the *Autorité des marchés financiers* on March 9, 2020 under number D.20-0111 ; and
- the Company financial statements and the relevant audit report for the year ended December 31, 2018 which are included in pages 316 to 338 of the French version of the Registration Document for the financial year ended on December 31, 2018 registered by the *Autorité des marchés financiers* on April 3, 2019 under number D.19-0264.

5.3 Financial statements

5.3.1 Financial statements as of December 31, 2020

Income statement

(in millions of euros)	Note	FOR THE YEAR ENDED DECEMBER 31 2020	2019
Operating revenues	**4.1**	**2.4**	**1.9**
Other purchases and external costs		(19.8)	(25.5)
Taxes other than income taxes		(0.2)	—
Other expenses		(4.3)	(4.4)
Depreciation, amortization and increase in provisions		(0.1)	(0.2)
Operating expenses	***4.1***	***(24.4)***	***(30.1)***
Operating loss		**(22.0)**	**(28.2)**
Financial revenues		14.9	4.5
Decrease in financial provisions		0.9	1.2
Total financial revenues	***4.2***	***15.9***	***5.7***
Interest expenses and exchange losses		(37.7)	(50.6)
Increase in financial provisions		(8.1)	—
Total financial expenses	***4.2***	***(45.9)***	***(50.6)***
Net financial expenses		**(30.0)**	**(44.9)**
Loss from recurring activities		**(52.0)**	**(73.1)**
Non-recurring income (expense)	4.3	(1.2)	0.5
Loss before tax		**(53.2)**	**(72.7)**
Income taxes	4.5	46.4	58.1
Net income		**(6.8)**	**(14.5)**

Balance sheet

(in millions of euros)	Note	AS OF DECEMBER 31 2020	2019
ASSETS			
Tangible assets		0.1	0.1
Investments in related companies		4,104.9	4,104.9
Loans and other long-term financial assets		17.8	25.1
Non-current assets	**5.1**	**4,122.7**	**4,130.1**
Trade accounts receivable	5.2	1.9	1.5
Other accounts receivable	5.2	13.1	420.9
Short-term investments, hedging derivatives, cash and bank	5.3	557.2	14.6
Prepaid expenses		0.1	0.2
Current assets		**572.3**	**437.1**
Total assets		**4,695.0**	**4,567.2**
EQUITY AND LIABILITIES			
Share capital		1,522.1	1,520.5
Share premium		1,450.5	1,451.2
Legal reserve		71.0	71.0
Other reserves		35.0	36.0
Retained earnings		(14.5)	—
Net income for the period		(6.8)	(14.5)
Total equity	**5.4**	**3,057.4**	**3,064.1**
Provisions		**10.6**	**14.2**
Senior notes	5.5	1,100.9	1,401.2
Borrowings from financial institutions	5.5	50.0	50.0
Other financial borrowings	5.5	471.8	18.8
Trade accounts payable	5.5	0.5	14.6
Other operating liabilities	5.5	3.8	4.2
Deferred income		—	—
Total liabilities		**1,627.0**	**1,488.8**
Total equity and liabilities		**4,695.0**	**4,567.2**

Principal subsidiary

	Financial information (in millions of euros)									
				Carrying value of shareholding						
Denomination	Capital	Reserves and retained earnings (excluding current year results)	Percentage share capital held	Cost	NBV	Outstanding loans	Guarantees granted by REXEL S.A.	Sales	Current year result	Dividends received
REXEL Développement SAS 13 boulevard du Fort de Vaux 75017 PARIS	2,098.6	1,882.3	100%	4,104.9	4,104.9	—	—	81.5	(327.9)	—
TOTAL	**2,098.6**	**1,882.3**		**4,104.9**	**4,104.9**	**—**	**—**	**81.5**	**(327.9)**	**—**

Accompanying Notes

1. Description of business

Rexel SA, incorporated in December 2004, is the holding company of Rexel Group. As such Rexel SA owns Rexel Développement SAS shares and provides the financing of its direct and indirect subsidiaries.

2. Significant events of the year

On December 15, 2020 Rexel early redeemed the 2.625% €300 million senior notes due 2024. A €3.9 million redemption premium was paid in addition to the nominal value and recognized as a financial expense. As part of the early repayment of these senior notes, interest rate derivatives were settled. Rexel received €8.8 million representing the settlement price of such interest rate derivatives recognized as a financial income.

3. Basis of preparation

The financial statements for the year ended December 31, 2020 are presented with comparative amounts for the year ended December 31, 2019 and have been prepared in accordance with French law, with the principles and policies defined in *Autorité des Normes Comptables* (ANC) Regulation 2014-03, approved by government order of September 8, 2014, relating to the French general Accounting standards, and with accounting principles generally accepted in France.

The accounting principles set out below have been applied in a conservative approach, and in conformity with the following principles:

- going concern,
- consistency of accounting method,
- independence of accounting periods.

Financial statements are prepared based on the following methods.

3.1 Long-term financial assets

Long-term investments are initially measured at acquisition cost. A valuation allowance is recorded when carrying value exceeds value in use. Rexel measures the value in use of long-term investments in subsidiaries on the basis of projected cash flows after deduction of net debt. When the carrying value of an investment exceeds its value in use, an impairment loss is recognized for the difference.

3.2 Loans and other long-term financial assets

Loans and other long-term financial assets are initially recognized at cost. When the recoverable amount is below the carrying value of the asset, a valuation allowance is recognized for the difference.

On acquisition, Rexel's own shares are recognized at cost. A valuation allowance is recorded when the share fair value is below the acquisition cost at the reporting date.

3.3 Receivables and payables

Receivables and payables are recognized at historical cost. When the recoverable amount is below the carrying value, a valuation allowance is recognized.

Assets and liabilities denominated in foreign currencies are converted at the year-end exchange rate. Exchange rate differences arising from this adjustment are presented on the balance sheet as "unrealized exchange rate gains or losses".

For assets and liabilities denominated in foreign currencies and subject to foreign exchange hedge (hedge fixing the foreign currency at the maturity date), two situations are considered:

- Perfect hedge (the nominal amount of the hedging instrument is equal to the nominal amount of the underlying at the closing date): no unrealized exchange differences is recognized since the unrealized exchange gains and losses on the underlying asset and liability is offset by the unrealized gains and losses linked to the hedging instrument;
- Imperfect hedge (the nominal amount of the hedging instrument is different than the nominal amount of the underlying at the closing date): only the unrealized exchange loss is provided for in the income statement.

3.4 Short-term investments

On acquisition, short-term investments are recognized at cost. Unrealized losses are provided for when fair value is below carrying value.

Own shares held and allocated to free shares plans are recognized at acquisition cost until their delivery to beneficiaries.

3.5 Borrowings and related issuing cost

Borrowings are recognized at nominal value. Senior notes issue costs are expensed when incurred. Notes issuance premiums are amortized, either over the life of notes, or in proportion to accrued interests.

3.6 Financial instruments covering currency and interest rate risks

In order to optimize the cost of its financial debt, Rexel uses derivatives instruments to hedge against foreign exchange and interest rate risks. These instruments include foreign exchange and interest rate swaps, forward exchange contracts, and interest rate and foreign exchange options.

Accounting principles, applicable to these instruments are defined by the French *Autorité des Normes Comptables* (ANC) regulation 2015-05:

- Realized and unrealized results arising from derivatives instruments are accounted in the income statement over the life of hedged items in order to match results arising from those underlying contracts;
- Changes in fair value of derivatives are not recognized on the balance sheet unless the recognition of such changes lead to a symmetrical treatment of the hedged item;
- Hedging gains and losses are reported in the same line item as the hedged item.

4. Notes to the income statement

4.1 Operating revenues and expenses

In 2020, operating loss amounts to €(22.0) million and is detailed as follows:

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Services provided to subsidiaries	1.4	1.3
Release of provisions	0.9	0.6
Total operating revenues	**2.4**	**1.9**
Fees	(4.9)	(4.5)
Fees from related companies	(11.8)	(11.8)
Bank charges	(2.7)	(3.4)
Senior notes issuance costs	(0.4)	(5.7)
Taxes other than income tax	(0.2)	—
Personnel costs and other expenses	(4.3)	(4.4)
Depreciation and provisions	(0.1)	(0.2)
Total operating expenses	**(24.4)**	**(30.1)**
Operating loss	**(22.0)**	**(28.2)**

4.2 Net financial expenses

Net financial expenses are detailed as follows:

	FOR THE YEAR ENDED DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Interest income on exchange rate derivatives	0.3	1.5
Other financial income[1]	8.9	0.1
Net exchange gain	0.1	—
Gains on own shares disposal	5.7	2.9
Other provision release	0.9	1.2
Total financial income	**15.9**	**5.7**
Interest on bonds	(27.1)	(29.9)
Early redemption premiums paid on senior notes[1]	(3.9)	(16.9)
Interest expenses on exchange rate derivatives	—	(1.2)
Other interest and financial expenses	(1.8)	(0.4)
Loss on own shares disposal	(4.9)	(2.3)
Other provision / amortization[2]	(8.1)	—
Total financial expenses	**(45.9)**	**(50.6)**
Net financial expenses	**(30.0)**	**(44.9)**

(1) On December 15, 2020 Rexel early redeemed senior notes due 2024, interest rate derivatives were settled for a profit of €8,8 million and a €3.9 million redemption premium was paid. In 2019, a €16.9 million redemption premium was paid in relation to the early redemption of the Senior notes due 2023.
(2) As of December 31, 2020, following the terms of the share purchase agreement executed with the minority shareholder on December 10, 2020, the loan to Rexel Arabia ES subsidiary was fully impaired for €8.1 million.

4.3 Non-recurring income and expenses

In 2020, non-recurring expenses amount to €1.2 million and are related to a tax reassessment that is disputed by Rexel.

4.4 Compensation of company officers

Board attendance fees paid to company officers in 2020 amount to €0.8 million (€0.8 million in 2019).

Compensation and indemnities paid to company officers in 2020 amount to €1.7 million (€1.7 million in 2019).

4.5 Income taxes

All French subsidiaries where Rexel holds directly or indirectly at least 95% ownership interests are part of the Group tax agreement headed by Rexel SA. Under the French Group tax agreement, Rexel is liable for the payment of all tax due by the tax group. Each subsidiary recognizes its tax expense on stand-alone basis calculated based on its own taxable income. Any tax benefits arising from the tax group are recognized by Rexel SA acting as the head company of the tax group.

Rexel has recognized an income of €46.4 million for 2020 (€58.1 million in 2019) mainly corresponding to tax losses incurred by non-profitable French entities part of the Group tax agreement. Tax losses carried forward amount to €0.1 million as of December 31, 2020 (€65.8 million in 2019).

5. Notes to the balance sheet

5.1 Fixed assets

(in millions of euros)		NET AMOUNT AS OF JANUARY 1, 2020	INCREASE	DECREASE	NET AMOUNT AS OF DECEMBER 31, 2020
Tangible assets		0.1	—	(0.1)	0.1
Financial assets		4,130.0	0.8	(8.1)	4,122.7
Investments in related companies	*5.1.1*	*4,104.9*	—	—	*4,104.9*
Loans and other long-term financial assets	*5.1.2*	*25.1*	*0.8*	*(8.1)*	*17.8*
TOTAL		**4,130.1**	**0.8**	**(8.2)**	**4,122.7**

5.1.1 Investments in related companies

Investments in related companies refer to the 100% ownership interest in Rexel Développement. As of December 31, 2020, gross and net value was €4,104.9 million with no change compared to December 31, 2019.

5.1.2 Loans and other long-term financial assets

(in millions of euros)	AS OF DECEMBER 31, 2019	INCREASE / DECREASE	CURRENCY TRANSLATION ADJUSTMENT	AS OF DECEMBER 31, 2020
Loans (1)	8.9	(8.1)	(0.7)	—
Rexel Arabia ES	*8.9*	—	*(0.7)*	*8.1*
Impairment	—	*(8.1)*	—	*(8.1)*
Accrued interest on loans	0.2	(0.2)	—	—
Liquidity contract (2)	16.0	1.8	—	17.8
Total other securities	**25.1**	**(6.6)**	**(0.7)**	**17.8**

(1) The loan to Rexel Arabia Electrical Supplies LLC, of a nominal amount of $10 million, bears interest at 1.5% and is due on June 15, 2021. As of December 31, 2020, it has been fully impaired.

(2) Own shares and cash equivalents are held under Rexel's share liquidity agreement. In connection with its own-share buy-back program, Rexel entered into a contract with ODDO bank on July 1, 2018 to promote the liquidity of Rexel shares. As of December 31, 2020, Rexel held 420,579 shares for a gross value of €4.8 million. In addition to Rexel treasury shares, €12.9 million of cash equivalents are held under the liquidity agreement.

5.2 Receivables

Receivables are detailed as follows:

	AS OF DECEMBER 31	
(in millions of euros)	**2020**	**2019**
Trade accounts receivable	1.9	1.5
Current accounts Rexel Développement	—	406.6
Other receivable	13.1	14.2
Total receivables	**15.0**	**422.4**

Maturity of those receivables are presented as follows:

(in millions of euros)	AS OF DECEMBER 31, 2020	DUE WITHIN ONE YEAR	DUE FROM ONE TO FIVE YEARS	DUE THEREAFTER
Trade accounts receivable	1.9	1.9	—	—
Other receivable	13.1	8.7	4.5	—
Total receivables	**15.0**	**10.5**	**4.5**	**—**

5.3 Short term investments, hedging derivatives and cash and cash equivalent

(in millions of euros)	AS OF DECEMBER 31 2020	2019
Own shares(1)	9.7	14.5
Cash and cash equivalents(2)	547.6	—
Total	**557.2**	**14.5**

(1) Own shares acquisition cost held to serve free shares plans. Rexel held 727,903 shares for an amount of €9.7 million as of December 31, 2020.
(2) A temporary cash position between Rexel and Rexel Developpement, the Group's cash centralizing entity, has been recognized in relation with refinancing policy. This position has been reversed on January 15, 2021 following refinancing arbitrations.

5.4 Equity

As of December 31, 2020, the company's share capital amounts to €1,522,125,530 represented by 304,425,106 shares each with a par value of €5.

(in millions of euros)	JANUARY 1, 2020	APPROPRIATION OF 2019 NET INCOME(1)	2019 NET INCOME	RESERVES REALLOCATION(2) (3) (4)	DECEMBER 31, 2020
Share capital	1,520.5	—	—	1.6	1,522.1
Share premium	1,451.2	—	—	(0.7)	1,450.5
Legal reserve	71.0	—	—	—	71.0
Non-distributable reserve	36.0		—	(0.9)	35.0
Retained earnings	—	(14.5)	—	—	(14.5)
Net income for the year	(14.5)	14.5	(6.8)	—	(6.8)
Total	**3,064.2**	**—**	**(6.8)**	**—**	**3,057.4**

(1) The Annual General Meeting held on June 25, 2020 approved a resolution allocating the €14.5 million 2019 net loss to retained earnings. In the Covid-19 crisis context, no distribution was proposed in 2020.
(2) On September 28, 2020, the company's Management Board decided to allocate an amount of €7.8 million to the other non-distributable reserves by deduction from the share premium corresponding to 1,566,140 free shares granted at a par value of €5 each.
(3) On June 24, 2020, share capital was increased by €1.6 million following the issuance of 323,093 shares with a par value of €5 each. This capital increase has been recorded by deduction from the other non-distributable reserves.
(4) Amounts initially allocated to other non-distributable reserves and related to forfeited free shares during the year 2020 were retransferred to the share premium for an amount of €7.2 million.

5.5 Information related to liabilities

Liabilities are detailed as follows:

(in millions of euros)		AS OF DECEMBER 31, 2020	AS OF DECEMBER 31, 2019
Senior notes	5.5.1	1,100.9	1,401.2
Borrowings from financial institutions	5.5.2	50.0	50.0
Other financial debt	5.5.3	471.8	18.8
Trade accounts payable		0.5	14.6
Other operating liabilities		3.8	4.2
Total		**1,627.0**	**1,488.8**

Maturity of those liabilities are presented as follows:

(in millions of euros)		AS OF DECEMBER 31, 2020	DUE WITHIN ONE YEAR	DUE FROM ONE TO FIVE YEARS	DUE THEREAFTER
Senior notes	5.5.1	1,100.9	0.9	500.0	600.0
Borrowings from financial institutions	5.5.2	50.0	50.0	—	—
Other financial debt	5.5.3	471.8	471.8	—	—
Trade accounts payable		0.5	0.5	—	—
Other operating liabilities		3.8	3.8	—	—
Total		**1,627.0**	**527.0**	**500.0**	**600.0**

5.5.1 Senior notes

Senior notes due 2024

On March 13, 2017, Rexel issued €300 million of senior unsecured notes due 2024 which bear interests at 2.625% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15, 2017. The notes mature on June 15, 2024 and are listed on the Luxembourg Stock Exchange.

On December 15, 2020 Rexel early redeemed the 2.625% €300 million senior notes due 2024. A €3.9 million redemption premium was paid in addition to the nominal value and recognized in the net financial result.

Senior notes due 2025

On November 20, 2017, Rexel issued €500 million of senior unsecured notes due 2025 which bear interests at 2.125% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15, 2018. The notes mature on June 15, 2025 and are listed on the Luxembourg Stock Exchange.

These notes are redeemable in whole or in part at any time prior to December 15, 2020 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after December 15, 2020, the notes are redeemable in whole or in part by paying the redemption price set forth below:

REDEMPTION PERIOD BEGINNING ON :	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
December 15, 2020	101.063%
December 15, 2021	100.531%
December 15, 2022 and after	100.000%

Senior notes due 2026

On March 12, 2019, Rexel issued €600 million of senior unsecured notes due 2026 which bear interests at 2.75% annually.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes. Rexel pays interest on the notes semi-annually on June 15 and December 15, starting from June 15, 2019. The notes mature on June 15, 2026 and are listed on the Luxembourg Stock Exchange.

These notes are redeemable in whole or in part at any time prior to March 15, 2022 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after March 15, 2022, the notes are redeemable in whole or in part by paying the redemption price set forth below:

REDEMPTION PERIOD BEGINNING ON :	REDEMPTION PRICE (AS A % OF PRINCIPAL AMOUNT)
March 15, 2020	101.375%
March 15, 2021	100.688%
March 15, 2022 and after	100.000%

Senior Credit Agreement

The Senior Facility Agreement initially executed on March 15, 2013 subsequently amended - the latest amendment being dated January 31, 2018 - provides multicurrency revolving credit facility for an aggregate maximum amount of €850 million with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Bank France, Natixis and Société Générale as Mandated Lead Arrangers and Bookrunners. Facilities can be drawn down either through revolving loans up to the maximum aggregate amount or swingline loans in the limit of €137.8 million within the maximum aggregate amount.

On January 16, 2020, Rexel exercised its option to extend the final maturity date by one additional year, from January 31, 2024 to January 31, 2025.

On March 25, 2020, the Group drew down €550 million out of €850 million of its available credit facilities in order to secure its cash position due to the second quarter sales decrease as a result of Covid-19 related lockdown measures.

On June 24, 2020, these facilities were paid-off and €850 million of these facilities remained available as of December 31, 2020.

Interests and margin

Amounts drawn bear interest at a rate determined in reference to (i) the EURIBOR rate when funds are made available in Euro or the Libor rate when funds are made available in currencies other than Euro, (ii) the applicable margin, (iii) certain premia for loans in currencies other than euro, and (iv) mandatory costs (representing the costs to be borne by the lenders for the financing of the banking control system imposed by the banking regulatory authorities of their respective countries), if any.

Swingline drawings bear interest at a rate determined in reference to (i) the EONIA rate, (ii) the applicable margin and (iii) mandatory costs, if any.

The initial applicable margin is 1.25% per annum and varies in accordance with the leverage ratio (defined as the ratio of consolidated adjusted total debt to consolidated adjusted EBITDA, in each case as such terms are defined under the Senior Facility Agreement) calculated as of December 31 and June 30 of every year. The margin ranges from 0.60% to 2.25%.

In addition, the applicable margin shall be increased by a utilization fee that varies depending on the percentage of the total commitment drawn under the Senior Facility Agreement at any given time.

Rexel shall also pay a commitment fee in the base currency on that lender's available commitment the amount of which varies based on the leverage ratio.

