2015 Registration document

Rexel, French *société anonyme*
with a share capital of €1,509,356,890

Registered office:
13, boulevard du Fort de Vaux –
75017 Paris
479 973 513 R.C.S. Paris

2015 Registration document including the Annual Financial Report

This Registration document was filed with the *Autorité des marchés financiers* on April 7, 2016, in accordance with Article 212-13 of the General Regulations of the *Autorité des marchés financiers.* It may be used in connection with any financial transaction if completed by a *note d'opération* in respect of which the *Autorité des marchés financiers* has granted a visa. This Registration document has been prepared by the issuer and its binding on its signatories therefore assume responsibility for its contents.

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

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General information

This Registration document was prepared in connection with Rexel's disclosure obligations and for the purpose of the Rexel's Ordinary and Extraordinary Shareholders' Meeting convened for May 25, 2016 (the **"Shareholders' Meeting"**).

In this 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 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 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 Registration document thus do not constitute official data.

This Registration document contains information on the trends, objectives and prospects of development of the Rexel Group. Such information should not be interpreted as quaranty 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 intentions, objectives and prospects of development may be affected by the materialization of one or more risk factors as described in chapter 2 of this Registration document.

The forward-looking statements provided in this Registration document are made as of the date of this 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 of this Registration document.

1 Overview of the Rexel Group

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, 2015, 2014 and 2013.

Principal key figures of Rexel's consolidated income statement

(in millions of euros)	**2015**	**2014 Restated[(1)]**	**2014**	**2013**
Sales	13,537.6	12,824.3	13,081.2	13,011.6
Gross profit	3,226.6	3,118.5	3,174.9	3,188.5
As a percentage of sales	*23.8%*	*24.3%*	*24.3%*	*24.5%*
EBITA[(2)]	573.0	646.6	646.8	686.9
Adjusted EBITA[(2)]	593.5	649.5	649.4	702.2
As a percentage of sales	*4.4%*	*5.1%*	*5.0%*	*5.4%*
Operating income	379.4	526.2	495.8	521.0
Net income from continuing operations	85.0	240.8	200.0	211.0
Results from discontinued operations	(69.3)	(40.8)	–	–
Net income	15.7	200.0	–	–
Net income attributable to the Rexel Group	16.9	199.7	199.7	210.6

(1) Restatement of the presentation of the Latin American operational sector in discontinued operations.
(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 income 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 2.1.4.1 "Risks relating to changes in prices of certain raw materials" and 5.1.1.3 "Effects connected to variations in the price of copper" of this Registration document). EBITA and Adjusted EBITA are not standardized accounting aggregates, which would meet a single and generally accepted definition. They should not be considered as substitutes for operating income, net income, cash flow from operational activity, or as a measure of liquidity. EBITA and Adjusted EBITA can be calculated in different ways by companies having similar or different operations.

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

(in millions of euros)	**2015**	**2014 Restated[(1)]**	**2014**	**2013**
Operating income	379.4	526.2	495.8	521.0
(-) Other income[(2)]	(5.1)	(11.6)	(11.7)	(11.4)
(+) Other expenses[(2)]	181.7	116.6	146.5	157.6
(+) Amortization of intangible assets arising on the purchase price allocation of acquisitions	17.0	15.5	16.1	19.7
= EBITA	**573.0**	**646.7**	**646.8**	**686.9**
(+) / (-) Non-recurrent effect resulting from changes in copper-based cable prices[(3)]	20.6	2.8	2.6	15.3
= Adjusted EBITA	**593.5**	**649.5**	**649.4**	**702.2**
Adjusted EBITA margin	4.4%	5.1%	5.0%	5.4%

(1) Restatement of the presentation of the Latin American operational sector in discontinued operations.
(2) See note 8 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2015 included in Chapter 6 "Consolidated Financial Statements" of this Registration document.
(3) See paragraphs 2.1.4.1 "Risks relating to changes in prices of certain raw materials" and 5.1.1.3 "Impact of changes in copper price" of this Registration document.

Principle key figures from the table of consolidated cash flow of Rexel

(in millions of euros)	2015	2014	2013
Operating cash flow(1)	564.8	647.5	674.0
Changes in working capital requirements	97.9	(34.1)	50.6
Cash generated from operating activities before net interest and income taxes	662.7	613.4	724.6
Net capital expenditure	(115.2)	(102.8)	(72.1)
Changes in working capital requirements adjusted for timing difference in supplier payments(2)	–	51.9	(51.9)
Free cash flow before net interest and income taxes(3) (4)	**547.5**	**562.4**	**600.6**

(1) Before interest, taxes, and changes in working capital requirements.
(2) Restatement of working capital requirements due to supplier payments scheduled for December 31, 2013 and made on January 2, 2014.
(3) Free cash flow before net interest and income taxes is defined as the change in the net cash position originating from operational activities before deduction of net financial interest paid and before deduction of income taxes paid, less net capital expenditure.
(4) Including €562.6 million related to continuing operations in 2015 (€559.7 million in 2014) and (€15.1) million to discontinued operations in Latin America (€2.7 million in 2014).

Principal key figures of Rexel's consolidated balance sheet

	AT DECEMBER 31,		
(in millions of euros)	2015	2014	2013
Non-current assets	5,848.1	5,815.0	5,642.2
Working capital requirements	1,330.4	1,369.8	1,273.9
Shareholders' equity	4,352.9	4,343.4	4,224.7
Net indebtedness	2,198.7	2,213.1	2,192.0
Other non-current liabilities	626.9	628.3	499.4

The description of the Rexel Group's indebtedness and notations appears in paragraph 5.2.2 "Sources of Financing" of this Registration document.

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.

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.

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 which took place during 2014, the consortium no longer holds 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. Between 2006 and 2015, the Rexel Group completed 62 consolidating acquisitions, as well as two transforming acquisitions, those of GE Supply in 2006 and the Hagemeyer Group in 2008. In the context of the reorganization of the business portfolio started in early 2015, Rexel sold in September 2015 six of its companies in Latin America.

1.3 Recent acquisitions and disposals

The acquisitions and disposals completed during the years ended December 31, 2014 and December 31, 2013 are respectively described in the Registration document filed with the *Autorité des marchés financiers* on March 25, 2015 under number D.15-0201 and in the Registration document filed with the *Autorité des marchés financiers* on March 21, 2014 under number D.14-0181.

The acquisitions and disposals completed during the year ended December 31, 2015 and at the start of 2016 are described in notes 4.1 and 28 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2015 included in Chapter 6 "Consolidated Financial Statements" of this Registration document.

1.4 Business and Strategy

The Rexel Group considers itself to be one of the leading global distributors in low and ultra-low voltage electrical products in terms of 2015 sales and number of branches. At December 31, 2015, it operated in 35 countries spread mainly over three geographical regions: Europe, North America and Asia-Pacific. All of Rexel's Latin American businesses were sold during 2015.

In 2015, the Rexel Group's consolidated sales reached €13,537.6 million, of which 54% was generated in Europe, 36% in North America and 10% in Asia-Pacific. Rexel Group generated a 2015 adjusted EBITA of €593.5 million, representing 4.4% of 2015 consolidated 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, 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;
- 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.

For these three end-markets, 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 ten largest customers represented less than 10% of the Rexel Group sales in 2015.

The breakdown of the Rexel Group's sales in 2015 by end market is as follows:

	NORTH AMERICA	EUROPE	ASIA-PACIFIC	REXEL GROUP
Residential	6%	33%	17%	22%
Commercial	51%	42%	30%	44%
Industrial	43%	25%	53%	34%

The Rexel Group's product offer can be broken down into seven families, listed hereafter in percentage of 2015 sales: electrical installation equipment (39%), cables and conduits (22%), lighting (20%), security and communication (2%), climate control (4%), tools (3%), renewable energies and energy management (2%), white and brown goods (1%) and other products (7%, including services). This offer is enhanced by combining products with services, in particular, logistics, technical assistance and training.

As at December 31, 2015, the Rexel Group had a network of 2,064 branches grouped around different commercial brands, employing 27,703 people.

The operational sectors on which the consolidated financial statements presented by the Rexel Group are based are set forth in note 4 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2015 included in Chapter 6 "Consolidated financial statements" of this Registration document.

1.4.1 Rexel Group's Markets

1.4.1.1 The Professional distribution market for low and ultra-low voltage electrical products

A significant market

Based on its estimates, the Rexel Group considers that the professional distribution market for low and ultra-low voltage electrical products in which it is present represented around €194 billion worldwide in 2015. This market grew slightly compared to 2014, at constant foreign exchange rates.

According to the Rexel Group's estimates, North America constitutes the largest share of the world professional distribution market for low and ultra-low voltage electrical products, at around 45% in 2015 (€87 billion). Europe represents approximately 22% of this market (€43 billion) and Asia-Pacific around 22% in 2015 (€42 billion, including €10 billion for Japan). The other regions (Latin America, Africa and Middle East) represent around €21 billion.

Breakdown between the main countries for the professional distribution of electrical products(1)

COUNTRY	UNITED STATES	CANADA	GERMANY	FRANCE	ITALY	UNITED KINGDOM	CHINA
Size (€ billion)	83	5	8	7	6	5	16
Exchange rate used (1 euro =)	1.1	1.4	1.0	1.0	1.0	0.7	7.0

(1) Source: Rexel estimates. In 2015, Rexel conducted a full country-by-country review of the distributed electrical market.

The valuation of this market does not include a certain number of services that exceed the simple distribution of electrical products, such as the production of energy audits or complementary services in logistics, such as inventory management.

A growth market

Rexel Group considers that its market should grow in volume over the long term, following the trend in electricity consumption. This anticipated growth trend is notably driven by a combination of macroeconomic factors such as:

- The development of access to electricity linked to demographic growth and distribution;
- Raised awareness of energy issues; and
- The increase in demand for comfort and security.

In addition to the macroeconomic factors, Rexel Group considers that the professional distribution market for low and ultra-low voltage electrical products is driven by a combination of different factors:

- Continuous technological progress (home automation or LED technology, for example) and the modernization of existing equipment;
- Customers are looking for high value added products that offer increased functionalities, in particular in terms of security, ease of use and energy efficiency, leading to increasing demand;
- A changing regulatory environment, which varies by country. The modification of safety and energy consumption standards constitutes a factor for equipment renewal;
- 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 development of solutions aiming at reducing energy consumption or the launch of new energy solutions; and
- The consolidation of international customers looking for a consistent service delivery model across all countries in which they operate.

A generally more mature market in developed countries

The characteristics of the professional distribution of the low and ultra-low voltage electrical products sector vary according to the level of market maturity. In emerging countries, markets – with a larger share of major infrastructure projects – are mainly served by manufacturers that sell their products directly to end users. Developed economy countries present a more favorable environment for the professional distribution model, as a preferential interface between manufacturers and end customers. This is notably due to more diverse industrial and construction needs, more attention to comfort linked to higher purchasing power and more stringent regulations.

A market that is constantly changing depending on customer expectations

The Rexel Group considers that the role of professional distributors is strengthened by the change in its customers' expectations. The latter are more attentive to improvements in the level of services, in particular, in terms of ease of procurement and the availability of products and solutions associated with the reduction in energy consumption.

The traditional players in low and ultra-low voltage electrical products are, therefore, seeing the definition of their role and their market(s) changing and growing due to:

- The extension to their product offerings (HVAC, etc.) and services (inventory management, etc.); and
- The emergence of new markets connected to the energy world (connected devices, etc.).

A renewal in the product offer supported by price increases

The ongoing development and renewal of the higher value added product offer encourages regular growth in average prices. This trend is particularly noticeable in the most technical product families, such as industrial automation, lighting, security and communication. It is also supported by the change in safety and energy savings standards, promoting the renewal and shift to more advanced products.

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.

In 2015, the Rexel Group estimates that around 25% of world sales in the professional distribution of low and ultra-low voltage electrical products market were generated by ten major distributors: Rexel and Sonepar, operating in the main world markets, Graybar Electric Company, W.W. Grainger, Consolidated Electrical Distributors, WESCO International, HD Supply Holdings and Anixter International, primarily located in North America, and Solar and Würth, located essentially in Europe.

Around 75% of global sales in the professional distribution of low and ultra-low voltage electrical products market are, therefore, generated by a large number of companies operating at national, regional or local levels.

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), which the Rexel Group estimates represent around 31% of the total sales generated in 2015, followed by a very fragmented spread of regional distributors. This configuration can be explained, in particular, by the geographical scope of the market and the historical presence of numerous local players. However, in some countries such as Australia, Canada, France, The Netherlands, the United Kingdom, Scandinavia 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.

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.

The risks associated with acquisitions are described in paragraph 2.1.1.2 "Risks relating to acquisitions" in this Registration document.

1.4.1.2 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 2015 sales were

€13,537.6 million. The breakdown between the different zones is as follows:

	IN MILLIONS OF EUROS	IN PERCENTAGE
Europe	**7,289.3**	**54**
North America	**4,898.1**	**36**
Asia-Pacific	**1,349.7**	**10**
Total	**13,537.6**	**100**

The Rexel Group estimates that with its network of 2,064 branches, it has a market share of around 7% on a global level.

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 2015 market share of around 17%. It considers that the residential, commercial and industrial, markets represented respectively 33%, 42% and 25% of its 2015 sales in Europe.

At December 31, 2015, the Rexel Group was located in 21 European countries. It considers that it occupies the first or second place in 14 of these countries.

North America

According to its estimates and based on its 2015 sales, the Rexel Group's market share for 2015 was around 5% for the professional distribution of low and ultra-low voltage electrical products market in North America. The Rexel Group considers that it occupies the second place in this zone, with market shares of around 4% in the United States and 24% in Canada.

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 6%, 51% and 43% of its 2015 sales in North America.

Asia-Pacific

Based on its estimates and its 2015 sales, the Rexel Group considers that it is number two in Asia-Pacific.

According to its estimates, the residential, commercial and industrial, markets represented respectively 17%, 30% and 53% of the Rexel Group's 2015 sales in Asia-Pacific.

At December 31, 2015, the Rexel Group was located in 12 Asia-Pacific countries.

The risks associated with the general economic environment are described in paragraph 2.1.1.1 "Risks relating to the general economic environment" in this Registration document. The competitive risks are described in paragraph 2.1.1.3 "Risks relating to competition" in this Registration document. The risks associated with emerging or non-mature markets are described in paragraph 2.1.1.8 "Risks relating to operations in emerging or non-mature countries" in this Registration document.

1.4.2 The Rexel Group's Businesses

The Rexel Group offers a wide range of products and services that aim to meet all needs of electrical product contractors, as well as industrial and commercial customers (industrial and commercial companies, public authorities and establishments, parts manufacturers and panel builders). The services offered by the Rexel Group enable customers to manage the technical changes inherent in the product families distributed and to support them throughout their project lifetimes.

A wide range of technical products and solutions

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

- **Electrical installation products** (39% of 2015 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) as well as solar panels. All these devices have an important role in the management and optimization of energy consumption;
- **Cables and conduits** (22% of 2015 sales) that allow the distribution of electrical current and that also groups raceways, wiring ducts and cable troughs;
- **Lighting** (20% of 2015 sales) which includes, on the one hand, sources such as low energy consumption bulbs, incandescent, halogen and fluorescent tubes and LEDs and, on the other hand, light fixtures, such as indoor and outdoor lighting systems, sensors and decorative accessories;
- **Security** and **communication** (2% of 2015 sales) including primarily voice, data and image transmission systems (VDI), and detection (intrusion and fire) surveillance and access control devices;
- **Climate control** (4% of 2015 sales) which covers ventilation, air conditioning and heating systems (in particular, those based on renewable energies);
- **Tools** (3% of 2015 sales) including hand and electrical tools, and instrumentation tools;

- **Renewable energies and energy management** (2% of 2015 sales) including equipment related to renewable energies control (solar, photovoltaic panels, wind, batteries for energy storage) and energy management systems; and
- **White and brown goods** (1% of 2015 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 Gexpro Services in the United States. The sales generated by the Rexel Group for these other business was around 7% in 2015.

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

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.

In a limited number of segments suitable for their development, the Rexel Group also distributes its own-brand products (for example, the Bizline brand), on which it generates on average higher margins than those obtained in equivalent product categories under suppliers' brands.

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.

An offer of services adapted to customer needs

The Rexel Group offers its customers:

- Services directly connected to the supply of technical solutions that promote the electrical products' offer;
- Complementary services in the areas of logistics and distribution, allowing it to get closer to the end customer and satisfy all their needs, by offering a wider range than the classical electrical products offer;
- Electrical installation design services.

Services connected to the provision of technical solutions

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 services, in particular logistics, technical assistance, training and project management support, particularly internationally. These services are carried out by qualified personnel benefiting from continuous training that allows them to master technological changes.

These services are generally integrated into the offer price, and are not, therefore, invoiced separately, thus contributing to increasing the value of the Rexel Group's distributor role. In addition, these services are part of a customer loyalty and development policy, in particular, through the widening of their skills to products incorporating the most recent technological evolutions.

Complementary services in logistics and distribution

Thanks to its organization, the Rexel Group offers logistics services to its customers, such as product collection from branches, including outside of opening hours or fast on-site delivery.

In addition, the Rexel Group, in particular through its US Services platform, has an offer of high value added dedicated logistics and distribution services in the area of electrical and mechanical products (mountings, bolts, etc.) for its industrial customers. Thus, the Rexel Group offers its industrial customers in the United States two ranges of logistics services for the supply of spare parts and parts assembly. These services are provided by dedicated entities that group the following activities:

- Inventory management and provision of products to assembly lines at customer production units (Production Services); and
- Distribution of spare parts in the electrical products area (Parts Super Center).

These services are provided within joint development programs with customers, with long-term contracts, thus building their loyalty.

1.4.3 The Rexel Group's competitive strengths

1.4.3.1 A position of world leader

The Rexel Group generated sales of €13,537.6 million in 2015 and, at December 31, 2015, had 2,064 branches, employing 27,703 people located in 35 countries.

BUSINESS AND STRATEGY

According to its estimates, the Rexel Group is a market leader in the professional distribution of low and ultra-low voltage electrical products in terms of sales and number of branches. Based on its 2015 sales, it also considers that it holds the second position in its three main geographical zones: North America, Europe and Asia-Pacific. The countries in which Rexel considers that it has a market share over 10% represent more than 65% of its sales.

The Rexel Group considers that it holds a global market share of around 7%, allowing it to continue to develop its market share, in particular through external growth, by becoming one of the main players in the market consolidation for the professional distribution of low and ultra-low voltage electrical products.

This position allows the Rexel Group to:

- 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 a common logistics model, and, at a regional level, from information systems shared among several operational platforms;
- Benefit from equivalent or better purchasing conditions than its smaller competitors, by entering into partnership agreements with its strategic suppliers; and
- Better identify external growth opportunities in countries targeted by the Rexel Group and integrate acquired businesses according to processes defined based on its experience.

These strengths hone the Rexel Group's competitive advantage compared to distributors whose size or organization do not have the same characteristics.

1.4.3.2 A diversified geographical and end-market presence

The Rexel Group's presence across several countries over several continents limits its exposure to local fluctuations in economic cycles. Europe, North America and Asia-Pacific represent respectively around 54%, 36% and 10% of 2015 sales.

In addition, the balanced breakdown of its activity between its three end-markets (industrial, commercial and residential) allows the Rexel Group to reduce the effects of a downturn in a given end market within a country or region.

1.4.3.3 A strong local presence

The Rexel Group considers that it has a market share of over 20% in 13 of the 35 countries in which it operated in 2015. This strong local presence helps drive profitability, as the Rexel Group considers that its operating margin is, in general, higher in zones where it has significant market shares.

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 offering a good fit with customers' needs in terms of proximity to their operations;
- The development of multi-brand commercial networks that help increase the Rexel Group's market share in countries where it is already significant;
- A logistics organization adapted to customer demand and market density;
- Its ability to employ qualified personnel with deep knowledge of the local market and to provide them with ongoing training; and
- Its attractiveness for suppliers as a leading distributor in a given geographical zone to promote their products.

At December 31, 2015, the Rexel Group had 2,064 branches. By geographical zone, the number of branches changed as follows between December 31, 2013 and December 31, 2015:

	AT DECEMBER 31,		
(number of branches)	**2015**	**2014(1)**	**2013(1)**
Europe	**1,234**	**1,280**	**1,306**
North America	**567**	**605**	**617**
Asia-Pacific	**263**	**260**	**259**
Total	**2,064**	**2,145**	**2,182**

(1) Excluding Latin America.

The Rexel Group regularly checks the fit of its branch network with market needs, which can lead to branch openings, transfers, regrouping or closures.

1.4.3.4 A high value-added product and service offering

The Rexel Group offers an extensive product range. The Rexel Group combines them with value added services, such as support services, product availability, project management or installation design. In particular, the Rexel Group supports its customers in the choice and management of technical installations for the distributed products and provides appropriate delivery services. These services notably include:

- Outsourcing programs for the logistics chain, in particular in the area of inventory and assembly management, distribution of spare parts and the outsourcing of logistics services; and
- Training, support for automation programming and support for drafting cabling diagrams.

Thus, the Rexel Group distributes installation solutions designed to function in an integrated way and cover all its customers' electrical product needs through:

- Provision of turnkey solutions and the calculation of potential savings, in particular in the areas of energy efficiency; and
- Support for major projects, in particular for logistics needs.

In this context, it 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 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 makes it a privileged contact between contractors and suppliers.

Thus, the Rexel Group offers a complete range of products and services located at the heart of the value chain, and which meet all demands from its customers (professional contractors or end users in the commercial, industrial or residential end-markets) and suppliers (manufacturers).

1.4.3.5 Qualified, 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. 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 Rexel Group also aims to improve the productivity of its support functions, in particular, administrative services, to optimize operating costs.

In addition, the Rexel Group aims to develop its customers' loyalty and its market share for these customers.

The Rexel Group's managers have a broad experience in professional distribution as well as expertise in operational, financial and M&A matters.

1.4.3.6 Strategic relations with suppliers

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:

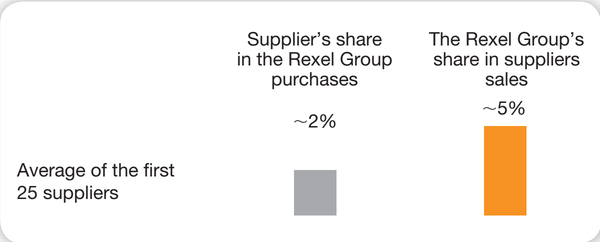
- On a global level, around thirty international suppliers are considered "strategic suppliers" by the Rexel Group. These suppliers are present in different countries on one or several continents and are committed with the Rexel Group in international development programs;
- At each country level, the Rexel Group subsidiaries negotiate specific purchasing conditions with national 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. Thus, the Rexel Group organizes supplier relations around a limited number of strategic suppliers – global players in the low and ultra-low voltage electrical products industry – and a certain number of suppliers operating in a given region or country.

In this way, the Rexel Group promotes the development of sustainable relations with its strategic suppliers who have the ability to contribute to the growth of its business both on global and local levels. These privileged relations enable the Rexel Group to have more bargaining power, obtain productivity gains, generate economies of scale in logistics and benefit from the supplier's marketing resources. 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 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:



The risks associated with supplier dependence are described in paragraph 2.1.1.6 "Risks relating to supplier dependence" in this Registration document.

1.4.3.7 An effective logistics model

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

- Logistics centers: generally used in zones with high customer density, logistics centers exclusively 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: in zones with lower customer density, the Rexel Group has developed thanks to the implementation of hub and spoke branches. Each hub branch provides logistics support to its spoke branches, in addition to its own sales activity; and
- Autonomous branches: autonomous branches are generally located in regions with lower 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.

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 aim is to centralize flows through logistics centers.

The risks associated with the Rexel Group's logistics structure are described in paragraph 2.1.1.5 "Risks relating to the Rexel Group's logistical structure" in this Registration document.

1.4.3.8 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.

In addition, the Rexel Group has maintained its gross capital expenditure over the last three years to an annual level of between 0.8% and 0.9% of its consolidated sales. This investment policy is representative of the low capital intensity of the professional distribution of low and ultra-low voltage electrical products.

1.4.3.9 A flexible costs structure

The Rexel Group considers that its ability to adapt allows it to mitigate the negative effect of lower sales on its operating margin. In addition, this ability constitutes an important driver for profitability, favoring improvements to its operating margin in growth periods, as its fixed costs can grow more slowly than sales.

Based on 2015 financial information, the Rexel Group considers that the structure of its operating costs before amortization comprises:

- Variable costs depending on the level of activity of 24% (transport, commissions, etc.);
- Fixed costs, flexible in the very short term of 56% (salaries in some countries, advertising, various fees, etc.); and
- Fixed costs, flexible in the short- to medium-term of 20% (salaries, rents, information systems costs, etc.).

1.4.3.10 An ability to integrate acquisitions

In the context of a fragmented market with numerous acquisition opportunities, the Rexel Group considers that its size and strong local market shares, as well as its experience in terms of acquisitions and integration, allow it to better identify targets and carry out these acquisitions more effectively than its smaller-sized competitors or those with less experience in identifying synergies at the time of acquisitions.

Thus, between 2006 and 2015, the Rexel Group carried out 62 consolidating acquisitions, as well as GE Supply (now Gexpro) and the Hagemeyer Group.

The risks associated with acquisitions are described in paragraph 2.1.1.2 "Risks relating to acquisitions" in this Registration document.

1.4.4 Rexel Group's strategy

Following *Energy in Motion*, the Rexel Group has developed a new strategy called *Rexel 2020*. *Rexel 2020* is underpinned by a comprehensive strategic roadmap for sustainable, profitable growth aiming at positioning Rexel as the value-added partner of preference for its customers and suppliers to enable long-term value creation.

Rexel's 2020 ambition is part of Rexel's broader aspiration to create sustainable economic, environmental, and human value for all its stakeholders and fully leverage the equity of its "Rexel, a world of energy" brand proposition.

Rexel 2020 focuses on:

- A vision;
- A mission;
- An ambition; and
- A 2020 strategic roadmap.

1.4.4.1 The Rexel Group's vision

The "Rexel, a world of energy" promise captures the essence of the Rexel Group's role and impact in a fast-changing electrical industry and in a rapidly transforming world of energy that generates wide ranging value creation opportunities.

This vision also embodies the desire to cooperate with all stakeholders – customers, suppliers, employees and investors – for mutually rewarding value creation.

This vision also embodies the wish and desire to contribute to a more sustainable world of energy and a better quality of life.

1.4.4.2 The Rexel Group's mission

Rexel's mission is to support its customers – in the residential, commercial and industrial end-markets – to be at their best in running their business. Rexel provides them a wide range of sustainable and innovative products, services and solutions in the areas of technical supply, automation, and energy management relating to construction, renovation, maintenance, and production.

1.4.4.3 The Rexel Group's ambition

Rexel's ambition is to create higher value for its stakeholders – customers, suppliers, employees and investors – by continuing its transition from an electrical distributor to a value-added partner of preference for its customers, and through a balanced portfolio of countries and customer segments.

Rexel aims at achieving on average over the next five years the following annual financial targets:

- Organic sales outperforming the market, with constant and same-day growth of between 1% and 2%;
- Annual adjusted EBITA growth of at least twice the pace of annual organic sales growth; and
- Conversion rates of EBITDA into free cash flow of between 70% and 80%, before interest and tax, and between 35% and 45%, after interest and tax.

These financial ambitions are conditional upon an economic recovery materializing over the five-year period.

On top of organic growth, Rexel will continue its targeted accretive acquisition strategy, in line with its cash allocation policy.

1.4.4.4 *Rexel 2020*: A Roadmap for Profitable Growth

Rexel 2020's strategic roadmap is structured around four business imperatives:

1. Building on a leading position to seize growth opportunities;
2. Implementing a differentiating customer-centric strategy;
3. Driving innovation in marketing, digital and operations; and
4. Accelerating profitable growth through targeted M&A.

1.4.4.4.1 Building on a leading position to seize growth opportunities

Rexel is a strategic partner for both suppliers and customers with a strong and well-balanced customer base and a balanced mix of end-markets.

In recent years, Rexel has significantly upgraded and invested in its business model and reinforced its commercial and operational capabilities around the world, thus creating a unique platform to capitalize on new trends, technologies and applications. Three trends offer growth opportunities across all end-markets:

- The "Energy Transition" is generating a broad spectrum of new business opportunities along the value chain as the world moves toward a sustainable energy future, *e.g.*, renewable energies, energy efficiency;
- The "Internet of Things" is creating a wide array of new digitally powered business models and connectivity based applications and solutions; and
- Urbanization is accelerating and changing the economic landscape, creating avenues for profitable growth both related to renovation of existing buildings as well as new construction across all end-markets.

Rexel has a proven track record and strategic focus aligned with these trends, positioning the company to continue to drive sustainable profitable growth.

1.4.4.4.2 Implementing a differentiating customer-centric strategy

Rexel's customer-centric strategy is a key source of competitive differentiation.

With *Rexel 2020*, the Group continues its transition from an electrical distributor to a value-added partner of preference for its customers, by:

- Moving from a generalist distributor to a multi-specialist value-added partner serving customers through specific "Customer Delivery Models" designed around end-market requirements;
- Moving from a branch-centric, over-the-counter customer proximity model (locations, visits) to customer-centric, multi-channel customer intimacy model (touch points, interactions) supported by behavior-based CRM using "big data-" enabled predictive analytics; and
- From a core activity based on product delivery, technical assistance & commercial support to a core activity complemented and extended with value-added marketing, consultative selling, end-to-end project management, managed services, performance contracting, customized solutions.

To better serve its customers, Rexel has structured its business around six distinct "Customer Delivery Models":

1. Small- and medium-sized Contractors and Installers (C&I), for whom Rexel plays the role of "one-stop shop" for all electrical needs;
2. Medium- and large-sized Contractors and Installers (C&Is) and Facility Management (FM) companies, for whom Rexel provides supply chain solutions for electrical sourcing and support in managing complex projects;
3. Electrical specialist, offering segment-specific applications and/or specification-driven solutions;
4. Industrial automation products and solutions provider, providing high-level technical support throughout the production life-cycle;
5. Industrial customers and maintenance companies, requiring integrated MRO supply for cost optimization; and
6. Original Equipment Manufacturers (OEMs), offering comprehensive sourcing and supply chain solutions.

Through these six "Customer Delivery Models", Rexel is able to more effectively and efficiently allocate its resources and become a "multi-specialist, value-added partner" with its customers.

1.4.4.4.3 Driving innovation in marketing, digital and operations

Customer-centric innovation is essential to drive differentiation as a "Value-Added Partner".

- In marketing, Rexel is investing in new value propositions, such as the Energeasy range, as well as in systems and tools based on behavioral customer segmentation using data analytics;
- In the digital area, Rexel is investing in a digitally-powered multichannel model; and
- In operations, the new supply chain management backbone allows for differentiated logistics services thereby improving both productivity and customer service performance.

1.4.4.4.4 Accelerating profitable growth through targeted M&A

Capitalizing on its track record of acquiring and integrating bolt-on acquisitions (€1.2b acquired sales since 2012 through 24 acquisitions), Rexel's M&A strategy has two pillars:

- Strengthen position and leverage scale in core markets; and

- Expand through new growth vectors and/or adjacencies.

Over the 2016-2020 period, Rexel has the ambition and the financial capacity to invest around €1.5bn in targeted accretive acquisitions, *i.e.* around €300m on average per year, in line with strict M&A criteria. With this investment, it is expected that M&A could generate cumulated additional sales of over €2bn during the 2016-2020 period.

1.4.5 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.

The Rexel Group's intellectual property policy is centered on protection for its brands (mainly the Rexel brand and own-brands such as Bizline, Sector, Newlec and Gigamedia) and its domain names (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.

The Rexel Group's policy is to protect its trademarks appearing on some products by registering them in the sales territories and in registration classes for 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 (eg. 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.

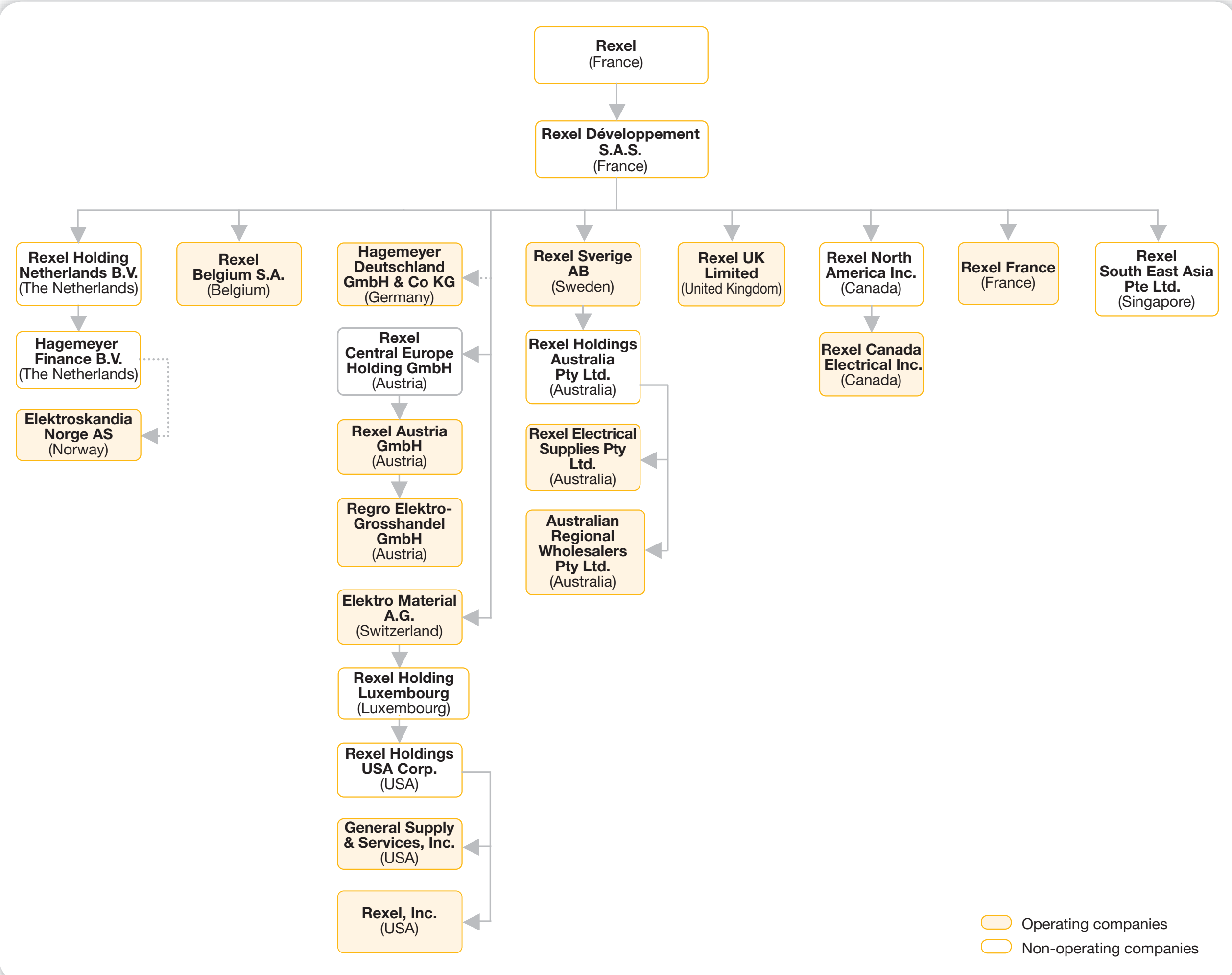
In April 1998, Rexel Distribution signed an agreement on the coexistence and global use of the "Rexel" trade name with a company, which had already registered the trade name and which operates in a different sector than the Rexel Group. Under the terms of this agreement, both companies are authorized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

1.5 Organization

1.5.1 Organizational chart

The organizational chart below is a simplified organizational chart of the Rexel Group as of December 31, 2015.

As at December 31, 2015, the Rexel group comprised 142 subsidiaries. The list of all of the companies consolidated by Rexel as of December 31, 2015 and their geographical location is detailed in note 29 of the Notes to Rexel's consolidated financial statements for the year ended December 31, 2015 which are set out in chapter 6 "Consolidated Financial Statements" of this Registration document.



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

1.5.2 Principal subsidiaries as of December 31, 2015

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 3.4 "Related party transactions" of this 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. Rexel Développement provides services (management, strategic planning, finance, human resources, IT/Telecoms and legal) to the Group companies. Furthermore, Rexel Développement 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

Regro Elektro-Grosshandel GmbH is a company governed by the laws of Austria with a share capital of €1,400,000. Its registered office is at 10, Richard Strauss Strasse, Vienna, Austria. It is registered with the registry of commerce and companies of Vienna under number FN 196359s. Its main activity is the distribution of electrical products. It is indirectly wholly owned by Rexel Central Europe Holding GmbH.

Hagemeyer Deutschland 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 Landsberger Str. 312, 806837, 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 registry of commerce and companies 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 82,150,000. Its registered office is in Alfasetveien 11, N-0668, Oslo, 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. Elektroskandia Norge AS is indirectly wholly owned by Hagemeyer Finance B.V.

Elektro-Material A.G. is a joint stock company (*Aktiengesellschaft*) governed by the laws of Switzerland with a share capital of CHF 136,500,000. 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.

ORGANIZATION

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. Rexel France 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 319,879,885 pounds sterling. Its registered office is at 5th Floor, Maple House – Mutton Lane, Potters Bar – EN6 5 BS Hertfordshire, 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. Rexel UK Limited is indirectly wholly owned by Rexel Développement.

North America

Rexel Holdings USA Corp. is a corporation governed by the laws of the 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 acquisition and management of equity investments in other companies and the provision of services. Rexel Holdings USA Corp. is wholly owned by Rexel Holding Luxembourg.

Rexel, Inc. is a corporation governed by the laws of the Delaware with a share capital of US $10,000, registered under number 75-2304244. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, USA. Its main activity is the distribution of electrical products. Rexel, Inc. is wholly owned by Rexel Holdings USA Corp.

General Supply & Services, Inc. is a corporation governed by the laws of the Connecticut with a share capital of US $1,000, registered under number 20-5021902. Its registered office is at 14951 Dallas Pkwy – Dallas, TX 75254, United States. Its main activity is the distribution of electrical equipment, the provision of services and ownership of equity investments in companies in the electrical product distribution business. It is wholly owned by Rexel Holdings USA Corp.

Rexel North America, Inc. is a corporation with a share capital of CAD 108,904,500 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 AUD 39,000,000 governed by the laws of New South Wales, Australia, registered under number ACN 000 437 475 NSW. Its registered office is at First Floor - Building B, 12 Julius Avenue - North Ryde, 2113 NSW, 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 AUD 169,598,471 governed by the laws of New South Wales, Australia, registered under number ACN 081 022 068 NSW. Its registered office is at First Floor - Building B, 12 Julius Avenue - North Ryde, 2113 NSW, Australia. Its main activity is the holding and management of interests in other companies. It is indirectly wholly owned by Rexel Sverige AB.

Rexel South East Asia Pte. Ltd. is a Singapore corporation with a share capital of SGD 108,780,000 governed by the laws of Singapore, registered under number 201112534M. Its registered office is at No. 1 Boon Leat Terrace #08-03, Harbourside Building 1, 119843 Singapore. Its main activity is the holding and management of interests in other companies. It is directly wholly owned by Rexel Développement.

Contributions from subsidiaries or significant sub-groups as of December 31, 2015 are as follows.

CONSOLIDATION VALUE (EXCLUDING DIVIDENDS) *(in millions of euros)*	FIXED ASSETS (INCLUDING GOODWILL)	GROSS DEBT (NON-REXEL GROUP)	CASH AND CASH EQUIVALENTS	CASH FROM OPERATIONS	DIVIDENDS PAID AND DUE TO REXEL
Rexel (France)	0.4	1,747.7	480.9	(4.2)	–
Rexel Développement SAS (France)	20.2	(285.5)	174.9	(28.4)	–
Rexel France (France)	1,276.8	419.8	17.6	167.5	–
Rexel Holdings USA Corp. (USA)	1,288.9	285.2	40.1	26.2	–
Elektro-Material A.G. (Switzerland)	730.4	(0.0)	1.3	72.7	–
Rexel North America Inc. (Canada)	540.0	115.9	4.9	50.8	–
Rexel UK Limited (United Kingdom)	310.5	250.0	(7.7)	36.9	–
Hagemeyer Deutschland GmbH & Co KG (Germany)	257.1	127.3	0.3	1.0	–
Rexel Sverige AB (Sweden)	233.7	0.2	0.2	8.3	–
Rexel Holdings Australia Pty Ltd (Australia)	163.8	85.6	0.5	17.5	–
Elektroskandia Norge AS (Norway)	177.6	0.7	0.9	21.1	–
Regro Elektro-Grosshandel GmbH (Austria)	84.6	–	–	4.8	–
Rexel Belgium SA (Belgium)	84.4	63.1	0.4	17.4	–
Other	495.0	200.5	90.6	18.5	–
Total consolidated	**5,663.4**	**3,010.6**	**804.8**	**410.1**	**–**

The Rexel Group analyses 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 Chapter 5 “Activity Report” of this Registration document.