The Leverage Ratio corresponds to adjusted total net debt relative to adjusted EBITDA. According to the Senior Facility Agreement provisions, adjusted EBITDA and adjusted total net debt are calculated as if there has been no change in accounting policies. Following the adoption of IFRS 16 as of January 1, 2019, the following terms are determined on a pre IFRS 16 basis:

"Adjusted EBITDA" means, in relation to a measurement period, consolidated operating income without double counting before other income (or expenses) as defined in the relevant consolidated accounts of the Group:

- Including the last 12 months of adjusted EBITDA of any subsidiary acquired in that measurement period *prorata* the participation of the Group;
- Including proceeds related to commodity price derivatives entered into to hedge exposure to the price fluctuation of certain commodities which do not qualify for cash flow hedge accounting as per applicable IFRS;
- After adding back EBITDA of assets held for sale and not taking into account EBITDA of assets sold during the measurement period;
- After adding back net operational depreciation/amortization;
- Taking no account of any expense referable to equity settled share based compensation of employees or management, to the extent the balance of it is taken in account into financial indebtedness;
- After adding back non-cash employee share, incentive or remuneration scheme costs entered into as part of equity-based remuneration of employees of the Group, as well as legal profit sharing, to the extent the balance of it is taken into account in financial indebtedness;
- Excluding the non-recurring impact of the evolution of the copper prices as disclosed in the press release published in connection with the consolidated financial statements for such measurement period;
- After adding back any other restructuring and/or acquisition costs relating to any permitted acquisition.

"Adjusted total net debt" means:

- any indebtedness for or in respect of interest bearing debt (whether or not in cash or in kind, both current and non-current) but which shall:
  - Exclude any upfront, legal, advisory costs related to the implementation of such debt as well as the financial charges accounted for as a result of the repayment of any outstanding debt of the borrower;

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  - Exclude intragroup loans between members of the Group;
  - Include any indebtedness for or in respect of any amount payable in respect of securities issued by any member of the Group which are not mandatorily redeemable in shares; and
  - Include any other amount raised under any other transaction accounted for as borrowing under the accounting standards;
- Any indebtedness for or in respect of accrued interest (including capitalized interest and any payment in kind) other than in respect of intragroup loans between members of the Group; less
- Cash and cash equivalents.

This ratio may exceed 3.50 on three accounting dates during the life of the Senior Facility Agreement, being specified that only two of such three accounting dates may be consecutive, and provided that (i) such ratio does not exceed 3.75 times on two accounting dates during the life of the Senior Facility Agreement and (ii) such ratio does not exceed 3.90 times on one accounting date during the life of the Senior Facility Agreement.

In addition to the Senior Facility Agreement, Rexel entered into one bilateral term loan agreement of €35.6 million (US$ 40.0 million) which matures in June 2021.

As of December 31, 2020, all these credit facilities were undrawn.

5.5.2 Borrowings from financial institutions

Rexel runs a €500 million commercial paper program with a fixed maturity ranging from one to three months depending on the notes issued, to diversify the investor base and minimize the cost of financing. As of December 31, 2020, under this program, €50.0 million were outstanding (€50.0 million in 2019).

5.5.3 Other financial borrowings

As of December 31, 2020, other financial debts relate to borrowings with affiliates.

(in millions of euros)	AS OF DECEMBER 31, 2020	AS OF DECEMBER 31, 2019
Intercompany long term debt	7.0	7.0
Tax group debt	—	1.6
Current accounts Rexel Développement[(1)]	464.8	10.2
Total	**471.8**	**18.8**

(1) A temporary cash position between Rexel SA and Rexel Developpement, the Group's cash centralizing entity, has been recognized in relation with refinancing policy. This position has been reversed on January 15, 2021 following refinancing arbitration.

5.6 Financial instruments covering currency and interest rate risks

In the course of its business, Rexel SA is exposed to market risks such as interest rate and foreign exchange risks. Rexel SA uses various financial instruments to optimize its financial expenses including interest rate swaps to modify its debt structure and to cover the risk of interest rate increases in the currencies in which its debt is denominated. Derivative foreign currency instruments include forward currency purchases and sales and have the sole objective of hedging transactions denominated in a foreign currency.

As of December 31, 2020, the outstanding hedge contracts were as follows:

Interest rate swaps

TYPE OF CONTRACT	MATURITY	NOTIONAL AMOUNTS (IN MILLIONS OF EUROS)	FAIR VALUE (IN MILLIONS OF EUROS)
Interest rate swap paying EURIBOR 3 months	2022	EUR 500,0	8.0
Interest rate swap paying EURIBOR 3 months	2023	EUR 50,0	1.1

5.7 Payables to and receivables from related companies

Related companies are direct and indirect Rexel subsidiaries.

As of December 31, 2020, balances with related companies were as follows:

(in millions of euros)

ASSETS		LIABILITIES	
Investments in related companies	4,104.9	Other financial debt	485.9
Net Loans and other long-term financial assets	—	Trade accounts payable	—
Trade accounts receivable	1.9		
Other accounts receivable	1.2		
EXPENSES		INCOME	
Operating expenses	12.3	Operating income	1.4
Financial expenses	6.1	Financial income	9.1
		Income tax	66.9

6. Additional information

6.1 Employees

The staff of the company is composed by two corporate officers as of December 31, 2020.

6.2 Information on stock options and free share plans

Plans issued in 2017

On May 23, 2017, Rexel entered into free share plans for key executives & managers amounting to a maximum of 1,873,975 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on their country of residence:

- either three years after the grant date (May 24, 2020), these being restricted for an additional two-year period (until May 24, 2022), the so-called “3+2 Plan”,
- or four years after the grant date (May 24, 2021) with no subsequent restrictions, the so-called “4+0 Plan”.

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Vesting conditions	Three year service condition from grant date and performance conditions based on:	Four year service condition from grant date and performance conditions based on:	**Total**
	(i) 2016/2019 average growth of EBITA in value, (ii) 2016/2019 average Organic Sales Growth, (iii) average free cash flow before interest and tax to EBITDA between 2017 to 2019, (iv) Rexel share market performance compared to peers.		
Plan	3+2	4+0	
Delivery date	May 24, 2020	May 24, 2021	
Maximum number of shares granted on May 23, 2017	**643,200**	**1,230,775**	**1,873,975**
Adjustment	18,245	30,698	**48,943**
Number of shares cancelled	(269,345)	(662,630)	**(931,975)**
Shares granted	(392,100)	—	**(392,100)**
Maximum number of shares granted on December 31, 2020	**—**	**598,843**	**598,843**

Plans issued in 2018

On May 24, 2018, Rexel entered into three free share plans for top executive managers amounting to a maximum of 1,900,032 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on three years conditions after the grant date (May 25, 2021) with no subsequent restrictions.

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Vesting conditions	Three year service condition from grant date and performance conditions based on:	Limited to a fixed number of shares, three year service condition from grant date with no performance conditions and for the remaining shares, additional performance conditions based on:	Three year service condition from grant date without any performance conditions	**Total**
	(i) 2017/2020 average growth of EBITA in value, (ii) 2017/2020 average Organic Sales Growth, (iii) average free cash flow before interest and tax to EBITDA between 2018 to 2020, (iv) Rexel share market performance compared to peers.			
Delivery date	May 25, 2021	May 25, 2021	May 25, 2021	
Maximum number of shares granted on May 24, 2018	**1,007,625**	**822,907**	**69,500**	**1,900,032**
Adjustment	30,124	25,116	2,376	**57,616**
Number of shares cancelled	(223,472)	(160,507)	(7,126)	**(391,105)**
Maximum number of shares granted on December 31, 2020	**814,277**	**687,516**	**64,750**	**1,566,543**

The share price used as the basis of social contribution of 20% will correspond to the one at delivery date.

Plans issued in 2019

On May 23, 2019, Rexel entered into three free share plans for top executive managers amounting to a maximum of 2,082,522 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on three years after the grant date (May 24, 2022) with no subsequent restrictions.

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Vesting conditions	Three year service condition from grant date and performance conditions based on:	Limited to a fixed number of shares, three year service condition from grant date with no performance conditions and for the remaining shares, additional performance conditions based on:	Three year service condition from grant date without any performance conditions	**Total**
	(i) 2018/2021 average growth of EBITA in value, (ii) 2018/2021 average Organic Sales Growth, (iii) average free cash flow before interest and tax to EBITDA between 2019 to 2021, (iv) Rexel share market performance compared to peers.			
Delivery date	May 24, 2022	May 24, 2022	May 24, 2022	
Maximum number of shares granted on May 23, 2019	**1,016,875**	**932,147**	**133,500**	**2,082,522**
Adjustment	34,040	32,081	4,698	**70,819**
Number of shares cancelled	(78,292)	(77,382)	(8,180)	**(163,854)**
Maximum number of shares granted on December 31, 2020	**972,623**	**886,846**	**130,018**	**1,989,487**

The share price used as the basis of social contribution of 20% will correspond to the one at delivery date.

Plans issued in 2020

On September 28, 2020, Rexel entered into three free share plans for top executive managers amounting to a maximum of 1,562,860 shares. According to these plans, the beneficiaries will be eligible to receive Rexel shares depending on three years after the grant date (September 28, 2023) with no subsequent restrictions.

The actual delivery of these bonus shares is subject to service, performance and market conditions as described below:

Vesting conditions	Three year service condition from grant date and performance conditions based on:	Limited to a fixed number of shares, three year service condition from grant date with no performance conditions and for the remaining shares, additional performance conditions based on:	Three year service condition from grant date without any performance conditions	**Total**
	(i) 2019/2022 average growth of EBITA in value, (ii) 2019/2022 average Organic Sales Growth, (iii) average free cash flow before interest and tax to EBITDA between 2020 to 2022, (iv) Rexel share market performance compared to peers.			
Delivery date	September 28, 2023	September 28, 2023	September 28, 2023	
Maximum number of shares granted on September 28, 2020	**890,920**	**544,020**	**131,200**	**1,566,140**
Number of shares cancelled	(720)	(2,640)	(400)	**(3,760)**
Maximum number of shares granted on December 31, 2020	**890,200**	**541,380**	**130,800**	**1,562,380**

The share price used as the basis of social contribution of 20% will correspond to the one at delivery date.

6.3 Subsequent events

At the presentation date of the financial statements there have been no subsequent events after December 31, 2020 that would have a significant impact on Rexel's financial situation.

5.3.2 Report of the Statutory Auditors on the company financial statements for the financial year ended December 31, 2020

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

KPMG Audit
Tour Eqho
2, avenue Gambetta
92066 Paris la Défense Cedex

Statutory auditors' report on the financial statements

For the year ended December 31, 2020

To the Annual General Meeting of Rexel S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Rexel S.A. for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for statutory auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of Investments in related companies

Description of risk

Note 3.1 and 5.1.1 to the financial statements

As at December 31, 2020, investments in related companies are recorded in the balance sheet at a net carrying amount of €4,104.9 million and represent 87% of total assets.

As disclosed in the note 3.1 to the financial statements, a valuation allowance is recorded when the carrying value exceeds the value in use. The value in use is calculated based on projected discounted cash flows, net of the indebtedness of subsidiaries.

Estimates of the value in use require management to exercise judgment particularly regarding the assumptions underlying the cash flows.

We deemed the valuation of investments in related companies to be a key audit matter due to:

- the significant weight of investments in subsidiaries in the total assets,
- the sensitivity to changes in the data and assumptions underlying estimates.

How our audit addressed this risk

We examined the procedures implemented by Rexel S.A. for determining the value in use of investments in related companies. We performed the following procedures:

- Obtained the projected discounted cash flows for Rexel Développement and its related subsidiaries, held directly or indirectly;
- Corroborated the reasonableness of the main assumptions (such as sales growth and EBITA margin) in the calculation of discounted cash flows, with economic environments in which the main subsidiaries operate;
- Compared actual performance to past forecasts to assess the reliability of projections for certain subsidiaries;
- Verified that the value resulting from discounted cash flows was adjusted from the indebtedness of the related entity.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors' and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-4 of the French Commercial Code *(Code de commerce)*.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code *(Code de commerce)*.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies which are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code *(Code de commerce)*, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General Regulation, the Company's management informed us of its decision to postpone the presentation of the financial statements in compliance with the European single electronic format as defined in the European Delegated Regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code *(Code monétaire et financier)*.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Rexel S.A. by the annual general meeting held on May 16, 2012 for PricewaterhouseCoopers Audit and on May 25, 2016 for KPMG Audit.

As at December 31, 2020, PricewaterhouseCoopers Audit was in the 9th year of total uninterrupted engagement and KPMG Audit in the 5th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-la-Défense, February 11, 2021

The statutory auditors

PricewaterhouseCoopers Audit		KPMG Audit Department of KPMG S.A.	
Amélie Wattel	Pierre Clavié	Valérie Besson	Jean-Marc Discours

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Combined Shareholders' Meeting of April 22, 2021

6.1	**Report of the Board of Directors to the Combined Shareholders' Meeting of April 22, 2021**	**364**
6.2	**Text of the draft resolutions submitted to the Combined Shareholders' Meeting of April 22, 2021**	**384**

6.1 Report of the Board of Directors to the Combined Shareholders' Meeting of April 22, 2021

To the Shareholders,

The Combined Meeting of the Shareholders of Rexel, a French *société anonyme*, having its registered office at 13, boulevard du Fort de Vaux, 75017 Paris (**"Rexel"** or the **"Company"**) has been convened by the Board of Directors on April 22, 2021 at 10:30 am, at the registered office located at 13, boulevard du Fort de Vaux, 75017 Paris, in order to resolve upon the draft resolutions presented hereinafter (the **"Shareholders' Meeting"**).

In the particular context of the coronavirus (Covid-19) pandemic, the measures that could be taken by the Government could lead the Shareholders' Meeting to be held behind closed-doors, without the physical presence of shareholders and other persons entitled to attend. Indeed, administrative measures restricting or prohibiting travels or collective gatherings for health concerns could impede the physical presence at the Shareholders' Meeting of its members.

As of the date hereof, these measures are provided for by Law No 2020-1379 of November 14, 2020 authorizing the extension of the state of health emergency and introducing various measures for managing the health crisis as well as by Order No. 2020-321 of March 25, 2020 adapting the rules for meetings and deliberations of general meetings and governing bodies and legal entities without legal personality under private law due to the Covid-19 pandemic, as amended and extended by Order No 2020-1497 of December 2, 2020 and whose conditions of application were specified by Decree No 2020-1614 of December 18, 2020 extending and amending Decree No 2020-418 of April 10, 2020 and Decree No 2020-629 of May 25, 2020 to adapt the functioning of certain deliberative bodies to the context caused by the Covid-19 epidemic. These measures apply in principle until April 1, 2021. In the event that these measures are renewed or if other measures are adopted, the Company will adapt the conditions for organizing the Shareholders' Meeting accordingly and will inform its shareholders.

Shareholders are invited to regularly consult the section dedicated to the Shareholders' Meeting on the Company's website (www.rexel.com), which may be updated to specify, as the case may be, the final conditions for participation in the Shareholders' Meeting depending on health and/or legal requirements that may arise after the date hereof.

In this report, we present you with the motives behind each of the resolutions being put to the vote at the Shareholders' Meeting.

1. Course of business

For the financial year ended December 31, 2020, the performance is the following:

- Sales amounted to €12,592.5 million, down 6.5% on a constant and same-day basis;
- Decrease in adjusted EBITA was 20.8% with adjusted EBITA of €526.4 million;
- Indebtedness ratio improved by 33 bps to 2.14x; and
- Free cash flow before interest and taxes conversion was of 101.2% (of EBITDAaL).

The Group net income for 2020 is a loss of €261.3 million and recurring net income decreased by 18.6%.

The distribution of a premium in an amount of €0.46 per share is submitted to the approval of the shareholders.

The course of business and the financial condition of the Company during the financial year ended December 31, 2020, are detailed in the 2020 Universal Registration Document of the Company.

2. Resolutions to be submitted to the Ordinary Shareholders' Meeting

2.1 Approval of the annual and consolidated financial statements (first and second resolutions)

The first and second resolutions submit to the shareholders' approval the annual and consolidated financial statements of the Company for the financial year ended December 31, 2020, as drawn up by the Board of Directors.

The annual financial statements show a loss of €6,783,866.15.

The consolidated financial statements show a loss of €261.3 million.

In accordance with the provisions of Article 223 quater of the French General Tax Code, the first resolution also submits to the shareholders' approval the amount of costs and expenses referred to in Article 39-4 of the French General Tax Code, which are not deductible from the results. For the financial year ended December 31, 2020, these costs and expenses amounted to €9,996. These costs and expenses represent a maximum amount of income tax of €3,200 (at an income tax rate of 32.02%). These costs and expenses correspond to the share of a depreciation surplus (portion of non-deductible rents of hired vehicles).

We suggest that you approve these resolutions.

2.2 Allocation of results, distribution of an amount of €0.46 per share, by deduction from the issue premium (third resolution)

Subject to the annual and consolidated financial statements as presented by the Board of Directors being approved by the shareholders, and to the extent that the carry forward account presents a negative balance, the third resolution submits to the approval of the shareholders the following allocation of results and distribution for the financial year ended December 31, 2020 (which includes the clearance of the negative carry forward account by deduction from the issue premium account):

Origin of the amounts to be allocated:

• Results from the 2020 financial year	€(6,783,866.15)
• Previous carry forward at December 31, 2020	€(14,542,953.82)
Total	**€(21,326,819.97)**

Allocation of results:

• Clearance by deduction from the issue premium account	€(21,326,819.97)

As a result of this allocation, the "carry forward account" would be fully cleared and the "issue premium account" would amount to €1,429,221,099.03 after allocation.

It is proposed to pay in respect of each of the shares making up the share capital and conferring rights to distribution, an amount of €0.46, as follows:

Proposed distribution:	**€139,507,247.04**

Deducted from:

• Issue premium	€139,507,247.04

As a consequence, the "issue premium account" would be reduced from €1,429,221,099.03 to €1,289,713,851.99.

The right to this distribution shall be detached from the share on April 29, 2021, and the distribution shall be paid on May 3, 2021.

In case of transfer of shares occurring between the date of the Shareholders' Meeting and the date of payment, the rights to the distribution will be acquired by the shareholder owning the rights on the day prior to the date of detachment.

The contemplated distribution is in line with Rexel's policy consisting in distributing at least 40% of its net recurring profit, reflecting the trust of the Rexel Group in its structural capacity to generate substantial cash flow throughout the whole cycle.

The shareholders are also reminded that, subject to possible adjustments related to any variations mentioned in the above paragraph, the distribution will be treated from a tax perspective up to approximately €0.46 (based on an amount of €139,507,247.04, drawn on the issue premium, distributed over 304,425,106 shares), as a reimbursement of a contribution or an issue premium within the meaning of Article 112 of the French General Tax Code, which is not taxable for individual shareholders resident in France but which must be deducted from the tax cost of the share.

During the last three financial years, the Company has distributed the following amounts to the shareholders:

	2019	2018	2017
Amount distributed per share	–	€0.44(1)	€0.42(1)
Number of shares eligible	–	302,193,786	302,027,053
Total distribution	–	€132,965,265.84(2)	126,851,362.26(1)

(1) Amount(s) eligible for the 40% tax rebate that individuals residing in France for tax purposes benefit from, in accordance with Article 158-3-2°of the French General Tax Code.
(2) Of which €28,021,702.80 eligible for the 40% tax rebate that individuals residing in France for tax purposes benefit from, in accordance with Article 158-3-2°of the French General Tax Code.

We suggest that you approve this resolution.

2.3 Related-party agreements (fourth resolution)

The fourth resolution concerns the approval of related-party agreements as defined in Articles L.225-38 *et seq.* of the French Commercial Code, meaning the related-party agreements that were authorized by the Board of Directors prior to their conclusion.

In accordance with the provisions of Article L.225-40 of the French Commercial Code, these agreements were the subject of a report by the Statutory Auditors of the Company and must be submitted for approval at the Ordinary Shareholders' Meeting of the Company.

New related-party agreement(s)

No new related-party agreements were entered into during the course of the financial year ended December 31, 2020.

Related-party agreements previously authorized with continuing effect during the financial year ended December 31, 2020

During the financial year ended December 31, 2020, no agreements entered into in previous financial years were continued.

We therefore invite you to approve this resolution.

2.4 Approval of the compensation policy applying to the Chairman of the Board, the Directors and the Chief Executive Officer for the 2021 financial year, pursuant to Article L.22-10-8 of the French Commercial Code (fifth to seventh resolutions)

In accordance with Article L.22-10-8 of the French Commercial Code, the compensation policy applying to the Chairman of the Board of Directors, the Directors and the Chief Executive Officer are presented in paragraph 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)" of the Universal Registration Document of the Company for the financial year ended December 31, 2020.

This paragraph outlines the principles of the compensation policy and the principles and criterion for the determination, the breakdown and the allocation of the different components making up the total compensation attributable by type of functions.

We therefore invite you to approve the compensation policy applying to the Chairman of the Board of Directors, to the Directors and the Chief Executive Officer for the 2021 financial year.