1.6 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, 2015, the property portfolio of the Rexel Group consisted primarily of the following sites:

- The registered office of Rexel, 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;
- 53 logistics centers situated in Europe (France, Austria, Belgium, Estonia, Finland, Germany, Italy, The Netherlands, Norway, Poland, 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 10,000 square meters, for those situated in Europe (excluding France) and 17,000 square meters, for those situated in France; and
- 2,064 branches (including the hub 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 approximately 1,000 square meters. 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.

1.7 Investments

1.7.1 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, 2015, 2014 and 2013:

(in millions of euros)	2015	2014	2013	Total 2013-2015
Capital expenditure				
Information systems	**58.8**	54.5	44.7	158.0
Renovation and opening of branches	**28.6**	20.8	22.5	71.9
Supply chain	**16.5**	11.4	14.9	42.8
Other	**17.6**	19.1	20.2	56.9
Total gross capital expenditure	**121.5**	**105.9**	**102.3**	**329.7**
Change in fixed assets suppliers payable	**(1.3)**	1.6	(7.3)	(7.0)
Disposals of fixed assets	**(5.0)**	(4.8)	(22.9)	(32.7)
Total net capital expenditure	**115.2**	**102.8**	**72.1**	**290.1**
Acquisitions and disposals of subsidiaries				
Investments	**28.2**	36.7	12.7	77.6
Divestments	**(11.6)**	–	(10.4)	(22.0)
Total acquisitions and disposals of subsidiaries	**16.6**	**36.7**	**2.3**	**55.6**

Gross capital expenditure made during 2015, 2014 and 2013 respectively represented 0.9%, 0.8% and 0.8% of the consolidated sales of the Rexel Group.

Investments made during 2015 are described in paragraph 5.3 “Cash flow” of this Registration document and were financed through cash assets.

1.7.2 Principal investments underway

New customer-relations electronic marketing and development solutions are being deployed in Europe and in North America.

In several European countries, particularly in Finland, Sweden and Switzerland, a plan for the consolidation of logistical tools is in progress.

In Australia, new marketing and logistical platforms are in the deployment phase.

1.7.3 Principal investments contemplated

As of the date of this Registration document, no significant financial investment, other than those mentioned in paragraph 1.3 “Recent acquisitions and disposals” of this Registration document have been the subject of firm commitment with respect to third parties.

Capital expenditure of the Rexel Group, mainly in relation to its information systems, its logistical resources and its branch network, represent generally between 0.8% and 0.9% of its sales, on an annual basis.

1.8 Regulation

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

1.8.1 Product liability

As a non-manufacturing distributor, the Rexel Group could be held liable for the products which it distributes.

Also, in some countries, the Rexel Group could, as an importer, be held liable because of defects affecting the products which it imports and distributes.

The Rexel Group's liability is generally covered by the legal obligations of the manufacturers or the warranties and insurance coverages obtained from the manufacturers and transferred to the clients.

1.8.2 Environmental regulation

The Group's activities are subject to environmental regulations such as listed in paragraph 4.3.1 of this Registration document. The Rexel Group is also subject to specific local environmental regulations in the various countries where it operates.

The "RoHS" Directive

Directive 2002/95/EC of the European Parliament and of the Council of January 27, 2003, modified by Directive 2011/65/EU of July 1, 2011, called the "RoHS" (Restriction of Hazardous Substances) Directive, prohibits the use of certain dangerous substances in electrical and electronic equipment.

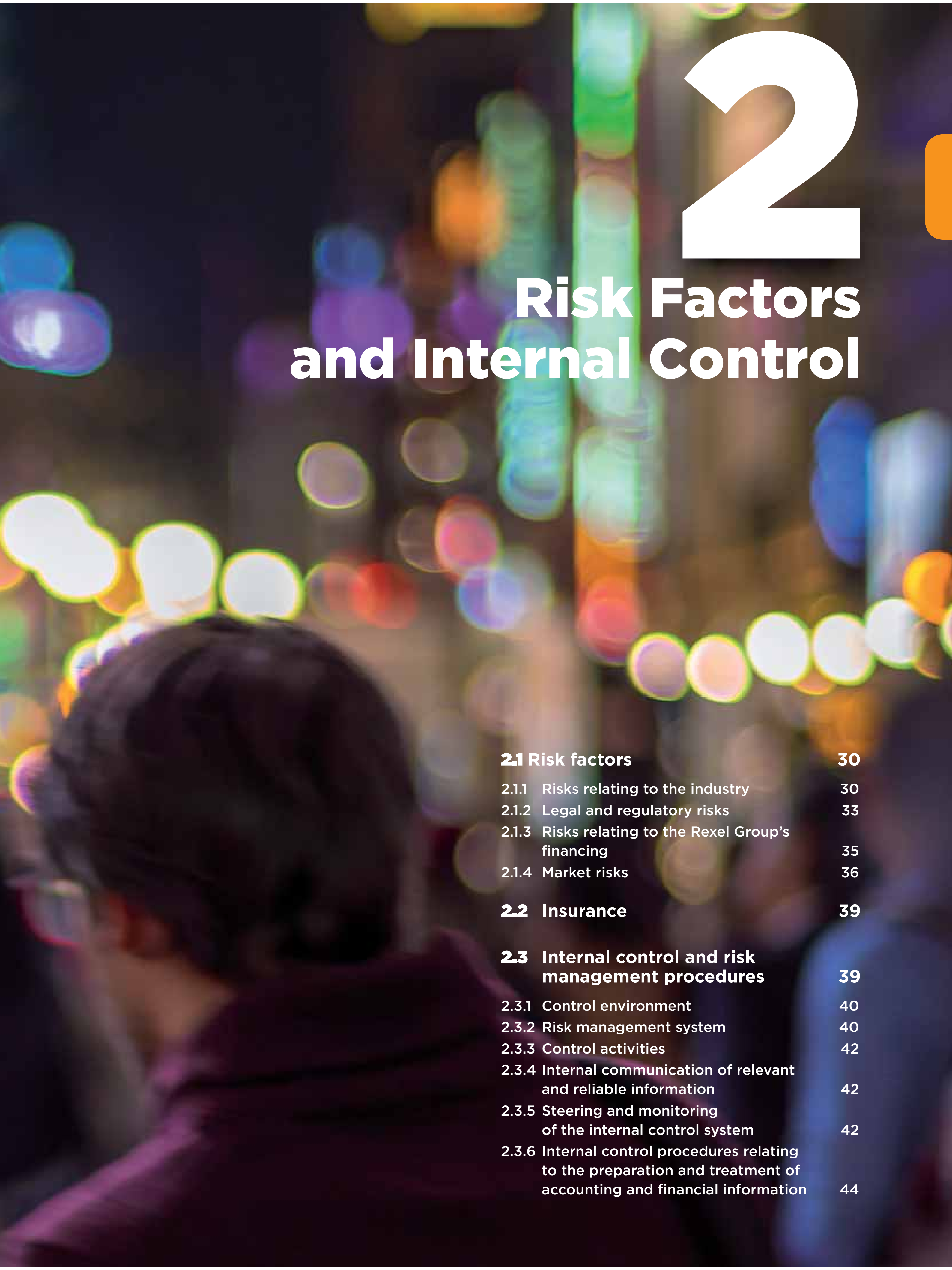
As a non-manufacturing distributor, the Rexel Group strives to put into place adequate measures in order to comply with said Directive.

The "WEEE" Directive

The 2002/96/EC Directive of the European Parliament and of the Council of January 27, 2003, called the "WEEE" Directive, pertaining to waste from household electrical and electronic equipment, in other words, which is intended for end-users, 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.

The "REACH" Regulation

Regulation 1907/2006 of the European Parliament and of the Council of December 18, 2006 known as "REACH" (Registration Evaluation and Authorization of Chemicals) 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.



2

Risk Factors and Internal Control

RISK FACTORS

Investors are urged to carefully review the risks described in this chapter, as well as all of the other information set forth in this Registration document. Such risks are, on the date hereof, the risks that Rexel believes may have a material adverse effect on its financial condition or its results of operations, 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 Registration document, or whose occurrence as of the date hereof is not considered likely to have a material adverse effect. This chapter includes a description of the risk factors of the Rexel Group, as well as the risk management measures taken for each of them. Moreover, the risk management process implemented within the Rexel Group is described in paragraph 2.3 "Internal control and risk management procedures" of this Registration document.

2.1 Risk factors

2.1.1 Risks relating to the industry

2.1.1.1 Risks relating to the general economic environment

The Rexel Group's end markets are the industrial market, the commercial building market and the residential building market. These markets can be further subdivided into (i) investment and construction and (ii) maintenance and renovation. The Rexel Group's business is sensitive to changes in general macroeconomic conditions and, more particularly, those affecting industrial investments and the construction, renovation and maintenance of residential and commercial buildings. In addition, the demand for the products distributed by the Rexel Group, the prices of such products and the Rexel Group's margins depend on many factors, such as inflation, interest rates, bank credit availability, or changes in economic and monetary policy.

The impact of changes in macroeconomic conditions varies depending on the end-markets and geographic regions in which the Rexel Group operates. Europe, North America and Asia-Pacific accounted for approximately 54%, 36% and 10% of the Rexel Group's 2015 sales respectively. In addition, the Rexel Group estimates that the industrial, commercial and residential markets, respectively, represented 34%, 44% and 22% of its 2015 sales from the distribution of electrical equipment. However, this distribution varies by region and by country (see paragraph 1.4.1 "The Rexel Group's markets" of this Registration document). For example, the industrial market accounts for approximately 43% of 2015 sales of the Rexel Group in North America while it is close to 86% of 2015 sales of the Rexel Group in China, and approximately 27% in France. In each geographical region, construction, renovation, and maintenance activities evolve differently.

An economic downturn in one or more of the Rexel Group's markets, or across all of its markets, may have an adverse effect on its financial condition, results of operations or its ability to implement its strategic decisions.

Similarly, political or economic instability in one of the countries where the Rexel Group is established may have an adverse impact on the results of operations in such country and of the Rexel Group.

Although the Rexel Group cannot control the occurrence of external risks, it has implemented tools to monitor and assess the risk level and impact. For this purpose, summaries consisting of financial data and macroeconomic indicators are drawn up by the country and regional management teams as well as by the Rexel Group's investor relations department. The summaries are delivered on a regular basis to the Rexel Group's management.

These indicators are taken into account in the budget process and may lead to measures aimed to adapt the Rexel Group's strategy to the economic and political context.

2.1.1.2 Risks relating to acquisitions

In the last few years, the Rexel Group has carried out bolt-on acquisitions to increase its market shares (see paragraphs 1.2 "History and development" and 1.3 "Recent Acquisitions and Disposals" of this Registration document), as well as disposals.

However, the Rexel Group may be unable to identify appropriate targets, complete acquisitions under satisfactory terms or ensure compliance with the terms of the relevant sale or purchase agreement. In addition, while the Rexel Group seeks the successful integration of acquired entities and businesses, it cannot guarantee that this integration will occur within the planned timeframes. Moreover, the Rexel Group may have difficulties in retaining the key employees identified during the acquisition process, or achieving expected synergies within planned timeframes. The Rexel Group may also bear charges or liabilities undisclosed in its acquisition and due diligence processes and integration costs may be higher than initially anticipated. Lastly, in certain cases, minority shareholders may retain interests in the share capital of the companies that the Rexel Group takes control of. The purpose is to ensure continuity, implying increased complexity in decision-making processes.

The occurrence of one of the above risks may have an adverse effect on the Rexel Group's financial condition or results of operations.

In order to limit risks relating to acquisitions and integration processes of the acquired companies, the Rexel Group monitors the implementation of acquisition projects. An Investment Committee reviews the suitability of each acquisition and evaluates whether it is in line with the Group strategy. The Investment Committee, composed by the members of the Executive Management and of the concerned executives, meets at several stages of the acquisition process to perform comprehensive analyses for an optimum execution. Moreover, throughout the entire acquisition process, the Rexel Group employs specialized advisors. Any material acquisition or cession (*i.e.*, with an enterprise value in excess of €50 million) is submitted for approval to the Rexel Board of Directors upon recommendation of the Strategic Investment Committee.

In relation to the post-acquisition stage, a dedicated team implements an integration plan and uses synergy follow-up tools for the larger acquisitions. Moreover a procedure for monitoring compliance with contractual undertakings in acquisitions has been established and distributed throughout the Rexel Group.

In addition, acquisitions carried out by the Rexel Group are reflected in its consolidated financial statements through the recognition of goodwill representing the expected future economic benefits from the purchased assets. Downward revisions of these expected benefits, including due to changes in macroeconomic conditions, may lead to goodwill impairments, which would then have an adverse impact on the financial condition and results of the Rexel Group. At December 31, 2015, the amount of goodwill recognized in the Rexel Group's assets totaled €4,266.6 million and the impairments recognized in the consolidated income statement for 2015 totaled €84.4 million (see note 12.1 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2015 included in Chapter 6 "Consolidated Financial Statements" of this Registration document).

2.1.1.3 Risks relating to competition

The market for professional distribution of low and ultra-low voltage electrical products is highly competitive, as the products distributed by the Rexel Group are generally available from other distributors. At the international level, the Rexel Group competes with several large professional electrical distributors, such as Consolidated Electrical Distributors, W.W. Grainger, Graybar Electric Company, Solar, Sonepar, WESCO International and Würth.

The Rexel Group also competes with smaller independent distributors that operate on the national, regional or local level which are part of, or may occasionally create, cooperative purchasing organizations.

Furthermore, the Rexel Group may compete with:

- Manufacturers that sell their products directly to certain clients in the industrial and services markets, essentially in connection with large-scale projects;
- Large do-it-yourself stores that distribute products directly to residential end-users;
- General building trade distributors, who could further expand their electrical product offerings or acquire companies already operating in the electrical product distribution sector and thereby create increased competition for the acquisition of market share;
- Specialists in e-commerce, distributing electrical material to professionals or end-users;
- Specialized distributors on certain market segments, as for example low voltage electrical material; and
- Service providers specialized in building maintenance or energy efficiency.

Regional competitors and new market entrants could attempt to hire the Rexel Group's employees, particularly sales and branch management personnel, which may have an adverse effect on operations.

The competitive pressure that the Rexel Group faces may therefore have an adverse effect on its financial condition or results of operations.

In order to limit the competition risks inherent in its business, the Rexel Group relies on its dense network of branches and sales personnel, the efficiency of its logistical systems as well as the quality of its services. In addition to its branch network, Rexel is developing a multichannel offering in most countries, including e-commerce, thereby responding to clients' expectations by simplifying administrative tasks and giving them technical advice.

Moreover, customers have access to a larger product offering when dealing directly with a professional distributor rather than a manufacturer. Customers also benefit from a higher quality of service and advice than that proposed by large do-it-yourself stores or e-commerce sites.

Each year, the Rexel Group reviews its branch network and makes strategic decisions in relation to the establishment (opening/closing) of its branches and subsidiaries, taking into account market growth opportunities as well as its competitors' presence and market shares.

Lastly, in order to limit the risk of its key employees joining the competition, Rexel Group entities ensure that their remuneration policies are competitive and include non-compete clauses in employment agreements when such provision makes sense in the local market.

2.1.1.4 Risks relating to information technology systems

Rexel is highly focused on the protection, confidentiality, integrity and maintenance of the operational capacity of its information systems.

Given the decentralized IT architecture and the recourse to several IT hosting providers located in various countries, the risk that a major malfunction affects operations globally is limited. Moreover, internal control procedures define a periodic validation of disaster recovery plans. In addition, regular audits verify compliance with rules related to change management, planning and execution of complex projects as well as access control.

Rexel frequently assesses the level of protection of its critical systems and has defined an organization, governance principles and technologies required to increase their protection against intrusion and hacking attempts. As new practices emerge around mobility at work, Rexel reinforces its practices regarding data management and protection on computing devices.

However, due to the rapid evolution of systems and software, the Rexel Group is unable to provide assurances that information systems will be completely immune to circumstances that may impact availability. A major malfunction or *force majeure* event affecting Rexel or a critical service provider could have an impact on the activity, financial condition or results of operations of the Rexel Group. The Rexel Group may also be required to make unforeseen expenditures or may experience temporary or extended disruptions with respect to its personnel, operations or information processing.

2.1.1.5 Risks relating to the Rexel Group's logistical structure

The evolution of the Rexel Group's logistical structures or malfunction of one or several of such structures may result in temporary or long-lasting disruptions of its business. This could have a negative impact on its reputation and results of operations.

The impact of such a risk is limited given the Rexel Group's logistical organization. It is organized at the local level, as opposed to the international level, and similar processes supported by warehouse management systems are shared across several countries. Should a malfunction occur in a distribution center, the disruptions may be limited through the use of another distribution center or through inter-branch transfers.

Moreover, performance indicators and logistical platform security data are shared within countries and within the Rexel Group. Regular monitoring of this information serves to alert Rexel to problems and implement necessary corrective action.

2.1.1.6 Risks relating to supplier dependence

While rationalizing its purchasing policy, the Rexel Group is reducing the number of its suppliers in order to strengthen its relationships with a smaller number of manufacturers. In 2015, the Rexel Group's purchases from its 25 leading suppliers accounted for 50% of its total purchases. More than 70% of its total purchases were from its 200 leading suppliers.

Overall, the Rexel Group believes that it is not dependent on any single supplier.

In general, the Rexel Group's distribution business involves entering into short- and medium-term agreements with suppliers. Sourcing agreements are established country by country with certain suppliers. The renegotiation of these agreements may lead to the suppliers' refusal to renew agreements or insistence to renew on terms that are less favorable to Rexel. In addition, the Rexel Group may face the inability of one or more of its suppliers to meet its contractual obligations, which may affect sales volume generated with the Rexel Group's customers.

In certain geographical regions, the Rexel Group may be dependent on certain suppliers due to, for example, exclusive or quasi-exclusive relationships, or a high concentration of suppliers in the purchases made. In the event it loses one or more such suppliers or that such a supplier reduces its product offering, the Rexel Group cannot guarantee that it will be able to offer a satisfactory alternative to its customers, as a result of which they may turn to one or more competitors to obtain products.

Furthermore, the Rexel Group monitors that the electrical equipment distribution business keeps pace with new technologies.

The occurrence of any of these events may have an adverse effect on the Rexel Group's financial condition or results of operations.

In addition, while constantly seeking for innovation, Rexel Group companies regularly identify new suppliers for the key products categories that they offer. Lastly, the relative importance of the Rexel Group to its main suppliers limits the risks relating to the termination of contracts or a material change in the product offers.

2.1.1.7 Risks relating to the Rexel Group's reputation

Considering its international foothold and visibility, the Rexel Group is exposed to various types of criticism or allegations concerning its reputation. Communication channels such as the Internet and social media react to information in real time and exponentially increase the amount of information made available. This may accelerate the impact on the Rexel Group's reputation, its governance, financial condition or results of operations.

In order to limit such risk and to mitigate its impact, the Rexel Group uses its communication strategy to proactively monitor its Internet tools, raise employees' awareness through informational and educational campaigns, and promote ethical practices by distributing its Ethics Guide to all of its employees across its businesses. It also imposes stringent communication rules, which include a charter for the use of social medias, a best practices guide, and regularly-updated crisis management process.

2.1.1.8 Risks relating to operations in emerging or non-mature countries

Rexel develops its activities notably in emerging or non-mature countries, where its control environment is lower mainly due to the small size of local teams and/or due to a potentially changing economic, political, legal or tax environment. Continuous risk assessment, integration and monitoring processes of these entities or activities have been defined to eventually ensure an adequate level of internal control on operational risks over the long term. Rexel is unable to provide assurances that no deficiency will affect these processes, which would impact the Rexel Group's financial conditions or results.

2.1.1.9 Risks relating to human resources

To attract, develop and retain talents is a priority for the Rexel Group in supporting its growth and strategy, and developing innovative solutions. The Group's in-house and external strategy in becoming a leading benchmark in human resources management and development focuses on 4 main areas: managers and change management, performance culture, employer brand, and organizational effectiveness.

Various in-house programs have been launched to boost the performance-oriented corporate culture (corporate university, top 100 development program, identifying and promoting high-potential employees with key management and technical skills, etc.).

Recruitment of external candidates with proven track records helps the Group ramp up skills and expertise in key domains.

In 2015, 130 employees throughout the Group assisted Rexel revise its employer value promise focused on nurturing and building its employees' commitment, loyalty and enthusiasm and on recruiting new talents: "Think ahead," "Work with a great team", "Make a personal impact", "Learn from the best", "Earn the career you want".

However, this two-fold commitment is carried out in difficult local contexts: changes in the local employment market and in particular the mounting pressure in competing for and recruiting top talent could have a negative impact on the profitability of operations.

In addition, the Rexel Group is committed to providing all its employees and all people on its sites a safe working environment. Risks related to safety and mitigating measures are detailed in paragraph 4.1 "Social information" of this Registration document.

2.1.2 Legal and regulatory risks

2.1.2.1 Risks relating to pending litigation

Risks related to pending litigation are described in detail in note 27 of the Notes to the consolidated financial statements of Rexel for the year ended December 31, 2015, which are set out in Chapter 6 "Consolidated Financial Statements" of this Registration document.

These litigations have been analyzed by the management who concluded that, as of closing date, they should be subject to no additional provision, other than those already booked.

Considering the status of pending tax claims and ongoing tax proceedings, Rexel believes that no material effect is to be expected with regards to its financial condition or its results of operations. However, Rexel cannot predict the outcome of these cases with certainty or assess potential tax adjustments.

There are no other governmental, judicial or arbitration proceedings (including any outstanding or threatened proceedings of which Rexel is aware of) that might have or that had during the last twelve months a material impact on the financial condition or profitability of Rexel or the Rexel Group.

The Rexel Group cannot rule out the possibility that new claims or lawsuits may arise as a result of facts or circumstances that are not known and the risks of which cannot, therefore, be ascertained or quantified at the date of this Registration document. Such claims may have an adverse effect on its financial condition or results of operations.

2.1.2.2 Risks relating to legal and tax regulations

Like any international group operating in multiple jurisdictions, the Rexel Group has structured its commercial and financial activities in a manner which takes into consideration various legal and tax requirements. Such requirements are derived from internal laws of countries where the Group is set up, as well as international treaties between these countries.

The application of tax regimes to the Rexel Group's operations, intra-Group transactions or reorganizations may require reasoned interpretations. The Rexel Group cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect its financial condition or results of operations.

In order to limit the risks related to legal and tax rules applicable in the various countries where the Rexel Group is established, the legal and tax management of the Rexel Group, as well as tax experts assist local management in their transactions in respect of local or international applicable laws.

Furthermore, the Rexel Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carry-forwards from its entities. The actual recognition of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits and on the expected future results of the relevant entities. Any reduction in the ability to use these assets due to changes in local laws and regulations, potential tax reassessments or lower-than-expected results could have a negative impact on the Rexel Group's financial condition or results. As at December 31, 2015, the Rexel Group's deferred tax assets linked to tax loss carry-forwards totaled €309.8 million, depreciated in an amount of €110.2 million (for more information regarding deferred tax see note 10.2 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2015, which are set out in Chapter 6 "Consolidated Financial Statements" of this Registration document).

In addition, Rexel remains committed to implementing and enforcing policies and procedures to ensure compliance with local and international laws, such as but not limited to anti-corruption, export control, anti-money-laundering, data protection, or competition law. However, Rexel cannot guarantee that none of its employees or partners will ever violate these laws and regulations or procedures, which may impact its reputation or financial condition. In order to mitigate these risks, Rexel constantly enhances its compliance program and tools for its implementation.

2.1.2.3 Risks relating to regulatory matters, including environmental regulations

In light of the sectors in which it operates, the Rexel Group must ensure that its suppliers comply with applicable standards and directives in relation to products, the environment and safety.

The products that the Rexel Group distributes are subject to numerous legal and regulatory requirements applicable in each of the jurisdictions in which the Rexel Group operates. These products are also subject to quality and safety regulations and inspections resulting from national and international standards. In particular, these regulations involve European Union Directives and standards adopted by international organizations, such as the European Committee for Electrotechnical Standardization and the International Electrotechnical Commission. Changes in such laws and regulations and their implementation may necessitate a change in the product offering or cause an increase in its distribution expenses.

The risk management mechanism implemented by the Rexel Group with respect to product liability is described in detail in paragraph 1.8.1 "Product liability" of this Registration document.

The Rexel Group must also endeavor to comply with local environmental regulations. The environmental risk prevention and management mechanisms are described in paragraph 4.3 "Environmental information" of this Registration document.

2.1.2.4 Risks relating to pension plans

Risks relating to pension plans and the corresponding risk management tool are described in note 21 of the Notes to the consolidated financial statements of the Rexel Group for the year ended December 31, 2015, as set out in Chapter 6 "Consolidated Financial Statements" of this Registration document.

2.1.3 Risks relating to the Rexel Group's financing

2.1.3.1 Risks relating to indebtedness

As at December 31, 2015, the Rexel Group's gross indebtedness amounted to €3,010.6 million and its net indebtedness amounted to €2,198.7 million. Moreover, in 2012, 2013 and 2014, Rexel issued bonds for a total amount of €1,609.3 million.

Subject to certain conditions, Rexel and its subsidiaries may also incur or guarantee new borrowings.

Rexel Group's level of indebtedness may affect its financing capacity as well as the related financial costs.

The Rexel Group may be required to devote a significant portion of its cash flow to service its debt, which may result in a reduction of funds available to finance its operations, capital expenditures, organic growth initiatives or acquisitions. In particular, the Rexel Group's financial expenses may increase in the event of a material increase in interest rates, particularly in relation to the unhedged portion of its debt.

The Rexel Group may thus be at a disadvantage compared to competitors that do not have a similar level of indebtedness.

Furthermore, the Rexel Group's ability to meet its obligations, in particular complying with the restrictions and contractual obligations, contained in certain of its credit agreements (in particular those in connection with the Senior Credit Agreement, the 2013 Bonds, the 2015 Bonds and the securitization programs, as described in note 22.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015 set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document), or to pay interest on its loans or to refinance or repay its loans in accordance with the terms of its debt agreements will depend on the Rexel Group's future operating performance, which may be affected by a number of factors (general economic conditions, conditions in the debt market, legal and regulatory changes, etc.), some of which are beyond the Rexel Group's control.

If at any time the Rexel Group has insufficient cash to service its debt, it may be forced to reduce or delay acquisitions or capital expenditures, sell assets, refinance its debt or seek additional funding, which may adversely affect its business or financial condition. The Rexel Group may not be able to refinance its debt or obtain additional financing on acceptable terms.

The measures implemented to manage these risks are described in paragraph 2.1.3.2 "Risks relating to bank and bond financing (excluding securitizations)" and 2.1.3.3 "Risks related to securitization programs" of this Registration document. In addition, this debt exposes the Rexel Group to interest rate risk, which is described in paragraph 2.1.4.2 "Interest rate risk" of this Registration document.

2.1.3.2 Risks relating to bank and bond financing (excluding securitizations)

Certain bank loans and bond financings, including the Senior Credit Agreement and the 2013 Bonds and the 2015 Bonds (as described in note 22.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015 set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document), contain customary restrictions limiting the Rexel Group's operations. In particular, these restrictions limit its capacity to grant guarantees on assets, dispose of certain assets, carry out acquisitions, merger or restructuring transactions, borrow or lend money, provide collateral and make certain investments, set up joint ventures, or change the business operations of the Rexel Group.

The Senior Credit Agreement and the 2013 Bonds and the 2015 Bonds also contain provisions under which the Rexel Group's creditors could demand full or partial early repayment of borrowings, particularly in the event of the disposal of certain assets or changes of control. These restrictions may impact the Rexel Group's ability to respond to competitive pressures, downturns in its markets or, in general, overall economic conditions.

The Rexel Group's borrowings include various financial commitments described in note 22.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015 set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document. As of December 31, 2015, the Rexel Group was in compliance with all of its applicable financial commitments. The Rexel Group must provide for each financial commitment a certificate of compliance with the relevant undertakings. This certificate must show how the items were calculated so that compliance with such undertakings may be assessed, including the *pro forma* indebtedness ratio (*i.e.*, adjusted consolidated net debt compared to adjusted consolidated EBITDA). The Rexel Group's Statutory Auditors issue their own attestation on this certificate.

Rexel's ability to meet these commitments will depend on the financial and operating performance of the Rexel Group as well as on various factors, some of which are beyond the Rexel Group's control. Non-compliance by the Rexel Group with its financial covenants, in particular with the financial ratios set out in the Senior Credit Agreement and the 2013 Bonds and the 2015 Bonds, may result in early termination by the borrowers of the agreements entered into with the Rexel Group. Under such agreements, the borrowers may require early repayment of any amounts of principal or interest that are due.

In such cases, the Rexel Group may not be in a position to refinance its indebtedness under similar terms, which may have a material adverse effect on its financial condition or results of operations.

As the group holding company without business operations of its own, Rexel relies on distributions from its subsidiaries. Rexel's inability to obtain sufficient funds from its subsidiaries could have an adverse effect on its capacity to meet its obligations under its indebtedness or to distribute dividends.

In order to monitor compliance with its financing agreements, the Rexel Group's Management regularly reviews the current and forecasted situation and corrective action is proposed to the Board of Directors if needed. The Audit and Risk Committee follows up on these situations on a regular basis.

2.1.3.3 Risks relating to securitization programs

Certain Rexel Group companies are engaged in securitization programs. Such programs are subject to customary terms and impose certain obligations with respect to service levels and collection of assigned accounts receivable (within the terms described in note 22.1.3 to the Rexel Group's consolidated financial statements for the year ended December 31, 2015 set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document).

As at December 31, 2015, the Rexel Group was in compliance with all of its financial commitments under these securitization programs.

If Rexel Group companies do not comply with their obligations as established by the credit institutions or the investors, such programs could be terminated. Furthermore, the quality of the receivables assigned has an impact on the cost and amount of the financing obtained, which could affect the Rexel Group's financial condition if the quality of the receivables deteriorates. In addition, the Rexel Group's receivables are transferred to special purpose entities that are financed through the issuance of short-term debt instruments subscribed by investors. In exceptional circumstances, the Rexel Group cannot guarantee that the special purpose entities could continue to issue such instruments, or to do so under similar terms. In such circumstances, the Rexel Group may be forced to refinance all or part of the programs affected by such events under less favorable terms.

The securitization programs are a material source of financing of the Rexel Group. In the cases described in the paragraph above, Rexel cannot provide assurances that the Rexel Group may refinance itself under similar terms, if at all. Refinancing under less favorable terms may have a material adverse effect on the financial condition or results of operations of the Rexel Group.

The Finance-Treasury department conducts a monthly follow-up of the contractual obligations to be complied with. For pan-European plans, a simulation of the various ratios' sensitivity to the evolution of sales forecasts (which determines the amount of liabilities) and the evolution of certain parts of the aged trial balance is carried out on a monthly basis by the Rexel Group's Finance-Treasury department with the help of the financial management of the relevant countries. For the other programs, subject to lower risk, a monthly review of the ratios is carried out.

The accounting treatment of the securitization programs is described in note 22.1.3 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015, which are set out in Chapter 6 "Consolidated Financial Statements" of this Registration document.

2.1.4 Market risks

2.1.4.1 Risks relating to changes in prices of certain raw materials

In connection with the distribution of cable products, which account for approximately 14% of its sales, the Rexel Group is exposed to fluctuations in cable prices. As copper accounts for 60% of the composition of cables, cable prices change in accordance with copper prices. 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 suppliers' commercial policies, the competitive environment of the Rexel Group and exchange rates. The Rexel Group's exposure to copper price variations is therefore indirect, and the Rexel Group is unable to provide a relevant sensitivity analysis in connection with copper-based cable price variations.

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; 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.

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

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.

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). In practice, the non-recurring effect on gross profit is determined by comparing the historical purchase price and the supplier's price effective at the date of the sale of the cables by the Rexel Group. Moreover, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit less, if any, the non-recurring part of the change in administrative and commercial expenses (essentially, the variable part of compensation of sales forces, which absorbs approximately 10% of the change in gross profit).

These two effects are assessed, where possible, on all of the cable sales of the period, with the countries in this situation representing over two-thirds of the Rexel Group's consolidated sales (excluding activities other than the distribution of electrical products). The Rexel Group's internal procedures also provide that entities without information systems allowing them to carry out these calculations on an exhaustive basis must assess these effects based on a sample representing at least 70% of sales of the period, with the results being then extrapolated to all of the cable sales of the period. Taking into account the sales covered, the Rexel Group believes that the effects so measured represent a reasonable estimation.

In 2015, the Rexel Group estimates that variations in cable prices have contributed to reduce, on a recurring basis, its sales by approximately 0.5% on a constant basis and same number of days (as defined in Chapter 5 "Activity Report" of this Registration document). Furthermore, the change in cable prices in 2015 resulted in a negative non-recurring impact on EBITA estimated at €20.6 million.

By comparison, in 2014, the Rexel Group had estimated that variations in cable prices had contributed to reduce, on a recurring basis, its sales by approximately 0.6 % on a constant basis and same number of days (as defined in Chapter 5 "Activity Report" of this Registration document). Furthermore, the change in cable prices in 2014 had resulted in a negative non-recurring impact on EBITA estimated at €2.6 million.

Although the occurrence of external risks cannot be managed, the Rexel Group has implemented tools to monitor and assess the risk level and impact. A specific monthly reporting process has been developed and is analyzed by the central teams. Furthermore, the Rexel Group discloses results adjusted to exclude the non-recurring effects of copper price variations.

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. Oil also impacts transportation costs for products distributed by the Rexel Group. In 2015, transportation costs accounted for 2.7% of the Rexel Group's sales. Most of the entities of the Rexel Group have entered into transport outsourcing agreements, which allow the impact of changes in oil prices to be managed.

Changes in prices of certain commodities may have an adverse effect on the financial condition or the results of the Rexel Group.

2.1.4.2 Risk relating to interest rate

The interest rate risk and the system in place to manage this risk are detailed in note 23.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2015 set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document.

The applicable margin to the Senior Credit Agreement (as described in note 22.1.1 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015 set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document) is determined based on the Indebtedness Ratio (as defined in the Senior Credit Agreement), in accordance with the mechanism described in note 22.1.1 to the Rexel Group's consolidated financial statements for the year ended December 31, 2015 set forth in Chapter 6 "Consolidated

Financial Statements" of this Registration document. Thus, depending on the Indebtedness Ratio, the margin applicable to the Senior Credit Agreement may vary between 0.85% and 2.50% (*i.e.*, a range of 165 base points), which may result in an increase in the financial expenses. Based on the Indebtedness Ratio as at December 31, 2015, it amounts to 1.25%.

2.1.4.3 Risk relating to exchange rate

The exchange rate risk and the system in place to manage this risk are described in note 23.2 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015, set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document.

2.1.4.4 Risk relating to liquidity

The liquidity risk and the system in place to manage this risk are detailed in note 23.3 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015, set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document.

A description of the Rexel Group's indebtedness is provided in paragraph 5.4 "Sources of financing" of this Registration document.

A quarterly review of the Group's liquidity level is performed during Audit and Risk Committees. Corrective measures would be taken if the level of liquidity became lower than adequate.

2.1.4.5 Risk relating to counterparty

The counterparty risk and the system in place to manage this risk are described in note 23.4 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2015, set forth in Chapter 6 "Consolidated Financial Statements" of this Registration document.

2.1.4.6 Risk relating to equity instruments

With the exception of Rexel's treasury shares, the Rexel Group does not hold, as of the date of this Registration document, any interests in listed companies.

As at December 31, 2015, Rexel held 1,602,736 of its own shares, as detailed in paragraph 8.3.3 "Treasury shares and purchase by Rexel of its own shares" of this Registration document.

Therefore, the Rexel Group believes that it is not subject to any risk in relation to shares of listed companies, other than the risk relating to the hedging assets of the pension obligations referred to in paragraph 2.1.2.4 "Risks relating to pension plans" of this Registration document.

2.2 Insurance

The Rexel Group's insurance policy focuses on the coverage of insurable risks likely to significantly affect or endanger its operations. Accordingly, the Rexel Group has implemented insurance programs that cover its business, distribution centers and branches against damages (property damage and related operating losses) arising from unforeseeable and hard to control events, as well as civil liability. These programs cover all the risks relating to the professional distribution of electrical products and the locations of the Rexel Group.

With respect to the risk management procedure described above, the Rexel Group implements a policy of prevention and site protection in order to limit the risk of the occurrence of accidents and the extent of damages in particular: training of branch managers, audit of main sites, follow-up of guidelines from security professionals.

In addition, the Rexel Group believes that the impact of potential accidents on its financial condition may be reduced given the density of its branch network which limits the impact of accidents on one or more of its branches.

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

- Property damage in connection with the assets of the Rexel Group due to an external fortuitous event, including fire, explosion, water damage, lightning, storm, flooding, natural hazards, as well as resulting operating losses; and
- Civil liability: bodily injury, property damage and related financial damage resulting from property damage caused to third parties by the Rexel Group in connection with its activities for the operating and post-product delivery risks.

Given its international operations and applicable regulations, the Rexel Group has taken out local insurance policies in order to take into account local practice 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) in order to check the adequacy of coverage with regards to potential risks. Guarantees limits widely 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. Resulting coverage is obtained subject to certain conditions on an individual basis for each customer.

2.3 Internal control and risk management procedures

The methods adopted by the Rexel Group are based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard as well as on the reference framework set forth by the *Autorité des marchés financiers* (AMF) and the accompanying guidelines.

Risk management is a lever for managing the Rexel Group that helps:

- Create and preserve the Rexel Group's value, assets and reputation;
- Secure the decision-making and the Rexel Group's processes to attain its objectives;
- Promote the consistency of the Rexel Group's actions with its values; and
- Bring the Rexel Group's employees together behind a shared vision of the main risks.

The risk management process aims at identifying and analyzing the main risks that the Rexel Group may face. The risks that are beyond the acceptable limits set by

Rexel are dealt with and, where necessary, action plans are drawn up to address them. These action plans may include the implementation of controls, the transfer of financial consequences (through the setting up of an insurance coverage or an equivalent mechanism) or changes in the organization. Controls to be implemented are part of the internal control system.

The Rexel Group considers internal control as an ongoing process, aiming to ensure that:

- Laws and regulations are complied with;
- The instructions and directional guidelines set by the Executive Management are implemented;
- The Group's internal control processes are functioning correctly, particularly those related to the security of its assets; and
- Financial information is reliable.

As such, internal control contributes to risk management, fraud prevention and monitoring, transactional efficiency and the efficient use of Rexel Group's resources. However, as well conceived and applied as they may be, these measures cannot absolutely guarantee the achievement of the Rexel Group's objectives.

The Group is organized around geographic regions (the "Regions") regrouping one or several countries or entities (the Entities, which do not always match a country). Each Region is represented on the Rexel Group's Executive Committee by its Managing Director.

At the headquarters level, the functional departments participate in defining and updating the internal control standards as well as in documenting and managing identified risks. The implementation of efficient and adequate internal controls is one of their objectives.

The internal control system described below constitutes a common standard, which must be implemented by the Management of the respective Entities. They are responsible for supplementing it by setting up local procedures. This internal control system applies to all consolidated Entities.

2.3.1 Control environment

The control environment is the keystone of the internal control system. Responsibility and the sense of responsibility are thus key principles in the definition of roles and responsibilities.

Management's role in promoting ethical conduct within the Rexel Group is essential to the control environment. Since 2007, managers have relied on an Ethics Guide, translated into the local languages of the countries where the Group operates. In 2013, the Ethics Guide was updated in order to reflect the values promoted through the Group's company plan, "Energy in motion". This approach is described in paragraph 4.1.6 "Ethical commitment of the Rexel Group" of this Registration document.