2.5 Approval of the information referred to in Article L.22-10-9, I of the French Commercial Code for the 2010 financial year (eighth resolution)

In accordance with Article L.22-10-34, I of the French Commercial Code, the eighth resolution submits to the shareholders' approval the information referred to in Article L.22-10-9, I of the French Commercial Code for the financial year ended December 31, 2020.

The information relates in particular to the elements of compensation (fixed, variable and exceptional), the benefits of any kind, the share allotment plans, severance payments, non-compete commitments and pension or similar liabilities.

The above-mentioned information listed are presented in Section 3.2.2 "Compensation of corporate officers for the 2020 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)" of the Universal Registration Document of the Company for the financial year ended December 31, 2020.

We therefore invite you to approve this resolution.

2.6 Approval of the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the financial year ended December 31, 2020 to the non-executive and executive corporate officers (ninth and tenth resolutions)

In accordance with Article L.22-10-34, II of the French Commercial Code, the ninth and tenth resolutions submit to the shareholders' approval the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated for the financial year ended December 31, 2020 to Ian Meakins, Chairman of the Board of Directors and Patrick Berard, Chief Executive Officer.

The relevant items of compensation relate to: (i) the fixed compensation, (ii) the annual variable compensation and, as the case may be, the multiannual variable compensation with the objectives contributing to the setting of this variable compensation, (iii) exceptional compensation and (iv) the benefits in kind.

The above-mentioned elements of compensation are set out in Section 3.2.2 "Compensation of corporate officers for the 2020 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)" of the Universal Registration Document of the Company for the financial year ended December 2020, and are set forth below.

Ian Meakins (Non-executive Chairman of the Board of Directors) for the financial year ended December 31, 2020

	AMOUNT OR ACCOUNTING VALUATION		
COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2020	AMOUNT PAID DURING FINANCIAL YEAR 2020	PRESENTATION
Fixed annual compensation	€450,000	€450,000	The compensation principles for Ian Meakins have been determined by the Board of Directors of May 23, 2017. Upon those principles, the Board of Directors of February 12, 2020 set the gross fixed annual compensation of Ian Meakins in respect of the financial year ended on December 31, 2020 to €500,000, which was then reduced by 20% to €450,000. This fixed compensation, determined for the whole term of office, remains unchanged since the appointment of Ian Meakins as Chairman of the Board of Directors on October 1, 2016. This compensation has been determined by the Board of Directors in consideration of the French and European market practice, of the strong expertise and experience of Ian Meakins in relation to professional distribution in particular, of his recognized management capacities and of his international experience. See paragraph 3.2.2.4 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.
Variable annual compensation	Not applicable		Ian Meakins does not benefit from any variable annual compensation.
Deferred variable compensation	Not applicable		Ian Meakins does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable		Ian Meakins does not benefit from any multiannual variable compensation.
Exceptional compensation	Not applicable		Ian Meakins does not benefit from any exceptional compensation.
Benefits of any kind	Not applicable		Ian Meakins does not benefit from any benefit in kind.
Valuation of the long-term compensation: allocation of performance shares	Not applicable		Ian Meakins does not benefit from any long-term compensation item.
Severance indemnities	Not applicable		Ian Meakins does not benefit from any severance indemnity.
Non-compete indemnity	Not applicable		Ian Meakins does not benefit from any non-compete indemnity.
Supplemental retirement plan	Not applicable		Ian Meakins does not benefit from any supplemental retirement plan.

Patrick Berard (Chief Executive Officer) for the financial year ended December 31, 2020

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION		PRESENTATION
	AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2020	AMOUNT PAID DURING FINANCIAL YEAR 2020	
Fixed annual compensation	€585,000	€585,000	The gross fixed annual compensation in respect of the financial year ended on December 31, 2020 amounts to €585,000. This amount is explained by the decision of Patrick Berard to waive the increase in his fixed compensation from €650,000 to €700,000 as approved by the Shareholders' Meeting of June 25, 2020 and by the reduction by 20% of his compensation from April to September 2020 inclusive. See paragraph 3.2.2.4 "Summary tables relating to compensation paid or allocated to the corporate officers" of this Universal Registration Document.
Variable annual compensation for the 2020 financial year	€659,880	€656,565	The gross variable annual compensation in respect of the financial year ended on December 31, 2020 determined by the Board of Directors of February 10, 2021, amounts to €659,880. The variable compensation was based for 60% on quantitative criteria and for 40% on qualitative criteria. Quantitative performance stood at 90% and qualitative performance stood at 100%. This amount thus corresponds to 94 % of the target variable compensation (the target variable compensation was determined at 120% of the fixed annual compensation), *i.e.* 113% of the fixed compensation for the relevant period. For details on the calculation of the variable compensation for 2020, please see paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to the Chief Executive Officer, Patrick Berard" of this Universal Registration Document. In accordance with the provisions of Article L.22-10-34 of the French Commercial Code, the payment of the 2020 variable compensation is subject to the approval of the Shareholders' Meeting of April 22, 2021. The gross variable annual compensation paid during financial year 2020, allocated in respect of financial year 2019 (€656,565), was approved by a vote of the Shareholders' Meeting of June 25, 2020.
Pluriannual variable compensation	Not applicable		Patrick Berard does not benefit from any pluriannual variable compensation.
Exceptional compensation	Not applicable		Patrick Berard does not benefit from any exceptional compensation in respect of his corporate office.
Valuation of benefits in kind	€6,362		Patrick Berard receives benefits in kind in the amount of €6,362, consisting of a Company car. See paragraph 3.2.2.3 "Compensation and other benefits paid or allocated to the Chief Executive Officer, Patrick Berard" of this Universal Registration Document.

Patrick Berard (Chief Executive Officer) for the financial year ended December 31, 2020

COMPENSATION ITEMS PAID OR ALLOCATED SUBMITTED TO THE VOTE	AMOUNT OR ACCOUNTING VALUATION: AMOUNT ALLOCATED IN RESPECT OF FINANCIAL YEAR 2020	AMOUNT OR ACCOUNTING VALUATION: AMOUNT PAID DURING FINANCIAL YEAR 2020	PRESENTATION
Valuation of the long-term compensation: allocation of performance shares	€841,000 (valuation based on the IFRS 2 fair value determined for the consolidated financial statements, *i.e.*, €8.41 for 2020)		In accordance with authorization granted by Rexel's Shareholders' of June 25, 2020, the Board of Directors, at its meeting of September 28, 2020, decided to allot Rexel performance shares. Accordingly, 100,000 shares, fully subject to performance criteria, were allotted to Patrick Berard in 2020. This number of shares is the maximum number of shares that may be vested if the performance criteria are outperformed and corresponds to a maximum vesting percentage of 100%. The specific limitations of allocations for corporate officers have been fulfilled: • The annual value of the performance shares allotted does not exceed 100% of the amount of the annual fixed and variable target compensation for the relevant financial year; and • The number of shares allotted to Patrick Berard has not exceeded 10% of the overall envelope of performance shares allotted to all the beneficiaries. The final vesting of the shares allotted to Patrick Berard is entirely subject to performance criteria, as described in paragraph 3.2.1.4 "Compensation policy applicable to the Chief Executive Officer for financial year 2020" of this Universal Registration Document.
Severance indemnities	Not applicable		Patrick Berard does not benefit from any severance indemnities in respect of his corporate office.
Non-compete indemnity	Not applicable		Patrick Berard does not benefit from any non-compete indemnity in respect of his corporate office.
Supplemental retirement plan	No payment		Considering the career of Patrick Berard (born in 1953) and his seniority (he joined the Rexel Group in 2003), the Board of Directors decided on July 1, 2016 not to suspend the supplemental defined-benefit retirement plan, in which Patrick Berard has been maintained in his capacity as an employee prior to accepting the duties of corporate officer. The Board of Directors of July 1, 2016 decided to maintain the benefit of the scheme of defined benefit supplemental retirement plan that Patrick Berard benefited from as an employee prior to his appointment as Chief Executive Officer of Rexel. 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).

We therefore invite you to approve the items of the compensation due or allocated in respect of the financial year ended December 31, 2020 to Ian Meakins, Chairman of the Board of Directors, and Patrick Berard, Chief Executive Officer.

2.7 Renewal of the terms of office of the directors (eleventh to thirteenth resolutions)

2.7.1 Renewal of the term of office of François Henrot as director (eleventh resolution)

The term of office as director of François Henrot will expire at the closing of the Shareholders' Meeting.

Therefore, the eleventh resolution submits to the approval of the shareholders the renewal of the term of office of François Henrot as director. This renewal would be made for a term of four years, *i.e.*, until the Shareholders' Meeting which will be called to approve the financial statements of the financial year ending December 31, 2024, to be held in 2025.

The renewal of the term of office of François Henrot is proposed insofar as he is an independent director and taking into account his knowledge of the Company and of shareholding issues.

FRANÇOIS HENROT

(71 years old)

Professional address:
Rothschild & Cie
23 bis, avenue de Messine
75008 Paris – France

Number of Rexel shares held:
7,133

Experience and expertise

Senior Independent Director, Deputy Chairman of the Board of Directors, Member of the Nomination Committee and Member of the Compensation Committee

François Henrot has served on the Board of Directors of Rexel as Senior Independent Director referent and Deputy Chairman of the Board since May 22, 2014. He served as interim Chairman of the Board of Directors between July 1, 2016, and October 1, 2016. He was previously a member of the Supervisory Board of Rexel further to his co-option by the Supervisory Board on October 30, 2013, to replace Manfred Kindle. The ratification of François Henrot's co-option as member of the Supervisory Board was approved by the Shareholders' Meeting of May 22, 2014. The renewal of his term of office has been approved by the Shareholders' Meeting of May 23, 2017.

François Henrot is a French citizen.

François Henrot has been Managing Partner of Rothschild & Cie since 1998 and he serves as Chairman of the investment bank of the Rothschild Group. He started his career in 1974 at the French Council of State. In 1979, he became Director of France's Telecommunications Department. In 1985, he joined the Compagnie Bancaire where he became COO and Chairman of the Management Board. He was a Management Board Member at Compagnie Financière de Paribas from 1995 to 1998 before joining Rothschild. François Henrot is a member of the Supervisory Board of Rothschild & Co (the holding company of the Rothschild Group), and of Yam Invest NV and a Director of Cobepa, which he presides.

François Henrot is a graduate of the *École Nationale d'Administration* (ENA) and of the University of Stanford.

Term of office

First appointment:

October 30, 2013 (as member of the Supervisory Board)

May 22, 2014 (as Director)

Current term of office:

From May 23, 2017 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2020

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Senior Independent Director of Rexel
- Deputy Chairman of the Board of Directors
- Member of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

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Over the last five financial years:

In France

- Member of Rexel's Strategic Investment Committee
- Chairman of the Board of Directors of Rexel from July 1, 2016 to September 30, 2016
- Member of Rexel's Supervisory Board
- Chairman of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee
- Member of Rexel's Strategic Committee
- Chairman of Rexel's Nomination and Compensation Committee
- Member of Rexel's Audit and Risk Committee

Abroad

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Titles and duties outside the Rexel Group:

Current:

In France

- Chairman of the investment bank of the Rothschild Group (France – unlisted company)
- Managing partner of Rothschild & Cie (France – unlisted company)
- Member of the Supervisory Board of Rothschild & Co (holding of the Rothschild Group) (France – listed company)

Abroad

- Member of the Supervisory Board of Yam Invest NV (The Netherlands – unlisted company)
- Chairman of the Board of Directors of Cobepa (Belgium – unlisted company)

Over the last five financial years:

In France

- Managing partner of Rothschild & Cie Banque (France – unlisted company)

Abroad

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We therefore invite you to approve this resolution.

2.7.2 Renewal of the term of office of Marcus Alexanderson as director (twelfth resolution)

The duties of director of Marcus Alexanderson will come to an end at the closing of the Shareholders' Meeting, in accordance with the provisions of Article 14.2 of the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years.

Therefore, the twelfth resolution submits to the approval of the shareholders the renewal of the term of office of Marcus Alexanderson as director. This renewal would be made for a term of four years, *i.e.*, until the Shareholders' Meeting which will be called to approve the financial statements of the financial year ending December 31, 2024, to be held in 2025.

The renewal of the term of office of Marcus Alexanderson is proposed in view of his knowledge of the Company and of shareholding issues.

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MARCUS ALEXANDERSON

(45 years old)

Professional address:
Cevian Capital
Engelbrektsgatan, 5,
11432 Stockholm – Sweden

Number of Rexel shares held:
5,000

Experience and expertise

Director, Member of the Nomination Committee and member of the Compensation Committee

Marcus Alexanderson was co-opted as Director by the Board of Directors on May 15, 2017, to replace Pier-Luigi Sigismondi. His co-option as well as the renewal of his term of office were approved by the Shareholders' Meeting of May 24, 2018.

Marcus Alexanderson is a Swedish citizen.

Marcus Alexanderson is a partner of Cevian Capital AB, an investment advisor to Cevian Capital, an investment fund managing EUR 13 billion of assets and investing in listed European companies. He joined Cevian Capital at its founding in 2002 and is co-responsible for the investment and active shareholding businesses of Cevian. Previously, Marcus Alexanderson was an investment analyst with AB Cutos (Sweden).

Marcus Alexanderson holds a Master of Science in Economics and Business Administration from the Stockholm School of Economics.

Term of office

First appointment:

May 15, 2017 (co-option)

Current term of office:

From May 24, 2018 until the Shareholders' Meeting deciding on the accounts for the financial year ended December 31, 2021

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee

Abroad

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Over the last five financial years:

In France

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Abroad

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Titles and duties outside the Rexel Group:

Current:

In France

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Abroad

- Partner of Cevian Capital AB (Sweden – unlisted company)

Over the last five financial years:

In France

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Abroad

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We therefore invite you to approve this resolution.

2.7.3 Renewal of the term of office of Maria Richter as director (thirteenth resolution)

The duties of director of Maria Richter will come to an end at the closing of the Shareholders' Meeting in accordance with the provisions of Article 14.2 of the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years.

Therefore, the thirteenth resolution submits to the approval of the shareholders the renewal of the term of office of Maria Richter as director. This renewal would be made for a term of four years, *i.e.*, until the Shareholders' Meeting which will be called to approve the financial statements of the financial year ending December 31, 2024, to be held in 2025.

The renewal of the term of office of Maria Richter is proposed insofar as she is an independent director and taking into account her knowledge of the Company.

MARIA RICHTER

(66 years old)

Professional address:

Rexel
13, Boulevard du Fort de Vaux
75017 Paris – France

Number of Rexel shares held:

6,500

Experience and expertise

Director, Member of the Audit and Risk Committee and Member of the Compensation Committee

Maria Richter was co-opted as Director by the Board of Directors on May 22, 2014, to replace Roberto Quarta. Maria Richter's co-option as Director and the renewal of her directorship have been approved by the Shareholders' Meeting of May 27, 2015.

The renewal of her term of office was approved by anticipation by the Shareholders' Meeting of May 24, 2018.

Maria Richter is a dual citizen of the Republic of Panama and the United States.

Maria Richter is a former Investment Banker and currently sits as a non-executive Director on public and private company boards. From 2003 to July 2014, she was a Non-Executive Director of National Grid plc and Chairwoman of its Finance Committee and a member of its Audit Committee and Appointments Committee. Since 2008, she has been a Director of Bessemer Trust, a US wealth management company and is a member of its Compensation Committee. Since January 1, 2015 she has also served as a Non-Executive Director of Johannesburg based Anglo Gold Ashanti and a member of the company's Audit and Risk Committee and Human Resources & Compensation Committee. Since May, 2019, she also serves as a Chairman of the company's Human Resources & Compensation Committee and a member of the Nomination Committee. From September, 2017, to September, 2019, Maria Richter has also served as non-executive Director of Barclays Bank plc. Maria Richter began her career as an attorney for the then law firm Dewey Ballantine (1980-1985) before joining The Prudential (1985-1992) where she held a number of executive positions latterly as a Vice-President of Prudential Power Funding Associates. She joined Salomon Brothers (1992-1993) as Vice President and then joined Morgan Stanley (1993- 2002) as Executive Director and Head of Independent Power and Structured Finance and later became Managing Director and Head of South America Investment Banking and Managing Director of Corporate Finance Retail.

Maria Richter has a Bachelor of Arts degree from Cornell University and a Juris Doctor degree from Georgetown University Law Center.

Term of office

First appointment:

May 22, 2014

Current term of office:

From May 24, 2018 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2021

Titles and other duties exercised in French and foreign companies during the last five financial years

Titles and duties within the Rexel Group:

Current:

In France

- Director of Rexel
- Member of Rexel's Audit and Risk Committee
- Member of Rexel's Compensation Committee

Abroad

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Over the last five financial years:

In France

- Member of Rexel's Compensation Committee
- Member of Rexel's Nomination and Compensation Committee

Abroad

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Titles and duties outside the Rexel Group:

Current:

In France

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Abroad

- Director and member of the Compensation Committee of Bessemer Trust (United States – unlisted company)
- Non-executive Director, Chairman of the Human Resources & Compensation Committee, member of the Audit and Risk Committee and member of the Nomination Committee of Anglo Gold Ashanti (South Africa – listed company)

Over the last five financial years:

In France

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Abroad

- Non-executive Director, Chairwoman of the Finance Committee, member of the Audit Committee and member of the Appointments Committee of National Grid, plc (United Kingdom – listed company)
- Director of Pro Mujer International (United States – unlisted organization) and Chairwoman of the Board of Trustees of Pro Mujer UK (United Kingdom – unlisted organization)
- Non-executive Director and member of the Risk Committee and Compensation Committee of Barclays Bank plc (United Kingdom – listed company)

We therefore invite you to approve this resolution.

2.8 Authorization to carry out transactions on the Company's shares (fourteenth resolution)

The fourteenth resolution proposes to the Shareholders' Meeting to authorize the Board of Directors to repurchase shares of the Company within the limits set by the shareholders of the Company and in accordance with the legal and regulatory provisions.

Particularly, the authorization may be implemented with a view to (i) ensuring liquidity in the market, (ii) setting up any share purchase option plan, any allotment of free shares, and any granting, allotment or transfer of shares to the benefit of the Rexel Group employees and carrying out any hedging operation relating to such transactions, (iii) ensuring the coverage of the undertakings under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of Rexel granted to the employees or the corporate officers of Rexel or of an associated enterprise, (iv) delivering shares in the context of external growth transactions, (v) delivering shares in connection with the exercise of rights attached to securities, (vi) canceling all or part of the shares so repurchased.

The authorization that would be, as the case may be, granted to the Board of Directors provides for limitations regarding the maximum repurchase price (€30), the maximum amount for the implementation of the repurchase program (€250 million) and the amount of securities which may be repurchased (10% of the share capital of the Company on the date of the repurchases) or delivered in the context of external growth transactions (5% of the share capital of the Company). In addition, the Company may at no time own a quantity of shares representing more than 10% of its share capital.

The Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to pursue the implementation of its share repurchase program as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period.

This authorization would be granted for a term of 18 months and would supersede the prior authorization granted to the Board of Directors in respect of the unused portion thereof.

We suggest that you approve this resolution.

3. Resolutions to be submitted to the Extraordinary Shareholders' Meeting

3.1 Authorization to be granted to the Board of Directors to carry out a share capital decrease by canceling shares (fifteenth resolution)

We suggest that you authorize the Board of Directors to reduce the share capital by cancellation of all or part of the Company's shares acquired pursuant to any share repurchase plans authorized by the Shareholders' Meeting of the Company providing for this objective.

The share capital decreases that the Board of Directors may carry out under this authorization would be limited to 10% of the Company's share capital as of the date of the cancellation per a period of 24 months.

This authorization would be granted for a term of 18 months.

We suggest that you approve this resolution.

3.2 Financial authorizations (sixteenth to twenty-third resolutions)

The Shareholders' Meeting regularly grants to the Board of Directors the authority or the powers necessary to proceed with the issuance of ordinary shares and/or securities, with upholding or cancellation of shareholders' preferential subscription right, in order to meet the financing needs of the Rexel Group.

As such, the Extraordinary Shareholders' Meetings of May 23, 2019 and June 25, 2020 granted to the Board of Directors the delegations of authority and authorizations as described in the table provided at **Schedule 1** to this report, it being specified that said table specifies the cases and conditions in which certain of these delegations and authorizations have been used.

We remind you that in the event of an issuance of ordinary shares and/or securities, the Company intends to give priority to transactions upholding the shareholders' preferential subscription right.

Nevertheless, particular circumstances may justify the cancellation of the preferential subscription right of shareholders, in accordance with their interests. Accordingly, the Company may seize the opportunities offered by the financial markets, especially considering the markets' current situation.