On May 22, 2014, the Board of Directors approved the new version of the Market Ethics Charter. This charter was initially approved in 2007, in accordance with the recommendations of the AMF. This charter reiterates the applicable regulations relative to the risks of having, disclosing or potentially using inside information (it being specified that inside information is a "precise non-public information relating, directly or indirectly, to one or several issuers of financial instruments, or one or several financial instruments, which would be likely to have a significant influence on the price of such financial instruments or on the price of related financial instruments if it were to be made public"). Another component of approach is maintaining a list of insiders, who are frequently reminded of their obligations.

2.3.2 Risk management system

The risk management system relies on the diligence of the Risk Committee, which reports to the Executive Committee. The Risk Committee's duties include, in particular:

- Piloting the annual update of the Group's risk mapping and the on-going identification of risks;
- Identifying "risk owners", determining the related action plans and the follow-up on the implementation of these plans;
- Reviewing the existing procedures and identifying the procedures to be set up with respect to the general remit of the Committee to identify the risks incurred and implementing procedures to control such risks within the Group;
- Ensuring the coordination and coherence of the above procedures and the above plans;
- More specifically, ensuring the implementation of the "Risk Management Policy"; and
- Ensuring the application of the procedures and monitoring the effectiveness of risk management organization and of the procedures set up.

The Risk Committee met four times in 2015. The Risk Committee reported on its work and made recommendations twice to the Audit and Risk Committee, and twice to the Executive Committee during this financial year.

The head of risk management and compliance is in charge of:

- Defining, deploying and coordinating the Rexel Risks Management approach, under the oversight of the Risk Committee, and especially identifying and prioritizing operational and non-compliance risks;
- Coordinating the Rexel compliance program in its definition, implementation and maintenance;
- Providing support to risk owners in risks analysis, definitions of recommendations, and action plans follow-up; and
- Enhancing the Group's Risks Management and compliance culture through trainings and communication activities.

In 2015, the head of risk management and compliance took over the oversight of internal control activities.

2.3.2.1 Risk identification and assessment

The Audit and Risk Committee has an overall view on Rexel Group risks through the risk mapping set by the Executive Committee upon the recommendations of the Risk Committee. It is kept informed by the Director of Internal Audit, the chairman of the Risk Committee and by the functional directors on various risks that are specific to their field. The major risks identified are presented regularly to the Audit and Risk Committee.

Under the supervision of the Risk Committee, the head of risk management, internal control and compliance carries out annually the process of updating this mapping based on interviews with members of the Risk Committee, the Group's Executive Committee and a panel of operational specialists. Risk mapping is also carried out every year on selected Entities to deploy the approach locally and to improve, if needed, risk mapping at the Rexel Group level.

The risk identification and evaluation processes make it possible to update the risk mapping. These processes first begin with the updating the risk universe, which classifies and prioritizes all the potential risks identified for the Rexel Group by type and impact.

This risk analysis covers the three following areas:

- Strategic risks related to the environment in which the Group operates as well as underway within the Group, such as external growth projects or innovations;
- Operational risks, resulting from the inadequate or inefficient processes, organization and systems, or from external events impacting the operations; and
- Legal and compliance risks, related to the organization's obligations with regards to applicable local or international laws and regulations, as well as internal guidelines and procedures (including the compliance program), the Ethics Guide, contracts or industry standards and best practices.

This mapping is used to identify and monitor risks, making it possible to share the risk profile throughout the Rexel Group and to update risk factors disclosed in paragraph 2.1 "Risk Factors" of this Registration document. The Risks Management Committee annually reviews the consistency between the risk mapping and the risk factors.

2.3.2.2 Risk Management

The updating of the risk mapping within the Rexel Group, carried out in 2015 under the supervision of the Risk Committee, allowed the Executive Committee to update the list of top-priority risks and to identify risks of lesser priority, for which a specific follow-up has nevertheless been suggested.

With respect to the top-priority risks, the Rexel Group's approach, managed by the Risk Committee, consists in proposing a risk owner appointed by the Executive Committee. This owner is in charge of the risk assessment, presents the potential impacts, the indicators and the actions implemented to limit such risk, as well as action plans to reduce the risk to an acceptable level, as appropriate. The owner may set up a working group with relevant contributors in order to support the risk assessment and build the action plans. The chairman of the Risk Committee presents these action plans to the Executive Committee for review. The Risk Committee then follows up on the progress of action plans with each risk owner.

Certain risks do not directly fit in the Risk Committee's scope of powers. Thus, risks related to the Group's governance and certain group-wide risks are monitored by the Rexel Group's Executive Committee. The Executive Committee receives assistance from appropriate working groups, which provide it with a detailed analysis of each risk and identify measures to be taken to manage these risks. Financial market risks and compliance risks are monitored mainly by the functional departments of the Rexel Group. They define action plans to be implemented by Entities based on procedures which they establish.

Operational risks are managed *via* the internal control system and the action plans defined by the entities. Internal control teams are in charge of following up on the progress of these action plans.

Therefore the Rexel Group's risk management policy ensures an acceptable level of risk considering its activity and structure.

Although the risk identification, assessment and management procedures are deemed acceptable by the Rexel Group, assessments are regularly conducted to identify the areas in which improvements are necessary or desirable. Once these areas are identified, corrective actions are taken.

2.3.3 Control activities

The Rexel Group and its branch network form a decentralized structure based on building a sense of accountability throughout the chain of command.

In reference to the control environment described in paragraph 2.3.1 "Control environment" of this Registration document, the Rexel Group has drafted a policy manual on internal control which is regularly updated and communicated to the management of its Entities. For each of the main processes, the manual presents the risks, the control objectives, and the related controls.

For an operational entity, this manual contains approximately 680 controls, including approximately 250 critical ones, divided into the following processes:

- Strategic processes: governance, communication, and sustainable development;
- Operating processes: sales, purchasing and supply chain; and
- Support processes: information systems, human resources, financial and accounting information, treasury, tax, legal, real estate and insurance.

This manual includes additional procedures set up by the functional departments to be deployed within the Rexel Group's Entities.

For management reporting and preparing financial statements, the Financial and Administrative Department of the Rexel Group has defined a set of procedures, tools and guidelines that give it the means to ensure the quality and consistency of the information transmitted. These guidelines are discussed in paragraph 2.3.6 "Internal control procedures relating to the preparation and treatment of accounting and financial information" of this Registration document.

2.3.4 Internal communication of relevant and reliable information

Steering the internal control system requires assembling appropriate expertise (to manage risk by creating adequate controls). It also requires targeted communication to share more widely the Group's objectives. This targeted communication helps the Rexel Group's Executive Management 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.

In this context, Rexel Group's management bodies are kept informed on a regular basis during the meetings of the Audit and Risk Committee and of the Risk Committee. An overview of the internal control and audit activities performed during the period is presented at each quarterly Audit and Risk Committee meeting. Besides, a specific meeting of the Audit and Risk Committee dedicated to the review of risks occurs once a year. The Audit and Risk Committee then expresses its recommendations or propositions to the Board of Directors. The Executive Committee meetings and frequently-scheduled departmental meetings are also opportunities to mobilize the headquarters' and subsidiaries' main managers with respect to the importance of conforming the Rexel's activities to the Group standards.

Communications with the subsidiaries includes regular exchanges throughout the year, notably during the annual self-assessment (see paragraph 2.3.5 "Steering and monitoring of the internal control system" of this Registration document) and the follow-up of action plans. Since 2012, a formal meeting is scheduled at least once a year with the General Manager of each Region, its Financial Controller and the Group Finance Department to monitor the various internal control matters.

The Rexel Group has developed a knowledge-sharing platform on its Intranet for internal control, focusing on the policy manual and accompanying procedures.

In addition, various communities specific to each functional department ensure that they diffuse their own instructions, procedures and best practices.

2.3.5 Steering and monitoring of the internal control system

The internal control system is based on (i) the self-assessment of controls by the Entities, (ii) a review performed by internal or external auditors, and (iii) the Group's functional departments that assist Entities in enforcing these controls. Rexel's Audit and Risk Committee steers and monitors the internal control system.

2.3.5.1 Internal control self-assessment

The Rexel Group is engaged in a process to permanently improve its internal control system. To do so, the Risks Management, Internal Control and Compliance Department coordinates on an annual basis a self-assessment exercise, measuring compliance with the policy manual, through a questionnaire sent to the management of the Entities. The results of this self-assessment are shared with the Executive Committee, management of the Entities, the functional departments at headquarters and the Audit and Risk Committee which shares them with the Board of Directors.

The last self-assessment was carried out in the third quarter of 2015 and covered all processes of the Rexel Group framework (see paragraph 2.3.3 "Control activities" of this Registration document).

Action plans related to these self-assessments are defined and enforced under the responsibility of the Management of the Entities. The goal of these action plans is to bring each Entity up to the level of control of its processes recommended by the Rexel Group and, by doing so, to control risks.

These self-assessments also make it possible to identify more general areas of improvements, which are included in the internal control improvement action plans for the HQ functional departments. These plans define and disseminate good practices and provide assistance to local management teams.

Certain Entities are less mature in their internal control system, such as entities which recently joined the Rexel Group post-acquisition. The purpose of continually improving internal control is to bring these Entities to the required level.

Given its nature, the self-assessment approach cannot guarantee that the internal control system is applied in an effective manner. The Rexel Group therefore expands this approach by carrying out internal audits and testing certain key controls included in the Entities' self-assessment.

External auditors also review internal control systems within the Rexel Group on a regular basis and inform the Rexel Group's management and administration bodies of their findings.

2.3.5.2 The Internal Audit role

Executive Management has entrusted the Internal Audit Department the task of ensuring the Entities' compliance with the Group's rules. More generally, the Internal Audit Department evaluates the operational, financial or personal safety risks covered by these audits.

The role, the scope and the responsibilities of Internal Audit have been defined in an Internal Audit Charter, whose update was officially approved by the Audit Committee in February 2011.

At the end of 2015, Internal Audit included 23 people, including 8 in the headquarters and 15 in the main subsidiaries of the Rexel Group (located in Australia, Austria, France, the United States and the United Kingdom), each of the major Regions having at least one auditor.

Based on an audit plan approved by the Audit and Risk Committee in early 2015, the internal audit teams performed in 2015 around thirty audits of accounting, financial and operating procedures. About more than 330 audits on the network of branches were also carried out or supervised by this team.

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 Internal Audit Department has established a follow-up process on the action plans to ensure that the detected weaknesses are corrected.

These assignments also allow for better control of the results of the self-assessments conducted by the Entities. About half of the controls on self-assessments were reviewed during a standard audit on accounting and financial processes.

Each quarter, the Director of Internal Audit presents to the Rexel Audit and Risk Committee an overview of team activity, the main findings of the audits, and a progress update on the related actions plans.

2.3.5.3 The External Audit role

External auditors help monitor the internal control system. 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 portion of the framework, which varies from year to 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. This allows the Rexel Group to improve the reliability of the self-assessments and harmonize practices.

2.3.5.4 Headquarters functional departments

The functional departments have a role in the internal control and risk management system and in the risk management procedures. In identifying need for group-wide action, they base their decisions on the responses to the self-assessment questionnaires and the audit reports prepared by Internal Audit teams. Each functional department supports subsidiaries in the setting-up of action plans to reduce identified risks in their areas of expertise.

2.3.6 Internal control procedures relating to the preparation and treatment of accounting and financial information

2.3.6.1 Planning, steering and reporting activities

The planning, steering and reporting processes are organized by Entities, which may be countries, holdings or commercial entities whose activities are not related to the distribution of electrical equipment. The countries are grouped by geographic Regions. The Entities and Regions each have their own general management, operating management, and financial teams.

For each financial year, a budget is established at the Entity level and approved by the Entities and the related Regions' operating management, then subject to an open review with Executive Management, the Financial Control Department and Regions' Management. The budget, consolidated at the Group level, is submitted for approval to the Rexel Board of Directors after review by the Strategic Investment Committee. This process allows focusing the responsibility of the whole organization around the Rexel Group objectives and applies to all of the Entities included in the Rexel Group scope of consolidation.

The monthly business reviews attended by members of the Executive Management, the Group Financial Control Department, and the Management of the Regions provide insight into (i) financial and economic changes with respect to activities, (ii) the assessment of operational decisions to be taken, (iii) the analysis of gaps between targets and performance, (iv) the steering of the financial structure and (v) the monitoring of the implementation of action plans. In tracking progress, the Executive Management relies on monthly reporting, comments on observed changes and indicators of operational and financial performance. At the level of the Entities, Regions and the Rexel Group, teams of financial controllers are responsible for monitoring the achievement of targets and for analyzing accounting and financial information.

Three times a year, forecasts for the current year are prepared and compared with budget targets in order to implement the necessary corrective actions. These forecasts include the usual items for the monitoring of the financial structure and of the Rexel Group activity, including the forecasting of key ratios defined in the financing agreements ("*covenants*").

A summary of business reviews and forecasts is communicated monthly to the members of the Board of Directors.

Each year, a strategic plan over several years is prepared at the Entity level, validated by the relevant Regions' management teams and subject to an open review with Executive Management, the Financial Control Department and Regions' Management. Together, this is consolidated and reviewed at the Rexel Group level and is submitted to the approval of the Board of Directors.

The yearly, half-year and quarterly financial statements are presented to the Audit and Risk Committee and approved by the Board of Directors.

2.3.6.2 Shared guidelines and procedures for the approval of financial statements

Rexel Group's financial statements are prepared in accordance with IFRS 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 and Administrative 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.

The Rexel Group's Financial and Administrative Department ensures the consistency of the inflow of information from Entities before aggregating the results and consolidation entries. It prepares detailed and documented analyses of such data, explaining, in particular, changes in the scope of consolidation, exchange rate impacts and non-recurring operations.

As mentioned in paragraph 2.3.3 "Control activities" of this Registration document, internal controls relating to accounting and financial information are part of the general internal control system.

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3 Corporate governance

The Report of the Chairman of the Board of Directors in connection with the operation of the Board of Directors and internal control proceedings for the financial year ended December 31, 2015, is made up of paragraphs 3.1 "Management and administration bodies", 3.2 "Compensation of corporate officers", 3.3 "Market ethics charter", 3.4 "Related party transactions", 3.5 "Implementation of the AFEP-MEDEF corporate governance Code of listed companies – Paragraph 25.1 of the AFEP-MEDEF Code" of this chapter as well as paragraphs 2.3 "Internal control and risk management procedures", 8.1 "By-laws (Statuts)", 8.2 "Shareholders" and 8.4 "Other elements that may have an impact in case of tender offer" of this Registration document.

This report was drawn up pursuant to Article L.225-37 of the French Commercial Code, in order to report on the conditions under which the work of the Board of Directors is prepared and organized, and on internal control procedures implemented by Rexel within the Group of which it is the holding company.

This report is drawn up by the Chairman of the Board of Directors in collaboration with the Group's Accounting Department, the Internal Control Department, the Internal Audit Department as well as the Group's Legal Department based on the work carried out by the Rexel Group in 2015 in relation to internal control and risk management.

It was reviewed by the Audit and Risk Committee in its meeting of February 9, 2016, in presence of the representatives of the Statutory Auditors of Rexel, and approved by the Board of Directors in its meeting of February 10, 2016 in presence of the Representatives of the Statutory Auditors of Rexel.

3.1 Administration Bodies and Management

Rexel has been a French *société anonyme* with a board of directors since May 22, 2014. 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 members of the Board of Directors and the members of the Executive Committee.

The duties of Chairman of the Board of Directors and of Chief Executive Officer are carried out by Rudy Provoost; the duties of Deputy Chairman of the Board of Directors and senior independent director are carried out by François Henrot; both were appointed on May 22, 2014.

The Company 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). The aspects on which the Company departs from the guidelines are set out in paragraph 3.5 "Implementation of the AFEP-MEDEF corporate governance Code of listed companies – Paragraph 25.1 of the AFEP-MEDEF Code" of this Registration document.

This code is available on the website of MEDEF (www.medef.fr).

3.1.1 Board of Directors

3.1.1.1 Members of the Board of Directors

As at December 31, 2015, the Board of Directors comprises the following nine members:

Rudy Provoost (56 years old)	PROFESSIONAL ADDRESS: 13, BOULEVARD DU FORT DE VAUX – 75017 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: 216,165

EXPERIENCE AND EXPERTISE

Director and Chairman and Chief Executive Officer, member of the Strategic Investment Committee

Rudy Provoost has served on the Board of Directors of Rexel since May 22, 2014. He was previously a member and Chairman of the Management Board of Rexel. Rudy Provoost was a member of the Management Board of Rexel since October 1, 2011 before becoming Chairman in February 13, 2012.

Rudy Provoost is a Belgian citizen.

Rudy Provoost joined Philips in 2000, as Executive Vice President of the Consumer Electronics branch in Europe. In 2004, he became CEO of the Consumer Electronics branch and was appointed as member of the Management Board of Philips in 2006. In 2008, he became CEO of its Lighting branch and Chairman of its Sustainable Development Board. Rudy Provoost previously held various management positions at Procter & Gamble (1984-1987), Canon (1987-1992) and Whirlpool (1992-2000). Born in Belgium in 1959, Rudy Provoost holds a degree in psychology and an MBA from the University of Gand in Belgium. Rudy Provoost currently sits on the board of the Vlerick Leuven Gent Management School.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
October 1, 2011 (as member of the Management Board) May 22, 2014 (as member and Chairman of the Board of Directors)	From May 22, 2014 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2017

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 and Chairman and Chief Executive Officer of Rexel
- Member of the Strategic Investment Committee of Rexel
- Director of Rexel France (France – unlisted company)

Abroad

- Director and President of Rexel Holdings USA Corp. (United States – unlisted company)
- Director of Rexel UK Limited (United Kingdom – unlisted company)
- Director of Rexel North America, Inc. (Canada – unlisted company)

Over the last five financial years:

In France

- Member and Chairman of Rexel's Management Board
- Member of Rexel's Nomination Committee
- Member of Rexel's Strategic Committee

Abroad

- Chairman of Rexel North America, Inc. (Canada – unlisted company)
- Director of Rexel Senate Limited (United Kingdom – unlisted company)

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Member of the Board of Directors of Randstad Holding N.V. (The Netherlands – listed company)
- Director of Vlerick Business School (Belgium – unlisted company)

Over the last five financial years:

In France

–

Abroad

- Member of the Management Board of Royal Philips (The Netherlands – listed company)
- Director of EFQM (Belgium – unlisted company)

ADMINISTRATION BODIES AND MANAGEMENT

François Henrot* (66 years old)	PROFESSIONAL ADDRESS: 23 BIS AVENUE DE MESSINE – 75008 PARIS	NUMBER OF REXEL SHARES HELD: 7,133

EXPERIENCE AND EXPERTISE

Senior Independent Director, Deputy Chairman of the Board of Directors, Chairman of the Nomination and Compensation Committee, member of the Strategic Investment Committee and of the Audit and Risk Committee

François Henrot has served on the Board of Directors of Rexel as Senior Independent Director referent since May 22, 2014. He was previously a member of the Supervisory Board of Rexel further to his cooptation by the Supervisory Board on October 30, 2013, to replace Manfred Kindle. The ratification of François Henrot's cooptation as member of the Supervisory Board was approved by the Shareholders' Meeting of May 22, 2014.

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 Board member of Paris-Orléans SA (the holding company of the Rothschild Group) and 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:	CURRENT TERM OF OFFICE:
October 30, 2013 (as member of the Supervisory Board) and May 22, 2014 (as member of the Board of Directors)	From May 22, 2014 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2016

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

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Supervisory Board
- Chairman of Rexel's Nomination Committee
- Member of Rexel's Compensation Committee
- Member of Rexel's Strategic 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 Paris Orléans SA (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)
- Member of the Board of Directors of 3 Suisses (France – unlisted company)
- Member of the Supervisory Board of Vallourec (France – listed company)
- Observer *(censeur)* of the Supervisory Board of Valloure e (listed company)

Abroad

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* Independent member.

Thomas Farrell* (59 years old)	PROFESSIONAL ADDRESS: 41, WALCOTT AVENUE, 02835 JAMESTOWN, RHODE ISLAND, UNITED STATES	NUMBER OF REXEL SHARES HELD: 1,851

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risk Committee and of the Nomination and Compensation Committee

Thomas Farrell has served on the Board of Directors of Rexel since May 22, 2014. Since May 16, 2012, he had been a member of the Supervisory Board. From November 2011 to May 2012, Thomas Farrell served as observer in the Supervisory Board of Rexel.

Thomas Farrell is a U.S. citizen.

Thomas Farrell has worked with Lafarge since 1990. Prior to joining Lafarge, Thomas Farrell was a corporate attorney with Shearman & Sterling, working at both their New York and Paris offices. After joining Lafarge, Thomas Farrell first worked at the Paris headquarters as Vice President of Strategy for two years. From 1992 to 2002, he managed various Lafarge operating units in France, Canada and India. From 1998 through 2002 he was CEO of Lafarge India. In June 2002, Thomas Farrell was appointed EVP of Lafarge North America. In September 2007, he was appointed Lafarge Group EVP, Co-President of the Aggregates & Concrete Division, and a member of the Executive Committee. In January 2012, he became Group EVP, Operations, responsible for the Group's operations in 20 countries. Thomas Farrell is a graduate of Brown University (BA 1978) and of Georgetown University Law Center (JD 1981).

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TERM OF OFFICE:
May 16, 2012 (as member of the Supervisory Board) and May 22, 2014 (as member of the Board of Directors)	From May 22, 2014 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2016

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 and Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of the Supervisory Board of Rexel
- Observer *(censeur)* of the Supervisory Board of Rexel
- Member of Rexel's Nomination Committee
- Member of Rexel's Audit Committee
- Member of Rexel's Strategic Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

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Over the last five financial years:

In France

- Lafarge Group EVP, Operations (France – listed company)

Abroad

- Chairman, Lafarge North America (non listed company)
- Chairman, Lafarge Russia (non listed company)
- Chairman, Lafarge Bangladesh (listed company)
- Co-Chairman, Lafarge Tarmac (United-Kingdom – listed company)
- Board Member, Lafarge India (non listed company)
- Board Member, Bamburi Cement (Kenya – listed company)

* Independent member.

ADMINISTRATION BODIES AND MANAGEMENT

Fritz Fröhlich* (74 years old)	PROFESSIONAL ADDRESS: SASCHSENSTR 25 – 42287 WUPPERTAL – GERMANY	NUMBER OF REXEL SHARES HELD: 1,000

EXPERIENCE AND EXPERTISE

Director, Chairman of the Audit and Risk Committee, member of the Nomination and Compensation Committee

Fritz Fröhlich has served on the Board of Directors of Rexel since May 22, 2014. Since April 4, 2007, he had been a member of Rexel's Supervisory Board.

Fritz Fröhlich is a German citizen.

Previously, Fritz Fröhlich served as Deputy Chairman and Chief financial officer of AKZO Nobel from 1998 to 2004 and member of the executive Board in charge of fibers from 1991 to 1998. Prior to joining AKZO Nobel, Fritz Fröhlich was CEO of Krupp Widia from 1984 to 1991 and CEO of Sachs Dolmar from 1976 to 1984. He began his career by working in the fields of Marketing and Economic studies. Fritz Fröhlich is a member of the Supervisory Boards of Allianz Nederland Groep N.V. He holds a doctorate in economics from Cologne University and a Master of Business Administration (MBA).

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TERM OF OFFICE:
April 4, 2007 (as member of the Supervisory Board) and May 22, 2014 (as member of the Board of Directors)	From May 27, 2015 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2018

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

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Supervisory Board
- Chairman of Rexel's Audit Committee
- Member of Rexel's Nomination Committee
- Member of Rexel Compensation Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Member of the Supervisory Board of Allianz Nederland Groep N.V. (The Netherlands – unlisted company)

Over the last five financial years:

In France

–

Abroad

- Chairman of the Supervisory Board of Randstad Holding N.V. (The Netherlands – listed company)
- Member of the Supervisory Board of ASML N.V. (The Netherlands – listed company)
- Member of the Supervisory Board of Prysmian SpA (Italy – listed company)
- Chairman of the Supervisory Board of Altana A.G. (Germany – listed company)
- Chairman of the Supervisory Board of Draka N.V. (The Netherlands – listed company)

* Independent member.

Isabel Marey-Semper* (48 years old)	PROFESSIONAL ADDRESS: 41, RUE MARTRE – 92110 CLICHY – FRANCE	NUMBER OF REXEL SHARES HELD: 1,000

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risk Committee, member of the Strategic Investment Committee

Isabel Marey-Semper was coopted as Director by the Board of Directors on May 22, 2014, to replace Vivianne Akriche. Isabel Marey-Semper's cooptation as director and the renewal of her directorship have been approved by the Shareholders' Meeting of May 27, 2015.

Isabel Marey-Semper is a French citizen.

Isabel Marey-Semper is Project Officer – Managing Director for L'Oréal. She was previously Director of Advanced Research of L'Oréal Group (2011-2014), Director of Shared Services of L'Oreal Recherche & Innovation (2010-2011). She was previously Chief Financial Officer, Executive Vice President in charge of strategy and financial services of PSA Peugeot Citroen (2007-2009), Chief Operating Officer of the Intellectual Property and Licensing Business Unit of Thomson (2006-2007), Director of Corporate Planning and Strategy at Saint-Gobain (2004-2005) and Director of Corporate Planning, High Performance Materials of Saint-Gobain (2002-2004) and a Principal of A.T. Kearney (Telesis, prior to acquisition by A.T. Kearney) (1997-2002). She was also a member of the Board of Directors of Faurecia S.A. (2007-2009) and a member of the board of directors and audit committee of Nokia Oyj (2009-2013). Isabel Marey-Semper holds an MBA from the *Collège des Ingénieurs* (Paris) and a Ph.D. in neuro-pharmacology from the University of Paris Pierre et Marie Curie-*Collège de France*. She is also a graduate of *École Normale Supérieure*.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
May 22, 2014 (as member of the Board of Directors)	From May 27, 2015 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2018(1)

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 Strategic Investment Committee

Abroad

–

Over the last five financial years:

In France

- Member of the Strategic Committee of Rexel

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

- Executive Vice President Communications & Public Affairs of L'Oréal
- General Manager of L'Oréal Foundation

Abroad

–

Over the last five financial years:

In France

- Advanced Research Director of L'Oréal

Abroad

- Member of the Board of Directors and of the Audit Committee of Nokia (Finland – listed company)

* Independent member.

(1) Isabel Marey-Semper resigned as a Director on March 3, 2016 and is replaced, in her functions, by Elen Phillips.

ADMINISTRATION BODIES AND MANAGEMENT

Monika Ribar* (56 years old)	PROFESSIONAL ADDRESS: ZIMMERBERGSTRASSE 8, CH-8803 RÜSCHLIKON, SWITZERLAND	NUMBER OF REXEL SHARES HELD: 2,000

EXPERIENCE AND EXPERTISE

Director, member of the Nomination and Compensation Committee, member of the Strategic Investment Committee

Monika Ribar has served on the Board of Directors of Rexel since May 22, 2014. She had previously been coopted as member of Supervisory Board by the Supervisory Board on October 30, 2013 to replace Eurazeo. The ratification of Monika Ribar's cooptation as member of the Supervisory Board has been approved by the Shareholders' Meeting of May 22, 2014.

Monika Ribar is a Swiss citizen.

Monika Ribar was the President and Chief Executive Officer of the Panalpina Group, a Swiss freight forwarding and logistics services provider, from October 2006 until May 2013. At Panalpina Group, Monika Ribar has also occupied a variety of positions, including Chief Financial Officer, Chief Information Officer and Corporate Controller, and also served in project management positions. Prior to joining Panalpina, Monika Ribar worked at Fides Group (now KPMG Switzerland), a professional services firm, as Head of Strategic Planning, and at BASF, the German chemical products company. Monika Ribar also serves on the Boards of SIKA AG, a supplier of specialty chemical products and industrial materials, Lufthansa AG, the German flag carrier airline and Chain IQ Group AG, a company for procurement outsourcing. She has also been appointed by the Swiss government Vice Chairman of SBB, the Swiss National Railway. Prior to her actual Board activity, Monika Ribar served also on the Boards of Swiss International Air Lines Ltd., the flag carrier airline of Switzerland and Logitech, a world leader in electronics peripherals. Monika Ribar holds a Master's degree in Economics and Business Administration from the University of St. Gallen, Switzerland.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TERM OF OFFICE:
October 30, 2013 (as member of the Supervisory Board) and May 22, 2014 (as member of the Board of Directors)	From May 22, 2014 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2016[(1)]

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

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Supervisory Board
- Member of Rexel's Nomination Committee
- Member of Rexel's Strategic Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Director and member of the Audit and Compensation Committee of Logitech International S.A. (Switzerland – listed company)
- Director and Chair of the Audit Committee of Sika AG (Switzerland – listed company)
- Director of Swiss International Airlines (Switzerland – unlisted company)
- Director and member of the Audit Committee of Lufthansa AG (Germany – listed company)
- Vice Chairman, Chair of the Risk Committee, member of the Infrastructure Committee and member of the HR Committee of SBB (Switzerland – unlisted company)
- Director of Chain IQ Group AG (Switzerland – unlisted company)

Over the last five financial years:

In France

–

Abroad

- Chairman and Chief Executive Officer of Panalpina Welttransport (Switzerland – listed company)

* Independent member.

(1) Monika Ribar resigned as a Director on March 8, 2016 and is replaced, in her functions, by Marianne Culver.

Maria Richter* (61 years old)	PROFESSIONAL ADDRESS: 1185 PARK AVENUE, NEW YORK NY 10128, UNITED STATES	NUMBER OF REXEL SHARES HELD: 2,500

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risk Committee, member of the Nomination and Compensation Committee

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

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 Chairman of its Finance Committee and a member of its Audit Committee and Appointments Committee. She is currently on the Board of Directors of Bessemer Trust (since 2008), a US wealth management company and is a member of its Remuneration Committee. As of January 1, 2015 she is also 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. Maria Richter is also on the Board of Pro Mujer International, a women's microfinance network and Chairman of the Board of Trustees of Pro Mujer UK. 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:	CURRENT TITLE:
May 22, 2014 (as member of the Board of Directors)	From May 27, 2015 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2018

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 and Compensation Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Compensation Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Member of the Board of Directors and member of the Compensation Committee of Bessemer Trust (United States – unlisted company)
- Non-executive director, member of the Audit and Risk Committee and member of the Human Resource and Compensation Committee of Anglo Gold Ashanti (South Africa – listed company)
- Member of the Board of Directors of Pro Mujer International (United States – unlisted organization) and Chairman of the Board of Trustees of Pro Mujer UK (United Kingdom – unlisted organization)

Over the last five financial years:

In France

–

Abroad

- Non-executive director, Chairman of the Finance Committee, member of the Audit Committee and member of the Appointmentss Committee of National Grid, plc (United Kingdom – listed company)
- Member of the Board of Directors, member of the Governance Committee and member of the Finance Committee of The Pantry, Inc. (United States – listed company)
- Non-executive director, member of the Audit Committee, member of the Appointments Committee and member of the Remuneration Committee of Vitec Group plc (United Kingdom – listed company)

* Independent member.

ADMINISTRATION BODIES AND MANAGEMENT

Pier-Luigi Sigismondi* (50 years old)	PROFESSIONAL ADDRESS: UNILEVER ASIA PLC, 20 PASIR PANJANG ROAD, #06-22 MAPLETREE BUSINESS CITY, SINGAPORE 117439	NUMBER OF REXEL SHARES HELD: 1,000

EXPERIENCE AND EXPERTISE

Director, Chairman of the Strategic Investment Committee, member of the Nomination and Compensation Committee

Pier-Luigi Sigismondi has served on the Board of Directors of Rexel since May 22, 2014. Since May 22, 2013, he had served as observer *(censeur)* further to his appointment by the Supervisory Board.

Pier-Luigi Sigismondi is an Italian national.

Pier-Luigi Sigismondi is currently President, South East Asia & Australasia of Unilever Asia Private Limited. Prior to that, he was a member of the Executive Board and Chief Supply Chain Officer of Unilever from 2009 to February 2016. Previously, Pier-Luigi Sigismondi worked for Nestlé SA, where he was Vice President of corporate strategic operations, based in Switzerland, in charge of industrial strategies of the group as well as management of global cost improvement programmes before moving to Nestlé Mexico in 2005 as Vice President of operations and R&D. Pier-Luigi Sigismondi started his career in consulting, first with Booz Allen & Hamilton and later with AT Kearney. Pier-Luigi Sigismondi holds a Master's Degree in Industrial & Systems Engineering from the Georgia Institute of Technology, Atlanta, Georgia.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TERM OF OFFICE:
May 22, 2013 (as observer *(censeur)* of the Supervisory Board) and May 22, 2014 (as member of the Board of Directors)	From May 22, 2014 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2017

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

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Supervisory Board
- Observer (*censeur*) of Rexel's Supervisory Board
- Member of Rexel's Compensation Committee
- Member of Rexel's Strategic Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- President, South East Asia & Australasia of Unilever Asia Private Limited (Singapore – unlisted company)

Over the last five financial years:

In France

–

Abroad

- Member of the Executive Board and Chief Supply Chain Officer of Unilever (United Kingdom – listed company)

* Independent member.

Hendrica Verhagen*

(49 years old)

PROFESSIONAL ADDRESS:
PRINSES BEATRIXLAAN 23, 2595 AK, THE HAGUE, THE NETHERLANDS

NUMBER OF REXEL SHARES HELD:
1,000

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risk Committee, member of the Strategic Investment Committee

Hendrica 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 cooptation by the Supervisory Board on November 28, 2013 to replace Akshay Singh. The ratification of Hendrica Verhagen's cooptation 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.

Hendrica Verhagen is a Dutch citizen.

Hendrica Verhagen has been Chief Executive Officer of PostNL since April 2012. Prior to this, she served as a member of the Management Board of PostNL N.V., and was Managing Director Parcels and International PostNL, as of 2011. Hendrica 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 N.V. Hendrica Verhagen sits on the Supervisory Board of Nutreco N.V. Hendrica 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:	CURRENT TERM OF OFFICE:
November 28, 2013 (as member of the Supervisory Board) and May 22, 2014 (as member of the Board of Directors)	From May 22, 2014 until the Shareholders' Meeting deciding on the accounts for the financial year ending December 31, 2017

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 Strategic Investment Committee

Abroad

–

Over the last five financial years:

In France

- Member of Rexel's Supervisory Board
- Member of Rexel's Nomination Committee
- Member of Rexel's Strategic Committee

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Chair, CEO and member of the Management Board of PostNL NV (The Netherlands – listed company)
- Non-executive director of Actelion SA (Switzerland – listed company since May 2015)

Over the last five financial years:

In France

–

Abroad

- Member of the Supervisory Board of Nutreco NV (The Netherlands – listed company)

* Independent member.

Citizenship of the directors

7 directors are foreign nationals (Germany, Belgium, United States, Italy, The Netherlands and Switzerland).

Independent directors

As of December 31, 2015 and in accordance with the guidelines of the AFEP-MEDEF Code in connection with the percentage of independent members within boards of directors and committees :

- 8 members out of 9 of the Board of Directors are considered as independent: Thomas Farrell, Fritz Fröhlich, François Henrot, Isabel Marey-Semper, Monika Ribar, Maria Richter, Pier-Luigi Sigismondi and Hendrica Verhagen, *i.e.*, an independence rate of 88.89%;
- 6 members out of 6 of the Audit and Risk Committee are considered as independent: Fritz Fröhlich, Thomas Farrell, François Henrot, Isabel Marey-Semper, Maria Richter and Hendrica Verhagen, *i.e.*, an independence rate of 100%;
- 6 members out of 6 of the Nomination and Compensation Committee are considered as independent: François Henrot, Thomas Farrell, Fritz Fröhlich, Monika Ribar,

Maria Richter and Pier-Luigi Sigismondi, *i.e.*, an independence rate of 100%;

- 5 members out of 6 of the Strategic Investment Committee are considered as independent: Pier-Luigi Sigismondi, François Henrot, Isabel Marey-Semper, Monika Ribar and Hendrica Verhagen, *i.e.*, an independence rate of 83.33%.

The percentage of independent members in the Board of Directors and the Committees has remained the same after the cooption by the Board of Directors of March 8, 2016 of Elen Phillips and Marianne Culver in replacement of Isabel Marey-Semper and Monika Ribar, resigning.

Balanced representation of men and women

As at December 31, 2015 and on the date of this Registration document, the Board of Directors comprises 4 female members out of a total of 9 members (*i.e.*, 44.44%) and thus complies with the provisions of Law n°2011-103 of January 27, 2011 and with the recommendations of the AFEP-MEDEF Code on the balanced representation of men and women within management and supervisory boards.

The parity of the Board of Directors has remained the same after the cooption by the Board of Directors of March 8, 2016 of Elen Phillips and Marianne Culver.

Departure, Nomination and renewal of Board members

During the financial year ended on December 31, 2015, the following changes took place in the membership of the Board of Directors:

DIRECTOR	APPOINTMENT TERMINATION / RESIGNATION	COMMENT
Maria Richter	Approval of the cooption as director by the Shareholders' Meeting on May 27, 2015	Coopted to replace Roberto Quarta
Maria Richter	Renewal of term of office as director by the Shareholders' Meeting on May 27, 2015	
Isabel Marey-Semper	Approval of the cooption as director by the Shareholders' Meeting on May 27, 2015	Coopted to replace Vivianne Akriche
Isabel Marey-Semper	Renewal of term of office as director by the Shareholders' Meeting on May 27, 2015	
Fritz Fröhlich	Renewal of term of office as director by the Shareholders' Meeting on May 27, 2015	

In accordance with article 14.2 of the by-laws of Rexel, the term of office of Thomas Farrell will end in advance after the Shareholders' Meeting of May 25, 2016.

In addition, following the decision of the Board of Directors of March 8, 2016, a proposal has been submitted to the Shareholder's meeting to approve the cooption of two new directors Elen Phillips and Marianne Culver, and renew their term of office in replacement of Isabel Marey-Semper and Monika Ribar resigning.

Information regarding the biographies of Elen Phillips and Marianne Culver are presented in Chapter 9 of this Registration document.

Multiple corporate offices

In relation to the holding of multiple corporate offices duties, Rexel intends to comply with the recommendations of the AFEP-MEDEF Code.

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors of October 28, 2014 issued a favorable opinion prior to the acceptance by Rudy Provoost of the duties of member of the Supervisory Board of Randstad Holding N.V. (a listed company).

3.1.1.2 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.

On May 22, 2014, Rexel's Board of Directors adopted its own internal regulations, which were last updated on February 10, 2016 in connection with, *inter alia*, the detention of shares by the 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 members of the Board of Directors.

The Board of Directors' internal regulations are available on the Company's website (www.rexel.com) 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 private persons in accordance with the provisions of the by-laws.

Chairman

The Chairman represents the Board of Directors. He 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 makes sure, in particular, that the directors are able to carry out their assignments.

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 made public by the Company.

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:

- Manages potential conflict of interest situations, if any;
- Defines independence and related criteria; and
- Ensures the proper organization and operation of the Board of Directors and of its Committees.

To such effect, the Deputy Chairman:

- Is kept informed of significant events affecting the life of the Company and of its Group;
- May be consulted by the Chairman of the Board of Directors on the organization of the meetings of the Board of Directors;
- May, at least once a year, call a meeting of the directors in the absence of the corporate officers;
- Presents any potential conflict of interest situations he/she may identify to the Chairman of the Board of Directors and to the Board of Directors as well as his/her recommendations with regard to the management of such conflict of interest situations;
- May attend meetings of any committees of which he/she is not a member, without the right to vote;
- May access any documents and information he/she deems necessary or useful for the discharge of his/her duties;
- Conducts annual assessments of the organization and operation of the Board of Directors and its Committees; and
- May meet current or potential shareholders, at their request, and forwards their concerns in relation to governance to the Board.

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

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.

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.

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 and compensation:

- 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 and their compensation;
- 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 coopts the directors;
- It allocates attendance fees;
- It is informed on the appointment, dismissal/termination of the members of the Executive Committee; and
- It issues opinions on the compensation of the Executive Committee members.

(iii) 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.

The Chairman of the Board of Directors must append to this report a report on how the Board prepares and organizes its work, and on the internal control procedures implemented by the Company.

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

(iv) 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 programmes; 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 favour 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.

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 members who are present or represented; each Board member 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 Board members carry out their duties with loyalty and professionalism.