The Company may also involve employees of the Rexel Group in its development, notably by way of a share capital increase reserved to said employees or the allotment of free shares. The Company may also carry out the issuance of securities underlying the securities issued by the Company or the Rexel Group's subsidiaries. The cancellation of the preferential subscription right would also allow the realization of public exchange or acquisitions offers paid entirely in securities. Finally, the issuance of securities may remunerate contributions in kind of financial securities that would not be traded on a regulated market or its equivalent.

These delegations and authorizations could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with the prior authorization of the Shareholders' Meeting. This restriction would not apply to the issuances reserved to employees or the allotment of free shares.

We also remind you that the maximum amount of all the share capital increases (excluding share capital increases by means of capitalization of reserves or premium and allotment of free shares) would be of €720 million, *i.e.*, 144 million shares, representing approximately 47.3% of the share capital and voting rights of the Company. The maximum amount of all the share capital increases with cancellation of the shareholders' preferential subscription right (excluding share capital increases reserved to the employees and allotment of free shares) would be of 140 million, *i.e.*, 28 million shares, representing approximately 9.2% of the share capital and voting rights of the Company. In addition, the maximum amount of securities that may be issued may not exceed €1 billion or the equivalent in euros of this amount at the date of the issuance decision.

Thus, the draft resolutions being put to the vote of the shareholders regarding financial authorizations are described below.

3.2.1 Issuance of securities with upholding of the preferential subscription rights of shareholders (sixteenth resolution)

The sixteenth resolution aims at granting to the Board of Directors a delegation of authority to increase the share capital, with upholding of the shareholders' preferential subscription rights.

The issuances would be reserved for shareholders of the Company who would be granted a preferential subscription right. These transactions would therefore have a limited dilutive impact for existing shareholders, who may decide to participate in the transaction or to sell their rights on the market.

The transactions would concern the issuance of ordinary shares, of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, and/or of securities giving access, immediately or in the future, to equity securities to be issued. The securities issued may be equity securities or debt securities.

Share capital increases carried out pursuant to this delegation of authority may not exceed a maximum nominal amount of €720 million (*i.e.*, 144 million shares of a nominal value of 5 euros). The maximum amount of all the share capital increases (excluding share capital increases by mean of capitalization of reserves or premiums and allotment of free shares) may not exceed this amount of €720 million.

The maximum nominal amount of the debt issuances that may be carried out pursuant to this authorization may not exceed a total amount of €1 billion. The maximum amount of all the debt issuances may not exceed this total amount of €1 billion.

The subscription price of the shares and/or securities that may be issued pursuant to this delegation would be determined by the Board of Directors, in accordance with applicable legal and regulatory provisions. This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with the prior authorization of the Shareholders' Meeting.

This delegation of authority would be granted for a term of 26 months and would cancel, as of the date of the Shareholders' Meeting, any prior authorization with the same purpose, as regards the unused portion of these delegations.

We suggest that you approve this resolution.

3.2.2 Issuance of securities by way of public offering with cancellation of the preferential subscription right of shareholders, other than the offers referred to in article L.411-2, 1° of the French Monetary and Financial Code (seventeenth resolution)

The seventeenth resolution aims at granting to the Board of Directors a delegation of authority to increase the share capital, with upholding of the shareholders' preferential subscription rights, by way of public offering, other than the offers referred to in article L.411-2, 1° of the French Monetary and Financial Code.

The issuances would be opened to the public and would have a dilutive impact for existing shareholders who would be considered as all the other investors. The Board of Directors may nevertheless grant a (non-tradeable) priority to the existing shareholders.

This delegation of authority may also be used as compensation for the contribution of securities carried out in connection with a public exchange offer in respect of the shares of the Company or of another company admitted to trading on a regulated market. In this context, the Board of Directors would determine, in particular, the exchange ratios and, if required, the amount of the cash bonus to be paid.

The transactions would concern the issuance of ordinary shares, of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, and/or of securities giving access, immediately or in the future, to equity securities to be issued. The securities issued may be equity securities or debt securities. The access to the share capital of the company would be materialized, in particular, by the conversion or exchange of a security or the presentation of a warrant.

Share capital increases carried out pursuant to this delegation of authority may not exceed a maximum nominal amount of €140 million. In addition, the maximum amount of all the share capital increases authorized with cancellation of the shareholders’ preferential subscription right (excluding share capital increases reserved to the employees and allotments of free shares) could not exceed €140 million.

Issuances of debt securities would be limited to a maximum nominal amount of €1 billion.

These limits would be deducted, respectively, from the limits determined in the sixteenth resolution.

The issue price of the new shares issued pursuant to this delegation of authority shall be at least equal to the minimum provided for by the regulatory provisions in force as at the date of issuance (at the date of this meeting, the average weighted share price of the company’s shares over the last three trading days on the Euronext Paris regulated market prior to the opening of the public offering, reduced, as the case may be, by a maximum discount of 10%).

Furthermore, the issue price of the securities conferring access to the share capital of the Company shall be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issue of such securities, to the issue price determined in the paragraph above.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with the prior authorization of the Shareholders’ Meeting.

This delegation of authority would be granted for a term of 26 months and would cancel, as of the date of the Shareholders’ Meeting, any prior authorization with the same purpose, as regards the unused portion of these delegations.

We suggest that you approve this resolution.

3.2.3 Issuance by way of offering referred to in article L.411-2, 1° of the French Monetary and Financial Code, with cancellation of the preferential subscription right (eighteenth resolution)

The eighteenth resolution aims at granting to the Board of Directors a delegation of authority in view of increasing the share capital with cancellation of the preferential subscription right of the shareholders, by way of offering referred to in Article L.411-2, 1° of the French Monetary and Financial Code.

The transactions would thus be carried out by way of offering to a restricted circle of investors acting on their own behalf or to qualified investors only. These transactions would have a dilutive impact for existing shareholders, who may not be in a position to participate in the issuance.

The transactions would concern the issuance of ordinary shares, of securities that are equity securities giving access, to other equity securities or giving right to the allotment of debt securities, and/or of securities giving access, immediately or in the future, to equity securities to be issued. The securities issued may be equity securities or debt securities. The access to the share capital of the Company would be materialized, in particular, by the conversion or exchange of a security or the presentation of a warrant.

Share capital increases carried out pursuant to this delegation of authority may not exceed a maximum nominal amount of €140 million.

Issuances of debt securities would be limited to a maximum nominal amount of €1 billion.

These amounts would be deducted, respectively, from the limits determined in the seventeenth and the sixteenth resolutions.

Furthermore, issuances of equity securities and debt securities carried out by way of offering referred to in Article L.411-2, 1° of the French Monetary and Financial Code could not exceed the limits determined by applicable regulations as at the date of the issuance. As an indication, as at the date of this report, the issuance of equity securities carried out through an offering referred to in Article L.411-2, 1° of the French Monetary and Financial Code is limited to 20% of the share capital of the Company per year.

The issue price of the new shares issued pursuant to this delegation of authority shall be at least equal to the minimum provided for by the regulatory provisions in force as at the date of issuance (at the date of this meeting, the average weighted share price of the company's shares over the last three trading days on the Euronext Paris regulated market prior to the opening of the public offering, reduced, as the case may be, by a maximum discount of 10%).

Furthermore, the issue price of the securities conferring access to the share capital of the Company shall be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issue of such securities, to the issue price determined in the paragraph above.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with the prior authorization of the Shareholders' Meeting.

This delegation of authority would be granted for a term of 26 months and would cancel, as of the date of the Shareholders' Meeting, any prior authorization with the same purpose, as regards to the unused portion of these delegations.

We suggest that you approve this resolution.

3.2.4 Increase in the amount of the initial issuances (nineteenth resolution)

The nineteenth resolution aims at granting to the Board of Directors a delegation of authority to increase the amount of the initial issuances decided pursuant to the sixteenth, seventeenth and/or eighteenth resolutions described above, carried out with upholding or cancellation of the preferential subscription right of the shareholders, at the same price as that is determined for the initial issuance, within the time frames and limits provided for by applicable regulations as at the date of issuance (at the date hereof, within thirty days of the closing of the subscription and within the limit of 15% of the initial issuance) in particular in view of granting an over-allotment option in accordance with market practice.

This resolution would thus allow reopening a share capital increase at the same price as the initially planned transaction in case of over-allotment (clause known as "greenshoe").

The transactions carried out in connection with this delegation of authority would be deducted from the limit applicable to the initial issuance.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with the prior authorization of the Shareholders' Meeting.

This delegation of authority would be granted for a term of 26 months and would cancel, as of the date of the Shareholders' Meeting, any prior authorization with the same purpose, as regards to the unused portion of these delegations.

We suggest that you approve this resolution.

3.2.5 Issuance of shares in compensation of contributions in kind with cancellation of the preferential subscription right (twentieth resolution)

The twentieth resolution aims at granting to the Board of Directors a delegation of powers to increase the share capital by issuance of ordinary shares and/or securities conferring access, immediately or in the future, to the share capital of the Company, in consideration for contributions in kind granted to the Company and constituting equity securities or securities conferring access to the share capital.

The issuances carried out in connection with this delegation of authority may not exceed 10% of the share capital assessed as at the date of the decision of the Board of Directors. The limit applying to this authorization would be deducted from the limit determined in the seventeenth resolution as well as the limit determined in the sixteenth resolution.

The Board of Directors would have the necessary authority to decide on the report of the valuing auditor(s) in connection with the value of the contributions and specific benefits.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with the prior authorization of the Shareholders' Meeting.

This delegation of authority would be granted for a term of 26 months and would cancel, any prior authorization with the same purpose, with regards to the unused portion of these delegations.

We suggest that you approve this resolution.

3.2.6 Share capital increases reserved for employees with cancellation of the preferential subscription right (twenty-first resolution)

The twenty-first resolution aims at granting an authorization to the Board of Directors to carry out issuances of securities with cancellation of the preferential subscription right, reserved for employees of the Rexel Group who are members of a company or group savings scheme, set up jointly by the Company and the French or foreign companies that are linked to the Company within the conditions of Article L.225-180 of the French Commercial Code and of Article L.3344-1 of the French Labor Code.

The issuances would comprise the issuance of ordinary shares or of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allotment of debt securities, and/or of securities giving access, immediately or in the future, to equity securities to be issued.

This authorization would be limited to 2% of the share capital of the Company. The amount of issuances carried out pursuant to this authorization and pursuant to the twenty-first resolution of the Extraordinary Shareholders' Meeting of June 25, 2020, or any other substitute resolution (in particular the twenty-second resolution submitted to this Shareholders' Meeting, if adopted) may not exceed a limit of 2% of the share capital of the Company. This limit would be deducted from the limit determined in the fifteenth resolution of the Extraordinary Shareholders' Meeting of May 23, 2019 or any similar substitute resolution (in particular the sixteenth resolution submitted to this Shareholders' Meeting, if adopted).

The subscription price(s) would be determined by the Board of Directors pursuant to Articles L.3332-19 *et seq.* of the French Labor Code.

Therefore, as the securities are already listed on a regulated market, the subscription price may not exceed the average of Company's share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. Furthermore, the subscription price may not amount to less than 20% below this average.

Furthermore, pursuant to the provisions of Article L.3332-21 of the French Labor Code, the Board of Directors may decide on the allocation of shares to be issued or existing, or of other securities conferring access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution *(abondement)* that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group, and/or (ii) if applicable, the discount. This authorization would be granted for a term of 26 months and would cancel, as of the date of the Shareholders' Meeting, for an amount equal, as the case may be, to the unused portion, of the delegation granted by the Shareholders' Meeting of June 25, 2020 in its twentieth resolution.

We suggest that you approve this resolution.

3.2.7 Issuance of securities with cancellation of the preferential subscription right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions (twenty-second resolution)

The twenty-second resolution aims at granting an authorization to the Board of Directors to increase the share capital of the Company by the issuance of securities with cancellation of the preferential subscription right, reserved for certain categories of beneficiaries listed in the resolution (employees of non-French companies of the Rexel Group and intermediaries acting on their behalf) in order to allow such employees to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which other Rexel employees would benefit under the twentieth resolution of the Extraordinary Shareholders' Meeting of June 25, 2020, or any other substitute resolution (in particular the twenty-first resolution submitted to this Shareholders' Meeting, if adopted) and would benefit, as the case maybe, from a more favorable tax and legal regime than under the resolution above-mentioned.

The issuances would comprise the issuance of ordinary shares, or of securities that are equity securities giving access, to other equity securities or giving right, to the allotment of debt securities, and/or of securities giving access, immediately or in the future, to equity securities to be issued.

This authorization would be limited to 1% of the share capital of the Company. The amount of issuances carried out pursuant to this resolution and to the twentieth resolution of the Extraordinary Shareholders' Meeting of June 25, 2020, or any other substitute resolution (in particular the twenty-first resolution submitted to this Shareholders' Meeting, if adopted) may not exceed a limit of 2% of the share capital of the Company. This limit would be deducted from the limit determined in the fifteenth resolution of the Extraordinary Shareholders' Meeting of May 23, 2019 or any similar substitute resolution (in particular the sixteenth resolution submitted to this Shareholders' Meeting, if adopted).

The subscription price(s) of the new shares shall be determined pursuant to the same conditions as set forth in Article L.3332-19 of the French Labor Code, the discount shall be set at a maximum of 20% of the average of Company's share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. The Board of Directors may reduce or eliminate the discount so granted as it deems appropriate in order to take into account, in particular, the local regulations applicable in the relevant countries.

The subscription price may also, in accordance with the local regulations applicable to the Share Incentive Plan that may be proposed under UK legislation, be equal to the lower share price between (i) the share price on the regulated market of Euronext Paris at the opening of the reference period of this plan, such period not to exceed 12 months, and (ii) the share price recorded following the close of such period within a given timeframe determined in accordance with said regulations.

This price shall be set without a discount in relation to the share price retained.

This delegation of authority would be granted for a term of 18 months (it being specified that, in the event that the twenty-first resolution submitted to this Shareholders' Meeting would not be approved, this duration would be limited to the one of the twentieth resolution of the Shareholders' Meeting of June 25, 2020) and would cancel, as of the date of the Shareholders' Meeting, the delegation granted by the Shareholders' Meeting of June 25, 2020 in its twenty-first resolution.

We suggest that you approve this resolution.

3.2.8 Incorporation of premiums, reserves, profits or other items (twenty-third resolution)

The twenty-third resolution aims at granting to the Board of Directors a delegation of authority to decide to increase the share capital by incorporation of premiums, reserves, profits or other items that may be capitalized.

Share capital increases carried out pursuant to this delegation of authority may not exceed a maximum nominal amount of €200 million.

The Board of Directors would have full powers to determine the amount of nature of the amounts to be incorporated into the share capital, determined the number of new shares to be issued and/or the amount by which the nominal amount of the existing shares making up the share capital will be increased.

This delegation could not be used during the period of a public offer on the securities of the Company initiated by a third party, except with prior authorization of the Shareholders' Meeting.

This delegation of authority would be granted for a term of 26 months and would cancel, as of the date of the Shareholders' Meeting, any prior delegation with the same purpose, with regards to the unused portion of this delegation.

We suggest that you approve this resolution.

3.3 Amendment of the by-laws (twenty-fourth resolution)

The Order No 2020-1142 of September 16, 2020, which came into force on January 1, 2021, has introduced a new codification by creating in the French Commercial Code a chapter that is dedicated to companies which securities are admitted to trading on a regulated market or a multilateral trading facility.

Accordingly, it is suggested to the shareholders to amend to by-laws of the Company to update the references to the articles of the French Commercial Code that have been amended. It is also proposed to update the references of the articles of the French Civil Code relating to electronic signatures.

The twenty-fourth resolution submits to the shareholders' approval the following amendments of articles 14, 28 and 30 of the by-laws of the Company:

1) In Article 14 of the by-laws of the Company:
   - the first paragraph of section 7.1 would be amended as follows:

     "In accordance with articles L.225-27-1 and L.22-10-7 of the French Commercial Code, the Board of Directors includes one or two directors representing the employees of the Group, to be appointed as follows."

   - the second paragraph of section 7.2 would be amended as follows:

     "The functions of the director designated in accordance with articles L.225-27-1 and L.22-10-7 of the French Commercial Code end on completion of the annual general meeting of shareholders having ruled on the financial statements for the past financial year and held in the year during which the term expires."

   - the section 7.4 would be amended as follows:

     "7.4 In the event that the obligation of appointment of one or several directors representing the employees pursuant to articles L.225-27-1 and L.22-10-7 of the French Commercial Code becomes void, the office of the director(s) representing the employees within the Board of Directors shall expire upon its normal end."

   The remaining part of Article 14 of the by-laws of the Company will be unchanged.

2) In Article 28 of the by-laws of the Company, the second paragraph of section 3 would be amended as follows:

   "This form may appear, as the case may be, on the same document as the proxy form; in this case, the sole document must comprise the references and information stipulated by

regulatory provisions. The form must be received by the Company at least three (3) days prior to the date of the meeting, failing which, no account will be taken thereof. An electronic signature can take the form of a process meeting the conditions defined in the first sentence of the second paragraph of article 1367 of the French Civil Code."

The remaining part of Article 28 of the by-laws of the Company will be unchanged.

3) In Article 30 of the by-laws of the Company, the section 2 would be amended as follows:

"2 In Ordinary and Extraordinary Shareholders' Meetings, the shareholder has as many votes as he or she owns or represents shares, without limitation. In accordance with the ability provided for under article L.22-10-46 of the French Commercial Code, fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years shall not benefit from a double voting right."

The remaining part of Article 30 of the by-laws of the Company will be unchanged.

Any amendment to the by-laws requires an authorization from the Extraordinary Shareholders' Meeting of the Company.

We thus suggest that you approve this resolution.

3.4 Powers for legal formalities (twenty-fifth resolution)

The twenty-fifth resolution concerns the powers to be granted in order to carry out formalities subsequent to the Shareholders' Meeting, particularly publication and filing formalities.

We suggest that you approve this resolution.

Signed in Paris

On February 10, 2021

The Board of Directors

Schedule 1

Delegations and authorizations

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
AUTHORIZATIONS SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF APRIL 22, 2021							
Repurchase by Rexel of its own shares							
Stock repurchase	June 25, 2020 (resolution 16)	18 months (December 24, 2021)	10% of the share capital at the date of completion Maximum total amount: €250,000,000 Maximum purchase price: €30	Use in the context of the liquidity agreement entered into with Natixis and Oddo for market-making purposes: • acquisition of 8,006,021 shares at an average price of €9.99; and • sale of 8,214,351 shares at an average price of €10.22	14	18 months	10% of the share capital at the date of completion Maximum total amount: €250,000,000 Maximum purchase price: €30
Decrease in the share capital by canceling shares							
Decrease in the share capital by canceling shares	June 25, 2020 (resolution 17)	18 months (December 24, 2021)	10% of the share capital on the date of cancellation by 24-month period	N/A	15	18 months	10% of the share capital on the date of cancellation by 24-month period
Share capital increase							
Issuance with upholding of preferential subscription rights	May 23, 2019 (resolution 15)	26 months (July 22, 2021)	Equity securities: €720,000,000 (*i.e.*, 144,000,000 shares) Joint maximum amount of resolutions number 16 to 20 Debt securities: €1,000,000,000 Joint maximum amount of resolutions number 16 to 20	N/A	16	26 months	Equity securities: €720,000,000 (*i.e.*, 144,000,000 shares) Joint maximum amount of resolutions number 17 to 22 Debt securities: €1,000,000,000 Joint maximum amount of resolutions number 17 to 22
Issuance by way of public offering with cancellation of the preferential subscription right, other than the public offers referred to in article L.411-2, 1° of the French Monetary and Financial Code	May 23, 2019 (resolution 16)	26 months (July 22, 2021)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) Joint maximum amount of resolutions number 17 and 20 This maximum to be deducted from the maximum provided for by resolution 15 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution 15 The issue price is set in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the Company's share price during the last three trading sessions prior to the opening of the public offering, possibly reduces by a 10% discount)	N/A	17	26 months	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) Joint maximum amount of resolutions number 17 and 18 This maximum to be deducted from the maximum provided for by resolution 16 Debt securities: €1,000,000,000 Joint maximum amount of resolution number 16 The issue price is set in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the Company's share price during the last three trading sessions prior to the opening of the public offering, possibly reduces by a 10% discount)

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Issuance by way of offering referred to in article L.411-2, 1° of the French Monetary and Financial Code, with cancellation of the preferential subscription right	May 23, 2019 (resolution 17)	26 months (July 22, 2021)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) This maximum to be deducted from the maximum amounts provided for by resolutions number 15 and 16 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution 15 The issue price is set in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the Company's share price during the last three trading sessions prior to the opening of the public offering, possibly reduces by a 10% discount)	N/A	18	26 months	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) This maximum to be deducted from the maximum provided for by resolutions number 16 and 17 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution number 16 The issue price is set in accordance with the legal provisions applicable on the issue date (to date, the weighted average of the Company's share price during the last three trading sessions prior to the opening of the public offering, possibly reduces by a 10% discount)
Authorization to increase the amount of the initial issuance, in the event of a share issue for which shareholders' preferential subscription rights are maintained or cancelled	May 23, 2019 (resolution 18)	26 months (July 22, 2021)	15% of initial issuance This maximum to be deducted from the maximum applicable to the initial issuance and from the maximum provided for in resolution 15	N/A	19	26 months	15% of initial issuance This maximum to be deducted from the maximum applicable to the initial issuance and from the maximum provided for in resolution 16
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 23, 2019 (resolution 20)	26 months (July 22, 2021)	10% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the maximum amounts provided for by resolutions number 15 and 16	N/A	20	26 months	10% of share capital at the date of the decision of the Board of Directors deciding the issuance This maximum to be deducted from the maximum provided for in resolutions number 16 and 17
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 23, 2019 (resolution 21)	26 months (July 22, 2021)	€200,000,000 (*i.e.*, 40,000,000 shares) This maximum not to be deducted from any maximum	N/A	23	26 months	€200,000,000 (*i.e.*, 40,000,000 shares) This maximum not to be deducted from any maximum

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
Employee shareholding, allocation of share subscription or purchase options, free share allocations							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	June 25, 2020 (resolution 20)	26 months (August 24, 2022	2% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the maximum of €720M provided for by resolution number 15 of the Shareholders' Meeting of May 23, 2019 This maximum to be deducted from the joint maximum amount of 2% for resolutions number 20 and 21 The issue price will be determined in accordance with the conditions set out in Articles L.3332-19 *et seq.* of the French Labor Code. The maximum discount is set at 20% of the average of the opening prices during the twenty trading days preceding the date of the Board of Directors' decision setting the opening date for subscriptions.	N/A	21	26 months	2% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the joint maximum amount of €720M provided for in resolution 16 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 21 and 22 The issue price will be determined in accordance with the conditions set out in Articles L.3332-19 *et seq.* of the French Labor Code. The maximum discount is set at 20% of the average of the opening prices quoted during the twenty trading days preceding the date of the Board of Directors' decision setting the opening date for subscriptions.
Issuance with cancellation of the preferential subscription right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions The categories of beneficiaries are (a) employees and corporate officers of non-French companies related to the Company, (b) UCITS or other employee shareholding entities invested in the Company's shares, (c) banking establishments or their subsidiaries that intervene for the purposes of setting up an employee shareholding plan and/or (d) financial establishments mandated within the framework of a "Share Incentive Plan".	June 25, 2020 (resolution 21)	18 months (December 24, 2021)	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the maximum of €720M provided for by resolution number 15 of the Shareholders' Meeting of May 23, 2019 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 20 and 21	N/A	22	18 months	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the €720M maximum provided for by resolution 16 This maximum to be deducted from the joint maximum amount of 2% provided for by resolutions number 21 and 22

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS' MEETING OF APRIL 22, 2021		
TYPE OF DELEGATION	DATE OF THE SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	TERM (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	RESOLUTION NO.	TERM	MAXIMUM AMOUNT
AUTHORIZATION NOT SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF APRIL 22, 2021							
Share capital increase							
Determination of price of issuances carried out by way of public offering referred to in Article L.411-2, 1° of the French Monetary and Financial Code, with cancellation of the preferential subscription right, up to a maximum of 10% of the share capital per year	May 23, 2019 (resolution 19)	26 months (July 22, 2021)	10% of share capital at the date of the decision of the Board of Directors determining the issue price per year This maximum to be deducted from the maximum that applies to the initial issuance, as well as from the maximum provided for by resolution 15 The issue price will be at least equal to the weighted average price of the Company's shares on the regulated market of Euronext in Paris during the last trading day preceding the issue, less a maximum discount of 5%	N/A	N/A	N/A	N/A
Employee shareholding, allocation of share subscription or purchase options, free share allocations							
Allotment of free performance shares	June 25, 2020 (resolution 18)	26 months (August 24, 2022)	1.4% of the share capital as at the date of the decision of the Board of Directors	Allocation on September 28, 2020 of 1,566,140 shares *i.e.* €7,830,700	N/A	N/A	N/A
Allotment of free shares to the members of the personnel and to the corporate officers members of a shareholding plan	June 25, 2020 (resolution 19)	26 months (August 24, 2022)	0.3% of the share capital as at the date of the decision of the Board of Directors	N/A	N/A	N/A	N/A

6.2 Text of the draft resolutions submitted to the Combined Shareholders' Meeting of April 22, 2021

I. Resolutions to be submitted to the Ordinary Shareholders' Meeting

First resolution

(Approval of the annual financial statements for the financial year ended December 31, 2020)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the reports of the Board of Directors and of the Statutory Auditors on the annual financial statements for the financial year ended December 31, 2020,

Approved the annual financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2020, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The financial statements show a loss of €6,783,866.15.

In accordance with the provisions of Article 223 quarter of the French General Tax Code, the Shareholders' Meeting approved the global amount of the costs and expenses referred to under Article 39-4 of the French General Tax Code which stood at €9,996 for the closed financial year, corresponding to an assumed corporation tax amounting to €3,200.

Second resolution

(Approval of the consolidated financial statements for the financial year ended December 31, 2020)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the reports of the Board of Directors and of the Statutory Auditors on the consolidated financial statements for the financial year ended December 31, 2020,

Approved the consolidated financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2020, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The financial statements show a loss of €261.3 million.

Third resolution

(Allocation of results for the financial year ended December 31, 2020, distribution of an amount of €0.46 per share by deduction from the issue premium)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors, and

Having acknowledged that the carry forward account presents a negative balance of €14,542,953.82 before allocation of results for the financial year ended December 31, 2020,

Decided to allocate the loss for the year ended December 31, 2020, which amounted to €6,783,866.15 and to clear the negative "carry forward account" by deduction from the "issue premium account", as follows:

Origin of the amounts to be allocated:

• Results from the 2020 financial year	€(6,783,866.15)
• Previous carry forward at December 31, 2020	€(14,542,953.82)
Total	€(21,326,819.97)

Allocation of results:

- Clearance by deduction from the issue premium account €(21,326,819.97)

The Shareholders' Meeting acknowledges that, after the aforementioned allocation to the "issue premium account", the "carry forward account" has been fully cleared.

The Shareholders' Meeting decided to set the distribution at €0.46 per share giving right to such dividend, and attached to each of the shares conferring rights thereto, allocated as follows:

Proposed distribution: €139,507,247.04

Deducted from:

- Issue premium €139,507,247.04

As a result of the aforementioned deduction and distribution, the "issue premium account" has been reduced from €1,429,221,099.03 to €1,289,713,851.99.

The right to this distribution shall be detached from the share on April 29, 2021, and the distribution shall be paid on May 3, 2021.

The aggregate amount of the distribution of €139,507,247.04 was determined on the basis of the number of shares making up the share capital of 304,425,106 as at December 31, 2020 and of the number of shares held by the Company of 1,148,482 shares at the same date.

The aggregate amount of the distribution the issue premium will be adjusted in order to take into account the number of shares held by the Company at the date of payment of the distribution that do not entitle to distributions, and of the new shares, if any, conferring rights to the distribution issued in the event of final vesting of free shares allocated. Prior to the payment of the distribution, the Board of Directors or, upon delegation, the Chief Executive Officer, shall acknowledge the number of shares held by the Company as well as the number of additional shares that will have been issued as a result of the final vesting of shares allocated free of charge. The necessary amounts for the payment of the distribution attached to the shares issued during this period shall be deducted from the issue premium account.

With regard to the tax treatment of the distribution of €0.46 per share proposed to the shareholders of the Company, it is specified, subject to possible adjustments related to any variations mentioned in the above paragraph, that the distribution will be treated from a tax perspective up to approximately €0.46 as a reimbursement of a contribution or an issue premium within the meaning of Article 112 of the French General Tax Code, which is not taxable for individual shareholders resident in France but which must be deducted from the tax cost of the share.

During the last three financial years, the Company has distributed the following amounts to the shareholders:

	2019	2018	2017
Amount distributed per share	-	€0.44(1)	€0.42(1)
Number of shares eligible	-	302,193,786	302,027,053
Total distribution	-	€132,965,265.84(2)	126,851,362.26(1)

(1) Amount(s) eligible for the 40% tax rebate that individuals residing in France for tax purposes benefit from, in accordance with Article 158-3-2°of the French General Tax Code.
(2) Of which €28,021,702.80 eligible for the 40% tax rebate that individuals residing in France for tax purposes benefit from, in accordance with Article 158-3-2°of the French General Tax Code.

Fourth resolution

(Authorization of agreements referred to in Articles L.225-38 et seq. of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditors' special report on related party transactions governed by Articles L.225-38 *et seq.* of the French Commercial Code,

Acknowledged that no new agreements were entered into during the financial year ended December 31, 2020 and acknowledged that no agreements entered into in previous financial years were continued during the last financial year.

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)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2020, which constitutes the report on corporate governance, in accordance with articles L.225-37 of the French Commercial Code and in particular paragraph 3.2.1.3 "Compensation policy applicable to the Chairman of the Board of Directors for the financial year 2021",

Approved the compensation policy applying to the Chairman of the Board of Directors by virtue of its mandate for the financial year 2021 as presented in such document.

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)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2020, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.1.2 "Compensation policy applicable to Directors for the financial year 2021",

Approved the compensation policy applying to Directors by virtue of their mandate for the 2021 financial year as presented in such document.

Seventh resolution

(Approval of the compensation policy applying to the Chief Executive Officer for the financial year 2021, pursuant to Article L.22-10-8 of the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2020, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.1.4 "Compensation policy applicable to the Chief Executive Officer for the financial year 2021",

Approved the compensation policy applying to the Chief Executive Officer by virtue of their mandate for the financial year 2021 as presented in such document.

Eighth resolution

(Approval of the information referred to in Article L.22-10-9, I of the French Commercial Code for the financial year ended December 31, 2020)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2020, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.2 "Compensation of corporate officers for the 2020 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)",

Approved, pursuant to Article L.22-10-34, I of the French Commercial Code the information referred to in Article L.22-10-9, I of the French Commercial Code in respect of the financial year ended December 31, 2020.

Ninth resolution

(Approval of the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the 2020 financial year to Ian Meakins, Chairman of the Board of Directors)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2020, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.2 "Compensation of corporate officers for the 2020 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)",

Approved, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the financial year ended December 31, 2020 to Ian Meakins, Chairman of the Board of Directors, as described in the Universal Registration Document of the Company for the financial year ended December 31, 2020, paragraph 3.2.2.2 "Compensation and other benefits of any kind paid or allocated to Ian Meakins, Chairman of the Board of Directors".

Tenth resolution

(Approval of the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the 2020 financial year to Patrick Berard, Chief Executive Officer)

The Shareholders' Meeting deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed chapter 3 of the Universal Registration Document of the Company for the financial year ended December 31, 2020, which constitutes the report on corporate governance, in accordance with Article L.225-37 of the French Commercial Code and in particular paragraph 3.2.2 "Compensation of corporate officers for the 2020 financial year (Articles L.22-10-9, I and L.22-10-34, II of the French Commercial Code)",

Approved, pursuant to Article L.22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components making up the total compensation and the benefits of any kind paid or allocated in respect of the financial year ended December 31, 2020 to Patrick Berard, Chief Executive Officer, as described in the Universal Registration Document of the Company for the financial year ended December 31, 2020, section 3.2.2.3 "Compensation and other benefits of any kind paid or allocated to Patrick Berard, Chief Executive Officer".

Eleventh resolution

(Renewal of the term of office of François Henrot as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

In accordance with Article L.225-18 of the French Commercial Code:

1. Acknowledged the expiry of the term of office of François Henrot as Director, effective as of the end of this Shareholders' Meeting convened to resolve on the financial statements for the financial year ending December 31, 2020; and
2. Decided to renew the term of office as Director of François Henrot for a term of four years which is to expire upon the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2024, to be held in 2025.

François Henrot has indicated that he was prepared to serve for another term of office and that he was not legally prohibited from doing so in any manner whatsoever.

Twelfth resolution

(Renewal of the term of office of Marcus Alexanderson as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

In accordance with Article L.225-18 of the French Commercial Code:

1. Acknowledged the expiry of the term of office of Marcus Alexanderson as Director, effective as of the end of this Shareholders' Meeting convened to resolve on the financial statements for the financial year ending December 31, 2020 in accordance with the provisions of Article 14.2 of the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years; and
2. Decided to renew the term of office as Director of Marcus Alexanderson for a term of four years which is to expire upon the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2024, to be held in 2025.

Marcus Alexanderson has indicated that he was prepared to serve for another term of office and that he was not legally prohibited from doing so in any manner whatsoever.

Thirteenth resolution

(Renewal of the term of office of Maria Richter as director)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

In accordance with Article L.225-18 of the French Commercial Code:

1. Acknowledged the expiry of the term of office of Maria Richter as Director, effective as of the end of this Shareholders' Meeting convened to resolve on the financial statements for the financial year ending December 31, 2020 in accordance with the provisions of Article 14.2 of the by-laws of the Company, that provides for the Board of Directors to be renewed on a quarterly basis adjusted to the next higher unit each year so that it is fully renewed every four years; and
2. Decided to renew the term of office as Director of Maria Richter for a term of four years which is to expire upon the end of the Shareholders' Meeting which will be convened to resolve on the financial statements for the financial year ending December 31, 2024, to be held in 2025.

Maria Richter has indicated that she was prepared to serve for another term of office and that she was not legally prohibited from doing so in any manner whatsoever.

Fourteenth resolution

(Authorization to be granted to the Board of Directors to carry out transactions on the Company's shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors,

Decided to authorize the Board of Directors, with the option to delegate such authorization, in accordance with the provisions of Articles L.225-206 *et seq.* of the French Commercial Code, the provisions of Articles L.22-10-62 *et seq.* of the French Commercial Code, the provisions of Articles 241-1 to 241-7 of the General Regulations of the French financial markets authority (the **"AMF"**) and the provisions of the European regulation relating to market abuse, to purchase or cause to be purchased shares of the Company, in order of highest to lowest priority, with a view to:

- Ensuring liquidity and activity in the market for the shares of the Company through an investment services provider, acting independently under a liquidity agreement in accordance with a market ethics charter acknowledged by the AMF;
- Satisfying the obligations arising out of allocations of stock options, allotments of free shares or any other granting, allotment or sale of shares to the employees or the corporate officers of the Company or of an associated enterprise and carrying out any hedging operation relating to such transactions, in accordance with the conditions set forth by the market authorities and at such times that the Board of Directors or any person acting upon the authority of the Board of Directors implements such actions;

- Ensuring the coverage of the undertakings of the Company under rights with a settlement in cash and relating to the positive evolution of the trading price of the share of the Company granted to the employees or the corporate officers of the Company or of an associated enterprise;
- Retaining shares and delivering shares further to an exchange or as a consideration in the context of external growth transactions, in accordance with applicable regulations;
- Granting shares in connection with the exercise of rights attached to securities conferring access by any means, immediately or in the future, to shares of the Company;
- Cancelling all or part of the shares so repurchased, in accordance with applicable laws and subject to an authorization being granted by the Extraordinary Shareholders' Meeting; and
- Implementing any other action that is or will become permitted by French law or the AMF or any purpose that may comply with the regulations in force.

The acquisition, sale or transfer of the shares may be carried out by any means, on the market or over the counter, including through transactions involving blocks of securities or takeover bids, option mechanisms, derivatives, purchase of options or of securities in conformity with the applicable regulatory conditions. The portion of the plan carried out through transactions involving blocks of shares may reach the total amount of the share repurchase plan.

This authorization shall be implemented pursuant to the following conditions:

- The maximum number of shares that the Company may purchase under this resolution shall not exceed 10% of the shares making up the share capital as at the date of completion of the repurchase of the shares of the Company;
- The number of shares acquired by the Company in view of holding them for subsequent payment or exchange in a merger, spin-off or contribution may not exceed 5% of the Company's share capital;
- The total maximum amount allocated to the repurchase of the shares of the Company may not exceed €250 million;
- The maximum purchase price per share of the Company has been set at €30, it being specified that in the event of transactions on the share capital, in particular by way of incorporation of reserves and allocation of free shares, division or grouping of shares, this maximum purchase price shall be adjusted accordingly by using a multiplying factor equal to the ratio between the number of shares making up the share capital prior to the relevant transaction, and the number of shares further to such transaction; and
- The shares held by the Company may not represent, at any time, more than 10% of its share capital.

The shares repurchased and retained by the Company will be deprived of voting rights and will not give right to the payment of dividends.

The Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to pursue the implementation of its share repurchase program as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period.

Full powers were granted to the Board of Directors, with the option to delegate such powers to any person in accordance with the legislative and regulatory provisions, to achieve this share repurchase program of the Company's shares, and in particular to give any stock exchange orders, enter into any agreement for the keeping of the purchase and sale registers, make any disclosures to the AMF and any other authorities, prepare any documents, in particular information documentation, allocate and, as the case may be, reallocate, subject to the conditions provided by the law, the shares acquired for the various purposes envisaged, carry out any formalities and, more generally, do as necessary.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

This authorization shall cancel, to the extent of the unused portion, any prior authorization with the same purpose, and supersede the authorization granted by the sixteenth resolution of the Ordinary Shareholders' Meeting of the Company of June 25, 2020.

The Board of Directors will, every year, inform the Shareholders' Meeting of the operations carried out pursuant to this resolution, in compliance with Article L.225-211 of the French Commercial Code.

II. Resolutions to be submitted to the Extraordinary Shareholders' Meeting

Fifteenth resolution

(Authorization to be granted to the Board of Directors to carry out a share capital decrease by cancellation of shares)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditors' special report,

Authorized the Board of Directors to reduce the share capital, in one or several occurrences, in the proportions and at the times that it shall deem appropriate, by cancellation of all or part of the Company's shares acquired pursuant to any share repurchase programs authorized by the Shareholders' Meeting, within the limit of 10% of the share capital of the Company as at the date of the cancellation per period of 24 months, in accordance with the provisions of Articles L.22-10-62 *et seq.* of the French Commercial Code.

This authorization is granted for a term of 18 months as from the date of this Shareholders' Meeting.

Full powers were granted to the Board of Directors, with the power to delegate such powers, in order to:

- Reduce the share capital by cancellation of the shares;
- Determine the final amount of the share capital decrease;
- Determine the terms and conditions thereof and acknowledge its completion;
- Deduct the difference between the book value of the cancelled shares and their nominal amount from any available reserve and premium accounts; and
- In general, do as necessary for the proper performance of this authorization, amend the by-laws accordingly and carry out any required formalities.

This authorization shall cancel, in respect of the unused amount, any prior authorization with the same purpose, and supersede the authorization granted by the seventeenth resolution of the Extraordinary Shareholders' Meeting of the Company of June 25, 2020.