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

- The Board members 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 Board members undertake to avoid conflicts between their moral and material interests and those of the Company. They inform the Board of Directors of any 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.

Compensation

The ordinary shareholders' meeting may allocate attendance fees to Board members, in an amount recorded in the Company'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, members of the Board of 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. This allowance will be taxable.

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-law's.

Holding of shares by the directors

In addition to the requirement to hold one thousand (1,000) shares in accordance with article 15 of the bylaws, 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 the Company corresponding to an amount at least equal to the gross amount of the fixed portion on yearly theoretical basis (assuming a participation to all the meetings of the Board of Directors) of the attendance fees received by such director. If a director does not hold a sufficient number of shares at the time of the entry into force of these stipulations that is to say on 10 February 2016 or, if later, at the time of his or her appointment, the said director shall progressively acquire the said number of shares over a period of four years by using the attendance fees received.

Independent directors

In accordance with the good corporate governance principles and practices set out in its internal regulations, the Board of Directors and each of the committees comprise independent members who are elected or coopted 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 analyses the following criteria:

- Not be (or have been, over the past five years) an employee or an executive corporate officer of the Company, or an employee 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:
  - 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 analyses:

  - 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 presents a substantial part of the business of the supplier / of the client; and
  - The existence of exclusive relationships.

  On this basis, the Board of Directors has concluded that there were no significant business relations.
- 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 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 and Compensation 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.

Board Committees

The Board of Directors may create Committees to assist it in carrying out its duties (see paragraph 3.1.2 “Board Committees” of this Registration document).

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

Assessment of 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 the observer(s) in office or by an independent director. 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 an observer or of an independent director. 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 an independent director.

For 2015, the Board of Directors conducted a formal assessment of its performance on the basis of anonymous questionnaires sent to each of the directors. This assessment showed that progress has been made in the organization of the work of the Board of Directors, particularly in respect of the quality of the discussions regarding strategy or business and the interaction with the management. Moreover, the assessment underlined that areas of improvement remain and suggestions have been made to enhance the organization and functioning of the Board of Directors (regarding in particular the organization: specific session dedicated to sustainable development, the functioning: role of the Senior Independent Director related to the frequency of the private sessions), the individual contribution of the directors and the organization of the Strategic Investment Committee.

3.1.1.3 The work of the Board of Directors during the 2015 financial year

During the financial year ended on December 31, 2015, the Board of Directors, met on 12 occasions.

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

- The review of the financial statements for the financial year ended on December 31, 2014 and the related financial disclosure;
- The review of the 2014 Registration document;
- The compensation of the executive corporate officers;
- The yearly approval and review of the related party agreements;
- The approval of the management report of the Chairman of the Board of Directors;
- The preparation of Rexel's Shareholders' Meeting of May 27, 2015 and of the Extraordinary Shareholders Meeting of July 27, 2015;
- The review of the quarterly and half-year financial statements and related financial disclosure;
- The review of the work of the special Committees;
- The Rexel Group's budget for the 2015 financial year, the review of the draft budget for 2016 as well as the strategic multi-year plan;
- The Rexel Group's development projects;
- The envisaged disposals of the Rexel Group;
- The risk-mapping review; and
- A proposed issuance of high yield notes projects.

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

The presence rate at the meetings of the Board of Directors and of the special Committees was as follows:

	Board of Directors		Audit and Risk Committee		Nomination and Compensation Committee		Strategic Investment Committee (as from April 29, 2015)		Strategic Committee (until April 29, 2015)	
Directors	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate	Number of meetings	Attendance rate
Rudy Provoost	12	100%	–	–	–	–	0	0%	1	100%
François Henrot	12	100%	5	100%	7	100%	0	0%	1	100%
Thomas Farrell	12	100%	5	100%	7	100%	–	–	–	–
Fritz Fröhlich	12	100%	5	100%	7	100%	–	–	–	–
Isabel Marey-Semper	5	42%	2	40%	–	–	1	100%	1	100%
Monika Ribar	6	50%	–	–	4	57%	1	100%	1	100%
Maria Richter	11	92%	5	100%	7	100%	–	–	–	–
Pier-Luigi Sigismondi	10	83%	–	–	5	71%	0	0%	0	0%
Hendrica Verhagen	11	92%	4	80%	–	–	1	100%	1	100%
Patrick Sayer(1)	4	80%	–	–	2	100%	–	–	1	100%
Average rate		**84%**		**87%**		**90%**		**50%**		**86%**

(1) Patrick Sayer resigned from his duties of member of the Board of Directors during the financial year ended December 31, 2015.

During the financial year ended December 31, 2015, the Deputy Chairman and Senior Independent Director convened on two occasions the directors outside of the presence of the executive corporate officers and participated in discussions with the shareholders in connection with the holding of the shareholders meetings.

3.1.2 Committees of the Board of Directors

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

At its meeting of October 28, 2014, the Board of Directors decided to merge the Nomination Committee and the Compensation Committee, thereby reducing to three the number of committees of the Board of Directors.

Upon its meeting of April 29, 2015, the Board of Directors decided to replace the Strategic Committee by a Strategic Investment Committee dedicated to merger and acquisition transactions.

Since this date, the three Committees of the Board of Directors are: the Audit and Risk Committee, the Nomination and Compensation Committee and the Strategic Investment 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 transact business, at least half of the members must be in presence. A committee member may not be represented by proxy.

The 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.

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

3.1.2.1 Audit and Risk Committee

Members of the Audit and Risk Committee

As at December 31, 2015, the Audit and Risk Committee was made up of the following members:

- Fritz Fröhlich (Chairman and Independent Director);
- Thomas Farrell (Independent Director);
- François Henrot (Senior Independent Director);
- Isabel Marey-Semper (Independent Director);
- Maria Richter (Independent Director); and
- Hendrica Verhagen (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 members of the Board of Directors are set out in paragraph 3.1.1.2 "Rules governing the membership and operation of the Board of Directors" of this Registration document. Within the Audit and Risk Committee, in the financial year ended December 31, 2015, 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 Chairman of the Board of Directors is not a member of the Audit and Risk 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 control of the financial and accounting information:
  - Knowledge of the scope of consolidation, accounting methods and auditing procedures;
  - Review of the quarterly, half-yearly and annual financial statements, and in particular analysis of provisions and of material risk and off-balance sheet liabilities;
  - Knowledge of accounting positions taken in recognizing material transactions;
  - Submission of recommendations to the Board of Directors on all proposed adoption of material changes in accounting methods;

- review of the financial structure of the Rexel Group, review and issue of an opinion to the Board of Directors in connection with any plans for borrowings or assumption of liabilities, for an amount exceeding the threshold over which such transactions are subject to the prior authorization from the Board of Directors;
- Monitoring of the review by the auditors of the consolidated and company quarterly, half-yearly and annual financial statements; and
- Review of the procedures for preparing the information provided to the shareholders and to the market and review of the press releases published by the Rexel Group in connection with financial and accounting matters.

- Control of the Statutory Auditors' mission and independence:
  - Oversight of the selection procedure applicable to the Statutory Auditors;
  - Submission of recommendations to the Board of Directors on the proposed shareholder resolutions to appoint, replace and reappoint Statutory Auditors;
  - Knowledge of the amount of fees paid to the Statutory Auditors and recommendation thereon to the Board of Directors; and
  - Ascertaining that the Statutory Auditors comply with the rules governing their independence.
- Control of internal audit procedures and monitoring of the internal control and risk management systems efficiency:
  - Submission of recommendations on the mission and organization of the Rexel Group's Internal Audit Department and its action plan;
  - Review of main findings carried out by Internal Audit within the framework of its work, followed by a report to the Board of Directors;
  - Review of the contributions of the Internal Audit Department to the assessment of the risk management and internal control procedures; and
  - Review of the organization and application of internal control framework within the Rexel Group and review of the risk identification and management procedures.

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 Audit and Risk Committee must report on its activities to the Board of Directors on a regular basis, and when the Board of Directors adopts the annual, half-year and quarterly financial statements.

The work of the Audit and Risk Committee during the financial year ended on December 31, 2015

The Audit and Risk Committee met on five occasions in the course of the 2015 financial year, in particular prior to the meetings of the Board of Directors called to approve the financial statements, and reported on its work to the Board of Directors.

The attendance rate at the meetings of the Audit and Risk Committee amounted to 87% in the course of the 2015 financial year.

The Company's Chief Finance, Control and Legal Officer (also assuming the functions of Deputy Chief Executive Officer), the Chief Administrative and Financial Officer, the Chief Internal Audit Officer, the Chief Internal Control Officer, the Chief Consolidation and Accounting Standards Officer, the Chief Finance and Treasury 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 Chairman and Chief Executive Officer if it deems it necessary in view of the matters on the agenda.

In 2015, its work related to, in particular the review of:

- The financial statements for the financial year ended on December 31, 2014, the summary half-year financial statements as at June 30, 2015 and the summary quarterly financial statements as at March 31, 2015 and September 30, 2015;
- The report of the Chairman of the Board of Directors on the operations of the Board of Directors and on internal control;
- The proper application of the accounting principles;
- The operation of the Company's internal control bodies (see in particular paragraph 2.3 "Internal control and risk management procedures" of this Registration document);
- The tax situation of the Rexel Group;
- The Rexel Group's performance forecasting processes; and
- The call for submissions in respect of the replacement of one of its acting Statutory Auditors.

The Statutory Auditors presented their findings in connection with the audit of the annual financial statements for the financial year ended on December 31, 2014, the limited review of the summary half-year financial statements as at June 30, 2015 and of the procedures followed for the purpose of the summary quarterly financial statements as at March 31, 2015 and September 30, 2015.

3.1.2.2 Nomination and Compensation Committee

Members of the Nomination and Compensation Committee

As at December 31, 2015, the Nomination and Compensation Committee was made up of the following members:

- François Henrot (Chairman and Senior Independent Director);
- Thomas Farrell (Independent Director);
- Fritz Fröhlich (Independent Director);
- Monika Ribar (Independent Director);
- Maria Richter (Independent Director); and
- Pier-Luigi Sigismondi (Independent Director).

The independence criteria of the members of the Board of Directors are detailed in the paragraph 3.1.1.2 “Rules governing the membership and operation of the Board of Directors” of this Registration document. At December 31, 2015, all of the members of the Nomination and Compensation Committee were considered as independent, *i.e.*, and independence rate of 100%.

Operation of the Nomination and Compensation Committee

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

Members

The Nomination and 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 are not members of the Nomination and Compensation Committee.

Powers in relation to Nomination

The Nomination and Compensation 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 Audit and Risk Committee and of the Strategic Investment Committee, of the Chief Executive Officer and of the Deputy Chief Executive Officers, and to issue recommendations on the candidates considered, in terms of expertise, availability, appropriateness and complementarity with other members of the Board of 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 of members of the Board of 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 of the Chief Executive Officer;
- Issue a recommendation, on the Chief Executive Officer’s proposal, on the Company’s acceptance of and resignation from any office as a member of the Board of Directors 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.

Powers in relation to compensation

The Nomination and 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’ fees;
- 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 Nomination and Compensation Committee meets at least once each year and, in any case, 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 Nomination and 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 Nomination and Compensation Committee during the financial year ended on December 31, 2015

The Nomination and Compensation Committee met on seven occasions in the course of 2015.

The presence rate at the meetings of the Nomination and Compensation Committee during the financial year ended December 31, 2015 amounted to 90%.

It reported on its duties to the Board of Directors. In particular, the Nomination and Compensation Committee recommended:

- The variable compensation in respect of the financial year ended December 31, 2014 of the executive corporate officers;
- The compensation in respect of the financial year ended December 31, 2015 of the executive corporate officers;
- The amendment of the terms of eligibility to severance packages at the benefit of the executive corporate officers;
- The yearly renewal of the directors: renewal by one quarter of the term of office of the members of the Board of Directors (appointment of two members);
- The evolution in the organization of the Committees of the Board of Directors;
- The allocation of performance shares; and
- Directors' compensation (attendance fees).

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 Registration document.

The Chairman and CEO attend the meetings of the Nomination and Compensation Committee when the agenda of the meeting includes the appointment or renewal of the term of office of the directors.

3.1.2.3 Strategic Investment Committee

By decision of April 29, 2015 the Board of Directors decided to replace the Strategic Committee by a Strategic Investment Committee dedicated to merger and acquisition transactions so as the strategy would be directly discussed in the Board of Directors.

Members of the Strategic Investment Committee

As at December 31, 2015, the Strategic Committee was made up of the following members:

- Pier-Luigi Sigismondi (Chairman and Independent Director);
- François Henrot (Senior Independent Director);
- Rudy Provoost (Chairman and CEO);
- Monika Ribar (Independent Director);
- Isabel Marey-Semper (Independent Director); and
- Hendrica Verhagen (Independent Director).

The independence criteria of the members of the Board of Directors are detailed in the paragraph 3.1.1.2 "Rules governing the membership and operation of the Board of Directors" of this Registration document. At December 31, 2015, five out of six of the members of the Strategic Investment Committee were considered as independent, *i.e.*, an independence rate of 83.33%.

Operation of the Strategic Investment Committee

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

Members

The Strategic Investment Committee is made up of a maximum of 7 members and includes independent directors.

Powers

The Strategic Investment Committee's responsibilities are:

- Review and issue recommendations to the Board of Directors on planned acquisitions or disposals of business divisions or assets, and on investments, whenever the enterprise value exceeds the threshold above which such transactions are subject to prior approval by the Board of Directors;

- Review and issue recommendations to the Board of Directors on all proposed mergers, spin-offs or asset transfers involving Rexel;
- Review and issue recommendations to the Board of Directors on any proposal for the admission to trading on an organized exchange of tradable securities issued by Rexel or any of its subsidiaries; and
- Review and issue recommendations to the Board of Directors on any transaction entailing a significant alteration in the scope of the business activities of Rexel and its subsidiaries.

Operations

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

The work of the Strategic Investment Committee during the financial year ended on December 31, 2015

During 2015, the Strategic Investment Committee met on one occasion and reported on its work to the Board of Directors. The attendance rate at this meeting amounted to 50%.

Prior to the decision of the Board of Directors to replace the Strategic Committee by the Strategic Investment Committee, the Strategic Committee met on one occasion with an attendance rate of 86%.

The Strategic Investment Committee and, prior to its replacement, the Strategic Committee most notably worked on the principal acquisition and disposal projects of the Rexel Group.

3.1.3 Executive Management

Rexel's executive management comprises the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.

3.1.3.1 Chairman and Chief Executive Officer

On May 22, 2014, further to the approval by the shareholders of the conversion of Rexel into a *société anonyme* with a board of directors, the Board of Directors decided to combine the functions of Chairman of the Board of Directors and of Chief Executive Officer by appointing Rudy Provoost as Chairman and Chief Executive Officer.

Rudy Provoost was appointed for the duration of his term of office as a director, *i.e.* for a term of 4 years expiring at the close of the shareholders' meeting called to approve the financial statements for the financial year ending on December 31, 2017, to be held in 2018.

The Board of Directors decided to combine the functions of Chairman of the Board of Directors and of Chief Executive Officer by appointing Rudy Provoost as Chairman and Chief Executive Officer, in consideration of his strong contribution and results since he joined the Management Board as a member in October 2011, then as Chairman of the Management Board in February 2012. This appointment reflects, on the one hand, a will to simplify the decision-making process, as initiated by the change in Rexel's governance method and, on the other hand, a cohesion between the management and administrative powers, which facilitates the implementation of Rexel's strategy.

In addition, the Board of Directors appointed François Henrot as Deputy Chairman of the Board of Directors and senior independent director, in charge of (*inter alia*) managing potential conflict of interest situations.

Finally, the decisions requiring the prior authorization of the Board of Directors are described in paragraph 3.1.1.2 "Rules governing the membership and operation of the Board of Directors" of this Registration document.

3.1.3.2 Deputy Chief Executive Officer

On May 22, 2014, the Board of Directors also decided to appoint Catherine Guillouard as Deputy Chief Executive Officer.

Catherine Guillouard was appointed for the duration of the Chairman and Chief Executive Officer's term of office, *i.e.* for a term of 4 years expiring at the close of the shareholders' meeting called to approve the financial statements for the financial year ending on December 31, 2017, to be held in 2018.

Catherine Guillouard (51 years old)	PROFESSIONAL ADDRESS: 13, BOULEVARD DU FORT DE VAUX – 75017 PARIS – FRANCE	NUMBER OF REXEL SHARES HELD: 10,808

EXPERIENCE AND EXPERTISE

Deputy Chief Executive Officer

Catherine Guillouard has been Deputy Chief Executive Officer of Rexel since May 22, 2014. She had previously been a member of the Management Board of Rexel since April 30, 2013.

Catherine Guillouard is a French citizen.

Prior to joining Rexel, Catherine Guillouard had been Chief Financial Officer of Eutelsat and a member of the Executive Committee since September 2007. Prior to joining Eutelsat, Catherine Guillouard held various positions within Air France. From 2005 to September 2007, she was Senior Vice President of Finance. Prior to that, she was Senior Vice President of Human Resources and Change Management, Senior Vice President of Flight Operations, and Deputy Vice President of Corporate Control. She began her career in 1993 at the Treasury of the French Ministry of Finance in the Africa's office – CFA zone department and then in the Banking Affairs department. Born in 1965, Catherine Guillouard graduated from the Institut d'Études Politiques of Paris and the Ecole Nationale d'Administration. She also holds a post-graduate degree (DESS) in European Union Law.

TERM OF OFFICE

FIRST APPOINTMENT:	CURRENT TITLE:
April 30, 2013 (as member of the Management Board) May 22, 2014 (as Deputy Chief Executive Officer)	From May 22, 2014 until the shareholders' meeting deciding on the accounts for the financial year ending December 31, 2017

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

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

Abroad

- Director and Chairman of the Board of Directors of Rexel Ré S.A. (Luxembourg – unlisted company)

Over the last five financial years:

In France

- Member of the Management Board of Rexel

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

- Director of Engie and Member of the strategic, investments and technologies committee of Engie (France – listed company)

Abroad

–

Over the last five financial years:

In France

- Director of ADP (France – listed company)
- Independent director of Technicolor (France – listed company)
- Member of the Supervisory Board of Atria Capital Partenaires (France – unlisted company)

Abroad

–

The decisions requiring the prior authorization of the Board of Directors are described in paragraph 3.1.1.2 "Rules governing the membership and operation of the Board of Directors" of this Registration document.

The Board of Directors meeting of October 28, 2014 issued a favorable opinion prior to the acceptance by Catherine Guillouard of the duties of member of the Board of Directors of Engie, a listed company.

3.1.4 Executive Committee

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

The Executive Committee includes the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer, the senior vice-presidents of Rexel's geographic areas and Rexel's operating officers. The Committee serves as a forum for the consolidation of strategy, initiative coordination and the monitoring of performance and Rexel Group-wide projects.

As of the date of this Registration document, the Executive Committee is comprised of the following persons: Rudy Provoost (Chairman and Chief Executive Officer); Catherine Guillouard (Deputy Chief Executive Officer); Sharon MacBeath (Group Senior Vice President Human Resources); Pascale Giet (Group Senior Vice President Communications and Sustainable Development); Thierry Delarue (Group Senior Vice President for Strategy and Transformation); François Thuilleur (Group Senior Vice President Marketing, Digital and Operations); Patrick Berard (Senior Vice President Europe);

Brian McNally (Senior Vice President North America) and Mitch Williams (Senior Vice President Asia Pacific).

The Executive Committee meets at least every two months to define the Rexel Group's strategy, coordinate initiatives (particularly with respect to operations), monitor Rexel Group's performance and ensure the implementation of cross-divisional projects for the Rexel Group.

3.1.5 Statements concerning the Board of Directors

To Rexel's knowledge:

- There are no family ties between the members of the Board of Directors and the members of Rexel's Executive Management;
- No member of the Board of Directors or of Rexel's Executive Management has been convicted of fraud within the last five years;
- No member of the Board of Directors or of Rexel's Executive Management has been associated with any "bankruptcy", receivership or liquidation within the last five years;
- No member of the Board of Directors or 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 member of the Board of Directors or 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.

3.1.6 Conflicts of interest

All potential conflicts of interest are submitted to a debate within the Board of Directors. In addition, 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.

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

3.1.7 Service agreements between members of the Board of Directors and Rexel or one of its subsidiaries

There are no service agreements between members of the Board of 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

Compensation of executive corporate officers

Compensation of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer is set by the Board of Directors following the recommendation of the Nomination and Compensation Committee.

The Board of Directors reviews all of the items of their compensation in order to assess, in particular:

- The balance between the various elements;
- The link with performance;
- The consistency with the compensation of the other managers and employees of the company; and
- The competitiveness in respect of a reference market.

The compensation policy decided by the Board of Directors is designed to position the fixed annual compensation of the corporate officers at the median of the reference market and to propose a more dynamic short-term target variable compensation and long-term target variable compensation, both of which are integrally subject to demanding performance conditions.

In order to ensure the effective implementation of these principles, each year Rexel uses a study realized by an independent consulting firm (Towers Watson), the benchmark includes a panel of French and European companies of similar industries and size in terms of sales, number of employees and market capitalization.

Fixed compensation

In accordance with Rexel's compensation policy, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer receive a fixed annual compensation which is determined according to criteria specific to each person (experience, seniority, responsibilities) and criteria based on the sector's business activity and the market.

This fixed annual compensation is reviewed on a regular basis in accordance with the compensation policy that applies to all top managers of the company, in order to allow, through this continuous adjustment, the alignment of the fixed annual compensation with the median of the reference market.

Nevertheless, the Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee, decided to modify the periodicity of its compensation review policy starting from the next renewal of the term of office[(1)] of the corporate officers. From the start of the next mandate the target annual fixed and variable compensation of the corporate officers shall be set at the beginning of each term for the entire term of office.

Variable compensation

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer also receive variable compensation. This variable compensation is paid in order to correlate the compensation of the Chairman and Chief Executive Officer and of the Deputy 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 financial performance of the Rexel Group and of individual criteria. The criteria linked to the Rexel Group are quantitative determined in respect of and on the basis of the financial performance of Rexel and of the indicators that it uses in connection with the analysis of its financial performance. Individual goals are qualitative and measurable criteria determined based on the duties carried out within the Rexel Group and the tasks that are entrusted to that person.

The criteria and their 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 respect of individual criteria, their achievement rate is detailed for each of the corporate officers. Those criteria are described in a way to preserve the Rexel Group interests in a highly competitive environment.

Other compensation

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer may receive specific bonuses for which the grant and the amount depends on constraints relative to the exercise of their duties and the realization of objectives or outstanding work.

Attendance fees

Top executives could receive attendance fees in respect of their mandates exercised inside the Group.

The Board of Directors's of February 10, 2016, decided to suppress the grant of intra-group attendance fees from 2016.

Benefits in kind

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are also awarded benefits in kind in respect of their duties carried out within the Rexel Group.

Free allocation of shares and allocation of subscription or purchase options

In order to associate and involve corporate officers in the growth of the Rexel Group and its financial results, Rexel may grant shares, subscription or purchase options to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are currently eligible for the annual performance shares plan. This mechanism is used to motivale and retain employees and top managers of the Group.

These shares are currently fully subject to performance criteria and conditions assessed over minimum periods of 3 years.

The Chairman and Chief Executive Officer and the Deputy Chief Executive Officer have a retention obligation of at least 20% of the shares vested under these mechanisms until the end of their term of office.

Furthermore, a limit was introduced in 2015 concerning the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, aiming at guaranteeing a balance between their various items of compensation. Thus, the annual value of the performance shares allocated in respect of a given financial year to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer, can not exceed 100% of their annual fixed and variable target compensation for the relevant financial year.

An additional limit also provides that the number of shares allocated to the Chairman and Chief Executive Officer and to the Deputy Chief Executive Officer can not exceed 10% of the aggregate amount of performance shares allocated to all of the beneficiaries.

Compensation of the members of the Board of Directors

The Company's Shareholders' may grant attendance fees to the members of the Board of Directors.

The Board of Directors:

- Distributes the attendance fees among its members, as it deems fit;
- May grant exceptional compensation for missions or tasks assigned to some members of the Board of Directors; and

(1) The term of office of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer will expire at the Annual General Meeting which will be called to approve the financial statements for the financial year ending on December 31, 2017.

- May authorize the reimbursement of travel costs and of expenses incurred by its members in Rexel's interest.

3.2.1 Compensation and benefits in kind

Compensation and benefits of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer

Compensation and benefits of Chairman and Chief Executive Officer Rudy Provoost

2016 financial year

The compensation items of Rudy Provoost for the 2016 financial year were determined by the Board of Directors on February 10, 2016, upon recommendation of the Nomination and Compensation Committee, as follows:

Fixed compensation

The annual gross fixed compensation of Rudy Provoost was determined at €875,500 (unchanged since 2014).

Variable compensation

The annual variable target-based compensation is maintained at 110% of the annual gross fixed compensation if 100% of the financial and individual targets are reached. In the event that these objectives are exceeded, the annual variable compensation can not exceed 151.25% of the fixed annual compensation[1].

In terms of target value, the variable compensation is based for 75% on financial criteria and for 25% on individual criteria. The financial targets determined for 2016 are adjusted EBITA in volume (45%), Average Trade Working Capital (ATWC) (35%) and sales growth in volume (20%) and the targets to reach are those of the 2016 budget.

Criteria are detailed as follows:

2016 CRITERIA	WEIGHT	MINIMUM	TARGET	MAXIMUM
Adjusted EBITA in volume	45%	50% payout if result reaches 85% of target	100% payout if result reaches 100% of target	150% payout if result reaches 115% of target
ATWC	35%	25% payout if result reaches 95% of target	100% payout if result reaches 100% of target	150% payout if result reaches 105% of target
Sales growth in volume	20%	50% payout if result reaches 90% of target	100% payout if result reaches 100% of target	150% payout if result reaches 150% of target
	100%	Linear calculation between the points		

The financial part of the variable compensation is capped at 150% if the achieved financial results exceed 100% of the financial targets. The individual part of the variable compensation is capped at 100%, if the achieved individual results exceed 100% of the individual targets.

Moreover, the Board of Directors also decided to apply a specific mechanism initially implemented in 2015 in order to specifically recognize consistent financial overperformance. The financial part of the variable compensation as described above may be increased by applying a multiplier coefficient if the following cumulative conditions are satisfied:

- the weighted average achievement level of the annual financial objectives reaches at least 100%; and
- the weighted average achievement level of the quarterly financial objectives exceeds 100% during at least 3 quarters.

The 2016 global variable compensation payout will be capped at 200% of the target value (*i.e.* 220% of the annual fixed compensation of the Chief Executive Officer).

2016 TARGET VARIABLE COMPENSATION IN PERCENTAGE OF FIXED COMPENSATION	FINANCIAL PORTION OF THE TARGET VARIABLE COMPENSATION	INDIVIDUAL PORTION OF THE TARGET VARIABLE COMPENSATION	MAXIMUM OF FINANCIAL PORTION	MAXIMUM OF INDIVIDUAL PORTION	MAXIMUM OF THE 2016 TARGET VARIABLE COMPENSATION	MAXIMUM 2016 VARIABLE COMPENSATION IN RESPECT OF 2016 FIXED COMPENSATION	MAXIMUM OF THE 2016 VARIABLE COMPENSATION (WITH ACTIVATION OF THE OVERPERFORMANCE MECHANISM)	MAXIMUM 2016 VARIABLE COMPENSATION IN RESPECT OF 2016 FIXED COMPENSATION (WITH ACTIVATION OF THE OVERPERFORMANCE MECHANISM)
110%	75%	25%	112.5%	25%	137.5%	151.25%	200%	220%

Individual targets and their expected achievement level have been determined by the Board of Directors. They are linked with the Group's strategy and its development, as communicated in February 2016, and include notably concrete and measurable actions related to the differentiating customer-centric strategy, the continued implementation of a profitable growth strategy and the development of a high performance organisation.

(1) Or 220% of the annual fixed compensation, in case of maximal activation of the steady financial overperformance mechanism described below.

Other compensation

The Board of Directors decided to suppress the grant of intragroup attendance fees as from 2016. Thus, the Chairman and Chief Executive Officer will receive no attendance fee in respect of his 2016 corporate duties with the UK and US subsidiaries of the Group.

The Board of Directors decided to renew in 2016 the €60,000 housing allowance as well as the benefits in kind (health and welfare insurance, basic and supplementary pension, health checkup, tax advice, company car, executive director's unemployment coverage GSC).

2015 financial year

Fixed compensation

The annual gross fixed compensation of Rudy Provoost was set at €875,500 (unchanged since 2014).

Variable compensation

The annual variable target-based compensation was maintained (as compared to 2014) at 110% of the annual gross fixed compensation if 100% of the financial and individual targets were reached.

This variable compensation for 2015 was based for 75% on financial criteria and for 25% on individual criteria.

The financial criteria determined for 2015 were adjusted EBITA in volume (45%), ATWC (35%) and sales growth in volume (20%). The targets to reach were those set in the 2015 budget.

The financial part of the variable compensation was capped at 150%, if the achieved financial results exceeded 100% of the set financial targets. The individual part of the variable compensation was capped at 100%, if the achieved individual results exceeded 100% of the individual targets.

The Board of Directors of February 10, 2016 assessed the performance of the Chairman and Chief Executive Officer and determined the variable gross compensation to be paid in respect of 2015 to €348,624, *i.e.*, a global achievement rate of 36.20% of target variable compensation.

Detailed 2015 performance was as follows:

2015 TARGET VARIABLE COMPENSATION IN PERCENTAGE OF FIXED COMPENSATION	2015 TARGET VARIABLE COMPENSATION IN €	FINANCIAL PART OF THE 2015 TARGET VARIABLE COMPENSATION	INDIVIDUAL PART OF THE 2015 TARGET VARIABLE COMPENSATION	2015 RESULT OF FINANCIAL PORTION	2015 RESULT OF INDIVIDUAL PORTION	GLOBAL ACHIEVEMENT IN PERCENTAGE OF 2015 TARGET VARIABLE COMPENSATION	AMOUNT IN € TO BE PAID IN RESPECT OF 2015 VARIABLE COMPENSATION
110%	963,050	75%	25%	21.60%	80%	36.20%	348,624

Details regarding achievement of 2015 financial targets:

2015 CRITERIA	WEIGHT	2015 TARGET	MINIMUM	TARGET	MAXIMUM	PERCENTAGE OF ACHIEVEMENT (BEFORE WEIGHTING)	PAYOUT AFTER WEIGHTING IN PERCENTAGE OF THE 2015 TARGET FINANCIAL PORTION
Adjusted EBITA in volume	45%	715.6	50% payout if result reaches 85% of target	100% payout if result reaches 100% of target	150% payout if result reaches 115% of target	82.10%	0.00%
ATWC	35%	13.70%	25% payout if result reaches 95% of target	100% payout if result reaches 100% of target	150% payout if result reaches 105% of target	97.40%	21.60%
Sales growth in volume	20%	1.80%	50% payout if result reaches 90% of target	100% payout if result reaches 100% of target	150% payout if result reaches 150% of target	–	0.00%
	100%		Linear calculation between the points				**21.60%**

The Board of Directors had decided to apply a specific mechanism in respect of 2015 in order to specifically recognize consistent financial overperformance. The financial part of the variable compensation as described above may be increased by applying a multiplier coefficient if the following cumulative conditions were satisfied:

- The weighted average achievement level of the annual financial objectives reached at least 100%; and
- The weighted average achievement level of the quarterly financial objectives exceeded 100% during at least 3 quarters.

The 2015 global variable compensation payout was capped at 200% of the target value.

This specific mechanism was not activated in 2015.

COMPENSATION OF CORPORATE OFFICERS

Regarding individual targets:

The Board of Directors of February 10, 2016 reviewed the individual targets previously determined and set the achievement level taking into account the performance achieved by the Chairman and Chief Executive Officer. These targets included notably the development of a new strategic plan, the improvement of the organizational effectiveness and development of talents and succession plans.

Other compensation items

Rudy Provoost benefited from the following additional compensation items:

- A housing allowance for an annual gross amount of €60,000;
- Benefits in kind amounting to €9,179, consisting of a company car, as well as €16,594 for executive director's unemployment coverage GSC;
- A supplemental health insurance (*mutuelle*), a death and disability insurance (*contrat de prévoyance*), a basic and supplementary pension, a health check-up, and compensation for tax and retirement advisors' fees; and
- Attendance fees in respect of the corporate offices mandates held in 2015 within Rexel UK Ltd, British subsidiary, and Rexel Holdings USA Corp., US subsidiary, in a global amount of €90,000 to be paid in 2016.

2014 financial year

Fixed compensation

The annual gross fixed compensation of Rudy Provoost was set at €875,500.

Variable compensation

The annual variable target-based compensation has been determined at 110% of the annual fixed compensation if 100% of the individual and financial targets were reached.

This 2014 variable compensation was based for 75% on financial criteria and for 25% on individual criteria.

The financial criteria were adjusted EBITA in volume (45%), ATWC (35%) and sales growth in volume (20%). The targets to reach were those set in the 2014 budget.

The financial part of the variable compensation was capped at 150% if the achieved financial results exceeded 100% of the set financial targets. The individual part of the variable compensation was capped at 100%, if the achieved individual results exceeded 100% of the set individual targets.

The Board of Directors of February 11, 2015 assessed the performance of the Chairman and Chief Executive Officer for 2014 and acknowledged his overall performance of 73% (being a financial performance amounted 70.7% and an individual performance amounted 80%), *i.e.*, a gross amount of €703,412 to be paid in respect of the 2014 financial year.

Other compensation items

Rudy Provoost benefited from the following additional compensation items:

- A housing allowance for an annual gross amount of €60,000;
- Benefits in kind in the amount of €9,179, consisting of a company car, as well as €16,226 for executive director's unemployment coverage GSC;
- A supplemental health insurance (*mutuelle*), a death and disability insurance (*contrat de prévoyance*), a basic and supplementary pension, a health check-up, and compensation for tax and retirement advisors' fees; and
- Directors' fees in respect of the corporate offices of Rudy Provoost held in 2014 within Rexel UK Ltd, British subsidiary, and Rexel Holdings USA Corp., US subsidiary, in a global amount of €90,000 paid in 2015.

Compensation and benefits of Deputy Chief Executive Officer, Catherine Guillouard

2016 financial year

The compensation items of Catherine Guillouard for the financial year 2016 were determined by the Board of Directors meeting of February 10, 2016, upon recommendation of the Nomination and Compensation Committee, as set forth below.

The 2016 annual compensation of the Deputy Chief Executive Officer has been reviewed in order to allow a continuous adjustment of the fixed compensation with the median of the reference market, taking into account in particular the individual performance, and in order to strengthen in a more dynamic way the annual variable compensation entirely subject to performance conditions, in accordance with the compensation policy set by the Board of Directors.

The benchmarks are provided by an independent consulting firm and cover a panel of French and European companies of similar industries and size which are comparable in terms of sales, number of employees and maket capitalisation.

Fixed compensation

The gross fixed annual compensation has been set at €500,000 (475,000 in 2015, *i.e.*, +5.26%[1]).

(1) The fixed compensation of Catherine Guillouard was increased for the last time in June 2014 following to the change of structure of the company and the transition to a one-tier governance structure with a Board of Directors, which entailed a change in her duties.

Variable compensation

The target-based variable annual compensation has been set at 90% (80% in 2015) of the gross fixed annual compensation in case of 100% achievement of the financial and individual targets. In the event that these targets are exceeded, the annual variable compensation will not exceed 119.25% of the fixed annual compensation[(1)].

In terms of target value, the variable compensation is based for 65% on financial criteria and for 35% on individual criteria. The financial targets determined for 2016 are adjusted EBITA in volume (45%), ATWC (35%) and sales growth in volume (20%) and the targets to achieve are those of the 2016 budget.

Criteria are detailed as follows:

2016 CRITERIA	WEIGHT	MINIMUM	TARGET	MAXIMUM
Adjusted EBITA in volume	45%	50% payout if result reaches 85% of target	100% payout if result reaches 100% of target	150% payout if result reaches 115% of target
ATWC	35%	25% payout if result reaches 95% of target	100% payout if result reaches 100% of target	150% payout if result reaches 105% of target
Sales growth in volume	20%	50% payout if result reaches 90% of target	100% payout if result reaches 100% of target	150% payout if result reaches 150% of target
	100%	Linear calculation between the points		

The financial part of the variable compensation is capped at 150%, if the achieved financial results exceed 100% of the financial targets. The individual part of the variable compensation is capped at 100%, if the achieved individual results exceed 100% of the individual targets.

Moreover, the Board of Directors also decided to apply a specific mechanism initially implemented in 2015 in order to specifically recognize consistent financial overperformance. The financial part of the variable compensation as described above may be increased by applying a multiplier coefficient if the following cumulative conditions are satisfied:

- the weighted average achievement level of the annual financial objectives reaches at least 100%; and
- the weighted average achievement level of the quarterly financial objectives exceeds 100% during at least 3 quarters.

The 2016 global variable compensation payout will be capped at 200 % of the target value (*i.e.* 180% of the annual fixed compensation of the Deputy Chief Executive Officer).

2016 TARGET VARIABLE COMPENSATION IN PERCENTAGE OF FIXED COMPENSATION	FINANCIAL PORTION OF THE TARGET VARIABLE COMPENSATION	INDIVIDUAL PORTION OF THE TARGET VARIABLE COMPENSATION	MAXIMUM OF FINANCIAL PORTION	MAXIMUM OF INDIVIDUAL PORTION	MAXIMUM OF THE 2016 TARGET VARIABLE COMPENSATION	MAXIMUM 2016 VARIABLE COMPENSATION IN RESPECT OF 2016 FIXED COMPENSATION	MAXIMUM OF THE 2016 VARIABLE COMPENSATION (WITH ACTIVATION OF THE OVERPERFORMANCE MECHANISM)	MAXIMUM 2016 VARIABLE COMPENSATION IN RESPECT OF 2016 FIXED COMPENSATION (WITH ACTIVATION OF THE OVERPERFORMANCE MECHANISM)
90%	65%	35%	97.5%	35%	132.5%	119.25%	200%	180%

Individual targets and their expected achievement level have been determined by the Board of Directors. They are linked with the Group's strategy and its development, as communicated in February 2016, and include notably concrete and measurable actions related to the continued implementation of a profitable growth strategy, cash flow generation and its strategic allocation and the strengthening of the Group's balance sheet.

Other compensation items

The various benefits in kind were renewed for 2016 (health, death and disability insurance, basic and supplementary pension, health check-up, tax and retirement advisors fees, company car, executive director's unemployment coverage GSC), with the exception of the defined-benefit retirement plan.

2015 financial year

Fixed compensation

The annual gross fixed compensation of Catherine Guillouard was set at €475,000 (unchanged since June 2014).

Variable compensation

The annual variable target-based compensation was increased (as compared to 2014) to 80% of the annual gross fixed compensation if 100% of the financial and individual set targets were reached.

This variable compensation for 2015 was based for 65% on financial criteria and for 35% on individual criteria.

(1) Or 180% of the annual fixed compensation, in case of maximal activation of the steady financial overperformance mechanism described below.

COMPENSATION OF CORPORATE OFFICERS

The financial criteria for 2015 were adjusted EBITA in volume (45%), ATWC (35%) and sales growth in volume (20%). The targets to reach were those set in the 2015 budget.

The financial targets could reach a maximum income of 150%, if the achieved financial results exceeded 100% of the financial targets. The individual part of the variable compensation was capped at 100%, if the achieved individual results exceeded 100% of the individual targets.

Having assessed the performance of the Deputy Chief Executive Officer, the Board of Directors of February 10, 2016 determined a global performance of 49.04% of the target variable compensation, *i.e.* an amount of €186,352 to be paid in respect of the 2015 financial year.