Sixteenth resolution

(Delegation of authority to be granted to the Board of Directors to decide upon the issuance of ordinary shares or securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with upholding of the shareholders' preferential subscription right)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditor's special report, having acknowledged that the share capital has been fully paid-up, and deciding in accordance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, in particular Articles L.225- 129-2, L.225-132, L.225-133 and L.225-134, the provisions of Articles L.228-91 *et seq.* of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to subdelegate to any authorized person in accordance with the legal and regulatory provisions, its authority to decide on the issuance, in one or several occurrences, within the proportions and at the times that it may deem fit, both in France and abroad, in euros, foreign currency or units determined by reference to several currencies, of (i) ordinary shares, or (ii) securities that are equity securities conferring access, immediately or in the future, to other equity securities of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, or of securities conferring, immediately or in the future, a right to the allocation of debt securities, or (iii) equity securities conferring access, immediately or in the future, to equity securities to be issued of the company or of the company of which the Company holds, directly or indirectly, more than 50% of the share capital, the subscription of which may be carried out in cash, including by offsetting due and payable receivables, or partly in cash and partly by capitalization of reserves, profits or issuance premiums;
2. Decided that this delegation of authority expressly excludes any issue of preferred shares and of securities conferring access by any means, immediately or in the future, to preferred shares;

3. Decided that the maximum nominal amount of the share capital increases to be carried out, immediately or in the future, pursuant to this delegation shall be €720 million, it being specified that:
   - The maximum nominal amount of the share capital increases that may be carried out pursuant to this delegation, as well as to the seventeenth through twenty-second resolutions submitted to this Shareholders' Meeting may not exceed such global amount of €720 million; and
   - This global cap may be complemented, as the case may be, by the additional nominal amount of the ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
4. Decided that the global nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €1 billion or the equivalent value in euros as at the date of issue, it being specified that:
   - The maximum nominal amount of the debt securities that may be issued pursuant to this resolution, as well as to the seventeenth through twenty-second resolutions submitted to this Shareholders' Meeting, may not exceed such global amount of €1 billion;
   - This ceiling does not apply to debt securities the issue of which may be decided or authorized by the Board of Directors pursuant to Article L.228-40 of the French Commercial Code, nor to the debt securities referred to in Articles L.228-92, last paragraph, L.228-93, last paragraph and L.228-94, last paragraph of the French Commercial Code; and
   - This ceiling shall be increased, if applicable, by any redemption premium in excess of the par value;
5. Decided that, in accordance with the legal provisions and in the conditions set by the Board of Directors, the shareholders shall have, in proportion to their number of shares, a preferential subscription right as of right in respect of the ordinary shares and securities that are equity securities conferring access to other equity securities of the Company or conferring rights to the allocation of debt securities as well as to securities granting access to equity securities to be issued pursuant to this delegation of authority. The Board of Directors may establish a preferential subscription right for excess securities to the benefit of the shareholders, which shall be exercised in proportion to their subscription rights and, in any case, to the extent of their applications.

   If subscriptions as of right and, where applicable, for excess securities, do not result in the full subscription of an issuance of shares or securities that are equity securities conferring access to other equity securities of the Company or conferring rights to the allocation of debt securities as well as to securities granting access to equity securities to be issued of the Company, decided pursuant to this delegation of authority, the Board of Directors may use, in the sequence that it deems appropriate, one or several of the options provided by Article L.225-134 of the French Commercial Code, *i.e.*:
   - Limit, where appropriate, the issue to the amount subscribed, subject to the issue reaching at least three-fourths of the issue initially decided;
   - Freely allot all or part of the unsubscribed securities among any persons at its discretion; or
   - Offer to the public all or part of the unsubscribed shares;
6. Acknowledged that this delegation of authority automatically implies waiver by the shareholders, to the benefit of the holders of securities conferring access to the share capital of the Company, of their preferential subscription right in respect of the equity securities to which such securities may entitle to;
7. Decided that the issues of share subscription warrants *(bons de souscription d'actions)* of the Company may be carried out either by subscription in cash under the terms set forth above, or by allocation free of charge to the owners of the existing shares.

   In case of allocation free of charge of individual subscription warrants *(bons autonomes de souscription)*, the Board of Directors will have the option to decide that the fractional allocation rights are not tradable, and that the relevant securities will be sold;
8. Decided that the Board of Directors shall have full powers, with the option to delegate such powers to any duly empowered person in accordance with the legal and regulatory provisions, to perform this delegation of authority, *inter alia* for the purposes of:
   - Deciding on the issuance of the securities, determining the form and characteristics of any issuance, in particular the amount, the dates, the issue price, the terms of subscription, their dividend entitlement date (with a retroactive dividend entitlement date, where applicable), the terms under which the securities issued pursuant to this delegation of authority will confer access to equity securities of the Company;
   - Determining the nature, number and characteristics, of the securities to be issued

(including, where applicable, rights to conversion, exchange, redemption, including through the delivery of assets of the Company attached to the shares or securities conferring access to the share capital to be issued) and, if the securities to be issued consist in or are associated with debt securities, their term, fixed or perpetual, their subordination or absence thereof (and, where applicable, their ranking), their remuneration, the compulsory or optional events of suspension or non-payment of interest, the ability to reduce or increase the nominal amount of the securities and other terms of issuance (including the fact of granting guarantees or security thereon) and of redemption (including redemption by delivery of assets of the Company); amending, during the lifetime of the relevant securities, the characteristics referred to above in compliance with the applicable formalities;

- Determining the terms under which the Company will have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued immediately or in the future, with the purpose of canceling such securities or not, taking into account the applicable legal provisions;
- Providing the option to suspend, potentially, the exercise of the rights attached to such securities in accordance with the legal and regulatory provisions;
- Determining and carrying out any adjustments intended to take into account the impact of transactions on the capital of the Company, and determining any of the terms allowing to ensure, where applicable, the upholding of the rights of the holders of securities or other rights conferring access to the share capital;
- At its sole option, charging the expenses of the share capital increase against the amount of the relevant premiums and deducting from such amount the necessary amounts for the legal reserve; and
- Taking all appropriate actions and entering into any agreements in view of the performance of this delegation of powers, in particular in view of the proper performance of the contemplated issuances, acknowledging their completion and amend the by-laws accordingly, and carrying out any appropriate formalities and declarations for the issuance, listing and financial servicing of the securities issued pursuant to this delegation of powers and for the exercise of the rights attached thereto, and applying for any necessary authorizations for the completion and proper performance of these issuances;

9. Decided that the Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to use this delegation of authority as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period;
10. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting; and
11. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Seventeenth resolution

(Delegation of authority to be granted to the Board of Directors to decide upon the issuance by way of public offering - other than the offers referred to in article L.411-2, 1° of the French Monetary and Commercial Code - of ordinary shares or securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditor's special report, having acknowledged that the share capital has been fully paid-up, and deciding in accordance with the provisions of Article L.225-129 *et seq.* of the French Commercial Code, in particular Articles L.225-129-2, L.225-135, L.225-136, the provisions of Article L.228-91 *et seq.* of the French Commercial Code, the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code and the provisions of Article L.22-10-54 of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to subdelegate to any authorized person in accordance with the legal and regulatory provisions, its authority to decide on the issuance by way of public offering other than the offers referred to in article L.411-2, 1° of the French Monetary and Financial Code, in one or several occurrences, within the proportions and at the times that it may team fits, both in France and abroad, in euros, foreign currency or units determined by reference to several currencies, of (i) ordinary shares, or (ii) securities that are equity securities conferring access, immediately or in the future, to other equity securities of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, or of securities conferring,

immediately or in the future, a right to the allocation of debt securities, or (iii) equity securities conferring access, immediately or in the future, to equity securities to be issued of the company or of the company of which the Company holds, directly or indirectly, at least 50% of the share capital, the subscription of which may be carried out in cash, including by offsetting due and payable receivables;

2. Decided that this delegation of authority expressly excludes any issue of preferred shares and of securities conferring access by any means, immediately or in the future, to preferred shares;
3. Decided that the maximum nominal amount of the share capital increases to be carried out, immediately or in the future, pursuant to this delegation shall be €140 million, it being specified that:
   - The maximum total nominal amount of the share capital increases that may be carried out pursuant to this delegation of authority shall be deducted from the total nominal limit of €720 million determined by the sixteenth resolution above;
   - The nominal amount of the share capital increases that may be carried out pursuant to this delegation as well as pursuant to the eighteenth and twentieth resolutions may not exceed this limit of €140 million; and
   - This global cap may be complemented, as the case may be, by the additional nominal amount of the ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
4. Decided that the global nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €1 billion or the equivalent value in euros as at the date of issue, it being specified that:
   - This limit shall be increased, if applicable, by any redemption premium in excess of the par value;
   - This limit does not apply to debt securities the issue of which may be decided or authorized by the Board of Directors pursuant to Article L.228-40 of the French Commercial Code, nor to the debt securities referred to in Articles L.228-92, last paragraph, L.228-93, last paragraph and L.228-94, last paragraph of the French Commercial Code; and
   - This amount shall be deducted from the total limit of €1 billion for the issue of debt securities determined by the sixteenth resolution above;
5. Decided that the preferential subscription right of the shareholders in respect of the securities which may be issued pursuant to this resolution be cancelled, nevertheless the Board of Directors shall be left with the option to establish, to the benefit of the shareholders, a right of priority as of right and/or for excess shares which does not entitle to the creation of tradable rights, pursuant to the provisions of Article L.22-10-51 of the French Commercial Code;
6. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
7. Decided that:
   - The issue price of the new shares issued will be determined in accordance with the law on the date of issue (at the date of this meeting, the average weighted share price of the company's shares over the last three trading days on the regulated market of Euronext Paris prior to the opening of the public offering, reduced, as the case may be, by the maximum discount of 10%); and
   - The issue price of the securities conferring access to the share capital of the Company shall be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issue of such securities, to the issue price determined in the paragraph above;
8. Decided that, if subscriptions of shareholders and of the public do not result in the full subscription of an issuance of shares or securities conferring access to the share capital as defined above, the Board of Directors may use, in the sequence that it deems appropriate, one or more of the following options:
   - Limit, where appropriate, the issue to the amount subscribed, subject to the issue reaching at least three-fourths of the issue initially decided;
   - Freely allot all or part of the unsubscribed securities among any persons at its discretion; or
   - Offer to the public all or part of the unsubscribed securities;
9. Decided that the Board of Directors may make use of this delegation in order as compensation for securities contributed in a public exchange offering initiated by the Company on its own securities are on the securities of another company, within the limits and under the terms

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provided by Article L.22-10-54 of the French Commercial Code;

10. Decided that the Board of Directors will have full powers, with the option to delegate such powers to any duly empowered person to the full extent permitted by law, to perform this delegation of authority, *inter alia* for the purposes of:
    - Deciding on the issuance of the securities, determining the form and characteristics of any issuance, in particular the amount, the dates, the issue price, the terms of subscription, their dividend entitlement date (with a retroactive dividend entitlement date, where applicable), the terms under which the securities issued pursuant to this delegation of authority will confer access to equity securities of the Company;
    - Determining the nature, number and characteristics, of the securities to be issued (including, where applicable, rights to conversion, exchange, redemption, including through the delivery of assets of the Company attached to the shares or securities conferring access to the share capital to be issued) and, if the securities to be issued consist in or are associated with debt securities, their term fixed or perpetual, their subordination or absence thereof (and, where applicable, their ranking), their remuneration, the compulsory or optional events of suspension or non-payment of interest, the ability to reduce or increase the nominal amount of the securities and other terms of issuance (including the fact of granting guarantees or security thereon) and of redemption (including redemption by delivery of assets of the Company); amending, during the lifetime of the relevant securities, the characteristics referred to above in compliance with the applicable formalities;
    - Determining the terms under which the Company will have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued immediately or in the future, with the purpose of canceling such securities or not, taking into account the applicable legal provisions;
    - Providing the option to suspend, potentially, the exercise of the rights attached to such securities in accordance with the legal and regulatory provisions;
    - Determining and carrying out any adjustments intended to take into account the impact of transactions on the capital of the Company, and determining any of the terms allowing to ensure, where applicable, the upholding of the rights of the holders of securities conferring access to the share capital;
    - In case of issuance of securities in view of compensating for securities contributed in connection with a public exchange offering, determining the exchange ratio as well as the amount, if any, of the cash adjustment to be paid without applying the terms of determination of the price of paragraph 7 of this resolution, acknowledging the number of securities contributed in the exchange and determining the terms of the issuance;
    - At its sole option, charging the expenses of the share capital increase against the amount of the relevant premiums and deducting from such amount the necessary amounts for the legal reserve; and
    - Taking all appropriate actions and entering into any agreements in view of the performance of this delegation of powers, in particular in view of the proper performance of the contemplated issuances, acknowledging their completion and amend the by-laws accordingly, and carrying out any appropriate formalities and declarations for the issuance, listing and financial servicing of the securities issued pursuant to this delegation of powers and for the exercise of the rights attached thereto, and applying for any necessary authorizations for the completion and proper performance of these issuances;
11. Decided that the Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to use this delegation of authority as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period;
12. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting; and
13. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Eighteenth resolution

(Delegation of authority to be granted to the Board of Directors to decide upon the issuance by way of public offering referred to in Article L.411-2, 1° of the French Monetary and Financial Code, of ordinary shares or securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditor's special report, having acknowledged that the share capital has been fully paid-up, and deciding in accordance with the provisions of Article L.225-129 *et seq.* of the French Commercial Code, in particular Articles L.225-129-2, L.225-135, and L.225-136, the provisions of Article L.228-91 *et seq.* of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to subdelegate to any authorized person in accordance with the legal and regulatory provisions, its authority to decide on the issuance, by way of public offering as defined in Articles L.411-2, 1° of the French Monetary and Financial Code (*i.e.*, an offering intended exclusively to a restricted circle of investors acting on their own behalf or to qualified investors), in one or several occurrences, within the proportions and at the times that it may deem fit, both in France and abroad, in euros, foreign currency or units determined by reference to several currencies, (i) of ordinary shares, or (ii) securities that are equity securities conferring access, immediately or in the future, to other equity securities of the Company or of a company of which the Company holds, directly or indirectly, at least 50% of the share capital, or of securities conferring, immediately or in the future, a right to the allocation of debt securities, or (iii) equity securities conferring access, immediately or in the future, to equity securities to be issued of the Company or of a company of which the Company holds, directly or indirectly, more than 50% of the share capital, the subscription of which may be carried out in cash, in particular by offsetting due and payable receivables;
2. Decided that this delegation of authority expressly excludes any issue of preferred shares and of securities conferring access by any means, immediately or in the future, to preferred shares;
3. Decided that the maximum nominal amount of the share capital increases to be carried out, immediately or in the future, pursuant to this delegation shall be €140 million it being specified that:
   - Issuances of equity securities carried out under this delegation by an offer as defined in Article L.411-2, 1° of the French Monetary and Financial Code may not exceed the limits set forth by applicable regulations as of the date of the issue (for information, at the date of this Shareholders' Meeting, the issuance of equity securities carried out by way of an offering referred to in Article L. 411-2, 1° of the French Monetary and Financial Code is limited to 20% of the share capital of the Company per year, with this capital being assessed at the date of the decision of the Board of Directors using this delegation);
   - The maximum total nominal amount of the share capital increases that may be carried out pursuant to this delegation of authority shall be deducted from the total nominal limit of €140 million determined by the seventeenth resolution above and from the total nominal amount of €720 million determined in the sixteenth resolution above; and
   - This cap may be complemented, as the case may be, by the additional nominal amount of the ordinary shares to be issued in order to maintain the rights of the holders of securities conferring access to the share capital of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment;
4. Decided that the global nominal amount of debt securities that may be issued pursuant to this delegation may not exceed €1 billion or the equivalent value in euros at the date of issue, it being specified that:
   - This limit shall be increased, if applicable, by any redemption premium in excess of the par value;
   - This limit does not apply to debt securities the issue of which may be decided or authorized by the Board of Directors pursuant to Article L.228-40 of the French Commercial Code, nor to the debt securities referred to in Articles L.228-92, last paragraph, L.228-93, last paragraph and L.228-94, last paragraph of the French Commercial Code; and
   - This amount shall be deducted from the total limit of €1 billion for the issue of debt securities determined by the sixteenth resolution above;
5. Decided to cancel the shareholders' preferential subscription right to the securities that may be issued in application of this delegation;

6. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
7. Decided that:
   - The issue price of the new shares issued will be determined in accordance with the law on the date of issue (at the date of this meeting, the average weighted share price of the company's shares over the last three trading days on the regulated market of Euronext Paris prior to the opening of the public offering, reduced, as the case may be, by a maximum discount of 10%); and
   - The issue price of the securities conferring access to the share capital of the Company shall be determined so that the amount immediately received by the Company, plus, as the case may be, any amount that may be received by the Company in the future, be at least equal, for each share issued as a result of the issue of such securities, to the issue price determined in the paragraph above;
8. Decided that the Board of Directors will have full powers, with the option to delegate such powers to any duly empowered person to the full extent permitted by law, to perform this delegation of authority, *inter alia* for the purposes of:
   - Deciding on the issuance of the securities, determining the form and characteristics of any issuance, in particular the amount, the dates, the issue price, the terms of subscription, their dividend entitlement date (with a retroactive dividend entitlement date, where applicable), the terms under which the securities issued pursuant to this delegation of authority will confer access to equity securities of the Company;
   - Determining the nature, number and characteristics, of the securities to be issued (including, where applicable, rights to conversion, exchange, redemption, including through the delivery of assets of the Company attached to the shares or securities conferring access to the share capital to be issued) and, if the securities to be issued consist in or are associated with debt securities, their term, fixed or perpetual, their subordination or absence thereof (and, where applicable, their ranking), their remuneration, the compulsory or optional events of suspension or non-payment of interest, the ability to reduce or increase the nominal amount of the securities and other terms of issuance (including the fact of granting guarantees or security thereon) and of redemption (including redemption by delivery of assets of the Company); amending, during the lifetime of the relevant securities, the characteristics referred to above in compliance with the applicable formalities;
   - Determining the terms under which the Company will have the option, where applicable, to purchase or exchange on the market, at any time or during specific time periods, the securities issued or to be issued immediately or in the future, with the purpose of canceling such securities or not, taking into account the applicable legal provisions;
   - Providing the option to suspend, potentially, the exercise of the rights attached to such securities in accordance with the legal and regulatory provisions;
   - Determining and carrying out any adjustments intended to take into account the impact of transactions on the capital of the Company, and determining any of the terms allowing to ensure, where applicable, the upholding of the rights of the holders of securities conferring access to the share capital;
   - At its sole option, charging the expenses of the share capital increase against the amount of the relevant premiums and deducting from such amount the necessary amounts for the legal reserve; and
   - Taking all appropriate actions and entering into any agreements in view of the performance of this delegation of powers, in particular in view of the proper performance of the contemplated issuances, acknowledging their completion and amend the by-laws accordingly, and carrying out any appropriate formalities and declarations for the issuance, listing and financial servicing of the securities issued pursuant to this delegation of powers and for the exercise of the rights attached thereto, and applying for any necessary authorizations for the completion and proper performance of these issuances;
9. Decided that the Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to use this delegation of authority as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period;
10. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting; and
11. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Nineteenth resolution

(Delegation of authority to be granted to the Board of Directors in view of increasing the amount of the issuances carried out with upholding or cancellation of the preferential subscription right of the shareholders, pursuant to the sixteenth, seventeenth and eighteenth resolutions)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, deciding in accordance with the provisions of Articles L.225-135-1 of the French Commercial Code:

1. Delegated to the Board of Directors its authority, with the option to delegate such powers to any duly empowered person in accordance with the legal and regulatory provisions, to decide to increase the number of shares, equity securities or other securities to be issued in the context of any issuance undertaken pursuant to the sixteenth, seventeenth and eighteenth resolutions above, at the same price as that applied to the initial issuance, within a time period and subject to the limitations set forth by the applicable regulations at the date of the issuance (at the date of this Shareholders' Meeting, for a period of 30 days as from the closing of the subscription period and within a limit of 15% of the initial issuance);
2. Decided that the nominal amount of the issuance decided upon pursuant to this delegation shall be deducted from the initial issuance limit and the overall limit of €720 million set by the sixteenth resolution of this Shareholders' Meeting;
3. Decided that the Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to use this delegation of authority as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period;
4. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting; and
5. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Twentieth resolution

(Delegation of powers to be granted to the Board of Directors to decide to issue ordinary shares or securities conferring access to the share capital of the Company within the limit of 10% of the share capital with cancellation of the preferential subscription right of the shareholders, in consideration for contributions in kind granted to the Company)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and of the Statutory Auditors' special report, in resolving accordance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code:

1. Delegated its authority to the Board of Directors, when the provisions of Article L.22-10-54 of the French Commercial Code are not applicable, with the option to subdelegate such powers to any duly empowered person in accordance with the legal and regulatory provisions, to decide, based on the report of the valuing auditor(s) (*Commissaire(s) aux apports*) referred to in §2 of Article L.225-147 of the French Commercial Code, upon the issuance of ordinary shares or securities conferring access, immediately or in the future, to equity securities of the Company as a consideration for the contributions in kind granted to the Company and consisting of shares or securities conferring access to the share capital;
2. Decided that the limit of the global nominal amount of the share capital increase(s) that may be carried out, immediately or in the future, pursuant to this delegation may not exceed 10% of the share capital of the Company appraised at the date of the decision of the Board of Directors, it being specified that:
   - This limit shall be deducted from the total nominal limit of €140 million determined by the seventeenth resolution of this Shareholders' Meeting and from the total nominal amount of €720 million determined in the sixteenth resolution of this Shareholders' Meeting; and
   - This limit does not take into account the nominal amount of the additional ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with the applicable legal and regulatory provisions and with any applicable contractual provisions providing for other cases of adjustment;
3. Decided to cancel, as needed, the preferential subscription right of the shareholders to these ordinary shares or securities to the benefit of the holders of shares or securities that are the

purpose of the contribution in kind, and acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential subscription right for the ordinary shares of the Company to which the securities that may be issued pursuant to this delegation may give right;

4. Decided that the Board of Directors shall have full powers, with the option to delegate such powers to any duly empowered person in accordance with the legal and regulatory provisions, to perform this delegation of authority, *inter alia* for the purposes of:
   - Approving the report of the valuing auditor(s) (*Commissaire(s) aux apports*) referred to in §2 of Article L.225-147 of the French Commercial Code, the valuation of the contributions and, where applicable, the granting of specific benefits and their values;
   - Determining the number of shares to be issued in consideration of the contributions as well as the dividend entitlement date of the shares to be issued;
   - Deducting, if applicable and if it deems appropriate, from the relevant premiums, the fees and expenses resulting from the issues and charge against such amounts the amounts necessary to increase the legal reserve to one tenth of the new share capital; and
   - Acknowledging the final completion of the share capital increases carried out pursuant to this delegation of powers, amend the by-laws accordingly, carry out any formalities and declarations and apply for any necessary authorizations for the completion of such contributions;
5. Decided that the Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to use this delegation of authority as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period;
6. Decided that this delegation of powers is granted for a term of 26 months as from the date of this Shareholders' Meeting; and
7. Decided that this delegation of powers shall cancel and supersede any previous delegation of powers having the same purpose, as regards the unused portion of these delegations.

Twenty-first resolution

(Authorization to be granted to the Board of Directors to increase the share capital by issuance of ordinary shares or securities that are equity securities giving access to other equity securities of the Company or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right, to the benefit of members of a savings plan)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the Statutory Auditors' special report and deciding in accordance with, on the one hand, the provisions of Articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code and, on the other hand, the provisions of Articles L.3332-1 *et seq.* of the French Labor Code:

1. Authorized the Board of Directors, with the option to subdelegate such authorization to any duly authorized person in accordance with legal and regulatory provisions, to decide to increase the share capital, in one or several occurrences, upon its sole decisions, at the time and in accordance with the terms that it shall determine by the issuance (i) of ordinary shares, and/or (ii) of securities that are equity securities giving access, immediately or in the future, to other equity securities or giving right, immediately or in the future, to the allocation of debt securities, and/or (iii) of securities conferring access to equity securities to be issued by the Company, reserved for members of one or several company savings plan(s) *(plan d'épargne d'entreprise)* or group savings plan(s) *(plan d'épargne de groupe)* established jointly by the Company and the French or foreign companies that are linked to the Company within the meaning of Article L.225-180 of the French Commercial Code and of Article L.3344-1 of the French Labor Code;
2. Decided to cancel the shareholders' preferential subscription rights in respect of new shares to be issued pursuant to this authorization for the benefit of the beneficiaries referred to in the first paragraph above;
3. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
4. Decided that the issue price(s) of the new shares or of the securities conferring access to the share capital shall be determined in accordance with the provisions of Articles L.3332-19 *et seq.* of the French Labor Code and that the maximum discount shall amount to 20% of the average of the first trading prices during the 20 trading days preceding the date of the Board of Directors' decision determining

the opening date of the subscription period. Nevertheless, the Shareholders' Meeting expressly authorized the Board of Directors to reduce or eliminate the discount, in order to take into account, in particular, the regulations applicable in the countries where the offer will be implemented;

5. Decided that the maximum nominal amount of the share capital increase(s) which may be carried out pursuant to this authorization may not exceed 2% of the share capital of the Company appraised as at the date of the decision of use of this authorization by the Board of Directors, it being specified that:
   - The nominal maximum amount of the share capital increase(s) that may be carried out pursuant to this resolution, as well as to the twenty-first resolution of the Extraordinary Shareholders' Meeting of June 25, 2020 or any other substitute resolution (in particular, the twenty-second resolution of this Shareholders' Meeting if adopted), may not exceed a limit of 2% of the share capital of the Company;
   - The maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from the overall limit set by the fifteenth resolution of the Extraordinary Shareholders' Meeting of May 23, 2019 or by any resolution of the same nature that may substitute for it (in particular, the sixteenth resolution of this Shareholders' Meeting if adopted); and
   - These amounts do not include the nominal amount of the additional ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with applicable legal and regulatory provisions and with any applicable contractual provisions providing for other cases of adjustment;
6. Decided, pursuant to the provisions of Article L.3332-21 of the French Labor Code, that the Board of Directors may decide on the allocation to the beneficiaries referred to in the first paragraph above, free of charge, of shares to be issued or existing, or of other securities conferring access to the share capital of the Company, issued or to be issued, in respect of (i) the contribution *(abondement)* that may be paid pursuant to the regulations of the employee savings plan of the Company or of the Group, and/or (ii) if applicable, the discount;
7. Decided that, should the beneficiaries referred to in the first paragraph above not subscribe the share capital increase in full within the allocated time period, such share capital increase would only be completed for the amount of subscribed shares; unsubscribed shares may be offered again to such beneficiaries in the context of a subsequent share capital increase;
8. Granted full powers to the Board of Directors, with the option to delegate or subdelegate such powers, in accordance with legal and regulatory provisions, to implement this authorization, and in particular, for the purposes of:
   - Determining the eligibility criteria for companies whose employees may benefit from the issuances carried out pursuant to this authorization, establishing the list of such companies;
   - Determining the terms and conditions of the transactions, the characteristics of the shares, and if applicable, of the other securities, determine the subscription price calculated in accordance with the method defined in this resolution, determine the dates of opening and of closing of the subscription and the dividend entitlement dates and determine the dates and terms and conditions of payment of the subscribed shares;
   - Taking any necessary action for the admission to trading of the issued shares in any place where it shall deem appropriate; and
   - Deducting from the "issuance premiums" account the amount of the expenses relating to these share capital increases and charging, if it deems fit, on this account the necessary amounts to increase the legal reserve to one tenth of the new share capital after each issuance, amending the by-laws accordingly and, in general, carrying out directly or indirectly, any transactions and formalities related to the share capital increases carried out pursuant to this authorization;
9. Decided that the authorization granted to the Board of Directors pursuant to this resolution shall be effective for a term of 26 months as from the date of this Shareholders' Meeting;
10. Decided that this authorization shall make void any prior authorization with the same purpose, up to the unused portion of this authorization.

Twenty-second resolution

(Delegation of authority to the Board of Directors to decide upon the issuance of ordinary shares or securities that are equity securities giving access to other equity securities or giving right to the allocation of debt securities, or of securities giving access to equity securities to be issued, with cancellation of the shareholders' preferential subscription right for the benefit of certain categories of beneficiaries in order to allow the implementation of employee shareholding transactions)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and the special report of the Statutory Auditors, deciding in accordance with the provisions of Articles L.225-129-2 *et seq.* of the French Commercial Code, the provisions of Article L.225-138 of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to subdelegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, the authority necessary to increase, on one or more occasions, at such time or times and in the amounts that it shall decide, the share capital through the issue of (i) ordinary shares, and/or (ii) securities that are equity securities giving access, immediately or in the future, to other equity securities of the Company or giving right, immediately or in the future, to the allocation of debt securities, and/ or (iii) securities giving access, immediately or in the future, to equity securities to be issued of the Company, such an issue being reserved for persons meeting the criteria in the categories defined in paragraph 3. below;
2. Decided that the maximum nominal amount of the share capital increase(s) that may be carried out pursuant to this delegation shall not exceed 1% of the share capital of the Company, considered as at the date of the decision of use of this authorization by the Board of Directors, it being specified that:
   - The maximum nominal amount of the issuance(s) carried out pursuant to this delegation, as well as to the twentieth resolution of the Extraordinary Shareholders' Meeting of June 25, 2020 or any other substitute resolution (in particular, the twenty-first resolution of this Shareholders' Meeting if adopted), may not exceed a limit of 2% of the share capital of the Company;
   - The maximum nominal amount of any share capital increase(s) that may be carried out pursuant to this authorization shall be deducted from the overall limit set by the fifteenth resolution of the Shareholders' Meeting of May 23, 2019 or any other substitute resolution (in particular, the sixteenth resolution of this Shareholders' Meeting if adopted); and
   - These amounts do not include the nominal amount of the additional ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights giving access to the share capital of the Company, in accordance with applicable legal and regulatory provisions and with any applicable contractual provisions providing for other cases of adjustment;
3. Decided to eliminate shareholders' preferential subscription rights to securities which may be issued pursuant to this delegation, and to reserve the right to subscribe to beneficiaries satisfying the following criteria:
   a) Employees and corporate officers of foreign companies which are related to the Company within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code; and/or

   b) Employee shareholding UCITS or other entities, with or without an independent legal existence, which are invested in securities of the Company, and whose unitholders or shareholders are comprised of the individuals described in (a) above; and/or

   c) Any banking institution or subsidiary of such an institution involved upon the Company's request for the purposes of implementing a shareholding or savings plan for the benefit of the persons mentioned in (a) of this paragraph, insofar as recourse to the subscription of the person authorized in accordance with this resolution would allow the employees or corporate officers mentioned above to benefit from employee shareholding or savings formulae equivalent in terms of economic advantage to those from which the other Rexel Group employees would benefit in comparable situations; and/ or

   d) One or several financial institutions mandated in connection with the Share Incentive Plan (SIP) established for the benefit of employee and corporate officers of companies of the Rexel Group which are related to the Company within the meaning of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code whose registered offices are located in the United Kingdom;

4. Acknowledged that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe for the equity securities of the Company to which the securities that may be issued pursuant to this delegation give right;
5. Decided that the issue price of the new shares shall be determined in the following manner, depending on the case:
   a) In case of issuance referred to in paragraphs 3 (a) to (c) above, the subscription price(s) of the new shares shall be determined pursuant to the same conditions as set forth in Article L.3332-19 of the French Labor Code. The discount shall be set at a maximum of 20% of the average of Company's first share prices during the twenty trading days preceding the date of the decision setting the opening date of the subscription period. However, the Shareholders' Meeting expressly authorized the Board of Directors to reduce or eliminate the discount, in order to take into account, in particular, the regulation applicable in the countries where the offer will be implemented;
   b) In case of issuance referred in paragraph 3(d) above, in accordance with the local regulations applicable to the SIP, the subscription price may be equal to the lower share price between (i) the share price on the regulated market of Euronext in Paris at the opening of the reference period of this plan, such period shall not exceed 12 months, and (ii) the share price recorded following the close of such period within a given timeframe determined in accordance with said regulations. This price shall be set without a discount in relation to the retained share price;
6. Decided that the Board of Directors shall have full powers, with the option to delegate or subdelegate such powers, in accordance with the legislative and regulatory provisions, under the limits and conditions set forth above, particularly in order to:
   - Determine the list of beneficiary(ies), from among the categories above, in favor of whom the preferential subscription rights have been eliminated as well as the number of shares to be subscribed by each of them;
   - Set the amounts of the issuances that will be carried out pursuant to this delegation of authority and to fix the issue price, the dates, the time limits, methods and terms and conditions of subscription, payment, delivery, entitlement to dividends, the rules in reducing the subscriptions in the event of an oversubscription as well as any other terms and conditions of the issuances, within the legislative and regulatory limits in force;
   - To acknowledge the share capital increase up to the amount of the shares subscribed (after any potential reduction in the event of an oversubscription); and
   - As applicable, charge the expenses related to the share capital increase to the premiums from this increase, and deduct from that amount the amounts necessary to bring the legal reserve to one-tenth of the new share capital after the share capital increase;
7. Decided that the authorization granted to the Board of Directors pursuant to this resolution shall be valid for a period of 18 months as from the date of this Shareholders' Meeting;
8. Decided that this authorization shall cancel any previous authorization having the same purpose, as regards the unused portion of this authorization.

Twenty-third resolution

(Delegation of authority to be granted to the Board of Directors to decide to increase the share capital by incorporation of premiums, reserves, profits or other items that may be capitalized)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and of the Statutory Auditors' special report, in accordance with the provisions of Articles L.225-129 *et seq.* of the French Commercial Code, the provisions of Article L.225-130 of the French Commercial Code and the provisions of Articles L.22-10-49 *et seq.* of the French Commercial Code:

1. Delegated to the Board of Directors, with the option to subdelegate such powers to any duly empowered person to the full extent permitted by the legal and regulatory provisions, the authority to decide one or several increases to the share capital, in proportion to and at such times as it deems appropriate by successive or simultaneous capitalization of reserves, profits, share premiums, contribution or merger premiums, or any other amounts that may be capitalized in accordance with the law and the by-laws of the Company, in the form of an allocation of free shares and/or an increase in the nominal value of existing shares;
2. Decided that the nominal amount of the share capital increase that may be carried out pursuant to this delegation may not exceed €200 million, it being specified that:
   - This limit may be complemented, as the case may be, by the additional amount of the

ordinary shares to be issued in order to maintain the rights of the holders of securities or other rights conferring access to equity securities of the Company, in accordance with the law and with any applicable contractual provisions providing for other cases of adjustment; and

- The nominal amount of the share capital increases which may be carried out pursuant to this resolution will not be deducted from the global limit determined by the sixteenth resolution of this Shareholders' Meeting;

3. Decided that in the event of a share capital increase in the form of an allocation of free shares and in accordance with the provisions of Article L.225-130 of the French Commercial Code, the Board of Directors may decide that the allocation rights on fractional shares will not be tradable and that the corresponding shares will be sold, with the proceeds of the sale being allocated to the holders of such rights in accordance with the applicable legal and regulatory requirements;
4. Granted full powers to the Board of Directors, with the option to subdelegate such powers to any duly empowered person in accordance with the legal and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of:
   - Determining the amount and nature of the amounts to be capitalized;
   - Determining the number of new shares to be issued and/or the nominal amount by which the existing shares shall be increased, the date, including a retroactive date, as of which the new shares shall entitle to dividend rights or the effective date of the increase in the nominal value of the shares; and
   - Acknowledging the completion of each share capital increase and in general, taking any action and carrying out any required formalities for the proper performance of each share capital increase and amending the by-laws accordingly;
5. Decided that the Board of Directors will not be able, except with the prior approval of the Shareholders' Meeting, to use this delegation of authority as from the filing by a third party of a public offer on the Company's securities and until the end of the offer period;
6. Decided that this delegation of authority be granted for a period of 26 months, as from the date of this Shareholders' Meeting; and
7. Decided that this delegation shall supersede any prior authorization with the same purpose, up to the unused portion of this delegation.

Twenty-fourth resolution

(Amendment of Articles 14, 28 and 30 of the by-laws of the Company to update the references to certain provisions of the French Civil Code and the French Commercial Code)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings,

Having reviewed the report of the Board of Directors and taking into account, in particular, the entry into force on January 1, 2021 of Order No 2020-1142 of September 16, 2020, decided to amend Articles 14, 28 and 30 of the by-laws of the Company as follows:

1) In Article 14 of the by-laws of the Company:

- the first paragraph of section 7.1 is amended as follows:

  "In accordance with articles L.225-27-1 and L.22-10-7 of the French Commercial Code, the Board of Directors includes one or two directors representing the employees of the Group, to be appointed as follows."

- the second paragraph of section 7.2 would be amended as follows:

  "The functions of the director designated in accordance with articles L.225-27-1 and L.22-10-7 of the French Commercial Code end on completion of the annual general meeting of shareholders having ruled on the financial statements for the past financial year and held in the year during which the term expires."

- the section 7.4 is amended as follows:

  "7.4 In the event that the obligation of appointment of one or several directors representing the employees pursuant to articles L.225-27-1 and L.22-10-7 of the French Commercial Code becomes void, the office of the Director(s) representing the employees within the Board of Directors shall expire upon its normal end."

  The remaining part of Article 14 of the by-laws of the Company is unchanged.

2) In Article 28 of the by-laws of the Company, the second paragraph of section 3 is amended as follows:

"This form may appear, as the case may be, on the same document as the proxy form; in this case, the sole document must comprise the references and information stipulated by regulatory provisions. The form must be received by the Company at least three (3) days prior to the date of the meeting, failing which, no account will be taken thereof. An electronic signature can take the form of a process meeting the conditions defined in the first sentence of the second paragraph of article 1367 of the French Civil Code."

The remaining part of Article 28 of the by-laws of the Company is unchanged.

3) In Article 30 of the by-laws of the Company, the section 2 is amended as follows:

"2 In Ordinary and Extraordinary Shareholders Meetings, the shareholder has as many votes as he or she owns or represents shares, without limitation. In accordance with the ability provided for under article L.22-10-46 of the French Commercial Code, fully paid-up shares which can be proved to have been registered in the name of the same shareholder for at least two years shall not benefit from a double voting right."

The remaining part of Article 30 of the by-laws of the Company is unchanged.

Twenty-fifth resolution

(Powers to carry out legal formalities)

The Shareholders' Meeting, deciding under the quorum and majority requirements for Extraordinary Shareholders' Meetings, granted full powers to the bearers of an original, of copies or extracts of these minutes for the purposes of carrying out all publication, filing or other formalities that may be necessary.

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Responsible for the Universal Registration Document / Statutory Auditors

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7.1 Person responsible for the Universal Registration Document

7.1.1 Person responsible for the Universal Registration Document

Patrick Berard, Chief Executive Officer of Rexel.

7.1.2 Responsibility statement

I hereby certify that the information contained in this Universal Registration Document reflects, to my knowledge, the reality and that no omissions have been made that are likely to have a bearing thereon.

I certify that, to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards, and give a true view of the assets, financial condition and results of operations of the company and of all of the companies included in the scope of consolidation and that the management report contained in this Universal Registration Document, according to the correlation tables presented in Section 8.3, provides an accurate description of the business trends, results of operations and financial condition of the Company and all of the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties that are faced by the latter.

I have obtained from the statutory auditors a completion letter in which they indicate that they have verified the information concerning the financial condition and financial statements presented in this Universal Registration Document and read the entire universal registration document.

Patrick Berard
Chief Executive Officer of Rexel
Paris, March 21, 2021

7.1.3 Person responsible for the financial communication

Ludovic Debailleux

Investors Relations Director

Address: 13, boulevard du Fort de Vaux, 75017 Paris

Telephone: +33 (0)1 42 85 85 00

Fax: +33 (0)1 42 85 92 05

7.1.4 Indicative financial information timetable

Financial information reported to the public by Rexel are available on the Rexel website (www.rexel.com).

7.2 Statutory Auditors

7.2.1 Acting Statutory Auditors

- KPMG SA
  Represented by Valérie Besson and Jean-Marc Discours
  Tour Eqho
  2, avenue Gambetta
  92066 Paris-La Défense Cedex

KPMG SA was appointed acting statutory auditor by the shareholders' meeting of Rexel of May 25, 2016 for a term of six financial years, in replacement of Ernst & Young. Its duties are therefore to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2021.

KPMG SA is a member of the regional body of statutory auditors in Versailles *("Compagnie Régionale des Commissaires aux Comptes de Versailles")*.

- PricewaterhouseCoopers Audit
  Represented by Amélie Wattel and Pierre Clavié
  63, rue de Villiers
  92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed acting statutory auditor at the shareholders' meeting of Rexel held on May 16, 2012, for a term of six financial years, in replacement of KPMG Audit. Its duties were therefore renewed upon the shareholders' meeting of Rexel held on May 24, 2018, for a term of 6 financial years. Its term of office is therefore to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the year ending December 31, 2023.

PricewaterhouseCoopers Audit is a member of the regional body of statutory auditors in Versailles *("Compagnie Régionale des Commissaires aux Comptes de Versailles")*.

7.2.2 Deputy Statutory Auditor

- Salustro Reydel
  Represented by Jean-Claude Reydel
  Tour Eqho
  2, avenue Gambetta
  92066 Paris La Défense Cedex

Salustro Reydel was appointed deputy statutory auditor by the shareholders' meeting of Rexel of May 25, 2016, for a term of six financial years, in replacement of Auditex. Its duties are therefore to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2021.

Salustro Reydel is a member of the regional body of statutory auditors in Versailles *("Compagnie Régionale des Commissaires aux Comptes de Versailles")*.

7.3 Documents accessible to the public

All of the legal and financial documents relating to Rexel and that are to be made available for the shareholders and the market in accordance with the regulations in force, may be consulted at the registered office of Rexel or on Rexel's website (www.rexel.com).

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Correlation tables

ТРАНС

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8.1 Correlation table with delegated regulation (EU) 2019/980 dated March 14, 2019

The following correlation table allows to identify, in this universal registration document, the information required by Annex 1 and Annex 2 of the delegated regulation (EU) 2019/980 dated March 14, 2019.