Detailed 2015 performance was as follows:

2015 TARGET VARIABLE COMPENSATION IN PERCENTAGE OF FIXED COMPENSATION	TARGET VARIABLE COMPENSATION IN €	FINANCIAL PART OF THE TARGET VARIABLE COMPENSATION	INDIVIDUAL PART OF THE TARGET VARIABLE COMPENSATION	2015 RESULT OF FINANCIAL PORTION	2015 RESULT OF INDIVIDUAL PORTION	GLOBAL ACHIEVEMENT IN PERCENTAGE OF TARGET VARIABLE COMPENSATION	AMOUNT IN € TO BE PAID IN RESPECT OF 2015 VARIABLE COMPENSATION
80%	380,000	65%	35%	21.60%	100%	49.04%	186,352

Details regarding achievement of 2015 financial targets:

2015 CRITERIA	WEIGHT	2015 TARGET	MINIMUM	TARGET	MAXIMUM	PERCENTAGE OF ACHIEVEMENT (BEFORE WEIGHTING)	PAYOUT AFTER WEIGHTING IN PERCENTAGE OF THE 2015 TARGET FINANCIAL PORTION
Adjusted EBITA in volume	45%	715.6	50% payout if result reaches 85% of target	100% payout if result reaches 100% of target	150% payout if result reaches 115% of target	82.10%	0.00%
ATWC	35%	13.70%	25% payout if result reaches 95% of target	100% payout if result reaches 100% of target	150% payout if result reaches 105% of target	97.40%	21.60%
Sales growth in volume	20%	1.80%	50% payout if result reaches 90% of target	100% payout if result reaches 100% of target	150% payout if result reaches 150% of target	–	0.00%
	100%		Linear calculation between the points				**21.60%**

The Board of Directors also decided to apply a specific mechanism in respect of 2015 in order to specifically recognize consistent financial overperformance. The financial part of the variable compensation as described above may be increased by applying a multiplier coefficient if the following cumulative conditions were satisfied:

- The weighted average achievement level of the annual financial objectives reached at least 100%; and
- The weighted average achievement level of the quarterly financial objectives exceeded 100% during at least 3 quarters.

The 2015 global variable compensation payout was capped at 200% of the target value.

This specific mechanism was not activated in 2015.

Regarding individual targets:

The Board of Directors of February 10, 2016 reviewed the individual targets previously determined and set the achievement level taking into account the performance achieved by the Deputy Chief Executive Officer. These targets are linked to the generation of cash flow, the strengthening of the Group's balance sheet and the financing costs optimization.

Other compensation items

Catherine Guillouard benefited from the following other compensation items:

- Benefits in kind amounting to €6,479, consisting of a company car and of €7,387 for executive director's unemployment coverage GSC; and
- A health insurance scheme (*mutuelle*), a death and disability benefits scheme, a basic and supplementary retirement scheme, a defined-benefit retirement plan, a health check-up and tax and retirement advisors' fees.

2014 financial year

Fixed compensation

The annual gross fixed compensation of Catherine Guillouard was €420,000 for the period from January 1 to May 31, 2014, and €475,000 for the period from June 1 to December 31, 2014.

Variable compensation

The annual target-based variable compensation has been set at (i) 65% of the annual fixed compensation if 100% of the financial and individual targets were reached, for the period from January 1 to May 31, 2014 and (ii) 70% of the annual fixed compensation if 100% of the financial and individual targets were achieved, for the period from June 1 to December 31, 2014.

In terms of target value, this 2014 variable compensation was based for 65% on financial criteria and for 35% on individual criteria.

The financial criteria were adjusted EBITA in volume (45%), ATWC (35%) and sales growth in volume (20%). The targets to be reached were those set in the 2014 budget.

The financial part of the variable compensation was capped at 150% if the achieved financial results exceeded 100% of the financial targets. The individual part of the variable compensation was capped at 100%, if the achieved individual results exceeded 100% of the individual targets.

The Board of Directors of February 11, 2015 assessed the performance of Catherine Guillouard for 2014 and set the variable compensation for 2014, to be paid in 2015, at €249,288, representing a global performance of 81% (*i.e.* a financial performance of 70.7% and an individual performance of 100%).

Other compensation items

Catherine Guillouard benefited from the following other compensation items:

- Benefits in kind in the amount of €6,479, consisting of a company car, as well as €7,315 for executive director's unemployment coverage GSC; and
- A supplemental health insurance (*mutuelle*), a death and disability insurance (*contrat de prévoyance*), a basic and supplementary pension, a defined benefit retirement plan, a health check-up, and compensation for tax and retirement advisors' fees.

The compensation items due or paid to the former members of the Management Board of Rexel within the prior financial years are described in the previous Registration documents of Rexel.

Summary of compensation and benefits in kind

A summary of the compensation and benefits in kind in respect of the financial years ended December 31, 2015 and December 31, 2014 is displayed in the tables below.

Table 1 – Summary of compensation, options and shares allocated to each corporate executive

A summary of all of the compensation items due to the executive corporate officers by the companies of the Rexel Group in respect of the financial years ended December 31, 2015 and December 31, 2014 is shown in the table below:

	FINANCIAL YEAR ENDED DECEMBER 31,	
	2015	**2014**
Rudy Provoost		
Compensation in respect of the financial year (1)	€1,399,897	€1,754,317
Valuation of the performance shares allocated in respect of the financial year (2)	€1,267,200	€1,576,200
Total	**€2,667,097**	**€3,330,517**
Catherine Guillouard		
Compensation in respect of the financial year (1)	€675,218	€715,165
Valuation of the performance shares allocated in respect of the financial year (2)	€614,592	€764,457
Total	**€1,289,810**	**€1,479,622**

(1) See paragraph 3.2.1 "Compensation and benefits in kind" of this Registration document.
(2) As at the date of allocation, see paragraph 8.2.2.6 "Allotment of free shares" of this Registration document and paragraph 8.1.2.6 of the 2014 Registration document.

COMPENSATION OF CORPORATE OFFICERS

Table 2 – Summary table of compensation paid to each executive corporate officer

A summary of all compensation items of the executive corporate officers in respect of the financial years ended December 31, 2015 and December 31, 2014 is displayed in the table below:

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2015		2014	
	DUE	PAID	DUE	PAID
Rudy Provoost				
Fixed compensation	€875,500	€875,500	€875,500	€875,500
Variable compensation	€348,624(1)	€703,412(2)	€703,412(2)	€458,129(3)
Housing allowance	€60,000	€60,000	€60,000	€60,000
Attendance fees	€90,000(4)	€90,000(5)	€90,000(5)	€90,000(6)
Benefits in kind	€25,773	€25,773	€25,405	€25,405
Total	**€1,399,897**	**€1,754,685**	**€1,754,317**	**€1,509,034**
Catherine Guillouard				
Fixed compensation	€475,000	€475,000	€452,083	€452,083
Variable compensation	€186,352(1)	€249,288(2)	€249,288(2)	€129,320(3)
Exceptional compensation	–	–	–	–
Attendance fees	–	–	–	–
Benefits in kind	€13,866	€13,866	€13,794	€13,794
Total	**€675,218**	**€738,154**	**€715,165**	**€595,197**

(1) Variable compensation due in respect of the financial year ended December 31, 2015 and paid during the financial year ended December 31, 2016.
(2) Variable compensation due in respect of the financial year ended December 31, 2014 and paid during the financial year ended December 31, 2015.
(3) Variable compensation due in respect of the financial year ended December 31, 2013 and paid during the financial year ended December 31, 2014.
(4) Director's fees due in respect of the financial year ended December 31, 2015 and paid during the financial year ended December 31, 2016.
(5) Director's fees due in respect of the financial year ended December 31, 2014 and paid during the financial year ended December 31, 2015.
(6) Director's fees due in respect of the financial year ended December 31, 2013 and paid during the financial year ended December 31, 2014.

Table 3 – Table in relation to attendance fees and other compensation received by the non-executive corporate officers

On May 22, 2014, Rexel's shareholders' granted an aggregate envelope of €1,315,000 in attendance fees.

Following the recommendation of the Nomination and Compensation Committee, the Board of Directors decided to allocate attendance fees from the global envelope to the members of the Board of Directors, as follows:

- Fixed portion: €40,000;
- Variable portion: €5,000 per Committee meeting, up to a maximum amount of €40,000 per member;
- For the members serving as Chairman of a Committee: an additional amount of €15,000 for the chairmanship of the Nomination and Compensation Committee and for the Strategic Investment 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 attendance fees 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.

Upon recommendation of the Nomination and Compensation Committee, the Board of Directors decided to determine the compensation of its members as follows:

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2015		2014	
	COMPENSATION	TOTAL	COMPENSATION	TOTAL
MEMBERS OF THE BOARD OF DIRECTORS AT DECEMBER 31, 2015				
Rudy Provoost		–		–
As director				
Fixed portion	–		–	
Variable portion	–		–	

COMPENSATION OF CORPORATE OFFICERS

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2015		2014	
	COMPENSATION	TOTAL	COMPENSATION	TOTAL
Thomas Farrell		€87,500		€80,000
As director				
Fixed portion	€40,000		€40,000	
Variable portion	€40,000		€40,000	
Travel allowance	€7,500		–	
Fritz Fröhlich		€107,500		€105,000
As Chairman of the Audit and Risk Committee	€25,000		€25,000	
As director				
Fixed portion	€40,000		€40,000	
Variable portion	€40,000		€40,000	
Travel allowance	€2,500		–	
François Henrot		€140,000		€135,000
As Deputy Chairman and senior independent director				
As Chairman of the Nomination and Remuneration Committee				
As director				
Fixed portion	€100,000		€100,000	
Variable portion	€40,000		€35,000	
Travel allowance	–		–	
Isabel Marey-Semper		€60,000		€39,600
As director				
Fixed portion	€40,000		€24,600	
Variable portion	€20,000		€15,000	
Travel allowance	–		–	
Monika Ribar		€70,000		€75,000
As director				
Fixed portion	€40,000		€40,000	
Variable portion	€30,000		€35,000	
Travel allowance	–		–	
Maria Richter		€95,000		€54,600
As director				
Fixed portion	€40,000		€24,600	
Variable portion	€40,000		€30,000	
Travel allowance	€15,000		–	
Pier-Luigi Sigismondi		€82,500		€89,200
As Chairman of the Strategic Investment Committee	€15,000		€9,200	
As director				
Fixed portion	€40,000		€40,000	
Variable portion	€25,000		€40,000	
Travel allowance	€2,500		–	
Hendrica Verhagen		€72,500		€60,000
As director				
Fixed portion	€40,000		€40,000	
Variable portion	€30,000		€20,000	
Travel allowance	€2,500		–	

COMPENSATION OF CORPORATE OFFICERS

	FINANCIAL YEAR ENDED DECEMBER 31,			
	2015		2014	
	COMPENSATION	TOTAL	COMPENSATION	TOTAL
FORMER MEMBERS OF THE SUPERVISORY BOARD AND BOARD OF DIRECTORS				
Vivianne Akriche		–		25,500
As member of the Supervisory Board				
Fixed portion	–		€15,500	
Variable portion	–		€10,000	
François David		–		€30,500
As member of the Supervisory Board				
Fixed portion	–		€15,500	
Variable portion	–		€15,000	
David Novak		–		€31,400
As Chairman of Committee	–		€5,900	
As member of the Supervisory Board				
Fixed portion	–		€15,500	
Variable portion	–		€10,000	
Roberto Quarta		–		€36,400
As Chairman of Committee	–		€5,900	
As member of the Supervisory Board				
Fixed portion	–		€15,500	
Variable portion	–		€15,000	
Patrick Sayer(1)		€37,300		€95,000
As Chairman of Committee	€6,100		€15,000	
As director	–		–	
Fixed portion	€16,200		€40,000	
Variable portion	€15,000		€40,000	
Total		**€752,300**		**€857,200**

(1) Patrick Sayer resigned from his duties as member of the Board of Directors during the financial year ended December 31, 2015.

Table 4 – Share subscription or purchase options allocated during the financial year to each executive corporate officer by Rexel and any other company of the Rexel Group

The summary tables in relation to the purchase option or share subscription plans as well as to the options allocated are set out in paragraphs 8.2.2.5 "Subscription or purchase options for Rexel shares" of this Registration document.

The market ethics charter of Rexel includes an undertaking by corporate officers not to use hedging options to cover their risk in respect of the options, the shares resulting from the exercise of options or of performance shares.

Table 5 – Share subscription or purchase options exercised by each executive corporate officer during the financial year

The summary tables in relation to the options exercised are set out in paragraphs 8.2.2.5 "Subscription or purchase options for Rexel shares" of this Registration document.

Table 6 – Performance shares allocated to each executive corporate officer by the issuer and by any Group company

The summary tables in relation to free shares allocated are set out in paragraph 8.2.2.6 "Allotment of free shares" of this Registration document.

The market ethics charter of Rexel includes an undertaking by corporate officers not to use hedging options to cover their risk in respect of the options, issues shares resulting from the exercise of options and from performance shares.

Table 7 – Performance shares that became available during the financial year for each executive corporate officer

The summary tables in relation to shares irrevocably vested are set out in paragraph 8.2.2.6 "Allotment of free shares" of this Registration document.

Table 8 – History of allocation of share subscription or purchase options

The subscription or purchase options plans are set out in paragraphs 8.2.2.5 "Subscription or purchase options of Rexel shares" of this Registration document.

Table 9 – Subscription or purchase options for shares granted to employees who are not corporate officers, and the options exercised by them during the financial year

The subscription or purchase options for shares granted to employees who are not corporate officers, are described in paragraph 8.2.2.5 "Subscription or purchase options of Rexel shares" of this Registration document.

Table 10 – History of allocations of performance shares

The summary tables in relation to free shares plans and to performance shares allocated are set out in paragraph 8.2.2.6 "Allotment of free shares" of this Registration document.

Table 11 – Summary table relating to employment contract, specific retirement benefits, severance packages and non-compete clauses

A summary of the employment contrat, specific retirement benefits, severance packages and non-compete clauses of the executive corporate officers is displayed in the table below:

CORPORATE OFFICER	EMPLOYMENT CONTRACT	SPECIFIC RETIREMENT SCHEME BENEFITS	SEVERANCE PACKAGES	INDEMNITIES IN RELATION TO A NON-COMPETE CLAUSE
Rudy Provoost Chairman and CEO From May 22, 2014 until the Annual General Meeting called to approve the financial statements for the financial year ending December 31, 2017	No	No (see paragraph 3.2.4 "Pensions, retirement or other benefits" of this Registration document)	Yes (see paragraph 3.2.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this Registration document)	Yes Duration: 12 months Compensatory indemnity 1/12 of the annual fixed gross compensation per month
Catherine Guillouard Deputy Chief Executive Officer From May 22, 2014 until the Annual General Meeting called to approve the financial statements for the financial year ending December 31, 2017	Yes Contract suspended since April 30, 2013	Yes (see paragraph 3.2.4 "Pensions, retirement or other benefits" of this Registration document)	Yes (see paragraph 3.2.2 "Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers" of this Registration document)	Yes Duration: 12 months Compensatory indemnity 1/12 of the annual fixed gross compensation per month

3.2.2 Compensation, indemnities or benefits due or that may become due as a result of the assumption, termination or change in the functions of corporate officers

Chairman and Chief Executive Officer and Deputy Chief Executive Officer

Rudy Provoost and Catherine Guillouard benefit from a severance indemnity, subject to certain performance conditions decided by the Board of Directors' of May 22, 2014, and which was approved by the Shareholders' on May 27, 2015.

The Board of Directors of February 11, 2015, upon recommendation of the Nomination and Compensation Committee, decided to further limit the eligibility conditions for receiving the severance indemnity allocated to corporate officers. The payment of the severance indemnity that may benefit the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are therefore subject to the following cumulative conditions (i) event of forced departure and (ii) change in control or strategy.

Also, the Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee, decided to amend and harmonize the calculation and payment conditions of the severance indemnity of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer in order to align them with market practice.

Severance indemnity of Rudy Provoost

Rudy Provoost does not have an employment contract with any of the Rexel Group companies.

Rudy Provoost benefits from a gross severance indemnity equal to 24 months of monthly reference compensation. In accordance with the decision of the Board of Directors of February 10, 2016, the monthly reference compensation is now understood as the last fixed gross annual compensation plus the gross amount of the last variable bonus paid, excluding any exceptional bonus, with this sum being divided by 12 (until that date the reference compensation was understood as the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid)[1].

The severance indemnity of Rudy Provoost will only be paid in case of forced departure linked to a change in control or strategy. The severance indemnity is not applicable in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or voluntary retirement leave or compulsory retirement leave[2].

In addition, regardless of the cause of departure from Rexel, a non-compete clause is stipulated. The Board of Directors may waive this non-compete clause[3]. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the corporate office. As consideration, the monthly non-compete indemnity is equal to one twelfth of the gross fixed annual compensation. The gross severance indemnity includes, where applicable, the non-compete indemnity (that is not subject to the conditions of termination of the corporate office referred to above or to the performance conditions referred to below).

Severance indemnity of Catherine Guillouard

Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013.

In the event of termination of her corporate office within Rexel, Catherine Guillouard's employment contract with Rexel Développement would be reinstated with a compensation package equivalent to that from which she benefitted as corporate officer.

The employment contract of Catherine Guillouard, amended on February 24, 2016 provides, in the event of termination of the employment contract at the initiative of the employer, notified within 12 months following the end of her duties as corporate officer, the conditions referred to as forced departure and linked to a change in control or strategy, independent of the grounds of the termination of contract, except in case of gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or compulsory retirement leave[2], that Catherine Guillouard will benefit from a gross contractual severance indemnity equal to 24 months of her monthly reference compensation (this gross contractual severance indemnity was previously of 18 months of her reference compensation). The 8 months notice period which was in force in the event of termination of the employment contract at the initiative of the employer has been waived.

(1) Therefore, the severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid.
(2) The position adopted by the Board of Directors is more restrictive than the guidelines of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "Independent of the form of such departure".
(3) The Board of Directors, having the option to assess the interest for Rexel to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive (in particular taking into account the various legislations applicable in respect of retirement rights for international executives).

The monthly reference compensation is defined as the gross annual fixed compensation applicable during the full month prior to the month of the effective redundancy date, plus the amount of the gross variable compensation received in respect of the last financial year, excluding any other additional or exceptional compensation items, divided by 12. The monthly reference compensation includes any potential compensation (fixed and variable, on a *pro rata* basis) received as a corporate officer during this period (excluding any additional or exceptional compensation item)[1].

The Catherine Guillouard's employment contract amended on February 24, 2016 provides, in the event of the termination of the employment contract at the initiative of the employer, notified more than 12 months after the end of her duties as corporate officer, and subject to the actual exercice of a salaried position during this period, that the conditions of termination of the corporate office referred to above or to the performance conditions mentioned below will not be applicable.

In addition, regardless of the cause of departure from Rexel, a non-compete clause is stipulated in Catherine Guillouard's employment contract as amended on February 24, 2016. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-compete indemnity is equal to one twelfth of her gross fixed annual compensation. The Company may decide to waive the application of this non-compete clause[2].

The contractual severance indemnity is deemed to include the statutory severance indemnity (*indemnité légale de licenciement*) or severance indemnity pursuant to the applicable collective bargaining agreement (*indemnité conventionnelle de licenciement*) due, if any, as well as the non-complete indemnity (with the above indemnities not being subject to the conditions of termination of the corporate office referred to above, or to the performance conditions referred to below).

Performance conditions applicable to severance indemnities

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Rudy Provoost's severance indemnity, other than the non-compete indemnity, as well as the contractual severance indemnity of Catherine Guillouard, other than the statutory severance indemnity or severance indemnity pursuant to the applicable collective bargaining agreement or the non-compete indemnity, are subject to performance conditions.

On May 22, 2014, the Board of Directors retained the following performance conditions:

- The payment of 60% of the indemnity would be dependent on the level of EBITA of the Rexel Group. This payment would be 100% if the level of EBITA, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate office or employment contract (the reference period) reaches on average a minimum of 60% of the amount budgeted for such two periods; and
- The payment of 40% of the indemnity would be dependent on the level of ATWC of the Rexel Group. This payment would be 100% if the level of ATWC, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate office or employment contract (the reference period) reaches on average a maximum of 125% of the performance budgeted for such two periods.

The Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee, decided to suppress the option to review these performance conditions within the reference financial years, in case of deterioration of the economic or financial condition of Rexel or of the market.

These indemnities will only be paid after a decision of the Board of Directors acknowledging the fulfillment of these conditions.

3.2.3 Other benefits

During the financial period ended December 31, 2015, Rexel did not grant any loans, advances or guarantees to any of its corporate officers.

3.2.4 Pension, retirement or other benefits

A supplementary defined-benefit pension plan, defined by article L.137-11 of the French Social Security code, was in force within Rexel Développement and Rexel, as of July 1, 2009.

(1) Therefore, the severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid.
(2) The Board of Directors, having the option to assess the interest for the Group to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive (in particular taking into account the various legislations applicable in respect of retirement rights for international executives).

COMPENSATION OF CORPORATE OFFICERS

Further to the pension act enacted on November 10, 2010 and after approval of Rexel's Compensation Committee, the supplementary defined-benefit pension plan in force within Rexel Développement and Rexel since July 1, 2009 and the former supplementary defined-benefit retirement scheme closed on June 30, 2009 were subject to a number of amendments effective as of January 1, 2011, in particular:

- Possible settlement of the additional pension only as of the minimum retirement age of the general pension system (compared to a fixed age of 60 previously);
- Possibility for beneficiaries having reached the minimum retirement age of the general pension system, but not having reached the full rate under the general pension system, of settling their additional pension at a reduced rate, with the application of a discount for missing quarters; and
- Setting-up of a minimum length of service of 4 years with Rexel at the time of settlement of the additional pension in order to benefit from this pension system.

During the financial year 2013, certain amendments have been made with effect as from January 1, 2014, including principally the ability to maintain the additional pension when the pension under the Social Security base regime is settled, provided that the beneficiary does not exercise afterwards any other professional activity, in the following cases:

- Dismissal after the age of 55 (except for willful misconduct);
- Disability corresponding to the 2nd or 3rd class under the French Social Security regime; and
- Participation in an early retirement regime.

The benefit of this regime is subject to the following cumulative conditions:

- Having reached a minimum length of service of 4 years within the Rexel Group;
- Participating to the old-age insurance of the French Social Security regime;
- Being part of Rexel Développement or Rexel as at the date of their retirement or forced retirement;
- Putting an end to their professional career within Rexel Développement or Rexel, in accordance with the condition set forth in article L.137-11 of the French Social Security code ; and
- Having settled their retirement pension of the French Social Security base regime.

As an exception, when one or several of the last 3 conditions referred to above may not be met, retirement rights shall be maintained in the cases expressly accepted by the authorities (see amendments made to the plan during the 2013 financial year).

Are eligible for this supplementary pension scheme, top executives with the status of employee and/or corporate officer whose status and activity are defined in Article L.3111-2 of the French Labor Code.

At December 31, 2015, 7 top executives, including 1 corporate officer, met these eligibility criteria.

At its meeting of March 6, 2013, the Supervisory Board, at the request of Rudy Provoost and upon recommendation of the Compensation Committee, cancelled the benefit provided under the defined benefit pension plan (article 39) granted to Rudy Provoost.

The additional pension under this plan is equal to the product of the reference compensation, the years of seniority and a yearly acquisition factor ranging between 0% and 1% according to the level of reference compensation.

The reference compensation used in the calculation of the supplemental pension is equal to the average of the three best calendar years of gross compensation received for the period in which the potential beneficiary can justify that he/she meets the seniority and eligibility conditions.

This compensation includes:

- Salary and/or compensation as a corporate officer; and
- Exclusively contractual annual bonuses classified as "annual variable compensation" not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account at up to 80% of the fixed base salary.

The reference compensation does not include special bonuses, especially payments made at retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by a transaction. It also does not include benefits in kind.

The reference compensation is globally capped up to 40 times the yearly French Social Security ceiling.

A number of limits have been put in place on the amount of the benefit:

- The amount of the supplemental pension under the new rules is limited to 20% of the reference compensation;
- The amount of all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation; and
- The total amount of mandatory pension schemes and all supplementary pension plans in force within Rexel may not exceed 50% of the reference compensation.

The total provision booked by Rexel for all employees covered by this supplemental defined-benefit retirement plan corresponded to a liability of €11.9 million as of December 31, 2015 reduced by the value of a plan asset in an insurance company.

As of December 31, 2015, the value of this plan asset was estimated approximately at €1.5 million. Insurance premiums are paid to this plan asset depending on the financing needs as beneficiaries retire.

The supplemental retirement plan for the current beneficiaries represents between 6% and 19% of the reference compensation.

It is also indicated that at the closing of the 2015 financial year, the yearly amount of the pension of the Deputy Chief Executive Officer was estimated at approximately €13,400. 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.

This pension would have been liable to:

- CSG and CRDS (7.1%), 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%; and
- Personal income tax, after a 10% deduction.

Insurance premiums paid would have been subject to a 24% contribution, borne by Rexel.

This system was compliant with all of the AFEP and MEDEF recommendations.

AFEP-MEDEF GUIDELINES	
Eligibility criteria	Compliant
Number of corporate officers compared to the total number of beneficiaries	Compliant
Seniority criteria	Compliant
Yearly accrual percentage	Compliant
Period of maximum accrual attainment	Compliant
Reference compensation	Compliant
Maximum level of benefits	Compliant
Information on potential rights	Compliant

The meeting of the Board of Directors of February 10, 2016, upon proposal of the Nomination and Compensation Committee decided to put an end to the additional defined-benefit retirement scheme (article 39), that included in particular Deputy Chief Executive Officer Catherine Guillouard as beneficiary (and from which only a small number of non-corporate officers, approaching the age of retirement, will continue to benefit) as from 2016.

The Board of Directors considered, in particular, that this regime was no longer adapted to the new profiles of the top managers of the Group (more international profiles, joining the Group at a mid-career stage…). Furthermore, the legislation in connection with this scheme has been continuously changing throughout the last few years, which makes the system unstable with increasing costs for the Company.

The estimated impact of the partial closure of the supplementary defined-benefit retirement plan (Article 39) shall represent a reversal from provisions of around €1.5 million in the 2016 consolidated accounts.

A medium-term collective saving scheme will be set up, and will be better adapted and competitive given the international profiles of the Group's top managers. This scheme will also concern the corporate officers of the Group (the Chairman and Chief Executive Officer as well as the Deputy Chief Executive Officer).

This scheme will include:

- An annual component: a contribution based on the fixed and variable compensation received the relevant year(1), thus taking into account the annual performance achieved:
  - 20% on the portion of compensation ranging from 4 to 20 PASS(2);
  - 10% on the portion of compensation ranging from 20 to 40 PASS(2).

This contribution will be initially calculated based on the compensation received in 2016.

(1) The variable compensation taken into consideration will be limited in any case to 80% of the fixed annual compensation.
(2) French Annual Social Security ceiling (*Plafond Annuel de Sécurité Sociale*).

- An exceptional contribution will be made in order to take into account the restructuring of the components of the compensation of the Group's top managers concerned. In such respect, the Deputy Chief Executive Officer, Catherine Guillouard, will be able to benefit from an exceptional contribution of €81,765 per year during 3 years, subject to service conditions. This exceptional contribution was calculated in accordance with the same rules as those described for the annual component of the scheme, based on the compensation received by the Deputy Chief Executive Officer since the beginning of her term of office. The Chairman and Chief Executive Officer will not benefit from this exceptional payment.

All contributions will be liable to social security contributions and personal income tax.

These contributions will be transferred by Rexel to a medium-term investment vehicle[1], with a lock-up undertaking from the corporate officers of at least 8 years.

Part of the contribution will be paid directly in cash to the beneficiaries in order to allow them to pay for the tax and Social Security associated with this scheme.

This decision will be submitted to Shareholders Meeting in 2017.

3.2.5 Consultation on the corporate officers' individual compensation (paragraph 24.3 of the AFEP-MEDEF Code)

Items of compensation due or granted to Rudy Provoost, Chairman and Chief Executive Officer, in respect of the financial year ended on December 31, 2015[2] submitted to a shareholder consultation at the Shareholders' Meeting (7th resolution):

Rudy Provoost (Chairman and Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Fixed annual compensation	€875,500	The gross fixed annual compensation in respect of the financial year ended on December 31, 2015, determined by the Board of Directors of February 11, 2015, upon recommendation of the Nomination and Compensation Committee is €875,500. The gross fixed annual compensation in respect of the financial year ended on December 31, 2014 stood at €875,500. See paragraph 3.2.1 of this Registration document.
Variable annual compensation	€348,624	The gross variable annual compensation in respect of the financial year ended on December 31, 2015 determined by the Board of Directors of February 10, 2016 on the proposal of the Nomination and Compensation Committee is €348,624. The variable compensation was based for 75% on financial criteria (adjusted EBITA in volume, ATWC and sales growth in volume) and for 25% on individual criteria. In percentage, financial performance stood at 21.6% and individual performance stood at 80%. This amount thus corresponds to 36.20% of the target variable compensation (the target variable compensation was determined at 110% of the fixed annual compensation if 100% of the financial and individual targets were achieved). For details on the calculation of the variable compensation for 2015, please see paragraph 3.2.1 of this Registration document.
Deferred variable compensation	Not applicable	Rudy Provoost does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable	Rudy Provoost does not benefit from any multiannual variable compensation.
Exceptional compensation	Not applicable	Rudy Provoost does not benefit from any exceptional compensation.

(1) Such as a life insurance repurchasable at any time.
(2) In connection with the severance indemnities and with the non-compete clause, the table also includes the amendments adopted by the Board of Directors upon its meeting of February 10, 2016.

Rudy Provoost (Chairman and Chief Executive Officer)		
COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	**AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE**	**PRESENTATION**
Other compensation item	€60,000	Rudy Provoost benefits from a housing allowance, an annual gross amount of €60,000. The amount for the financial year ended December 31, 2015 has not varied compared to the financial year ended December 31, 2014.
Subscription or purchase options	Not applicable	No subscription or purchase options have been allocated to Rudy Provoost during the financial year ended on December 31, 2015.
Performance share allotments	€1,267,200	In accordance with the authorizations granted by Rexel's Shareholders' on July 27, 2015 (resolution no. 1), the Board of Directors decided, at its meeting of July 28, 2015, to allot Rexel performance shares. Accordingly, 120,000 shares were alloted to Rudy Provoost. This number of shares is the maximum number of shares that may be vested if the performance conditions are outperformed and corresponds to a maximum vesting percentage of 100%. Such shares represented 0.04% of the share capital and voting rights of Rexel as at December 31, 2015. The final vesting of the shares alloted to Rudy Provoost is entirely subject to performance conditions, as described in paragraph 8.2.2.6 of this Registration document. The two limits put in place in 2015 were respected: the annual value of the performance shares granted to the Chairman and Chief Executive Officer has not exceeded 100% of his 2015 fixed and variable annual target compensation, and the number of shares alloted in 2015 to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer has not exceeded 10% of the overall envelope of performance shares alloted in 2015 to all the beneficiaries.
Other long term compensation items	Not applicable	Rudy Provoost does not benefit from any other long term compensation items.
Attendance fees	€90,000	In respect of his corporate offices within Rexel UK Ltd, British subsidiary, and Rexel Holdings USA Corp., US subsidiary, Rudy Provoost received attendance fees amounting to €90,000, paid in 2016 in respect of the financial year ended on December 31, 2015. The attendance fees paid in 2015 in respect of the financial year ended on December 31, 2014, amounted also to €90,000. The Board of Directors of February 10, 2016 decided to suppress the grant of intra-group attendance fees at the benefit of the Chairman and Chief Executive Officer as of 2016. See paragraph 3.2.1 of this Registration document.
Valuation of benefits in kind	€25,773	Rudy Provoost receives benefits in kind amounting to €9,179, comprising a company car and €16,594 for executive director's unemployment coverage GSC. For the financial year ended on December 31, 2014, such benefits in kind amounted to €25,405. See paragraph 3.2.1 of this Registration document.

COMPENSATION OF CORPORATE OFFICERS

Rudy Provoost (Chairman and Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Severance indemnities	No payment	In the event of forced departure, Rudy Provoost shall receive a gross severance indemnity in an amount equal to 24 months of reference monthly compensation. In accordance with the decision made by the Board of Directors of February 10, 2016, reference monthly compensation is now defined as the last gross fixed annual compensation increased by the gross amount of the last variable bonus received, except for any exceptional bonuses, divided by 12 (the severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid). The severance indemnity will only be paid in case of forced departure and linked to a change in control or strategy. The severance indemnity shall not apply in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or voluntary retirement leave or compulsory retirement leave[(1)]. This severance indemnity includes, as the case may be, the non-compete indemnity. This severance indemnity (excluding the non-compete indemnity) is subject to the following performance conditions[(2)]: • The payment of 60% of the indemnity depends on the level of EBITA of the Rexel Group; and • The payment of 40% of the indemnity depends on the level of ATWC of the Rexel Group. The payment of these indemnities requires a prior decision of the Board of Directors acknowledging the fulfillment of these conditions. This severance indemnity was authorized by a decision of the Board of Directors of February 11, 2015 and of February 10, 2016. These decisions will be the purpose of a resolution submitted to the General Shareholders' Meeting of May 25, 2016 (resolution No. 5). See paragraph 3.2.2 of this Registration document.
Non-compete indemnity	No payment	Regardless of the cause of Rudy Provoost's departure from Rexel, a non-compete clause is provided. The Board of Directors may waive the implementation of such a non-compete clause[(3)]. This non-compete undertaking is limited to a period of 12 months as from the date of effective termination of his corporate office. In consideration for such non-compete undertaking, the monthly non-compete indemnity is equal to one twelfth of the gross fixed annual compensation. It is not subject to performance conditions. The gross severance indemnity includes, as the case may be, the non-compete indemnity. This non-compete indemnity was authorized by a decision of the Board of Directors of February 11, 2015 and of February 10, 2016. See paragraph 3.2.2 of this Registration document.
Supplemental retirement plan	Not applicable	In accordance with the request of Rudy Provoost, the Supervisory Board of March 6, 2013[(4)] decided to withdraw the advantage resulting from the benefit of the defined-benefits retirement plan (Article 39).

(1) The position adopted by the Board of Directors is more restrictive than the guidelines of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "independent of the form of such departure".
(2) The Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee decided to withdraw the possibility to modify these performance conditions during the reference period, in case of deterioration of Rexel's or of the market economic and financial environment.
(3) The Board of Directors, having the option to assess the interest for the company to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive officer (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive officer (in particular, taking into account the various legislations applicable in respect of retirement rights for international executive officers).
(4) Rexel was a *société anonyme* with a Supervisory Board and a management Board.

Items of compensation due or allocated to Catherine Guillouard, Deputy Chief Executive Officer, in respect of the financial year ended December 31, 2015[(1)], subject to the consultation of the shareholders upon the shareholders meeting (8th resolution).

Catherine Guillouard (Deputy Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Fixed annual compensation	€475,000	The gross fixed annual compensation in respect of the financial year ended on December 31, 2015 determined by the Board of Directors of February 11, 2015, upon recommendation of the Nomination and Compensation Committee is €475,000. The gross fixed annual compensation in respect of the financial year ended December 31, 2014 amounted to €452,083, including a gross fixed annual compensation of €420,000 from January 1 to May 31, 2014, followed by €475,000 from June 1, to December 31, 2014. The fixed compensation remained therefore unchanged since June 1, 2014. This fixed annual compensation is reviewed regularly in accordance with the compensation policy applicable to top managers of the Group in order to allow, through this continuous adjustment, the alignment of the fixed annual compensation with the median of the reference market (based on benchmarks provided by an independent consulting firm on a panel of French and European companies of similar industries and size and comparable in terms of sales, number of employees and market capitalisation). This alignment takes also into account the responsibilities carried out, the experience and the performance achieved. See paragraph 3.2.1 of this Registration document.
Variable annual compensation	€186,352	The gross variable annual compensation in respect of the financial year ended on December 31, 2015 determined by the Board of Directors of February 10, 2016 upon recommendation of the Nomination and Compensation Committee is €186,352. The variable compensation was based for 65% on financial criteria (adjusted EBITA in volume, ATWC and sales growth in volume) and for 35% on individual criteria. Financial performance stood at 21.6% and individual performance stood at 100%. This amount thus corresponds to 49.04% of the target bonus (the target bonus was determined at 80% of the fixed annual compensation if 100% of the financial and individual targets were achieved). For details on the calculation of the variable compensation for 2015, please see paragraph 3.2.1 of this Registration document.
Deferred variable compensation	Not applicable	Catherine Guillouard does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable	Catherine Guillouard does not benefit from any multiannual variable compensation.
Exceptional compensation	Not applicable	Catherine Guillouard does not benefit from any exceptional compensation.
Subscription or purchase options	Not applicable	No subscription or purchase options have been allocated to Catherine Guillouard during the financial year ended on December 31, 2015.
Performance share allotments	€614,592	In accordance with the authorizations granted by Rexel's Shareholders' of July 27, 2015 (resolution No.1), the Board of Directors, at its meeting of July 28, 2015, decided to allot Rexel performance shares. Accordingly, 58,200 performance shares were alloted to Catherine Guillouard. This number of shares is the maximum number of shares that may be vested if the performance conditions are outperformed and corresponds to a maximum vesting percentage of 100%. Such shares represented 0.02% of the share capital and voting rights of Rexel as at December 31, 2015. The final vesting of the shares alloted to Catherine Guillouard is entirely subject to performance conditions as described in paragraph 8.2.2.6 of this Registration document. The two limits put in place in 2015 were respected: the annual value of the performance shares alloted to the Deputy Chief Executive Officer has not exceeded 100% of her 2015 fixed and variable target compensation, and the number of shares alloted to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer has not exceeded 10% of the overall envelope of performance shares alloted to all the beneficiaries.

(1) In respect of the severance indemnities and non-compete clause, the table also includes the amendments made by the Board of Directors at its meeting of February 10, 2016.

COMPENSATION OF CORPORATE OFFICERS

Catherine Guillouard (Deputy Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Other long term compensation items	Not applicable	Catherine Guillouard does not benefit from any other long term compensation items.
Attendance fees	Not applicable	Catherine Guillouard does not benefit from any attendance fees.
Valuation of benefits in kind	€13,866	Catherine Guillouard receives benefits in kind amounting to €6,479, comprising a company car and €7,387 for executive director's unemployment coverage GSC. For the financial year ended on December 31, 2014, such benefits amounted to €13,794 and. See paragraph 3.2.1 of this Registration document.
Severance indemnities	No payment	Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013. In the event of termination of her corporate office within Rexel, Catherine Guillouard's employment contract with Rexel Développement would be reinstated with a compensation package equivalent to that from which she benefited as corporate officer. The employment contract of Catherine Guillouard, amended on February 24, 2016 provides, in the event of termination of the employment agreement at the initiative of the employer, notified within twelve months following the end of her duties as corporate officer, within conditions referred to as forced departure and linked to a change in control or strategy, independent of the grounds of the termination of contract, except in case of gross negligence *(faute grave)* or willful misconduct *(faute lourde)* or compulsory retirement leave[(1)], that Catherine Guillouard will benefit from a gross contractual severance indemnity equal to 24 months of the monthly reference compensation (this contractual severance indemnity was previously equal to 18 months of her monthly reference compensation). The 8 months notice period which was in force in the event of termination of the employment contract at the initiative of the employer has been waived[(2)]. The monthly reference compensation is now defined as the gross annual fixed compensation applicable during the full month prior to the month of the effective redundancy date, plus the amount of the gross variable compensation received in respect of the last financial year, excluding any other additional or exceptional compensation items, divided by 12. The monthly reference compensation includes any potential compensation (fixed and variable, on a *pro rata* basis) received as a corporate officer during this last month in respect of the fixed compensation or for the last financial year in respect of the variable compensation (excluding any additional or exceptional compensation item). The severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid. The gross contractual severance indemnity is deemed to include the statutory severance indemnity *(indemnité légale de licenciement)* or severance indemnity pursuant to the applicable collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the non-compete indemnity. This contractual severance indemnity (excluding the statutory severance indemnity or the severance indemnity pursuant to the applicable collective bargaining agreement and the non-compete indemnity, if any) is subject to the following performance conditions[(3)]: • the payment of 60 % of the indemnity depends on the level of EBITA of the Rexel Group; and • the payment of 40 % of the indemnity depends on the level of ATWC of the Rexel Group. The payment of these indemnities requires a prior decision of the Board of Directors acknowledging the satisfaction of these conditions. The employment contract of Catherine Guillouard, amended on February 24, 2016 provides, in the event of termination of the employment contract at the initiative of the employer, notified more than twelve months after the end of her duties as corporate officer, and subject to the actual exercise of a salaried position during this period, that the above mentioned conditions of termination of the corporate office and performance conditions will not be applicable. This severance indemnity was authorized by a decision of the Board of Directors of February 11, 2015, and a decision of February 10, 2016. These decisions will be the purpose of a resolution submitted to the General Shareholders' Meeting of May 25, 2016 (resolution No. 6). See paragraph 3.2.2 of the Registration document.

(1) The position adopted by the Board of Directors is more restrictive than the guidelines of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "independent of the form of such departure".
(2) The Board of Directors decided to modify and align the calculation and payment of the severance indemnities of the two corporate officers.
(3) The Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee decided to withdraw the possibility to modify these performance conditions during the reference period, in case of deterioration of Rexel's or of the market economic and financial environment.

Catherine Guillouard (Deputy Chief Executive Officer)		
COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	**AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE**	**PRESENTATION**
Non-compete indemnity	No payment	Regardless of the cause of Catherine Guillouard's departure from Rexel, a non-compete clause is stipulated in her employment contract as amended on February 24, 2016. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-compete indemnity is equal to one twelfth of her gross fixed annual compensation. The Company may waive this non-compete clause(1). The contractual severance indemnity includes the non-compete indemnity, if any. This non-compete indemnity was authorized by a decision of the Board of Directors of February 11, 2015 and by a decision of the Board of Directors of February 10, 2016. See paragraph 3.2.2 of the Registration document.
Supplemental retirement plan	No payment	Catherine Guillouard benefited from the supplemental defined-benefit retirement plan in force within Rexel Développement and Rexel since July 1, 2009. The supplemental pension under this plan is equal to the product of the reference compensation, the years of seniority and an annual acquisition factor ranging between 0% and 1% according to the level of reference compensation. The reference compensation used to calculate the supplemental pension is equal to the average of the three highest calendar years of gross compensation received for the period in which the potential beneficiary can justify seniority and eligibility. This compensation includes: • Salary and/or compensation as a corporate officer; and • Exclusively contractual annual bonuses classified as "annual variable compensation" not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account for an amount of up to 80% of the fixed base salary. The reference compensation does not include special bonuses, particularly payments made upon retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by settlement. It also does not include benefits in kind. The reference compensation is globally capped at 40 times the annual French Social Security ceiling. The amount of the benefit is subject to a certain number of limits: • The amount of the supplemental pension under the new rules is limited to 20% of the reference compensation; • The amount of all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation; and • The aggregate amount of mandatory pension schemes and all supplemental pension plans in force within Rexel may not exceed 50% of the reference compensation. On the basis of the information available on the date hereof, Catherine Guillouard's annual pension under this supplemental retirement plan should not exceed 13% of the reference compensation upon retirement. This supplemental retirement plan was authorized by a decision of the Board of Directors of May 22, 2014 and approved by the Shareholders' of May 27, 2015 (5th decision). The Board of Directors of February 10, 2016, upon proposal of the Nomination and Compensation Committee, decided to put an end, as from 2016, to the supplemental defined-benefit retirement scheme (article 39)(2), that included in particular Deputy Chief Executive Officer Catherine Guillouard as beneficiary. The Board of Directors considered, in particular, that this regime 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...). Furthermore, the legislation in connection with these schemes has been continuously changing throughout the last few years, which makes the system unstable with increasing costs for the Company. See paragraph 3.2.4 of this Registration document.

(1) The Board of Directors, having the option to assess the interest for the company to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive (in particular, taking into account the various legislations applicable in respect of retirement rights for international executives).

(2) Except for some beneficiaries, non corporate officers, about to retire.

3.3 Securities Market Charter

On May 22, 2014, following the transformation of Rexel into a *société anonyme* with a Board of Directors, Rexel adopted an updated Securities Market Charter, the objective of which is to specify the applicable regulations in respect of share transactions by permanent and/or occasional insiders and interested persons, including in particular corporate officers and employees of the Rexel Group who have constant or occasional access to inside information as well as outsiders to the Rexel Group who can, in the context of their role or position, have access to inside information in relation to Rexel or the Rexel Group.

The Securities Market Charter provides for the creation of the position of an ethics officer within the Rexel Group. The ethics officer oversees compliance with the market ethics Charter, in particular by informing those persons concerned of the periods during which they must abstain from transactions involving Rexel's shares, informing the Board of Directors of any finding of violations of the applicable regulations within the Rexel Group, or by establishing and updating a list, to be provided upon request to the AMF, of persons considered to be insiders, and informing such persons of their inclusion in such list.

The Securities Market Charter mentions the applicable obligations with respect to the holding, disclosure and use of inside information as well as the applicable sanctions in the event of a violation of such obligations. The Securities Market Charter thus specifies the confidentiality and abstention obligations or the obligation to hold shares in registered form that applies to permanent or occasional insiders and interested persons. The Securities Market Charter also lays out the definition of inside information as well as the applicable rules in the case of, for example, an offence and breach by an insider, or a market manipulation. It also provides for periods of abstention linked, in particular, to the publication of Rexel's financial accounts.

3.4 Related party transactions

3.4.1 Principal related party transactions

The material agreements entered into between Rexel and related parties, *i.e.* the members of Rexel's executive management, of Rexel's Board of 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, 2015 are:

Agreements referred to in Article L.225-42-1 of the French Commercial Code entered into by Rexel during the financial year ended on December 31, 2015 and previously authorized by the Board of Directors:

The amendment of the undertakings in favor of Rudy Provoost, Chairman and Chief Executive Officer of Rexel and Catherine Guillouard, Deputy Chief Executive Officer of Rexel in the case of termination of functions, previously authorized by the Board of Directors of May 22, 2014 and approved by the Shareholders' Meeting of May 27, 2015, has been authorized by the Board of Directors of February 11, 2015.

This amendment has specified that these undertakings shall apply in the event of forced departure linked to a change in control or strategy and it shall not apply in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or retirement leave or compulsory retirement leave (see paragraph 3.2.5 "Consultation on the corporate officers' individual compensation" of this Registration document).

The other undertakings in favor of Rudy Provoost and Catherine Guillouard authorized by the Board of Directors of May 22, 2014 and approved by the Shareholders' Meeting of May 27, 2015 remain unchanged.

Morevoer, these conventions have been modified by the Board of Directors of February 10, 2016 to harmonize the calculation and payment conditions of the severance indemnity (see paragraphs 3.2.2 and 9.2.3 of this Registration document).

Agreements referred to in Article L.225-42-1 of the French Commercial Code entered into by Rexel during the financial year ended on December 31, 2014 and without execution during the financial year ended December 31, 2015:

- Undertakings in favor of Rudy Provoost, Chairman and Chief Executive Officer of Rexel, providing for the payment of compensation items due or likely to be due as a result of the termination of Rudy Provoost's functions and the associated performance conditions (see paragraph 3.2.5 "Consultation on the corporate officers' individual compensation" of this Registration document). This agreement was authorized by the Board of Directors on May 22, 2014 following the appointment of Rudy Provoost as Chief Executive Officer of Rexel and approved by the Shareholder's Meeting of May 27, 2015; and
- Undertakings in favor of Catherine Guillouard, Deputy Chief Executive Officer of Rexel, providing for the payment of compensation items due or likely to be due as a result of the termination of Catherine Guillouard's functions and the associated performance conditions (see paragraph 3.2.5 "Consultation on the corporate officers' individual compensation" of this Registration document). This agreement was authorized by the Board of Directors on May 22, 2014 following the appointment of Catherine Guillouard as Deputy Chief Executive Officer of Rexel and approved by the Shareholder's Meeting of May 27, 2015.

Agreements referred to in Article L.225-38 of the French Commercial Code entered into by Rexel during the financial year ended on December 31, 2014 and without execution during the financial year ended December 31, 2015:

- The complementary retirement undertakings made by Rexel to the benefit of Catherine Guillouard, Deputy Chief Executive Officer of Rexel, under the supplementary defined benefit retirement plan effective as from July 1, 2009, it being specified that the terms and conditions of the supplementary defined-benefit retirement plan (Article 39) set up by the Company have already been authorized by the Supervisory Board of the Company on March 30, 2009. These undertakings have been authorized by the Board of Directors on May 22, 2014 and approved by the Shareholders' Meeting of May 27, 2015.

The Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee, wound up the defined benefit supplementary pension plan (article 39)[2] (see paragraphs 3.2.4 and 9.2.3 of this Registration document).

(1) Including the statutory severance indemnity or the severance indemnity pursuant to the contractual dismissal compensation and, as the case may be, the non-competition indemnity.
(2) Only a small number of non-corporate officers, approaching the age of retirement, will continue to benefit.

Ordinary agreements entered into by Rexel under ordinary terms:

- A long-term facility agreement between Elektro-Material AG and Rexel, entered into on July 1, 2013;
- A long-term facility agreement between Elektroskandia Norway Holding AS and Rexel, entered into on September 1, 2013;
- A long-term facility agreement between Rexel Sverige AB (previously Svenka Elgrossist AB Selga) and Rexel, entered into on July 1, 2013;
- A tax integration agreement entered into on May 9 and May 24, 2012, April 28, 2014 and April 20, 2015 between Rexel and each of the companies included in the tax integration perimeter of the Rexel Group since January 1, 2005 under the conditions and forms required under Article 223 A *et seq.* of the French general tax Code; and
- Renewal of the tax integration option pursuant to which Rexel has become solely liable for corporate tax (*impôt sur les sociétés*), for the social contribution on corporate profits pursuant to article 223 ter ZC of the French general tax Code and for the yearly flat-rate tax (*imposition forfaitaire annuelle*), owed by the group formed by Rexel and the subsidiaries held directly or indirectly at least at 95% of the share capital and having agreed thereto, pursuant to articles 223 A *et seq.* of the French general tax Code.

3.4.2 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, the Deputy 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 in which Rexel holds, directly or indirectly, more than half of the share capital (unless they relate to ordinary transactions entered into at arm's length), include the following agreement:

- The employment agreement between Catherine Guillouard, and Rexel Développement, suspended since April 30, 2013 and modified on February 24, 2016 (see paragraph 3.2 "Compensation of corporate officers" of this Registration document).

3.4.3 Special reports of the Statutory Auditors in relation to the related party agreements

3.4.3.1 Special report of the Statutory Auditors in relation to the related party agreements for 2015

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.

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Statutory Auditors' report on related party agreements and commitments
(Shareholders' Meeting for the approval of the financial statements for the year ended December 31, 2015)

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and the reasons for the company's interest of agreements and commitments 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 or commitments. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments 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 and commitments 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. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the Shareholders' Meeting

Agreements and commitments authorized during the year

In accordance with article L.225-40 of the French Commercial Code (*Code de commerce*), we were informed of the following agreements and commitments which received prior authorization from your Board of Directors.

1. Change in the commitment taken to the benefit of Mr Rudy Provoost, the Chairman and Chief Executive Officer, in case of termination or change of duties

Related party

Mr Rudy Provoost, in his capacity as Chairman and Chief Executive Officer

Nature and purpose

The Board of Directors on February 11, 2015 authorized the change of the commitments taken to the benefit of Mr Rudy Provoost, the Chairman and Chief Executive Officer, previously authorized by the Board of Directors on May 22, 2014 and already approved by the Shareholders' meeting.

This change specifies that the severance indemnity will only be paid in case of compulsory leave linked to a change of control or of strategy. The severance indemnity shall not apply in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or voluntary leave or compulsory retirement leave.

The other commitments taken to the benefit of Mr Rudy Provoost, authorized by the Board of Directors on May 22, 2014 remain unchanged.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2015.

Motives

"The commitments taken to the benefit of Mr Rudy Provoost, the Chairman and Chief Executive Officer, in case of termination or change of duties, have been reviewed to be more consistent with the recommendation of the AFEP-MEDEF Code, and with market practices."

2. Change in the commitment taken to the benefit of Ms Catherine Guillouard, Deputy Chief Executive Officer, in case of termination or change of duties

Related party

Ms Catherine Guillouard, in her capacity of Deputy Chief Executive Officer.

Nature and purpose

The Board of Directors on February 11, 2015 authorized the change of the commitments taken to the benefit of Ms Catherine Guillouard, the Deputy Chief Executive Officer, previously authorized by the Board of Directors on May 22, 2014 and already approved by the Shareholders' meeting.

This change specifies that the severance indemnity will only be paid in case of compulsory leave linked to a change of control or of strategy. The severance indemnity shall not apply in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or voluntary leave or compulsory retirement leave.

The other commitments taken to the benefit of Ms Catherine Guillouard, authorized by the Board of Directors on May 22, 2014 remain unchanged.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2015.

Motives

"The commitments taken to the benefit of Ms Catherine Guillouard, the Deputy Chief Executive Officer, in case of termination or change of duties, have been reviewed to be more consistent with the recommendation of the AFEP-MEDEF Code and with market practices."

Agreements and commitments authorized after the financial year closing

We were informed of the following commitments authorized after the closing of the financial year, which received prior authorization from your Board of Directors.

1. Change in the commitment taken to the benefit of Mr Rudy Provoost, the Chairman and Chief Executive Officer, in case of termination or change of duties

Related party

Mr Rudy Provoost, in his capacity as Chairman and Chief Executive Officer

Nature and purpose

The Board of Directors on February 10, 2016 authorized the change of the commitments taken to the benefit of Mr Rudy Provoost, the Chairman and Chief Executive Officer, previously authorized by the Board of Directors on May 22, 2014, and modified by the Board of Directors on February 11, 2015 (refer to the detail of agreements and commitments authorized during the year).

This change specifies 2 items:

- The monthly reference compensation is now understood as the last amount of the fixed gross annual compensation plus the gross amount of the last variable bonus paid, excluding any exceptional bonus, with this sum being divided by 12. The monthly reference compensation was previously understood as the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid.
- The performance criteria remain unchanged, but the possibility for the Board of Directors to review them during the reference financial years (if Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate) has been deleted.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2015.

Motives

"The Board of Directors of February 10, 2016 has modified the conditions used to calculate and pay the severance indemnity to the Chief Executive Officer in order to be further aligned with market practices."

2. Change in the commitment taken to the benefit of Ms Catherine Guillouard, Deputy Chief Executive Officer, in case of termination or change of duties

Related party

Ms Catherine Guillouard, in her capacity of Deputy Chief Executive Officer.

Nature and purpose

The Board of Directors on February 10, 2016 authorized the change of the commitments taken to the benefit of Ms Catherine Guillouard, the Deputy Chief Executive Officer, previously authorized by the Board of Directors on May 22, 2014 and modified by the Board of Directors on February 11, 2015 (refer to the detail of agreements and commitments authorized during the year).

In the event of termination of her corporate office within Rexel, Ms Catherine Guillouard's employment contract with Rexel Développement would be reinstated with a compensation package equivalent to that from which she benefited in her capacity as a corporate officer.

The employment contract of Ms Catherine Guillouard, amended on February 24, 2016 provides, in the event of the termination of the employment agreement at the option of the employer, notified within the twelve months following the end of her duties as corporate officer, within conditions referred to as compulsory leave, and linked to a change of control or of strategy, independent of the grounds of the termination of contract, except in case of gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or compulsory retirement leave, that Ms Catherine Guillouard would benefit from a gross contractual severance indemnity equal to 24 months of her monthly reference compensation (this contractual severance indemnity was previously 18 months of her monthly reference compensation). The 8 months derogation notice which was applicable in the event of the termination of the employment agreement at the option of the employer has been withdrawn.

The monthly reference compensation is defined as the gross annual base compensation applicable during the full month prior to the month of the effective redundancy date, plus the amount of the gross variable compensation received in respect of the last financial year, excluding any other additional or exceptional compensation items, divided by 12 (the monthly reference compensation was previously understood as the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid).

The monthly reference compensation includes any compensation (fixed and variable, on a *prorata* basis) received as a corporate officer during this last month in respect of the fixed compensation or for the last financial year in respect of the variable compensation (excluding any additional or exceptional compensation item).

The employment contract of Ms Catherine Guillouard, amended on February 24, 2016 provides, in the event of the termination of the employment agreement at the option of the employer, notified more than twelve months following the end of her duties as corporate officer, and subject to the actual exercise of a salaried position during this period, that the below mentioned performance criteria will not be applicable.

In addition, a non-compete clause is stipulated in Ms Catherine Guillouard's employment contract amended on February 24, 2016. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-compete payment is equal to one twelfth of her gross fixed annual compensation. The company may waive this non-compete clause.

The gross contractual severance indemnity includes the statutory severance indemnity (*indemnité légale de licenciement*) or severance indemnity pursuant to the contractual dismissal compensation (*indemnité conventionnelle de licenciement*) (these indemnities not being subject to the conditions of termination of the corporate officership referred to above, or to the performance conditions referred to below).

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, the contractual indemnities for termination of the employment contract of Catherine Guillouard, other than the statutory severance indemnity, the severance indemnity pursuant to the contractual dismissal compensation or compete clause compensatory indemnity, are subject to the following performance criteria.

- The payment of 60% of the indemnity would be dependent on the level of EBITA of the Rexel Group. This payment would be 100% if the level of EBITA, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate functions or employment contract (the reference period), reaches in average a minimum of 60% of the amount budgeted for such two periods ; and

- The payment of 40% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital requirement) of the Rexel Group. This payment would be 100% if the level of average operating WCR, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate functions or employment contract (the reference period), reaches in average a maximum of 125% of the performance budgeted for such two periods.

The performance criteria remain unchanged, but the possibility for the Board of Directors to review them during the reference financial years (if Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate) has been deleted.

These indemnities will only be paid after a decision of the Board of Directors acknowledging the fulfillment of these conditions.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2015.

Motives

"The Board of Directors of February 10, 2016 has modified the conditions used to calculate and pay the severance indemnity to the Deputy Chief Executive Officer in order to be further aligned with market practices. The Board of Directors wanted to harmonize the applicable rules for the Chief Executive Officer and the Deputy Chief Executive Officer."

3. Termination of the defined-benefit supplementary pension plan ("article 39")

Related party

Ms Catherine Guillouard, in her capacity of Deputy Chief Executive Officer.

Nature and purpose

The Board of Directors on February 10, 2016 authorized the termination of the defined-benefit supplementary pension plan ("Article 39"). This agreement was approved by the Supervisory Board of the Company on March 30, 2009. This agreement had been authorized by the Board of Directors on May 22, 2014, following the appointment of Ms Catherine Guillouard as a Deputy Chief Executive officer, and approved by the Shareholders' Meeting on May 27, 2015. This commitment has the same terms as that authorized by your Supervisory Board on February 12, 2014, when Ms Catherine Guillouard was member of the Management Board of your Company, and approved by the Shareholders' Meeting on May 22, 2014.

This agreement benefited in particular to the Deputy CEO, Ms Catherine Guillouard.

Only a small number of non-corporate officers and approaching the age of retirement will continue to benefit of this agreement.

Conditions

No payments occurred in 2015 with regards to these commitments. The estimated impact of the partial closure of the supplemental defined-benefit retirement scheme (article 39) will represent the reversal of a provision of around €1.5 million in the consolidated financial statements for 2016.

Motives

"The Board of Directors believed that this scheme was no longer appropriate to the new profiles of the Group's top managers (more international profiles and joining the Group in mid-career). Furthermore, the legislation relating to these schemes has continually changed in recent years, making the system unstable and increasing the costs for companies."

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved in prior years with execution during the year

We hereby inform you that we have not been advised of any agreements or commitments already approved by the General Meeting of Shareholders, whose implementation continued during the year.

Agreements and commitments approved in prior years without execution during the year

In addition, we have been advised that the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years were not implemented during the year.

1. Commitment taken to the benefit of Mr Rudy Provoost, the Chairman and Chief Executive Officer, in case of termination or change of duties

Related party

Mr Rudy Provoost, in his capacity as Chairman and Chief Executive Officer.

Nature and purpose

This commitment has been authorized by your Board of Directors on May 22, 2014 following the appointment of Mr Rudy Provoost as the Chairman and Chief Executive Officer. These commitments have the same terms as those authorized by your Supervisory Board on February 12, 2014, when Rudy Provoost was the Chairman of the Management Board of your Company, and approved by the Shareholders' Meeting on May 22, 2014.

Mr Rudy Provoost does not have an employment contract with any of the Rexel Group companies.

In the event that his corporate functions are terminated, Mr Rudy Provoost shall benefit from a gross contractual severance payment equal to 24 months of monthly reference compensation.

Monthly reference compensation is understood as the amount of the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid, excluding any exceptional bonus, with this sum being divided by 12.

This gross severance indemnity is deemed to include the compensating indemnity for honoring the non-compete clause, if any.

It shall not apply in the event of termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or retirement leave or compulsory retirement leave.

In addition, regardless of the cause of departure from Rexel, a non-compete clause is stipulated. The Board of Directors may waive this non-compete clause. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the corporate mandate. As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Mr Rudy Provoost's severance indemnities, other than the non-compete clause compensatory indemnity, are subject to the following performance criteria:

a) the payment of 60% of the severance indemnity would be dependent on the level of EBITA of Rexel Group. This payment would be 100% if the level of EBITA, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate functions (the reference period), reaches in average a minimum of 60% of the amount budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation; and

b) the payment of 40% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital requirement) of Rexel Group. This payment would be 100% if the level of average operating WCR, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate functions (the reference period), reaches in average a maximum of 125% of the performance budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2015.

It was modified by the Board of Directors on February 11 and February 10, 2016 on 3 items:

- Precisions on the conditions of payment of the severance indemnity
- Calculation of the annual reference compensation
- Impossibility for the Board of Directors to review the performance criteria during the reference financial years.

(Refer to the detail of agreements and commitments to be submitted for the approval of the Shareholder's meeting)

2. Commitment taken to the benefit of Ms Catherine Guillouard, Deputy Chief Executive Officer, in case of termination or change of duties

Related party

Ms Catherine Guillouard, in her capacity of Deputy Chief Executive Officer.

Nature and purpose

This commitment has been authorized by your Board of Directors on May 22, 2014, following the appointment of Ms Catherine Guillouard as Deputy Chief Executive Officer, and approved by the Shareholders'Meeting on

May 27, 2015. This commitment has the same terms as that authorized by your Supervisory Board on February 12, 2014, when Ms Catherine Guillouard was member of the Management Board of your Company, and approved by the Shareholders' Meeting on May 22, 2014.

Ms Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013.

In the event of termination of her corporate office within Rexel, Ms Catherine Guillouard's employment contract with Rexel Développement SAS would be reinstated with a compensation package equivalent to that from which she benefitted in her capacity as a corporate officer.

The employment agreement of Ms Catherine Guillouard provides, as from April 30, 2013, in the event of the termination of the employment agreement at the option of the employer following the end of the duties as a corporate officer, for whatever reason and except in case of gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or compulsory retirement leave, that Ms Catherine Guillouard will benefit from a gross contractual severance indemnity equal to 18 months of her monthly reference compensation.

The monthly reference compensation is defined as the gross annual compensation applicable in the month 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 or severance indemnity pursuant to the collective bargaining agreement due, if any, as well as the indemnity for honoring the non-compete clause. It shall not apply in the event of a retirement leave or compulsory retirement leave. In these hypothesis, only the severance indemnity pursuant to the collective bargaining agreement will be due and, as the case may be, the compensating indemnity for honoring the non-compete clause.

The notice period for breach of contract at the option of the employer is 8 months. The compensation in lieu of notice is equal to 8 months of the last paid compensation, in her capacity as officer or as employee of the company, whichever the highest.

A non-compete clause is stipulated in Ms Catherine Guillouard's suspended employment contract. This non-competition undertaking is limited to a period of 12 months from the date of the termination of the employment contract (Rexel has the right to apply this clause in case of departure or retirement). As consideration, the monthly non-competition payment is equal to one twelfth of his gross fixed annual compensation.

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Ms Catherine Guillouard severance indemnities other than the compete clause compensatory indemnity, as well as the contractual indemnities for termination of the employment contracts are subject to the following performance criteria:

a) the payment of 60% of the severance indemnity would be dependent on the level of EBITA of Rexel Group. This payment would be 100% if the level of EBITA, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate functions or employment contract (the reference period), reaches in average a minimum of 60% of the amount budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation; and

b) the payment of 40% of the indemnity would be dependent on the level of average operating WCR (average trade operating working capital requirement) of Rexel Group. This payment would be 100% if the level of average operating WCR, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate functions or employment contract (the reference period), reaches in average a maximum of 125% of the performance budgeted for such two periods. If, during any or both reference financial years, Rexel's economic and financial situation and/or the economic and financial conditions of the market deteriorate, this average level could be reviewed by the Board of Directors, upon the proposal of the Compensation Committee, and submitted for approval to the annual shareholders' meeting in order to ensure coherence of the objective with the difficulty of its implementation.

Conditions

This commitment had no impact on the financial statements of your Company for the financial year ended December 31, 2015.

It was modified by the Board of Directors on February 10, 2016 (refer to the detail of agreements authorized after the financial year closing).

3. Supplementary defined-benefit pension commitments taken by Rexel to the benefit of Ms Catherine Guillouard, following her appointment as Deputy Chief Executive Officer

Related party

Ms Catherine Guillouard, in her capacity of Deputy Chief Executive Officer.

Nature and purpose

This commitment has been authorized by your Board of Directors on May 22, 2014 following the appointment of Ms Catherine Guillouard as Deputy Chief Executive Officer and approved by the Shareholders' Meeting on May 27, 2015. This commitment has the same terms as that authorized by your Supervisory Board on April 30, 2013 when Ms Catherine Guillouard was member of the Management Board of your Company and approved by the Shareholders' Meeting on May 22, 2014.

The terms and conditions of the supplementary defined-benefit pension plan (Article 39) implemented by your company have already been authorized in the past by your Supervisory Board on March 30, 2009.

The Board of Directors on February 10, 2016 authorized the termination of the supplementary defined-benefit pension plan.

Conditions

No payments occurred in 2015 with regards to these commitments.

This agreement was terminated on February 10, 2016.

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Christian Perrier	Philippe Diu

3.4.3.2 Special reports of the Statutory Auditors in relation to the related party agreements for 2014 and 2013

The special reports of the statutory auditors of Rexel in relation to the related party agreements for the financial year ended December 31, 2014 and December 31, 2013 are set out in the Registration document filed with the *Autorité des marchés financiers* on March 25, 2015 under number D.15-201 and in the Registration document filed with the *Autorité des marchés financiers* on March 21, 2014 under number D.14-0181, respectively.

3.5 Implementation of the AFEP-MEDEF corporate governance Code for listed companies – Paragraph 25.1 of the AFEP-MEDEF Code

The AFEP-MEDEF Code represents Rexel's corporate governance standards.

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 attendance fees to executive 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 of February 10, 2016 has pointed out that independently their quality of member of the Board of Directors, each Director is also member of two comittees. The Board of Directors has met 12 times in 2015, the Audit and Risk Committee 5 times, the Nomination and Compensation Committee 7 times and the Strategic Investment Committee 2 times. All this meetings representing around 20 work sessions. In addition, in 2015, 2 entire days were dedicated to a deepening understanding of the markets (notably in the United States and Canada) and the strategy of the Group. The Directors were available to assist to these different work sessions and the Board of Directors has consequently estimated not necessary to modify the variable part of the fees that already takes into account of the effective attendance of the Directors to the committees.
Review of the accounts by the Audit and Risk Committee (guideline 16.2.1) The period allowed for the review of the accounts must be sufficient (at least two days prior to the review by the Board of Directors).	The Rexel Audit and Risk Committee meeting that is to review the financial statements is held on the same day as the Board of Directors meeting that approves such financial statements. However, measures implemented within Rexel allow members of the Audit and Risk Committee to review the financial statements within a reasonable time prior to the meeting of the Audit and Risk Committee and of the Board of Directors: documents to be dispatched to the members of the Audit and Risk Committee and of the Board of Directors at least three business days prior to the meeting of the Committee and of the Board.
Fixed compensation of the executive corporate officers (guideline 23.2.2) The fixed compensation must only be reviewed with a reasonably long periodicity, for example every three years. Its developments must be linked to events affecting the company, and take into account performance compensation through the remaining compensation items, including benefits in kind. Nevertheless, if the company opts for a yearly review of the fixed compensation of the executive corporate officers, such review must be reasonable and comply with the consistency principle.	The fixed compensation of corporate officers has been reviewed in a progressive manner in order to ensure competitiveness of their compensation from the commencement of their duties, which led to a yearly review within the previous financial years. The Board of Directors of February 10, 2016, upon recommendations of the Nomination and Compensation committee, decided to amend its compensation review policy upon the next renewal of the term of office of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer. The fixed and variable compensation of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer will therefore be determined at the start of each term of office, for the whole length thereof. For the current terms the compensation could be revised annually taking into account the market data or any other significant event.
Stock options (guideline 23.2.4)	The share subscription plans set up by Rexel prior to the publication of the AFEP-MEDEF guidelines of October 2008 (integrated into the AFEP-MEDEF corporate governance Code) have not been amended in order to take such guidelines into account. The absence of amendments is due to the practical difficulties that such amendments would have implied.

AFEP-MEDEF GUIDELINES	REXEL GROUP PRACTICE AND EXPLANATIONS
Performance shares (guideline 23.2.4) Require, in accordance with conditions determined by the Board of Directors and made public upon their allocation, performance shares allocated to executive corporate officers to be subject to the acquisition of a determined number of shares upon the vesting of the allocated shares.	The allocation of free shares decided was not subject to any obligation for the corporate officers to acquire on the market a certain number of shares upon the vesting of the performance shares allocated. The Supervisory Board and, after May 22, 2014, the Board of Directors, upon recommendation of the Compensation Committee, estimated that the members of the Management Board or, as from May 22, 2014, the executive corporate officers, were subject to the already sufficiently restrictive and significant obligation to retain at least 20% of all of the performance shares vested until termination of their duties (it being specified that this percentage was set at 10% upon prior allocations).

The AFEP and MEDEF corporate governance Code is available on the website of MEDEF (www.medef.com).

3.6 Report of the Statutory Auditors in relation to the report of the Chairman of the Board of Directors

This is a free translation into English of the Statutory Auditors' report 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 standards applicable in France.

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92208 Neuilly-sur-Seine Cedex

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Rexel

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75838 Paris Cedex 17

Statutory Auditors' Report prepared in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*) on the Report prepared by the Chairman of the Board of Directors of Rexel

Year ended December 31, 2015

To the Shareholders,

In our capacity as Statutory Auditors of Rexel, and in accordance with article L.225 235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-37 of the French Commercial Code *(Code de commerce)* for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by article L.225-37 of the French Commercial Code *(Code de commerce)* in particular relating to corporate governance measures.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by article L.225-37 of the French Commercial

Code *(Code de commerce)*, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report. On the basis of our work, we have no matters to report on the information given on the internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with article L.225-37 of the French Commercial Code *(Code de commerce)*.

Other information

We attest that the Chairman's report sets out the other information required by article L.225-37 of the French Commercial Code *(Code de commerce)*.

Neuilly-sur-Seine and Paris-La Défense, April 7, 2016

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Christian Perrier	Philippe Diu

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4 Corporate Responsibility

The Rexel Group has consistently used its leadership and close relationship with all stakeholders to conduct its business in a sustainable and responsible manner.

In 2015, in order to strengthen the Group's sustainable development policy, the Group conducted a study to identify all the environmental and social impacts throughout its value chain. This study involved interviewing the Group's key stakeholders on Rexel's priority issues, and conducting an internal assessment to measure the impact of these issues on the Group's capacity to conduct its business in future years.

The sustainable development policy of Rexel includes five strategic objectives: to increase sales of energy efficiency and renewable energy solutions, reduce the environmental footprint, consolidate commitments to employees, promote responsible practices in the value chain, and strengthen community initiatives where Rexel is present (in particular *via* the Rexel Foundation). Together these initiatives form one of the Rexel Group's drivers of growth, innovation and global performance improvement.

When it joined the United Nations Global Compact in 2011, the Rexel Group committed itself to advance the universally-accepted ten principles relating to human rights, labor, the environment and anti-corruption. As specified in its Ethics Guide, the Rexel Group respects and promotes the provisions outlined in the fundamental conventions of the International Labour Organization relating to the freedom of association and the right to collective bargaining, the elimination of discrimination in respect of employment and occupation, the elimination of all forms of forced or compulsory labor, and the effective abolition of child labor.

4.1 Employee-related information

Scope of reporting: the inclusion of entities in the employee-related scope of reporting is based on the legal status of the entities to which employees of the Rexel Group belong. Thus, any entity on which Rexel employees depend is included in the annual reporting. Entities either acquired after November 1, 2015 (when the scope was determined) or sold before December 31, 2015 are not accounted for.

The success of the Rexel Group's strategy rests on the involvement and motivation of every one of the Group's employees. Because the men and women of Rexel are essential to its performance, their engagement and well-being are at the heart of its human resources policies. Many of the Group's policies are based on the results of the Satisfaxion global survey. The most recent survey was held in November 2015. It was an opportunity to gauge employees' opinions on the five key drivers of engagement within the Group:

- Strategy;
- Career development and recognition;
- Management;
- Company image, values, ethics and integrity;
- Cooperation and teamwork.

In 2015 Rexel identified three key indicators of particular significance for the Group with regard to engagement and well-being. These key indicators were subjected to an external audit and are as follows:

- Health, safety and working conditions;
- Employee training;
- Employee retention.

4.1.1 Workforce

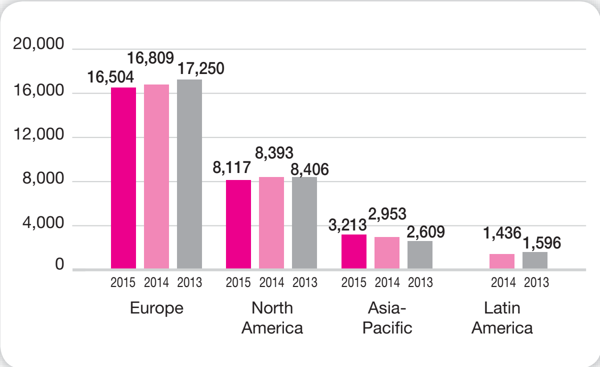
Total workforce (number of people employed at December 31, 2015)

At December 31, 2015, the Rexel Group employed 27,834 people compared with 29,591 at December 31, 2014 and 29,861 at December 31, 2013.

The breakdown of employees by region as defined in paragraph 4.1 "General overview" of this Registration document is as follows:

	REGISTERED WORKFORCE (NUMBER OF EMPLOYEES) AT DECEMBER 31		
NUMBER OF EMPLOYEES	**2015**	**2014**	**2013**
Total workforce	27,834	29,591	29,861
BY REGION			
Europe	16,504	16,809	17,250
North America	8,117	8,393	8,406
Asia-Pacific	3,213	2,953	2,609
Latin America*	–	1,436	1,596

* In 2015, Rexel sold its three subsidiaries in Latin America (Brazil, Chile and Peru). Sold entities are not included in the comparative data for the years prior to 2015 in paragraph 4.1.



Breakdown of employees by type of contract and level

The Rexel Group has few fixed-term or temporary employees. Hiring employees under these types of contracts is mainly to meet specific needs.

At December 31, 2015, there were 1,085 full-time equivalent temporary employees, or 3.9% of the total average monthly workforce (3.7% in 2014).

At December 31, 2015, there were 764 fixed-term employees, or 2.7% of the workforce (2.4% in 2014), and 27,070 permanent employees.

At December 31, 2015, the Rexel Group had 5,459 managers (defined as overseeing at least one employee or subject to local definition such as having management-level status in France), or 19.6% of the total workforce (17.8% in 2014).

Breakdown of permanent employees by age

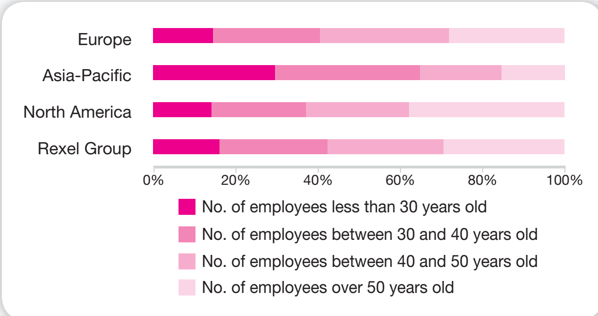
At December 31, 2015, the average age of the Rexel Group employees was 42.8 years, identical to that at December 31, 2014 and up slightly from 42.6 years at December 31, 2013.

Most employees are over 50 years of age (8,182) followed by those between 40 and 50 years of age (7,846).

Senior employees (defined as being over 50) accounted for 29.4% of the total workforce with employees under 30 making up 16.2%.

The Rexel Group organizes employee data into the following regions for analysis:

- North America: Canada and the USA;
- Asia-Pacific: Australia, China, India, New Zealand, Saudi Arabia, the UAE and various countries in Southeast Asia;
- Europe: Austria, the Baltic states, Belgium, Finland, France, Germany, Hungary, Ireland, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland and the UK.



Breakdown of employees by gender

The Rexel Group is committed to ensuring the equal treatment of all its male and female employees at every stage of their professional lives. In this it is guided in particular by its Ethics Guide (see paragraph 4.1.6. “The Rexel Group’s commitment to ethics” in this Registration document).

At December 31, 2015, Rexel had 6,463 female employees, or 23.2% of the total workforce (23.1% at December 31, 2014).

Of the Rexel Group’s 6,463 female employees, 926 held managerial positions, thus accounting for 17% of managers. This proportion was 17.7% in 2014 and 17% in 2013.

EMPLOYEE-RELATED INFORMATION

Breakdown of employees by gender at December 31, 2015

	MANAGERS		NON-MANAGERS	
	WOMEN	MEN	WOMEN	MEN
Rexel Group	**926 (17%)***	**4,533 (83%)***	**5,537 (24.7%)****	**16,838 (75.3%)****
North America	312 (22.4%)*	1,083 (77.6%)*	1,628 (24.2%)**	5,094 (75.8%)**
Asia-Pacific	139 (20%)*	555 (80%)*	847 (33.6%)**	1,672 (66.4%)**
Europe	475 (14%)*	2,895 (86%)*	3,062 (23.3%)**	10,072 (76.7%)**

* as a % of managers.
** as a % of non-managers.

4.1.2 Employment and integration

4.1.2.1 New employees

In 2015 the Rexel Group hired a total of 3,970 employees irrespective of contract type and status.

The number of employees hired in 2015 is thus slightly down from the 4,166 figure for 2014.

New employees accounted for 14.3% of the Rexel Group's total workforce in 2015 (15% in 2014).

Number and characteristics of recruitments

	2015
Number and characteristics of recruitments	**3,970**
Of which:	
• Permanent employees	3,443 (86.7%)
• Fixed-term employees	527 (13.3%)
• Managers	504 (12.7%)
• Non-managers	3,466 (87.3%)

As in previous fiscal years, most recruits were permanent employees for non-managerial positions.

Of all new permanent employees, regardless of gender or position:

- 5.5% were young graduates;
- 15.7% were senior employees; and
- 0.2% had a disability.

The Rexel Group has several measures in place to onboard new employees and reduce their turnover rate (measures vary by country and include an overview of the company, a welcome guide, mentoring, regular follow-up meetings, technical/product/organizational training, job rotation, a dedicated website and an onboard seminar).

4.1.2.2 Departures

In 2015, 4,245 permanent employees left the Rexel Group (3,945 in 2014).

The reasons for departure are laid out below.

Reasons for the departure of permanent employees in 2015

	NUMBER	AS A PERCENTAGE OF DEPARTURES
Number of departures	**4,245**	**15.7% of all permanent employees**
Of which:		
• Resignations	2,515	59.2%
• Redundancies (economic layoffs)	600	14.1%
• Dismissals for other reasons	635	15%
• Retirement or early retirement	253	6%
• Cessation and/or sale of activity	11	0.3%
• Other reasons	231	5.4%

Collective procedures

In 2015, 600 employees within the Rexel Group were made redundant (373 in 2014).

The scale of restructuring was largest in the USA, The Netherlands and Spain.

Alternatives to layoffs were implemented, such as short-time working in Italy, early retirement in Spain and redeployment in The Netherlands.

These measures made it possible to limit in part the number of departures.

Furthermore, and wherever possible, restructurings were discussed with employee representatives so as to provide the employees concerned with support measures, in particular outplacement and financial compensation.

Employee turnover

The employee turnover rate is defined as the average of the entry and departure rates:

- The entry rate is defined as the number of new permanent employees divided by the total number of permanent employees;
- The departure rate is defined as the number of permanent employees who have left divided by the total number of permanent employees;
- In 2015, the entry rate within the Rexel Group was 12.7%;
- In 2015, the departure rate within the Rexel Group was 15.7%; and
- Thus, the staff turnover rate of the Rexel Group for 2015 was 14.2%.

Employee turnover rate of the Rexel Group at December 31

	2015	2014
Staff turnover rate	14.2%	13.8%

The employee turnover rate of the Rexel Group increased slightly in 2015.