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 – ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPOERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL	7.1	408
1.1.	Persons responsible for the information contained in the registration document	7.1.1	408
1.2.	Declaration of persons responsible for the information contained in the registration document	7.1.2	408
1.3.	Expert's statement or report	n.a.	
1.4.	Statements regarding third-party information	n.a.	
1.5.	Statement without prior approval by the competent authority	Cover page	
2.	STATUTORY AUDITORS	7.2	409
2.1.	Name and address of the issuer's statutory auditors	7.2.1, 7.2.2	409
2.2.	Statutory auditors having resigned, dismissed or not reappointed during the relevant period	n.a.	
3.	RISK FACTORS	2	37 to 62
4.	INFORMATION ABOUT THE ISSUER	1.2	17
4.1.	Corporate name and trade name	1.2.1	17
4.2.	Place and number of incorporation, and legal entity identifier ("LEI")	1.2.2	17
4.3.	Date of incorporation and term	1.2.3	17
4.4.	Registered office, legal form, jurisdiction, country of origin, address and phone number of registered office and website	1.2.4	17
5.	BUSINESS OVERVIEW	1.3	18 to 30
5.1.	Principal activities	1.3.2, 1.3.3, 1.3.4	22 to 30
5.1.1.	Nature of the operations and principal activities	1.3.2, 1.3.3, 1.3.4	22 to 30
5.1.2.	New products and/or services	1.3.2, 1.3.3, 1.3.4	22 to 30
5.2.	Principal Markets	1.3.1	19 to 21
5.3.	Important events in the development of business	1.3	18 to 30
5.4.	Strategy and objectives	1.3.3	28 to 30
5.5.	Information regarding the extent to which the company is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	1.3.4	30
5.6.	Basis for any statements made by the issuer regarding its competitive position	General information	
5.7.	Investments	1.6	34
5.7.1.	Material investments made	1.2, 1.6.1	17, 34
5.7.2.	Investments in progress or for which firm commitments have already been made	1.1, 1.6.2	14 to 16, 34
5.7.3.	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	1.4.2	31 to 33
5.7.4.	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	4.4	209 to 223

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 – ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
6.	ORGANIZATIONAL STRUCTURE	1.4	31
6.1.	Brief description of the group	1.4.1	31
6.2.	List of the significant subsidiaries	1.4.2	31 to 33
7.	OPERATING AND FINANCIAL REVIEW	5	243 to 359
7.1.	Financial condition	5.1.1	248 to 258
7.1.1.	Issuer's development and performance, financial condition, changes in financial condition for each year and interim period, for which historical financial information is required	5.1.1	248 to 258
7.1.2.	Issuer's likely future development and activities in the field of research and development	1.3.4, 5.1.3	30, 262 and 263
7.2.	Operating results	5.1.1	248 to 258
7.2.1.	Significant factors, including unusual or infrequent events or new development materially impacting the operating income	5.1.1	248 to 258
7.2.2.	Reasons for material changes in net sales or revenues	5.1.1	248 to 258
8.	CAPITAL RESOURCES	5.1.2	259 to 261
8.1.	Information concerning the issuer's capital resources	5.1.2	259 to 261
8.2.	Sources, amounts and narrative description of the issuer's cash flows	5.1.2	259 to 261
8.3.	Information on the borrowing requirements and funding structure of the issuer	5.1.2	259 to 261
8.4.	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	5.1.2	259 to 261
8.5.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	1.2, 1.6, 5.1.1, 5.2.1	17, 34, 248 to 258, 268 to 332
9.	REGULATORY ENVIRONMENT	1.7	35 and 36
9.1.	Description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	1.7	35 and 36
10.	TREND INFORMATION	1.3, 5.1	18 to 30, 248 to 265
10.1.	Most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document	1.3, 5.1	18 to 30, 248 to 265
10.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	5.1.3	262 and 263
11.	PROFIT FORECASTS OR ESTIMATES	5.1.3	262 and 263
11.1.	Published profit forecasts or estimate	5.1.3	262 and 263
11.2.	Principal assumptions upon which the issuer has based its forecast or estimate	5.1.3	262 and 263
11.3.	Statement of comparability with the historical financial information and compliance with the issuer's accounting policies	5.1.3	262 and 263
12.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	3.1	66 to 101
12.1.	Information in relation to members of the administrative, management, and supervisory bodies	3.1.1 to 3.1.6	66 to 100
12.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests	3.1.7, 3.3	100 and 101, 136 to 139

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 – ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
13.	REMUNERATION AND BENEFITS	3.2	101 to 135
13.1.	Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	3.2.1 to 3.2.3	101 to 135
13.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefit	3.2.2, 3.2.3	118 to 135
14.	BOARD PRACTICES	3.6.2	141 to 147
14.1.	Date of expiration of the current terms of office and period during which the person has served in that office	3.1.1, 3.1.2, 3.1.3	66 to 99
14.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist	3.1.8	101
14.3.	Information about the issuer's audit committee and remuneration committee	3.1.2.1, 3.1.2.3	94 to 96, 97 and 98
14.4.	Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer	3	63 to 173
14.5.	Potential material impacts on the corporate governance	3.1	66 to 101
15.	EMPLOYEES	4.3	194 to 209
15.1.	Number of employees at the end of the period or average for each financial year for the period covered by the historical financial information and breakdown of persons employed by main category of activity and geographic location	4.3.1	195
15.2.	Shareholdings and stock options	3.7.2.4 to 3.7.2.6	154 to 163
15.3.	Arrangement for involving the employees in the capital of the issuer	3.7.2.4, 4.3.2.4	154, 199
16.	PRINCIPAL SHAREHOLDERS	3.7.1	152
16.1.	Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, or appropriate statement to that that effect that no such person exists	3.7.1, 3.7.2	152 to 163
16.2.	Different voting rights, or appropriate statement to the effect that no such voting rights exist	3.7.3	163
16.3.	Direct or indirect ownership or control of the issuer	3.7.2	152 to 163
16.4.	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	3.7.5	164
17.	RELATED PARTY TRANSACTIONS	3.3	136 to 139
17.1.	Details of related party transactions	3.3	136 to 139
18.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	5.2, 5.3	266 to 337, 338 to 359
18.1.	Historical financial information	5.2, 5.3	266 to 337, 338 to 359
18.1.1.	Audited historical financial information	5.2, 5.3	266 to 337, 338 to 359
18.1.2.	Change of accounting reference date	n.a.	
18.1.3.	Accounting standards	5.2.1	268 to 332
18.1.4.	Change of accounting framework	5.2.1 (note 3.2.1)	268 to 332
18.1.5.	Audited financial information prepared according to national accounting standards	5.3	338 to 359
18.1.6.	Consolidated financial statements	5.2	266 to 337
18.1.7.	Date of latest financial information	5.2, 5.3	266 to 337, 338 to 359

DELEGATED REGULATION 2019/980 DATED MARCH 14, 2019 – ANNEX 1 AND ANNEX 2		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
18.2.	Interim and other financial information	n.a.	
18.2.1.	Quarterly or half-year financial information	n.a.	
18.3.	Auditing of historical annual financial information	5.2.2, 5.3.2	333 to 337, 356 to 359
18.3.1.	Independent auditing of historical financial information	5.2.2, 5.3.2	333 to 337, 356 to 359
18.3.2.	Other information in the registration document that has been audited by the auditors	4	175 to 242
18.3.3.	Financial information not extracted from issuer's audited financial statements	n.a.	
18.4.	*Pro forma financial information*	n.a.	
18.4.1.	*Significant gross change*	n.a.	
18.5.	Dividend policy	5.1.4	263
18.5.1.	Description of the policy on dividend distributions and any restrictions thereon	5.1.4	263
18.5.2.	Amount of dividend per share	5.1.4	263
18.6.	Legal proceedings and arbitration	5.2.1 (note 27)	268 to 332
18.6.1.	Significant proceedings	5.2.1 (note 27)	268 to 332
18.7.	Significant changes in the issuer's financial position	5.1.5	263
18.7.1.	Description	5.1.5	263
19.	ADDITIONAL INFORMATION	3.6, 3.7, 3.8	141 to 172
19.1.	Share capital	3.8	164 to 172
19.1.1.	Amount of issued and authorized share capital, number of shares issued and fully paid and issued but not fully paid, par value per share, reconciliation of the number of shares outstanding at the beginning and end of the year	3.8.1	164 to 168
19.1.2.	Information about shares not representative of share capital	3.8.2	168
19.1.3.	Number, book value and face value of shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	3.8.3	168 to 171
19.1.4.	Information about the amount of convertible securities, exchangeable securities or securities with warrants	3.8.4	171
19.1.5.	Information about and terms of any acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	n.a.	
19.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate	n.a.	
19.1.7.	Share capital history	3.8.5	172
19.2.	Memorandum of association and by-laws	3.6	141 to 151
19.2.1.	Register and corporate purpose	1.2.2, 3.6.1	17, 141
19.2.2.	Rights, preferences and restrictions attaching to each class of the existing shares	3.6.3	147 and 148
19.2.3.	Provisions of the issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying, deferring or preventing a change in control of the issuer	3.6.6	150
20.	MATERIAL AGREEMENTS	5.2.1 (notes 22 and 23)	268 to 332
20.1.	Summary of each material agreement	5.2.1 (notes 22 and 23)	268 to 332
21.	DOCUMENTS AVAILABLE	7.3	409
21.1.	Statement on documents that can be inspected	7.3	409

8.2 Correlation table with the annual financial report

The following correlation table allows to identify, in this universal registration document, the information that are comprised in the annual financial report to be published pursuant to articles L.451-1-2 of the French monetary and financial code and 222-3 of the General rules of the French *Autorité des marchés financiers*.

ANNUAL FINANCIAL REPORT		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Annual financial statements	5.3.1	340 to 355
2.	Consolidated financial statements	5.2.1	268 to 332
3.	Management report (see paragraph 8.3)	1 to 6	5 to 403
4.	Declaration of persons responsible for the information contained in the Registration document	7.1	408
5.	Report of the statutory auditors on the annual financial statements	5.3.2	356 to 359
6.	Report of the statutory auditors on the consolidated financial statements	5.2.2	333 to 337

8.3 Correlation table with management report (including the report on Corporate governance)

The following correlation table allows to identify, in this universal registration document, the information that is comprised in the management report to be published pursuant to article L.22-10-34 of the French Commercial Code.

MANAGEMENT REPORT		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Activity and financial position	1.2, 1.3, 5.1.1, 5.1.2, 5.1.5	17, 18 to 30, 248 to 261, 263
2.	Recent events, trends and prospects	5.1.1 to 5.1.3, 5.2.1 (note 2), 5.3.1	248 to 263, 268 to 332, 340 to 355
3.	Research and development	1.3.4	30
4.	Description of main risks and uncertainties	2	37 to 62
5.	Internal monitoring and risk management	2.3	58 to 62
6.	Use of financial instruments	5.2.1 (notes 3.11, 3.12 and 23)	268 to 332
7.	Subsidiaries and holdings	1.4, 5.2.1, 5.3.1	31, 268 to 332, 340 to 355
8.	Dividend distributions over the past three financial years	6.1	364 to 383
9.	Payment periods	5.1.6	264
10.	Table of the company's results for the past five financial years	5.3.1	340 to 355
11.	Report on corporate governance	3	63 to 173
12.	Choice of organisation of the Executive Management	3.1.3	99
13.	Limitations placed of the powers of the Chief Executive Officer	3.1.1.3	99
14.	Board of Directors composition, conditions governing the preparation and organisation of the Board of Directors' work	3.1.1	66 to 93
15.	List of offices and directorships held by each of the corporate officers in any company during the financial year	3.1.1.1	69 to 81
16.	Compensation policy for corporate officers	3.2.1	101 to 118
17.	Remuneration of the corporate officers	3.2.2	118 to 132
18.	Relative proportion of fixed and variable compensation	3.2.1	101 to 118
19.	Use of the possibility of requesting the return of variable compensation	n.a.	
20.	Level of compensation of executive corporate officers compared to the average and median compensation of employees	3.2.2.5	131
21.	Annual changes in compensation, company performance, average employee compensation and equity ratios over the last five fiscal years	3.2.1, 3.2.2	101 to 132
22.	Description of how the total compensation complies with the approved compensation policy and how the performance criteria are applied	3.2.2	118 to 132
23.	Way in which the vote of the last ordinary general meeting on the information mentioned in Article L.22-10-9 of the French Commercial Code was taken into account	3.2.1	101 to 118
24.	Variations and exemptions applied in relation to the compensation policy	n.a.	
25.	Commitments made with regard to the corporate officers	3.3.2	136 and 137
26.	Summary of transactions on Rexel securities carried out by corporate officers and their closely related parties in 2020	3.7.2.3	154

MANAGEMENT REPORT		UNIVERSAL REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
27.	Description of the procedure for regularly assessing whether agreements relating to current operations and concluded under normal conditions meet these conditions and its implementation	3.3.1	136
28.	Description of the diversity policy applied to the Board of Directors	3.1.1.2, 3.1.5	82 to 86, 99 and 100
29.	Description of the objectives, implementation arrangements and results achieved during the financial year	3.1.1.2 to 3.1.1.4	82 to 93
30.	Provisions of the Afep-Medef Code not applied and reasons for that choice	3.5	140
31.	Special rules for shareholder participation in the General Meeting	3.6.5	148 to 150
32.	Elements with the potential to have an impact in the event of a public offer for the purchase or exchange of Rexel securities	3.9	173
33.	Information concerning share capital (capital structure, statutory requirements and employees shareholding)	3.8	164 to 172
34.	Summary table of current delegations	3.8.1	164 to 168
35.	Statement of non-financial performance	4.1 to 4.7 (see paragraph 8.4 of this chapter)	178 to 233
36.	Vigilance plan	4.8	234 to 239

8.4 Correlation table with the information on corporate and environmental responsibility

The following correlation table allows to identify, in this universal registration document, the information on corporate and environmental responsibility.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		UNIVERSAL REGISTRATION DOCUMENT	
N°	RUBRIQUE	PARAGRAPH(S)	PAGE(S)
I.	Information regarding business model	4.1.1	178
II.	Social, environmental and societal information		
1.	Social information	4.3	194 to 209
	a) Employment		
	Total headcount and breakdown of employees	4.3.1	195
	Hires and dismissals	4.3.2.1 to 4.3.2.3	195 to 199
	Compensation and changes	4.3.2.4	199
	b) Work organisation		
	Organisation of working hours	4.3.3.5	205
	Absenteeism	4.3.2.2	197 and 198
	c) Health and safety		
	Health and safety at work	4.3.3.4	203 to 205
	Accidents at work and occupational diseases	4.3.3.4	203 to 205
	d) Social relationships		
	Organisation of the social dialogue	4.3.3.3	202
	Overview of collective agreements	4.3.3.3	202
	e) Training		
	Policies applied	4.3.3.2	201 and 202
	Total number of training hours	4.3.3.2	201 and 202
	f) Equal treatment		
	Measures taken in favor of gender equality	4.3.4.1	206 and 207
	Measures taken in favor of the employment and insertion of disabled persons	4.3.4.2	207
	Anti-discrimination policy	4.1.2.1, 4.2.1, 4.3.3, 4.3.4, 4.5.1	179 to 182, 189 to 192, 200 to 208, 224 and 225
2.	Environmental information	4.4	209 to 223
	a) General environmental policy		
	Organisation of the company	4.4.1	210 to 213
	Employee training and information actions	4.4.1.1.2	211 and 212
	Means devoted to the prevention of environmental risks and pollution	4.4.1.2	212 and 213
	Amount of provisions and guarantees for environmental risks	4.4.1.2	212 and 213
	b) Pollution and waste management		
	Emission prevention, reduction and remediation measures	4.4.1.2, 4.4.5	212 and 213, 221
	Waste prevention, recycling and disposal measures	4.4.4	218 to 220
	Means of addressing noise pollution and other pollution generated by a given activity	4.4.5	221

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		UNIVERSAL REGISTRATION DOCUMENT	
N°	RUBRIQUE	PARAGRAPH(S)	PAGE(S)
	c) Circular economy		
	i) Prevention and waste management		
	Prevention, recycling, reuse, other forms of recovery and disposal of waste	4.4.4	218 to 220
	Actions against food waste	4.4.6	221 to 223
	ii) Sustainable use of ressources		
	Water consumption and procurement	4.4.5, 4.6	221, 230 to 233
	Consumption of raw materials and measures taken to improve their efficient use	4.4.4	218 to 220
	Energy consumption and measures taken to improve energy efficiency and the use of renewable energies	4.4.3.1	216 and 217
	Land use	4.4.5	221
	d) Climate change		
	Material GHG emissions categories emitted in the course of company's activity, including through the use of goods and services produced	4.4.2.2	214 and 215
	Measures undertaken to adapt to the consequences of climate change	4.4.2.1, 4.4.2.3	213 and 214, 216
	Objectives for reducing greenhouse gas emissions and means implemented	4.4.2.2	214 and 215
	e) Protection of biodiversity		
	Measures taken to preserve or develop biodiversity	4.4.5	221
3.	Societal information		
	a) Societal commitments to sustainable development		
	Company's business impact in relation to employment and local development	4.1.2	179 to 185
	Company's business impact on neighboring or local populations	4.1.2	179 to 185
	Relationship with stakeholders	4.1.2.2	182 to 184
	Partnership or philanthropic actions	4.1.2.2, 4.5.3	182 to 184, 228 and 229
	b) Sub-contracting and suppliers		
	Means of addressing social and environmental challenges in the purchasing policy	4.1.2, 4.5.1	179 to 185, 224 and 225
	Consideration given to the social and environmental responsibility of suppliers and sub-contractors	4.1.2, 4.5.1	179 to 185, 224 and 225
	c) Fair practices		
	Measures taken in favor of consumer health and safety	4.2.1, 4.5.2	189 to 192, 226 to 228
4.	Other information		
	1°) Anti-bribery actions	4.2.1	189 to 192
	2°) Information on human rights actions	4.2.1	189 to 192
	a) Promotion of and compliance with the provisions of the core conventions of the International Labour Organization	4.2.1, 4.5.1, 4.8.2.3	189 to 192, 224 and 225, 237
	Respect of the freedom of association and right to collective bargaining	4.1.2.1	179 to 182
	Elimination of discrimination in respect of employment and occupation	4.3.4	205 to 208
	Elimination of forced or compulsory labor	4.1.2.1, 4.5.1	179 to 182, 224 and 225
	Effective abolition of child labor	4.1.2.1, 4.5.1	179 to 182, 224 and 225
	b) Other actions in favor of human rights	4.1.2, 4.2.1, 4.5.1	179 to 185, 189 to 192, 224 andt 225

8.5 Correlation table with all ten principles of the United Nations Global Compact

United Nations Global Compact

PRINCIPLES OF THE GLOBAL COMPACT	OUR COMMITMENTS	OUR INITIATIVES AND INDICATORS	PAGE(S)
Support and respect protection of internationally proclaimed human rights Refuse to be accomplice of human rights abuses	Ethics guide	4.2.1	189 to 192
	Clauses covering the corporate and environmental responsibility of suppliers included in agreements	4.1.1, 4.2, 4.5.1	178, 189 to 194, 224 and 225
	Corporate social responsibility policies	4.1.1, 4.1.2 to 4.3.5	178, 192 to 209
	Charter of social commitment	4.1.2.2	182 to 184
	Rexel Foundation for energy efficiency	4.1.2.2, 4.5.3	182 to 184, 228 and 229
Uphold freedom of association and collective bargaining Elimination of all forms of forced and compulsory labour Effective abolition of child labour Elimination of discrimination in respect of employment and occupation	Ethics guide	4.2.1	189 to 192
	Clauses covering the corporate and environmental responsibility of suppliers included in agreements	4.1.2.2, 4.5.1	182 to 184, 224 and 225
	Corporate social responsibility policies	4.1.1, 4.3.1 to 4.3.4	178, 195 to 208
Support a precautionary approach to environmental challenges Undertake initiatives to promote greater environmental responsibility	Ethics guide	4.2.1	189 to 192
	Clauses covering the corporate and environmental responsibility of suppliers included in agreements	4.1.2.2, 4.5.1	182 to 184, 224 and 225
	Environmental charter	4.4.1.1.1	211
	Environmental policies	4.4.1.1	210 to 212
Encourage the development and diffusion of environmentally friendly technologies	Environmental charter	4.4.1.1.1	211
	Charter of social commitment	4.1.2.2	182 to 184
	Rexel Foundation for a better energy future	4.1.2.2, 4.5.3	182 to 184, 228 and 229
Work against all forms of corruption, including extortion and bribery	Ethics guide	4.2.1	189 to 192
	Anti-money laundering and anti-corruption policies	2.1.4, 4.2.1	55 and 56, 189 to 192

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