Aware of the significance of employee turnover, the Rexel Group examines employees' motives for leaving and variations in the rate of integration of new hires. Most Group subsidiaries arrange exit interviews with departing employees in order to understand why they are leaving.

4.1.2.3 Staff retention capacity

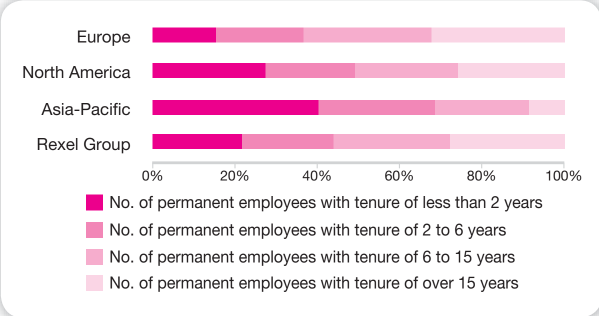
Rate of integration

The rate of integration of new employees (defined as the percentage of new hires in the Rexel Group three months after hiring) was 92.2% in 2015 (90.4% in 2014).

The medium-term rate of integration (defined as the percentage of new hires in the Rexel Group one year after hiring) was 77.3% in 2015 (78.8% in 2014).

Breakdown of permanent employees by seniority

At December 31, 2015, the average seniority of permanent employees of the Rexel Group was 11.9 years.



Traditionally, seniority varies strongly by region: employee turnover is much higher in Asia-Pacific, where 68.5% of employees have tenure of less than 6 years, whereas 32.4% of employees in Europe have seniority of over 15 years.

4.1.3 Attractiveness of the Company for employees

4.1.3.1 Compensation

Compensation policy

The Group's compensation policy is based on the company's performance and earnings. Compensation levels are defined for each country in line with the twin requirements: competitiveness of proposes compensation and internak equality. Of the Rexel Group's permanent employees, 53.4% were eligible for individual performance-related pay. Most of these employees held marketing and managerial positions.

Of the Rexel Group's employees, 54.2% belonged to a profit-sharing plan calculated on the basis of Group earnings.

Employee shareholding

At the time of the Rexel Group's listing on the Paris stock exchange in 2007, 18.33% of eligible employees took the opportunity of acquiring shares in the company as part of a reserved preferential share offering.

In line with management's desire to involve Rexel employees in the Group's performance, three new employee shareholding plans were put forward in 2010, 2012 and 2013. The 2010 employee shareholding plan was offered in 12 countries accounting for 80% of the Group's workforce; 13.2% of eligible employees took part. The 2012 employee shareholding plan was offered in 16 countries accounting for 90% of the Group's workforce; 14.36% of eligible employees took part. The 2013 employee shareholding plan was offered in 15 countries accounting for 80% of the Group's workforce; 14.47% of eligible employees took part (the rate was higher in France, Canada and China).

At December 31, 2015, the number of shares held by existing and former employees under employee shareholding plans accounted for 0.45% of Rexel's share capital and voting rights.

Employee benefits

Employee benefits fall under social protection and thus vary from country to country.

In most countries where it operates, the Rexel Group offers its employees health and disability insurance to supplement mandatory cover. Most employees either choose or are obliged by law to take out these complementary insurances depending on the country in question.

Certain Group entities have put complementary retirement plans in place for their employees according to local regulations.

The Rexel Group has established a minimum standard coverage for work accidents *via* the "Rexel +" plan.

This plan allows for compensation corresponding to one or two years of basic salary in the case of death or permanent severe disability.

Launched on July 1, 2010, the "Rexel +" plan is managed at the local level and illustrates Rexel's continued commitment to corporate responsibility. At December 31, 2015, it covered close to 3,500 employees in seven countries.

Other benefits

A certain number of benefits or services are often offered to employees in addition to those required by law. They are either negotiated as part of collective agreements or granted unilaterally and mostly concern housing allowances, meal and/or transport allowances, concierge services, help with day care, family leave, medical assistance and legal assistance.

4.1.3.2 Work organization

Duration and breakdown of working time

The duration of working time varies according to the laws of the countries in which the Group is active.

The Rexel Group employees work an average of 39 hours a week, or close to 8 hours a day.

Part-time work

Part-time work	2015	2014	2013
% of employees working part-time	3.7%	3.6%	3.6%

At December 31, 2015, the number of the Rexel Group employees working part-time was 1,039, or 3.7% of the total workforce.

Overtime

In managing the working time of its employees, the Rexel Group makes little use of overtime: 577,686 overtime hours were worked by the total of Rexel Group employees in 2015, or 1.2% of all hours worked in the year (445,764 overtime hours in 2014, or 0.9% of all hours worked in the year).

4.1.3.3 Working conditions

Health and safety conditions

Going beyond its legal obligations, the Group fulfills its social responsibility through a constant concern for its employees' health and safety. The safety of its employees, stakeholders and assets has always been a priority for Rexel. The main risks for Rexel's employees are related to road traffic, falls, the operation of machinery, the handling of materials and cables, and computer work.

Rexel ensures that a responsible, effective and consistent safety policy is implemented in every country where the Group is present. For this reason in 2015 Rexel set up a Group safety initiative centered on a Group policy and an effective management system. In order to strengthen safety practices and culture, the Group safety policy enhances and completes the procedures and rules in force in every country and facilitates a common framework for all Group entities.

The objective of the Group initiative is to:

- Guarantee a safe working environment wherever Rexel is active;

- Build a culture of shared responsibility;
- Involve employees by sharing best practices.

In order to create a common language for the Group's safety priorities, Rexel has established ten safety principles. These ten principles enable a common approach and bring safe and responsible practices and behavior to the fore. They address the key risks to which Rexel is exposed as a result of its activities.

To support the implementation of the Group's safety policy, a global communication campaign directed at all Rexel employees was launched in its regional and national logistics centers and is being launched in its agencies and head offices. The central message of this campaign calling on everyone to take responsibility is "Our safety, our responsibility".

Number of work accidents

The Rexel Group monitors and examines several indicators in order to formulate suitable action plans.

	2015	2014	2013
Number of accidents leading to death	–	1	–
Number of accidents leading to time off work	323	296	291
Number of accidents not leading to time off work	440	501	516

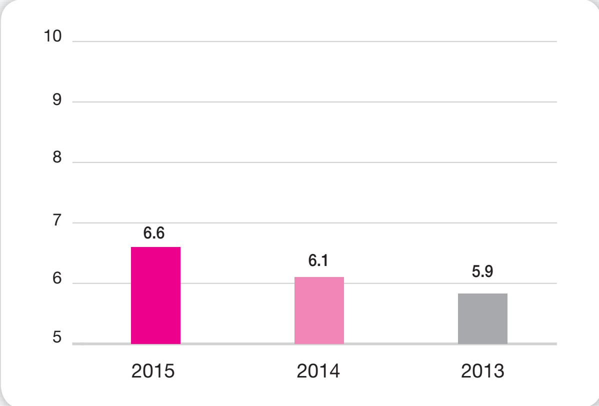
Of the 763 work accidents within the Rexel Group in 2015, none led to death, 323 led to time off work and 440 did not lead to time off work.

In 2015, 11,852 working days were lost due to work accidents.

Most work accidents leading to time off work occurred in logistics (50.5%) and sales & marketing (30.7%).

In addition to the health and safety measures at work that have existed for several years – identifying risks, holding regular medical checkups for employees and running frequent awareness campaigns – measures such as quantitatively monitoring and investigating incidents, consulting external specialists, regularly renewing certifications, conducting external audits and creating dedicated health and safety positions are gradually being put in place.

Frequency rate of work accidents



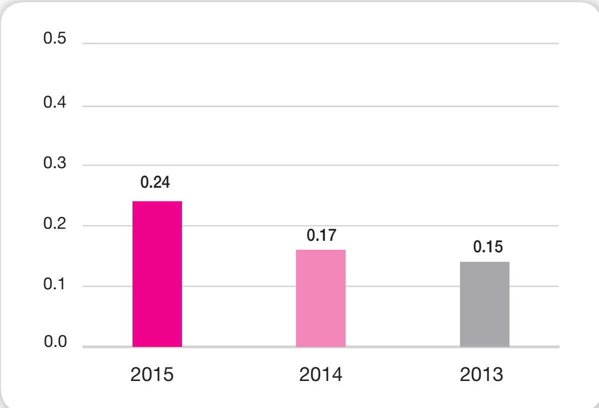
The frequency rate of work accidents at the Rexel Group, calculated as the number of work accidents leading to time off work per million hours worked, was 6.6 in 2015.

This rate is up from the 6.1 figure for 2014.

Severity rate of work accidents

The severity rate of work accidents at the Rexel Group, calculated as the number of work days lost due to temporary disability per thousand hours worked, was 0.24 in 2015 (0.17 in 2014).

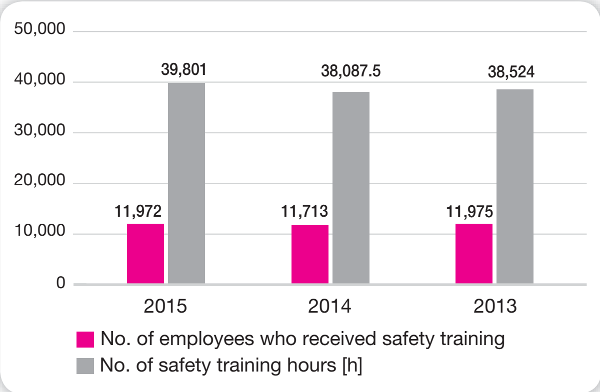
The Rexel Group will look closely at entities whose frequency and severity rates have increased.



Safety training

In 2015, 11,972 employees received safety training, or 43% of the total workforce.

In 2015, there were 97 Health, Safety and Working Conditions committees within the Rexel Group. They comprised 559 employees accounting for 2% of all permanent employees.



Occupational diseases

In 2015, 11 occupational diseases were declared and 7 were recognized.

4.1.3.4 Diversity/Equal opportunities

The Ethics Guide outlines the economic, environmental and social principles which the Rexel Group defends and upholds. The Guide comprises 7 general principles and 20 practices including the "Dignity and respect of people" practices.

One of the fundamental principles in the Ethics Guide is the rejection of all forms of discrimination and the promotion of equal opportunities.

Results of the employee opinion survey *Satisfaxion15* show that 70% of respondents felt their management supports equal opportunities for all employees and 82% said their superior effectively works with people who are different from him or her.

Gender equality

The Rexel Group is committed to ensuring the equal treatment of its male and female employees on a comparable basis in every sphere and in every respect, for example hiring, pay, career development and training. In this it is guided in particular by its Ethics Guide.

At December 31, 2015, women accounted for 23.2% of the total workforce (23.1% at December 31, 2014). This percentage reflects the reality of the market and the low representation of women in the specialized distribution sector.

Indicators for 2015 show insignificant gaps in the following areas:

- Promotion
  In 2015, 3.1% of women were promoted compared with 4.3% of men.
  Fifty female non-managers, or 0.9% of female non-managers, were promoted to managerial positions. The figure for men was slightly higher with 220 male non-managers, or 1.3% of male non-managers, promoted to managerial positions.
- Training
  In 2015, 22% of employees who received training were women with female employees accounting for 23.2% of the total workforce, and 78% of employees having received training were men with male employees accounting for 76.8% of the total workforce.

Furthermore, 85% of respondents to *Satisfaxion15* survey think their Company provides equal opportunities to its employees regardless of their gender.

Employees with a disability

In 2015, 266 Rexel employees had a disability, or about 1% of the total workforce (0.9% in 2014).

At December 31, 2015, 0.2% of new permanent employees had a disability.

On this matter, 73% of respondents to *Satisfaxion15* is survey think their Company provides equal opportunities to its employees regardless of disability.

Senior employees

As defined in paragraph 4.1.1 "Workforce" of this Registration document, senior employees of the Rexel Group accounted for:

- 29.4% of the total workforce in 2015;
- 15.7% of new permanent employees in 2015.

Results of the employee opinion survey *Satisfaxion15* show that 83% of respondents think their Company provides equal opportunities to its employees regardless of their age.

4.1.4 Training and skills management

In the current context of a rapidly changing sector, training is an essential means of acquiring new skills, mastering new technologies and gaining greater expertise in the area of energy efficiency.

In order to meet and prepare for current and future challenges in the world of energy, Rexel launched the Rexel Academy in 2015. In effect an internal university, the Rexel Academy offers various programs to develop knowledge in every sphere of strategic expertise such as customer centricity and energy efficiency to further Rexel's business success. This digital learning platform is accessible worldwide and offers digital (e-learning, MOOCs) and face-to-face learning solutions. Rexel Academy creates learning communities and makes leading internal and external experts available to all. Rexel Academy aims to become the hub for sharing the Group's culture and knowledge.

At the end of 2015, Rexel Academy was available in 11 of the countries in which the Rexel Group is active.

In 2015, 15,395 employees received training (excluding safety training), down slightly from the 16,568 figure for 2014. At December 31, 2015, the number of training hours (excluding safety training) fell to 217,611 from 226,188 at December 31, 2014. In 2015, 62,785 hours were spent on online training (58,921 in 2014). Employees undergoing training received an average of 14 hours of training in 2015.

Total number of training hours

	2015		2014	
	TOTAL NUMBER OF EMPLOYEES TRAINED	TOTAL NUMBER OF TRAINING HOURS	TOTAL NUMBER OF EMPLOYEES TRAINED	TOTAL NUMBER OF TRAINING HOURS
Group	15,395	217,611	16,568	226,188
Europe	7,215	114,698	8,313	111,950
North America	6,732	85,984	7,001	89,842
Asia-Pacific	1,448	16,930	1,254	24,396

The training offered to employees is thus adapted to their position, skills, career prospects, local requirements, and personal and collective objectives.

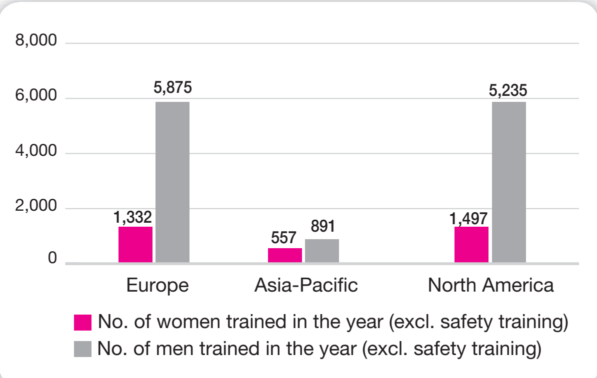
In 2015, Rexel employees took part in numerous training programs dealing with various aspects of their jobs such as management, sales, marketing skills, logistics, administration, IT, personal development, e-commerce and project management.

In addition to these regular sessions, numerous training initiatives are implemented to support the Group's strategy and the development of employees towards more services and new technologies in pursuit of energy efficiency. In 2015, training initiative dealt among other things with multi-energy solutions, online sales, automation, home automation, KNX, customer service and Rexel values.

Training by position held

In 2015, 20.2% of the 15,395 employees who received training were managers and 79.8% were non-managers.

Training by employee gender



In 2015, 22% of female employees and 78% of male employees received training.

Performance reviews

For several years, the Rexel Group has implemented a strong policy in order to standardize the practice of an annual and formalized performance for all of its employees.

In 2015, most Group entities arranged an annual session of individual performance interviews in which 71.3% of employees took part.

	2015	2014	2013
Number of employees who received a performance review	19,846	18,074	17,435
% of employees reviewed in relation to the total workforce	71.3%	64.9%	62.9%

Promotions

In 2015, 1,119 permanent employees were promoted, or 4.13% of permanent employees in the Rexel Group. This percentage is down from the 4.8% figure for 2014.

Of the 1,119 employees promoted, 24.1% were non-managers promoted to a managerial position.

4.1.5 Employee engagement

4.1.5.1 Satisfaxion15 employee satisfaction survey

In 2015, the Rexel Group conducted its fifth opinion survey, *"Satisfaxion15"* on over 27,000 of its employees, or 98% of the total workforce at December 31, 2015. At 69% the participation rate for this survey rose from the figure of 62% for the previous survey conducted in 2013.

The results of the 2015 survey were fairly similar to those of the 2013 survey, in particular with regard to the three categories that support sustained engagement:

- The engagement category received 76% positive responses;
- The well-being category received 65% positive responses; and
- The enablement category received 79% positive responses.

Among other things these results show that:

- 90% of respondents fully apply their skills and abilities in their work;
- 79% of respondents derived a sense of personal accomplishment from their work; and
- 74% of respondents have the equipment, resources and tools they need to do their job effectively.

Compared with 2013, company image was the category that saw the greatest improvement, specially:

- 81% of respondents said they are fully aware of Rexel ethical commitments through the ethic guide; and
- 87% of respondents felt their company operates with integrity in its external dealings.

In 2014 Rexel organized focus groups consisting of employees that were representative of various functions and levels, and in 2015 it launched its employee value proposition around 5 promises. The largest number of positive responses in *Satisfaxion15* were to the "Make a difference" and "Work with a great team" promises, or 83% and 77%, respectively.

4.1.5.2 Absenteeism

	2015	2014	2013
Absenteeism rate	3.1%	2.8%	3%

In 2015, the average absentee rate in the Rexel Group was 3.1%, slightly up from the 2.8% figure for 2014.

The absenteeism rate in 2015 varied by region: higher in Europe (4%) and lower in Asia-Pacific (2.2%) and North America (1.6%).

The Rexel Group is putting specific measures in place to reduce the absenteeism rate. These include specific monitoring by dedicated human resources managers, regular notifications, consultations and training, regular checkups and awareness campaigns, the indexing of bonuses to work attendance, job rotation or working hours adjustments, and return to work assessments.

4.1.5.3 Employee relations

Representation of employees

The Rexel Group takes the freedoms of expression and representation of its employees very seriously. This principle forms part of the Ethics Guide applicable in all countries in which the Group is active.

The Rexel Group maintains a permanent dialogue with staff representative bodies.

Rexel employees are represented such that:

- 968 employees belong to representative bodies, or 3.6% of all permanent employees of the Rexel Group;
- 128 employees are trade union representatives, or 0.5% of all permanent employees of the Rexel Group.

European Works Council

Established in December 2005, the European Works Council is a platform to share views and information and ensure the representation of Rexel employees within the European Union.

In 2015, the Council remained regularly informed of the various local projects and restructurings under way. In particular, the Council was consulted of the planned sale of three subsidiaries in Poland, Slovakia and the Baltic states. Furthermore, in addition to being briefed on the Rexel Group's financial results, the Council was informed of other matters pertaining to the Group such as Rexel Academy, the *"Satisfaxion15"* employee opinion survey and the status of the employee value proposition project. The European Works Council also took part in the material assessment of matter pertaining to sustainable development (materiality assessment).

Collective bargaining agreements

In 2015, 42 agreements were negotiated and concluded between employee representatives and entities of the Rexel Group.

Most of these agreements were concluded in Spain, France and Germany and pertained to changes in jobs and skills, employment equality, pay, profit sharing, and the use of IT tools.

Profit-sharing agreements in France

At December 31, 2015, the employees of Rexel France, Rexel Développement, Conectis and Dismo were eligible under a profit-sharing agreement with specific calculation criteria for each subsidiary.

The profit-sharing agreements in effect at the relevant French subsidiaries conform to the French Labor Code.

Job action

In 2015, 586 hours were lost to strikes in Belgium (409 hours due to a national strike) and France.

4.1.6 The Rexel Group's commitment to ethics

In 2007 the Rexel Group adopted an ethics policy centered on promoting behavior and actions that conform to its ethical principles.

This initiative found expression in an Ethics Guide that is drawn up and distributed to all employees of the Rexel Group. The Guide is applicable in every country where the Rexel Group is active. It applies to all employees and is intended as an aid providing clear references for dealing with potentially sensitive situations in the workplace. It was updated in 2009 and again in 2013 to reflect the Rexel Group's growing commitment to ethics, in particular its joining of the United Nations Global Compact in 2011 and its Energy in Motion Company plan. In 2014, a campaign on the Data Protection Program was launched for all Rexel employees with a focus on strengthening precautions relative to the use of social media.

The Guide lays out the principles which the Rexel Group defends and upholds on economic, environmental and human scales. It comprises seven general principles and 20 practices.

A network of "ethics correspondents" was put in place to drive the Rexel Group's ethics policy. These correspondents are appointed by the country heads and perform this function over and above their other duties. They make sure all Group employees receive a copy of the Ethics Guide, take all necessary measures to implement the Group's ethical principles and practices, and respond to any queries. They can be contacted anonymously *via* email by anyone, whether a Rexel employee or not, wishing to ask them a question or tell them about a specific problem.

The following table summarizes the queries received altogether by ethics officers according to type, source, subject and region.

		NUMBER OF QUERIES RECEIVED
Type of query	Information	23
	Complaint	36
	Legal dispute	0
	Other	3
Source of query	Customers	11
	Rexel employees	36
	Suppliers	1
	Local authorities	1
	Employee representatives/ trade unions	0
	Anonymous	4
	Other	9
Subject of query	Customer relations	11
	Supplier relations	1
	Relations between employees	10
	Discrimination	8
	Working conditions	12
	Anti-corruption	1
	Anti-fraud and anti-theft	18
	Environmental protection	1
Type of measure put in place	Preventive	10
	Corrective	27
Region	Europe	9
	North America	39
	Asia-Pacific	14

In 2015, 62 ethics cases were brought to the attention of an ethics officer of the Rexel Group. Most were recorded in North America and 16% had to do with relations between employees.

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 (10 cases) and/or corrective (27 cases) measures as appropriate. The remaining cases are still being investigated or resolved.

4.1.7 Note on methodology

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.

Disposed entities or terminated activities are deconsolidated with immediate effect.

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 employees are excluded:
  - Interns (paid or unpaid);
  - Temporary employees;
  - Subcontractors;
  - Employees in early 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 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;
- 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.

4.2 Societal information

The Rexel Group’s model builds on creating value with all its stakeholders, customers, partners, public authorities, communities, employees and shareholders. Given the specific nature of its business, along with its extensive network and the diverse cultures of its employees, the Group must take account of societal issues when defining and deploying its development strategy.

4.2.1 Interacting with stakeholders

Rexel believes that being responsible means paying attention to the expectations of its ecosystem. In order to guarantee its sustained development and local acceptance of its projects, Rexel has identified and categorized its stakeholders based on their type of business relations and has established dialogue with them both at Group level and through the subsidiaries. In 2015, the Rexel Group carried out a materiality assessment which involved interviewing a certain number of stakeholders on priority key sustainable development issues.

Employees and employee representative bodies

The satisfaction and the well-being of employees is a major priority area for the Rexel Group. To this end, initiatives to obtain feedback from and install dialogue with all employees have been developed. The European Works Council was also involved in the materiality assessment conducted by the Rexel Group in 2015. In addition, 42 new labor agreements were signed in 2015 within Rexel Group entities (see paragraph 4.1 "Employee-related information" of this Registration document).

Customers

Rexel's mission is to support customers wherever they are, to create value and run their business better, all around the globe. The Rexel Group has launched a number of initiatives for its customers as regards information, dialogue and feedback such as commercial events, satisfaction surveys and training programs on public subsidies linked to energy efficiency, new home automation technologies and renewable energies (see paragraph 1.4.1.2 "Professional distribution of low and ultra-low voltage electrical products" of this Registration document).

Suppliers and subcontractors

The Rexel Group builds positive relationships with its suppliers and subcontractors which benefit both parties: they are partners of vital importance to both business and growth and the Rexel Group supports their performance by helping them to expand internationally and by supporting their business (such as local installers, transport companies, etc.).

Rexel endeavors to establish a constructive dialogue with them and nurtures sound and long-lasting relationships in accordance with social and environmental issues.

The Rexel Group requires all of its suppliers and subcontractors to comply with the ethical standards presented in its Ethics Guide. From a contractual standpoint, they must adhere to the general terms and conditions of sale, which include specific clauses regarding the obligation to respect the International Labour Organization's fundamental conventions and local legislation, notably in terms of minimum wage, working hours, working environment, occupational safety, and health.

In 2015, the Rexel entities carried out on-site supplier audits to ensure that the Group's ethical standards and the social and environmental clauses in its contracts were applied. Also, following a pilot project rolled out in 2013 and 2014, the Rexel Group decided to deploy the EcoVadis platform on a global scale in order to assess its suppliers' CSR (Corporate Social Responsibility) performance.

Going beyond its business relationships, the Rexel Group has set up community-based initiatives with some of its suppliers to promote access to energy efficiency for all. These initiatives are supported by the Rexel Foundation for a better energy future which was launched in June 2013 (see paragraph 4.2.3 "Welfare and sponsorship" of this Registration document).

Professional associations and universities

Rexel is a member of the AFEP (*Association Française des Entreprises Privées*) and takes part in professional associations such as the FGME (*Fédération des Grossistes en Matériel Electrique – Federation of Electrical Equipment Wholesalers*), the NEAD (*National Association of Electrical Distributors*) and the EUEW (*European Union of Electrical Wholesalers*), to discuss and share industry practices and thus help operate changes in the sector. In an effort to achieve transparency and progress, the Rexel Group is also involved in various studies and publications to interact with its stakeholders, but also to promote experience sharing, at the EpE (*Entreprises pour l'Environnement*) for example, and Agrion, an international professional network dedicated to sustainable development and energy. In addition, the Rexel Foundation allocates part of its resources to academic research programs through grants for students that are just starting their career. These students are primarily working on positive behavior changes towards energy efficiency, barriers preventing the development of renewable energies, as well as innovative equipment in the areas of home automation, heating, ventilation, etc. (see paragraph 4.2.3 "Welfare and sponsorship" of this Registration document).

SOCIETAL INFORMATION

Shareholders, investors and rating agencies

The Rexel Group provides the various players (shareholders, investors, rating agencies, etc.) with clear information on its performance, initiatives and priorities in terms of sustainable development. These exchanges may be occasional or regular depending on the player and the events occurring affecting of the Group.

Rexel is part of the following social and responsible investment (SRI) indices: FTSE4Good, STOXX (Global ESG Leaders series, EURO Sustainability and Europe Sustainability), Euronext Vigeo Eurozone 120, and Ethibel Sustainability Index Excellence Europe, and the Dow Jones Sustainability Index Europe since September 2013.

Moreover, since 2008, the Rexel Group has been reporting on its greenhouse gas emissions to the Carbon Disclosure Project (CDP), an independent non-profit organization that evaluates the carbon performance of large companies and their climate change strategy on behalf of over 820 institutional investors.

4.2.2 Impact on local economic and social development

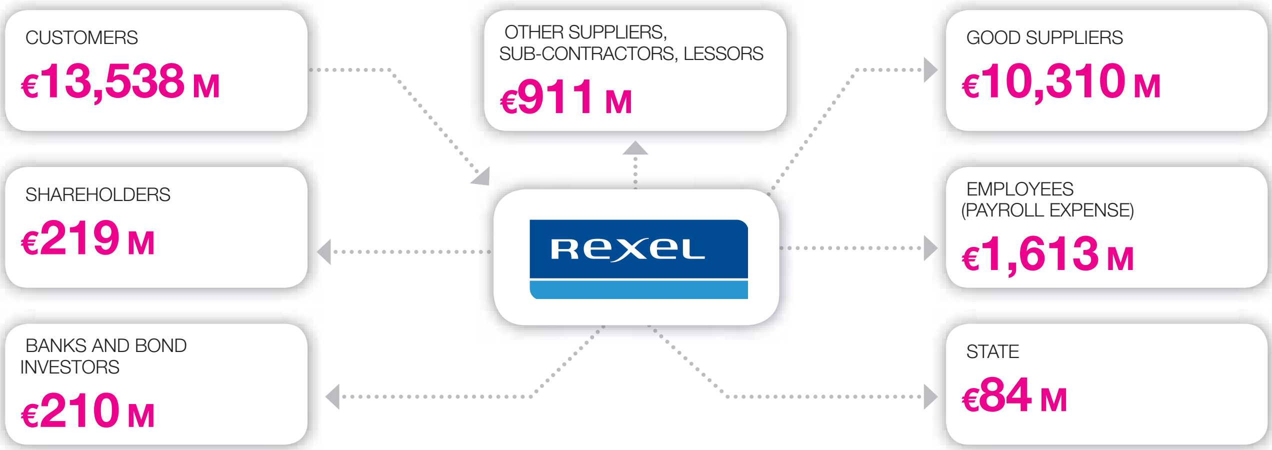
As a world-leader in professional distribution, the Rexel Group actively contributes to organizing and developing the business segment through all its local operations thus creating more and more value for its stakeholders. This approach is based on the inclusion of local features when defining the strategy, the permanent quest to operational excellence, the optimization of processes and the spreading of innovative solutions towards energy management and renewable energies.

Thanks to its local presence worldwide (network of approximately 2,064 branches established in 35 countries), the Rexel Group is a major contributor to the local economies in which it has operations by:

- Directly supporting its customers' growth around the globe;
- Spreading innovation through its services, solutions and the continuous introduction of new products;
- Helping to fund local public policies through the tax contributions it pays;
- Employing almost exclusively local workers (the Rexel Group has a total of 27,834 employees);
- Providing its partners, global suppliers and small local businesses (installers, transport companies, etc.) with new prospects and access to new markets; and
- Helping to train professionals and students by teaming up with schools and universities.

The Group's business and profitability benefit all its stakeholders. A large part of the value created is thus directly distributed to employees, public authorities and local authorities in the countries where the Rexel Group operates.

The Rexel Group's economic relationships with its main stakeholders



In 2015, the Rexel Group purchased goods in the amount of €10,310 million from its suppliers and generated sales of €13,538 million with its customers. Payroll expenses amounted to €1,613 million. The Rexel Group paid a total of €911 million to its lessors, subcontractors and other suppliers for services and consumables. Its financial partners (bank and bond investors) earned €210 million in interest. Dividends paid to shareholders in 2015 with respect to 2014 amounted to €219 million. Finally, the Rexel Group recorded a corporate tax charge of €84 million.

4.2.3 Welfare and sponsorship

Further to its corporate mission, the Rexel Group has developed a community involvement program which includes several initiatives to fight against fuel poverty and work toward a better energy future.

In order to structure this approach, the Rexel Group relies on a community involvement charter and guide since 2012 based on a core focus: “Improving access to energy efficiency for all”. To this end, the Rexel Group wishes to encourage a better use and an optimized consumption of energy by offering to the public its expertise, tools and structures in the energy field. Since 2013, thanks to the Rexel Foundation, the Rexel Group has boosted and developed numerous community initiatives based on three strategic priorities:

- Support community projects for the public good spearheaded by NGOs, not-for-profit organizations and partners to improve access to energy efficiency for disadvantaged communities;
- Increase the understanding and awareness about energy efficiency by setting up a shared knowledge base through studies, conferences, workshops and applied research programs; and
- Promote innovative solutions and models thanks to the social entrepreneurship support platform, by supporting social innovators in terms of financial sponsorship, logistics, equipment or skills.

In 2015 the Foundation launched 18 initiatives to improve the access to energy efficiency for all, in partnership with Rexel Group subsidiaries, thus bringing the total number of supported projects up to 38 since its creation:

- In France, the Rexel Foundation is working to provide support and assistance to 20 young people from underprivileged neighborhoods, in partnership with the association Unis-Cité and with the help of volunteers from Rexel France. From December 2015 to June 2016, the Médiaterre project led by Unis-Cité will see that these young people receive training to raise awareness of energy efficiency-related issues among disadvantaged individuals and families in the towns of Orléans and Saint-Denis;
- Working in partnership with the Rexel Foundation since September 2015, Electricians without Borders (EWB) has been leading an initiative for the relocation and rehabilitation of the inhabitants of several villages in the valley around Laprak in Nepal, which was struck by a major earthquake on April 25, 2015. The financial support offered by the Foundation is intended primarily for the installation of 3,000 lighting kits for families who have been rehoused in the vicinity and for the installation of over 100 public lighting units;
- As part of its commitment to provide vocational training and work opportunities for young people, the Rexel Foundation has also partnered with the Teknik Foundation to raise awareness of electrical industry professions among secondary school students from disadvantaged backgrounds. Launched in April 2015 under the aegis of the FACE Foundation (which works to confront discrimination and inequity in society), the Teknik Foundation is developing a nationwide project with the Ministry of Education in France to drive greater interest in the technical and industrial professions and promote equal opportunity and diversity in both markets. Through skills sponsorship, about 50 Rexel France employees are working on the development of innovative training modules as well have been leading training sessions for secondary school students since October 2015. It is estimated that by 2020, 100,000 young people will have benefitted from this initiative across a variety of regions across France;
- The Rexel Foundation also financed the guide designed by the (IM)PROVE organization on measuring the social impact of not-for-profits and social enterprises whose mission is promoting a better energy future; and
- The Social entrepreneurship support platform aims to identify social innovations in the energy field, support and promote the initiatives of social entrepreneurs, offer them a space to discuss and share on skills, processes and expertise and finally, to assess their performance and their impact for a sustainable investment. For example, this year the Foundation supported a new social enterprise: GoSol, established in Finland. Its mission is to design guides on how to build solar concentrators and distribute them through free of charge online downloads. This will enable farmers and craftsmen in developing economies continue their economic activity while switching to green energy. Lastly, as part of the

internal awareness raising campaign on sustainable development (the "EcoDays") and in order to involve the employees, the Rexel Foundation launched a call for proposals in April 2015. Six projects were selected and will be supported by the Foundation in 2016.

To supplement and strengthen this global approach, the Rexel Group subsidiaries and employees initiated a number of sponsorship and welfare projects outside the Foundation. For example, the employees took part in campaigns in the health field (fight against cancer) and ones aimed to support education and children.

A number of Rexel Group entities also supported collective and community-based initiatives by providing goods and equipment free of charge.

An employee from Rexel's Canadian subsidiary and several employees from Rexel UK took part in *Cyclo-défi* to fight against cancer and to support the electrical industry respectively.

The donations from the Rexel Group, including the funding from the Rexel Foundation, totaled €756,100 in 2014 and €880,969 in 2015.

4.3 Environmental information

4.3.1 The Rexel Group's environmental policy

4.3.1.1 Environmental responsibility

Due to its worldwide presence and the nature of its business, the Rexel Group's environmental responsibility is two-fold:

- As a global company with operations in numerous countries that manages infrastructures and generates logistic flows, the Rexel Group has a widespread environmental footprint on the ecosystems in which it conducts business (resource consumption, waste generation, direct and indirect emissions); and
- By developing and selling energy management solutions, the Rexel Group also takes up an important coaching role and helps to improve the environmental performance of buildings and installations worldwide.

In this context, the Rexel Group's environmental policy, defined by the Sustainable Development Department, is built around 2 major workstreams:

Environmental performance of operations

This workstream aims to reduce the environmental footprint caused by the Rexel Group's operations and infrastructures while maintaining and even improving its operational efficiency. It covers both impacts linked to the core business of a distributor (selecting products, shipping them and recovering them if necessary), and the impacts resulting from site operations (energy, water, etc.).

Although these impacts are relatively small compared with those related to industrial production, the Rexel Group subsidiaries strive to reduce them through the following initiatives:

- Managing the consumption of natural resources, such as energy, water, paper and packaging materials;
- Collecting and recycling waste generated by its activities and specific waste from its customers; and
- Reducing greenhouse gas emissions, by addressing transport issues and the energy efficiency of its facilities (headquarters, branches, logistic centers, etc.) to fight against climate change.

Development of the energy efficiency and renewable energy solutions range

This workstream focuses on accelerating the spread of energy-efficient electrical solutions in the industrial, residential and commercial markets. This commitment has been a major pillar of the Group's sustainable growth strategy since 2011.

Thus, the Rexel Group entities are developing a wide range of innovative and energy-efficient products and services to address their customers' issues.

To promote these solutions and encourage their adoption by installers and industrial clients, the Rexel Group entities have developed awareness raising and information campaigns as well as commercial events, across several communication channels (catalogs, dedicated spaces and websites), in partnership with the manufacturers (see paragraph 4.3.4 "Energy efficiency and renewable energy solutions range" of this Registration document).

4.3.1.2 Setting-up and implementing the policy

This policy is led by the Sustainable Development Department, both in terms of roll-out and operational implementation, together with the functional departments of the headquarters and the local operational teams.

The Rexel Group uses several tools to implement this policy:

- The Environmental Charter;
- An annual environmental report;
- The deployment of environmental impact management procedures and management systems based on ISO 14001; and
- EcoDays, an awareness raising campaign on societal and environmental issues targeted to all employees.

Environmental Charter

To support the operational implementation of its policy, the Rexel Group has been rolling out its Environmental Charter for the past several years. In order to reflect the progress made, the Charter was revised in 2012 following a consultation with the subsidiaries. The charter is published in 23 languages and distributed to all the Rexel Group subsidiaries.

It presents the Rexel Group's three primary commitments to the environment:

1. **Improve the environmental performance of buildings**
   - By upgrading facilities with energy efficient equipment for lighting, heating and cooling, etc.; and
   - By managing segregating and re-directing waste to recycling or other appropriate treatments channels.
2. **Reduce the environmental footprint of operations**
   - By minimising the use of packaging and papers;
   - By optimizing transport flows and thereby reducing fuel consumption and associated carbon emissions.
3. **Develop and promote energy efficient solutions**
   - By providing customers with a wide selection of innovative products and services in energy management and renewable energies use; and
   - By training Rexel Group commercial teams on up-to-date technologies and providing them with specific marketing and information materials.

At the end of 2015, the new version of the Charter was displayed in 95.3% of Rexel Group sites.

Environmental reporting

The Rexel Group's environmental reporting is a key management tool. It helps identify and quantify the environmental aspects of its activities and provides an overall view of the improvement plans that need to be put in place.

In 2015, the Rexel Group environmental reporting process was further updated for enhanced reliability and relevance, primarily through stabilizing environmental impacts included in the reporting scope, strengthening the data collection channels, and further training of the Rexel Group correspondents in the subsidiaries on reporting methods.

The reporting framework of the Rexel Group regulatory obligations of Article 225 of the Grenelle 2 French law, and also based on recognized international references and standards:

- The sustainable development reporting guidelines set out in the fourth version of the GRI (Global Reporting Initiative), which constitute a worldwide recognized framework, to define the performance indicators and the reporting procedures; and
- The GHG Protocol (Greenhouse Gas Protocol), to quantify and effectively report on greenhouse gas emissions (see paragraph 4.3.5 "Note on methodology and summary table" of this Registration document).

The Rexel Group's reporting process relies on a global network of over 70 correspondents throughout its subsidiaries. In April 2015, the correspondents were invited to attend the annual international seminar on sustainable development. There they discussed the Group's sustainable development policy and the reporting approach, shared ideas, best practices and initiatives, and took training courses on the environmental challenges of the Rexel Group.

Thus, the quality and the relevance of the answers further improved between 2014 and 2015, making it easier to assess the issues and the progress made. But this may demand cautions interpretations of some of the variation between these two years.

Environmental management systems and procedures

The Rexel Group is continuing to implement Environmental Management Systems (EMS). These systems define and document procedures in order to manage the environmental aspects of its operations and help spearhead improvement initiatives. Since 2013, the Rexel Group has developed its own environmental management standard to harmonize, support and accelerate the deployment of EMS in its subsidiaries.

To this end, several subsidiaries undertook ISO 14001 certification, which proves that an EMS has been implemented and that they are committed to a continuous improvement process with respect to their environmental policy. As of the date of this Registration document, the number of Rexel Group sites using an EMS is growing and covers close to 45% of the Group's sites, of which 23% are ISO 14001 certified.

Awareness raising and training on environmental and social issues for all employees

In addition to the existing tools and processes, the Sustainable Development Department, with the assistance of the Communications Department, raises awareness among all employees on environmental and social issues *via* an awareness raising campaign called "EcoDays".

In 2015, it took a new dimension and became an ongoing awareness raising campaign instead of an annual event. A website available in four languages enables all employees to seek information on issues associated with the protection of the environment, the various initiatives launched by the Rexel Group and its subsidiaries in this field, and on daily habits they can adopt to help reduce the environmental footprint of the Rexel Group. This digital campaign is supplemented by on-site events in the Group subsidiaries and headquarters and by several in-house contests to engage employees in both social and environmental issues. The EcoDays are thus a key tool for raising awareness internally on sustainable development issues and provide an overall view of the Rexel Group's sustainable development policy.

4.3.1.3 2015 Objectives and achievements

In 2015, the Rexel Group made steady progress with its environmental policy. A number of projects were rolled out and enabled the Group to deliver its objectives, namely:

- Define environmental targets for 2020 associated with climate change;
- Continue to build the fundamentals for its environmental management policy through the release of the Environmental Charter and further assistance to the Rexel Group subsidiaries in implementing the standard EMS;
- Improve environmental performance management by providing each subsidiary management team with a detailed report on their environmental impact, progress made and associated costs;
- Enhance the understanding of the main environmental impacts: energy, packaging, waste and greenhouse gas emissions and better manage them by setting up dedicated cross-functional teams (including local operations managers, members of the Group's sustainable development team and continuous improvement experts) for each subject;
- Engage the Group in a policy designed to measure the environmental performance of the Rexel Group suppliers by using a shared assessment platform; and
- Increase awareness among customers about energy efficient electrical equipment and boost the relevant sales.

The results and main initiatives are presented in paragraph 4.3.3 "Environmental aspects of the Rexel Group activities" of this Registration document.

4.3.2 Risk management and regulatory compliance

4.3.2.1 Assessment and conformity approach

Compliance with regulatory environmental requirements is essential when defining the environmental policy, both on a global scale and local scale.

The main regulations likely to affect the Rexel Group activities are included in paragraph 1.8.2 "Environmental regulations" of this Registration document.

The Rexel Group's business falls under environmental regulations provided for in European Directives and Regulations (among other):

- Directive 2011/65/EU of the European Parliament and Council of June 8, 2011, known as the "RoHS" (Restriction of Hazardous Substances) Directive which restricts the use of certain hazardous substances in electric and electronic equipment;
- Directive 2012/19/EU of the European Parliament and Council of July 4, 2012 on Waste Electrical and Electronic Equipment ("WEEE" Directive);

- Regulation 1907/2006 of the European Parliament and Council of December 18, 2006, known as the "REACH" (Registration Evaluation and Authorization of Chemicals) Regulation, which addresses the registration and authorization of chemical substances; and
- Directive 2012/27/EU of the European Parliament and Council of October 25, 2012 which provides for mandatory energy audits for large companies in the European Union. This Directive was incorporated into French Law in Article 40 of the Act of July 16, 2013.

The Rexel Group is also subject to specific local regulations in the countries where it operates regarding the environment, health and the safety of its activities and facilities.

Certain facilities are subject to a declaration or registration with administrative bodies, environmental permits and operating licenses, and regulatory monitoring requirements. In France for example, the Rexel Group is subject to the law on classified facilities for environmental protection (ICPE). As a result, some areas, particularly in logistics centers, are subject to a declaration or registration, depending on their level of danger or inconvenience: covered as well as that store fuel, storage areas for plastics, paper, cardboard and wood warehouses, battery charging facilities. If applicable, the delivery and renewal of these declarations and administrative approvals are managed locally.

4.3.2.2 Environmental risk management and prevention

As a non-manufacturer distributor, the Rexel Group did not identify any material environmental risk linked to its operations. Risk identification, occurrence and severity are subject to an annual review as part of the Group's annual risk assessment and the occurrence of environmental incidents is monitored *via* the annual environmental report. In 2015, none of the Rexel Group entities reported any incident of this nature.

As of the date of this Registration document, to the best of the Group's knowledge, there were no environmental risks likely to have a material impact on its business or its financial position. However, Rexel cannot guarantee that it has always complied, or shall in all circumstances comply with such standards and regulations, or that it shall not be liable for any future significant costs in order to comply with such standards and regulations, which could have an adverse effect on the Rexel Group's reputation and financial results.

4.3.2.3 Expenses incurred to prevent environmental impacts from operations

The sites for which certain environmental risks have been identified (particularly those that include a fuel storage area) comply with the various regulations that apply to them and have implemented operating procedures, quality systems and a set of safety measures. The expenses incurred by the Rexel Group to prevent environmental impacts linked to its operations are included in the Group's usual investment process and were not broken down separately.

4.3.2.4 Resources allocated to reduce environmental risks

Given the Rexel Group's profile, the environmental risk is low. The costs for assessing, preventing and addressing environmental risks therefore represent small amounts which are included in the Rexel Group's investment processes and were not broken down separately. In addition, environmental risks are assessed in the acquisition processes for new legal entities.

4.3.2.5 Adapting to climate change

Given the nature of its business, the Rexel Group believes that it is not directly exposed to risks resulting from climate change and therefore has not developed any adaptation policy.

4.3.2.6 Provisions and guarantees set aside for risks

As of the date of this Registration document and to the best of the Rexel Group's knowledge, there are no:

- Disputes other than those set out in Chapter 6 "Consolidated financial statements" of this Registration document;
- Environment-related items or situations likely to have a material impact on Rexel's assets or results; or
- Any specific environmental issues that could have an impact on the use of the Group's tangible fixed assets.

In 2015, the Rexel Group did not record any significant provision in its consolidated financial statements for environmental risks.

4.3.2.7 Compensation paid pursuant to a decision of court

In 2015, no significant compensation was paid pursuant to a decision of court in relation to the environment or to actions undertaken to remedy environmental damage.

4.3.3 Environmental aspects of the Rexel Group activities

The Rexel Group's sustainable development approach focuses on reducing the environmental footprint of its activities throughout the distribution chain.

Different initiatives have been deployed within the Rexel Group, both at international and local levels, to manage the environmental impacts of its operations. These impacts are linked, in particular, to infrastructures (waste, use of energy, water resources, etc.), sales activities (travel to visit suppliers and customers, consumption of paper and consumables, etc.) and logistics (deliveries, packaging, etc.).

4.3.3.1 Energy consumption

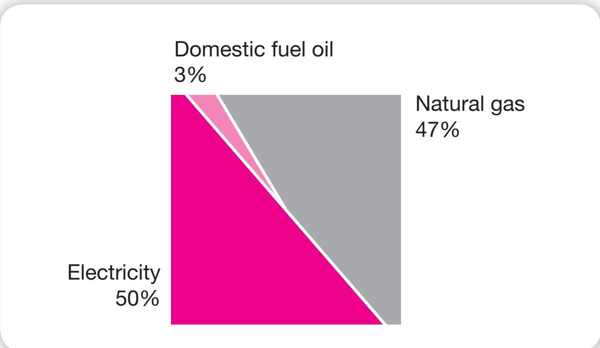
For the Rexel Group, energy consumption is a major environmental issue to preserve resources and fight against climate change, as well as manage costs.

In this context, the Group has engaged a voluntary approach to optimize consumption within each entity, both in terms of energy consumption on-site and for product and people transport.

On-site energy consumption

In 2015, total energy consumption totaled 317,839 MWh, broken down as follows:

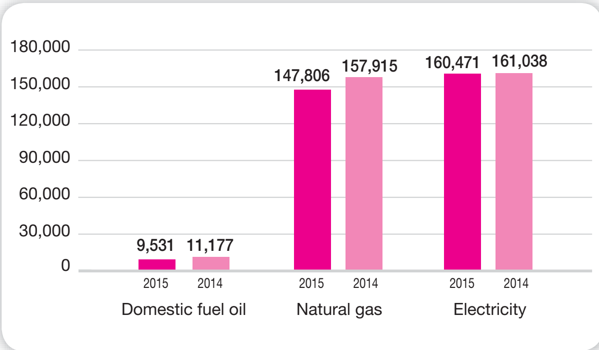
Primary energy consumption by type of energy (2015)



This data is calculated based on a scope representing 99.8% of the Rexel Group's sales.

At constant scope, between 2014 and 2015, energy consumption decreased by 3.7%, mainly due to the reduction in the use of domestic fuel oil and natural gas (essentially in Canada and Belgium), in parallel with the ongoing building energy efficiency initiatives within the Group.

Energy consumption evolution (MWh)



Measures taken to improve the sites' energy efficiency

During renovations, opening or relocation of sites, the energy efficiency of buildings is specifically studied, in particular with:

- Improvements to lighting equipment, by using low consumption technologies (in particular, LEDs), and control and automation systems (home automation, presence and light detectors, etc.);
- Upgrade of heating, air conditioning and ventilation systems, and better management (reduction in the room temperature set point, etc.);
- Management of energy consumption *via* environmental reporting under Enablon or specific measurement or management tools within certain subsidiaries (site by site management on a monthly basis or even in real time); and
- Use of renewable energies, with the installation of solar panels or the connection to heating networks from biomass power plants. Increasing numbers of the Rexel Group subsidiaries subscribe to electricity supply contracts that guarantee its renewable origin (hydraulic, biomass, etc.).

Fuel consumption for goods transport

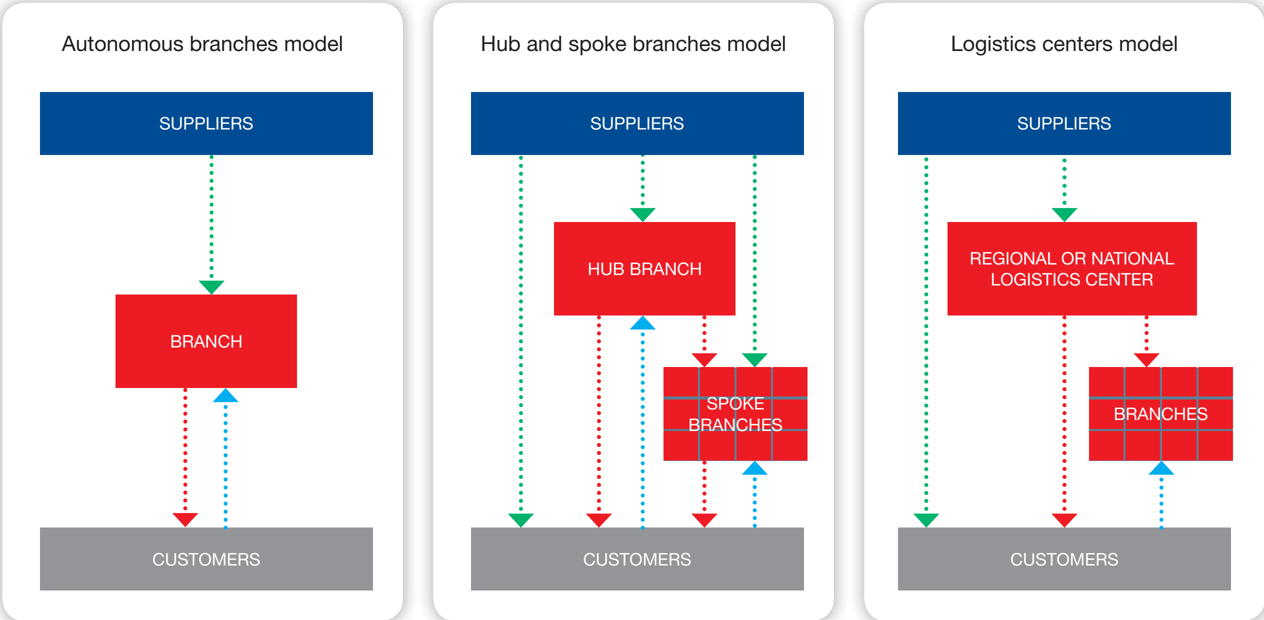
The Rexel Group's activities require the transport of materials and goods, from suppliers to customers.

The diagram below presents the Rexel Group's logistics organization (see paragraph 1.4.3.7 "an effective logistic model" in this Registration document) and indicates the main goods transport flows associated with its activity:

- In **green**, upstream transport, *i.e.* flows that leave suppliers to the Rexel Group logistics centers, branches and customers. These flows are managed by the suppliers themselves;

- In **blue**, customer flows provided by their own means of transport, to and from Rexel branches;
- In **red**, transport initiated and managed by the Rexel Group: (i) internal flows between logistics centers/hub branches and other branches, and (ii) downstream flows from logistics centers/hub branches and other branches to customers. These flows can be provided by the Rexel Group's internal fleet or by sub-contractors.

Diagram: Representation of transport flows depending on the logistics model implemented



With regard to environmental reporting, the Rexel Group focuses on assessing the transport that it initiates or manages (red flows) to continually improve data collection and support the roll out of improvement programs.

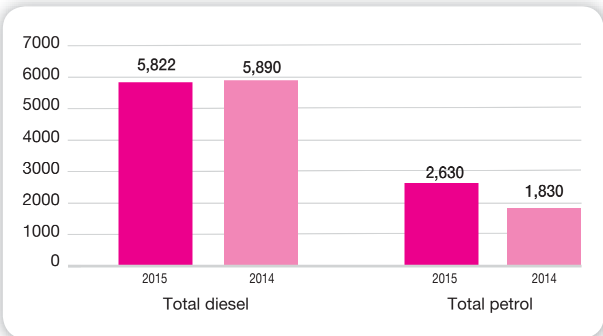
Customer and supplier flows were reviewed during the carbon footprint study conducted by the Rexel Group in 2013.

In 2015, the Rexel Group's internal goods transport fleet included around 824 trucks and 972 vans in total, *i.e.* a reduction in the number of vehicles compared to 2014.

In 2015, this internal fleet consumed slightly more than 5.82 million liters of diesel and 2.63 million liters of petrol (figures calculated on a scope representing 99.8% of the Rexel Group total sales).

At constant scope between 2014 and 2015, these consumptions respectively decreased by 1.2% and increased by 43.7%.

Evolution of fuel consumption for product deliveries by internal fleet (m^3)



Transport optimization measures

In 2015, the Rexel Group Supply Chain Department continued to deploy its transport optimization program, which aims to optimize costs and increase service flexibility, while reducing kilometers traveled, fuel consumption and the associated greenhouse gas emissions.

This policy is built around two major focuses.

Firstly, the Rexel Group promotes the use of shared transport, by sub-contracting transport to service providers that pool Rexel Group's flows with those of other customers, thus reducing the environmental impact of logistics.

Secondly, where pooling is not possible, the Rexel Group progressively carries out optimization programs for transport flows *via* its internal fleet or dedicated external means, through the rationalization of delivery routes, optimization of vehicle loads, the use of GPS systems to measure various performance indicators (fuel consumption, CO_2 emissions, distances traveled, load rate, etc.) and the introduction of electric and hybrid vehicles.

In addition, the Rexel Group is committed to adding more environmental criteria when selecting transporters, such as the environmental performance of vehicles and their maintenance, the implementation of environmental action plans and the reporting of fuel consumption and greenhouse gas emissions.

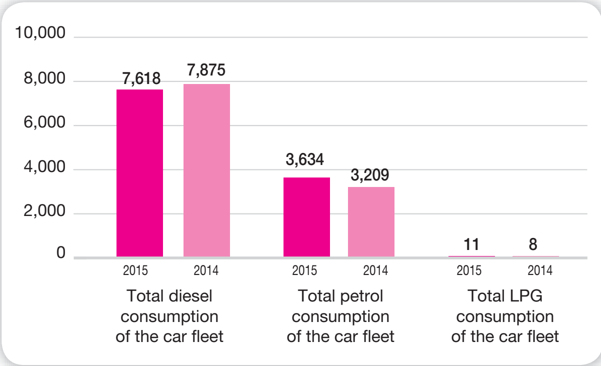
Fuel consumption for business travel

The Rexel Group's activities also require staff travel, in particular for customer visits by sales representatives. For this, most subsidiaries have a fleet of vehicles either owned or on long-term leases.

In 2015, the Rexel Group's fleet comprised around 5,469 cars (excluding vans and trucks) and consumed nearly 3.64 million liters of petrol, 7.62 million liters of diesel and 11,000 liters of LPG.

At constant scope, these consumptions respectively increased by 13.2%, reduced by 3.3% and increased by 35.2% compared to 2014.

Evolution of fuel consumption for travels by company cars (m^3)



Vehicle fleet optimization measures

Over several years, Rexel Group's Indirect Purchasing Department has deployed framework agreements to rationalize the company's vehicle fleet (cars, vans and trucks) and to improve its environmental performance. Thanks to partnerships signed with 2 leasing companies and 6 automotive manufacturers, the Rexel Group supports its subsidiaries in applying this rationalization policy and encourages the monitoring of performance indicators (fuel consumption, level of CO_2 emissions per kilometer).

In 2015, through the 2 main long-term leasing companies, 37% of the European fleet was renewed with vehicles (excluding vans and trucks) whose average rate is 105 g CO_2 e/km. In comparison, in 2014, this average rate was 114 g CO_2 e/km. In addition, the Rexel Group fleet now includes hybrid and electric vehicles.

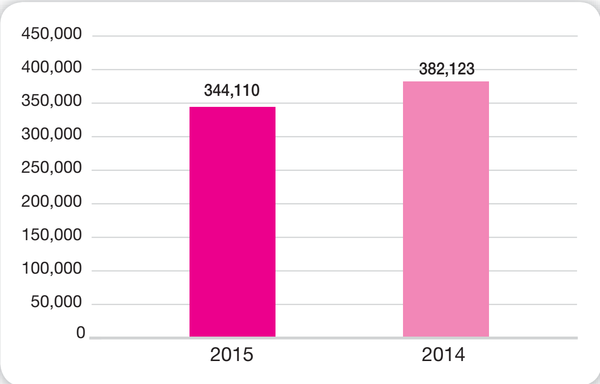
4.3.3.2 Water consumption

Water consumption by the Rexel Group primarily corresponds to water used within sales and administrative buildings (branches, logistic centers), in particular in air conditioning and sanitation circuits, for premises maintenance as well as compulsory purges for the fire protection systems. It is, therefore, entirely sourced from drinking water networks.

The Rexel Group's total water consumption was approximately 372,251 cubic meters in 2015, based on quantified elements representing a scope of 97% of the Rexel Group's sales.

At constant scope, this consumption decreased by 10% compared to 2014.

Consumption of water (m^3)

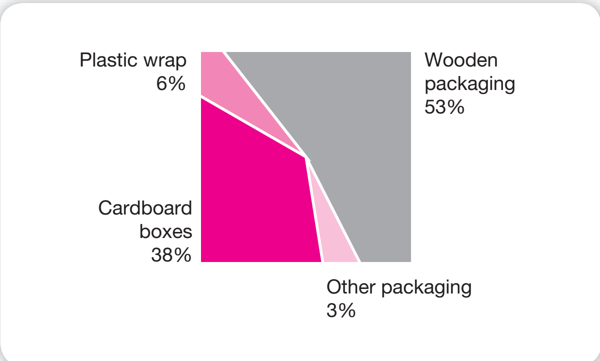


4.3.3.3 Packaging materials and paper consumption

Packaging materials

The total quantity of packaging (cardboard, plastic, wood, other packaging) consumed by the Rexel Group in 2015 is estimated at 12,488 tons, based on a scope representing 99.5% of the Rexel Group sales, broken down as follows:

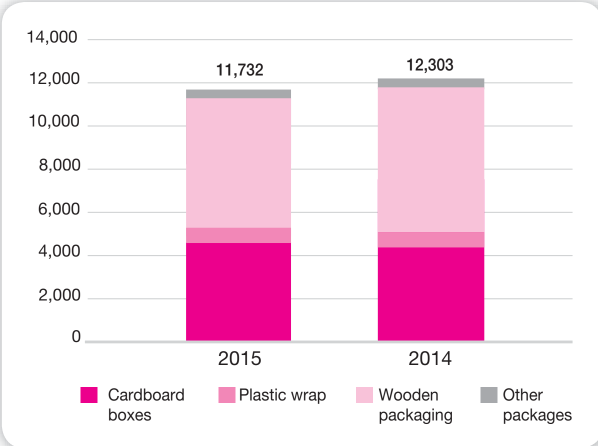
Packaging material consumption by type of material (2015)



Reuse of packaging is encouraged within the Rexel Group: numerous countries have implemented a system to reuse pallets, wood drums and supplier boxes for customer deliveries, or to use reusable plastic boxes for deliveries of small materials between logistics centers and branches.

Following the opening of new logistics centers, and the change in distribution models, the consumption of packaging materials decreased by 4.6%, at constant scope, compared to 2014. These figures must be qualified by the fact that packaging consumption monitoring has also improved year on year (thanks notably to the implementation of separate accounting from other consumables) and is, therefore, more comprehensive.

Evolution of packaging material consumption (tons)



Note: the packaging quantities reported here are only those purchased and consumed by the Rexel Group. They do not take into account supplier packaging reused by the Rexel Group.

Paper

In 2015, the Rexel Group consumed around 1,365 tons of paper to print its sales leaflets, brochures and catalogs. The consumption of other paper (office paper, invoicing, etc.) was nearly 1,372 tons. 62% of the total quantity of paper used was certified from recycled fibers or sustainably managed forests. This data is calculated based on a scope representing 99.7% of the Rexel Group's sales.

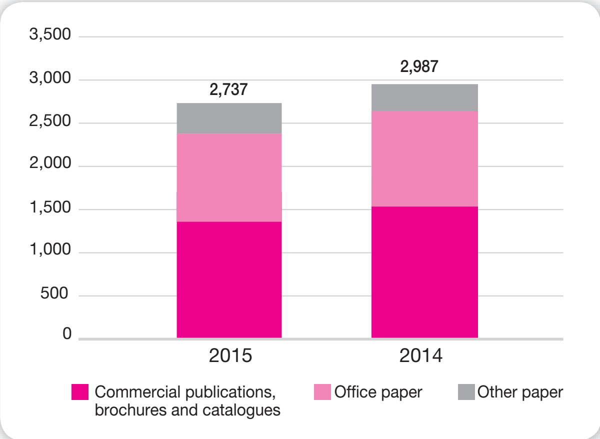
The Rexel Group's international scale is a powerful driver to optimize and rationalize its indirect purchasing policy, by using a responsible approach to reduce its environmental impacts.

Thus, in 2015, the Rexel Group continued to work with approved office equipment, printing and paper suppliers to reduce the amount of paper consumed.

Over several years, the partnership with the printing solutions supplier, deployed over almost 80% of the Group, confirms Rexel's ability to manage its paper consumption, by implementing improvement action plans.

Lastly, the digitization of a certain number of documents (catalogues, invoices, etc.) enabled to enhance these efforts. Thus, at constant scope, total paper consumption decreased by more than 8.4% between 2014 and 2015.

Evolution of paper consumption (tons)



4.3.3.4 Waste management

As part of its environmental policy, the Rexel Group aims to reduce the amount of waste generated by its activities and to promote its recycling and recovery. The Rexel Group encourages all of its branches, in particular through its Environmental Charter, to:

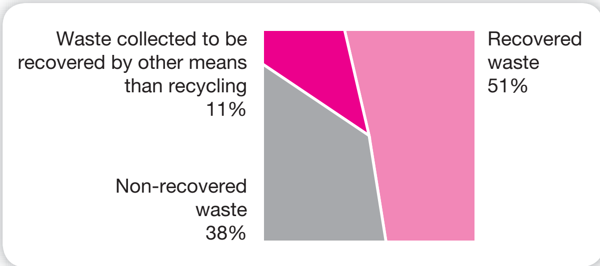
- Implement a selective waste sorting system to recycle or recover paper, cardboard, plastic and wood;
- Ensure that hazardous waste (for example, from batteries, IT and electrical equipment) is transported for treatment and recycling in an environmentally friendly way; and
- Contribute, within the framework of local regulations, to the collection and recovery of certain specific customer waste, such as waste electrical and electronic equipment (WEEE) (see paragraph 4.3.2.1 “Assessment and Conformity Approach”, in this Registration document).

Total quantity of waste generated

The quantity of waste generated by the Rexel Group is estimated at 25,739 tons for 2015 for all materials (excluding WEEE and batteries). This data is calculated based on a scope representing 96.4% of the Rexel Group’s sales.

At constant scope, we observe an increase of 2.1% of the total waste generated compared to 2014, which can mainly be attributed to an increase in the quantity of waste generated in the USA.

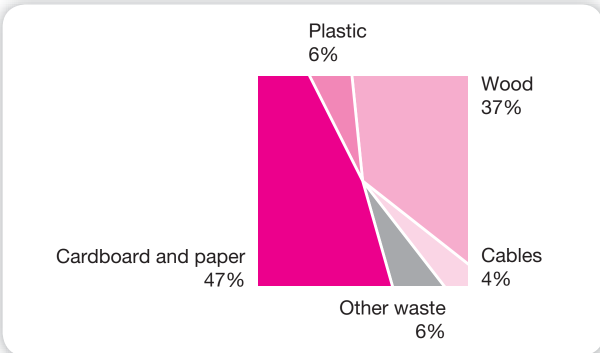
Waste produced by destination (2015)



Collection and recovery/recycling of ordinary waste

As far as possible, the Rexel Group branches carry out the selective sorting of ordinary waste (in particular, cardboard, plastic and wood) for recycling or recovery. The total quantity of waste recovered by the Rexel Group, for all materials (excluding WEEE and batteries), was around 15,825 tons in 2015. This data is calculated based on a scope representing 96.4% of Rexel Group’s sales.

Waste recycled by type of material (2015)



At constant scope, the quantity of waste recovered increased between 2014 and 2015 (+2.0%), following the increase in the amount of waste produced. The waste recovery rate was stable between 2014 and 2015 at 62%.

Collection and recovery/recycling of specific waste

In most European countries, the implementation of European legislation with regard to Waste Electrical and Electronic Equipment (WEEE) has led the Rexel Group branches to collect customer WEEE in order to recycle it.

In other countries, the Rexel Group subsidiaries have exceeded applicable legal requirements by offering this additional service to their customers. Thus, in 18 countries, Rexel Group has implemented a WEEE management and recovery system, with around 1,297 tons of this waste being sent for recycling, including around 986 tons of fluorescent tubes and light bulbs.

In 2015, the Rexel Group also contributed to the recycling of more than 55 tons of batteries. This data is calculated based on a scope representing 94% of the Rexel Group's sales.

4.3.3.5 Pollution and nuisance

Water and ground discharges

Given the Rexel Group's activity, there is a low risk of release of polluting substances into the water or ground.

The potential pollution risks linked to underground fuel tanks are managed locally, in accordance with local legislation, by the implementation of operational procedures, quality systems and safety measures (see paragraph 4.3.2 "Risk management and regulatory conformity" in this Registration document).

Air emissions

For greenhouse gas emissions (GHG), see paragraph 4.3.3.6 "Greenhouse gas emissions and the fight against climate change" in this Registration document.

In addition to GHG emissions, the Rexel Group does not generate significant amounts of air emissions.

Noise pollution

The Rexel Group considers that its impact in terms of noise pollution is not significant with regard to its service activity.

Odor nuisances

The Rexel Group considers that this information is irrelevant with regard to its service activity.

Ground use conditions and impact on biodiversity

The Rexel Group considers that its impact on ground use and biodiversity is not significant with regard to its service activity.

4.3.3.6 Greenhouse gas emissions and the fight against climate change

As a distributor, the Rexel Group's direct carbon footprint (known as "Scope 1") is limited. In 2015, it represented 77,905 tons CO_2 equivalent, a value obtained based on a scope representing 99.8% of the Rexel Group's sales.

These direct emissions include emissions linked to the consumption of primary energy (mainly natural gas and domestic fuel oil) and fuel for transport carried out by company vehicles (see paragraph 4.3.5.1 "Note on methodology" of this Registration document)

GHG Scope 1 by source (2015)

Indirect Scope 2 emissions include emissions linked to the production of electricity and heat consumed by the Rexel Group sites (see paragraph 4.3.5.1 "Note on methodology" of this Registration document). In 2015, these totaled 45,379 tons CO_2 equivalent.

GHG emissions related to energy consumption

Direct greenhouse gas emissions linked to the on-site combustion of primary energies were estimated at 29,986 tons CO_2 equivalent in 2015.

Indirect emissions linked to the production of electricity purchased by the Rexel Group totaled nearly 42,834 tons CO_2 equivalent in 2015 and those linked to heat production 2,545 tons CO_2 equivalent.

At constant scope, the total emissions (direct and indirect) due to energy consumption decreased 5.8% compared to 2014.

GHG emissions related to the transport of goods by the internal fleet

Some of the Rexel Group subsidiaries have an internal fleet of vehicles to transport goods between Rexel sites and to customers.

In 2015, greenhouse gas emissions linked to the transport of goods by this fleet totaled 20,556 tons CO_2 equivalent. At constant scope, these emissions increased by 8.6% compared to 2014, in particular due to the increase in the number of kilometers traveled and the associated consumptions.

GHG emissions related to business travel by company cars

These emissions are linked to professional travel either in the owned or leased car fleet by the Rexel Group subsidiaries.

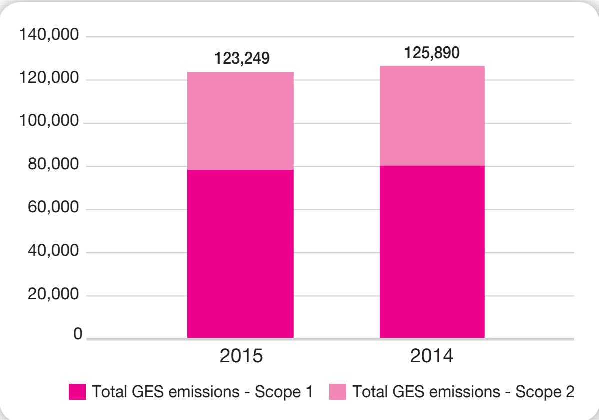
In 2015, these emissions represented 27,363 tons CO_2 equivalent. At constant scope, these emissions increased by 1.2% compared to 2014.

Measures taken to fight against climate change

Although its impact on climate change is relatively small, the Rexel Group seeks to limit its GHG emissions through initiatives to reduce energy consumption at its sites, optimize logistics and upgrade its vehicle fleet (see paragraph 4.3.3.1 "Energy consumption" in this Registration document).

Thus, the total scope 1 and 2 emissions decreased by 2.1% at constant scope between 2014 and 2015.

Evolution of scope 1 and 2 GHG emissions
(tons of CO_2 e.)



4.3.4 Energy efficiency and renewable energy solutions range

As presented previously in paragraph 1.4.4 "the Rexel Group's Strategy" in this Registration document, the Rexel Group intends to accelerate its development by building on categories with strong potential such as energy efficiency, renewable energies etc.

The Rexel Group has developed a range of innovative products and services that meet its market's structural trends: the need for electrical efficiency to reduce energy consumption, and the necessary development of renewable energies.

In the energy efficiency sector, the Rexel Group offers a wide range of products and solutions for the construction, renovation and maintenance of residential, commercial and industrial buildings: replacement of lighting sources (fluorescent lamps and tubes, low consumption halogens and LEDs), implementation of measurement and management systems (sensors, detectors, smart meters, variators, etc.), and also energy audits and energy economy certificates. In 2015, these activities generated total sales of €1,135 million, an increase of 7.3% compared to 2014.

In the renewable energy sector, the Rexel Group develops solutions adapted to each country, market and customer. In the photovoltaic market, it supplies different equipment including solar panels and mounting accessories. In the wind energy market, the Rexel Group offers targeted solutions ranging from simple delivery to fully integrated service offers (from procurement, to inventory management, to delivery of products on the assembly line). The range of products includes electrical components, cables and other products required for the production of turbines and the operation of wind farms.

In 2015, the photovoltaic segment generated sales of €230 million, a decrease of 0.3% compared to 2014. The wind energy market generated total sales of €129 million, increasing by 10.1% compared to 2014.

4.3.5 Note on methodology and summary table

4.3.5.1 Note on methodology

Reporting Protocol

Environmental reporting provides annual data for the Sustainable Development Department's management dashboard, with the objectives of piloting policy implementation, facilitating information and good practice sharing within the Rexel Group and meeting external reporting requirements, in particular the regulatory obligations associated with the Grenelle 2 law and Article R.225-105-1 of the French Commercial Code, and also requests from stakeholders (customers, investors, rating agencies, etc.).

The Rexel Group is therefore committed to providing environmental reporting that meets the following requirements: coherence (ensuring that data is comparable and established according to standard rules), completeness and accuracy (reported data reflects reality), materiality (the data reports on the most significant issues), transparency and control (the data sources, calculation and estimation methods are available and easily accessible).

In terms of organization, in each entity, a contributor is responsible for collecting all the data which is then checked by a validator.

Over the last seven years, dedicated reporting software, in the form of a secure Internet platform, has enabled the Rexel Group to ensure reliable data collection.

In 2015, the Sustainable Development Department continued its efforts to ensure that the collection process is reliable and that the rules defined in its reporting protocol are applied correctly. This reporting protocol is available in 4 languages.

This environmental reporting protocol defines:

- Environmental reporting objectives;
- Reporting scope of application;
- Procedures for data collection and reporting;
- Selected indicators and their definition, to ensure correct, consistent understanding by all contributors; and
- Formulas used to calculate certain indicators, such as conversion factors.

External verification

All the material environmental information, whether qualitative or quantitative, was verified externally by an appointed Statutory Auditor, to increase stakeholders' confidence in the information, and in accordance with the provisions in the Grenelle 2 law and its application decree.

Scope of reporting

The scope of the environmental reporting is intended to be identical to that retained for preparing the consolidated financial statements, as defined by the Rexel Group's Finance Department.

Recently acquired entities (*i.e.* during the financial year or late in the previous financial year) are not integrated into the scope, due to difficulties in obtaining some data during the acquisition year. In 2015, no significative entity (representing more than 1% of the Rexel Group sales) was concerned.

Calculation of the scope of indicator coverage

Exceptionally, and if its reliability is not judged satisfactory, some data for some entities may be excluded from the reporting. These exclusions are taken into account in the calculation of the coverage scopes. These coverage scopes are indicated for each indicator in the text and summary table in paragraph 4.3.5.2 "Summary Table" in this Registration document. They correspond to the ratio of the total sales of entities that have reported the indicator compared to the total Rexel Group sales excluding entities acquired during the financial year. In 2015, the only significative entity representing more than 1% of the Rexel Group sales concerned was Rexel China for the data related to waste generation and water use.

Restatement of 2014 data

Some 2014 data required retroactively applied corrections.

INDICATORS	RESTATEMENT
Packaging consumption	The total quantity of packaging consumed in 2014 was revised upwards following modifications applied *a posteriori* on the data reported by the US, Austrian and Polish entities.
Water consumption	The 2014 figure was revised downwards following corrections to data from the Australian, Swedish, New Zealand and US entities.
Paper consumption	The 2014 figure was revised downwards following corrections to data from the Italian entity.
Scope 1 direct emissions	The 2014 figure was revised downwards following corrections to data from the UK entity.
Scope 2 indirect emissions	The 2014 figure was revised upwards following corrections to data from the Hungarian and South-East Asian entities.
Quantity of wasted generated	The 2014 figure was revised downwards following corrections to data from the UK 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:

- Data for 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;
- Data for year N does not include: the entities newly integrated into the reporting (due to acquisitions or widening of the scope) as well as entities whose 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 (indicated as “GHG” for the rest of this document) is based on the GHG Protocol framework.

Scope 1 represents direct GHG emissions, from sources held or controlled by the Rexel Group. Thus, the Rexel Group has chosen to include emissions from vehicles on long term lease contracts over which it exercises operational control. These emissions do not include leakage linked to the use cooling fluids whose impact is deemed negligible compared to the energy consumption.

Scope 2 accounts for indirect GHG emissions resulting from the production of electricity and heat purchased by the Rexel Group.

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

The emission factors associated with energy production used in the reporting software are those published by the IEA (International Energy Agency). In 2015, the applied factors are those for 2013, while 2014 data was obtained using 2012 factors.

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.

The other emission factors come from the Resource Center on Greenhouse Gas Emissions (GHG assessments) at the French Agency for the Environment and Energy Management (ADEME)

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 average emissions factor for each fuel type (diesel, gasoline or LPG);
- 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).

Sales of energy efficiency and renewable energies solutions

In 2011, the definition of sales categories for energy efficiency and renewable energies 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 energies 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 2014 and 2015 are presented with comparable structures and exchange rates.

4.3.5.2 Summary table

INDICATORS	UNIT	2015	SCOPE	CONSTANT SCOPE 2015	2014	VARIATION	SCOPE
CONSUMPTION OF RESOURCES							
Energy consumption							
Electricity consumption	MWh	160,502	99.8%	160,471	161,038	-0.4%	99.8%
Gas consumption	MWh PCS	147,806	99.8%	147,806	157,915	-6.4%	99.8%
Fuel consumption	MWh PCS	9,531	99.8%	9,531	11,177	-14.7%	99.8%
Water consumption	**m^3**	**372,251**	**96.7%**	**344,110**	**382,123**	**-9.9%**	**95.3%**
Packaging consumption, including:	**Tons**	**12,488**	**99.5%**	**11,732**	**12,303**	**-4.6%**	**93.9%**
Cardboard	*Tons*	*4,762*	*99.5%*	*4,540*	*4,335*	*4.7%*	*93.9%*
Plastics	*Tons*	*754*	*99.5%*	*728*	*777*	*-6.3%*	*93.9%*
Wood	*Tons*	*6,563*	*99.5%*	*6,058*	*6,686*	*-9.4%*	*93.9%*
Paper consumption, including:	**Tons**	**2,737**	**99.7%**	**2,737**	**2,987**	**-8.4%**	**99.6%**
Commercial paper	*Tons*	*1,365*	*99.7%*	*1,365*	*1,563*	*-12.7%*	*99.6%*
WASTE							
Quantity of waste generated	Tons	25,739	96.4%	25,198	24,672	2.1%	94.0%
Total quantity of waste recovered	*Tons*	*15,825*	*96.4%*	*15,655*	*15,343*	*2.0%*	*94.0%*
Recovery rate	%	61.5	96.4%	62.1	62.2	-0.1,pt	94.0%
GREENHOUSE GAS EMISSIONS							
SCOPE 1 DIRECT EMISSIONS	**Tons CO_2 e**	**77,905**	**99.8%**	**77,892**	**79,426**	**-1.9%**	**99.8%**
Emissions related to on-site energy combustion	Tons CO_2 e	29,986	99.8%	29,986	33,474	-10.4%	99.8%
Emissions related to the transportation of products by the internal fleet	Tons CO_2 e	20,556	99.8%	20,556	18,919	8.6%	99.8%
Emissions related to business travel by company cars	**Tons CO_2 e**	27,363	99.8%	27,350	27,032	1.2%	99.8%
Scope 2 indirect emissions	**Tons CO_2 e**	**45,379**	**99.8%**	**45,357**	**46,464**	**-2.4%**	**99.8%**
Emissions related to the production of purchased and consumed electricity	Tons CO_2 e	42,834	99.8%	42,812	43,636	-1.9%	99.8%
Emissions related to the production of purchased and consumed heat	Tons CO_2 e	2,545	99.8%	2545	2,828	-10.0%	99.8%
SALES OF ENERGY EFFICIENCY AND RENEWABLE ENERGY SOLUTIONS							
Sales of energy efficiency solutions	€ millions	–	–	1,135	1,068	7.3%	100%
Sales of photovoltaic solutions	€ millions	–	–	230	231	-0.3%	100%
Sales from the wind turbine market	€ millions	–	–	129	117	10.1%	100%

4.4 Independent verifier's report

This is a free translation into English of the original report issued in the French language 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 standards applicable in France.

Rexel

Year ended December 31, 2015

Independent verifier's report on consolidated social, environmental and societal information presented in the management report

To the shareholders,

In our quality as an independent third-party organization accredited by the COFRAC(1), under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the company Rexel, we present our report on the consolidated social, environmental and societal information presented in Chapter 4 of the Registration document, hereafter referred to as the "CSR Information," established for the year ending on December 31, 2015, pursuant to the provisions of the article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R.225-105-1 of the French Commercial Code (*Code de commerce*), in accordance with the company's internal reporting standards (hereafter referred to as the "Criteria"), of which a summary is included on paragraph 4.1.7 and paragraph 4.3.5 of the Registration document, and available upon demand to the company's headquarters.

Our Independence and Quality Control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (*Code de déontologie*) as well as the provisions in the article L.822-11 of the French Commercial Code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the Independent Verifier

It is our role, based on our work:

- To attest whether the required CSR Information is present in the management report or, in the case of its omission, an appropriate explanation has been provided, in accordance with the third paragraph of R.225-105 of the French Commercial Code (*Code de commerce*) (Attestation of presence of CSR Information);
- To express a limited assurance conclusion, based on the fact that the CSR Information, overall, is presented, in all material aspects, in accordance with the Criteria;

Our verification work was undertaken by a team of seven people and took place over the period from October 2015 to the date of signature of our report for an estimated duration of eight weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000(2).

1. Attestation of presence of CSR information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments as well as, where appropriate, resulting actions or programs.

We compared the information presented in the management report with the list as provided for in the Article R.225-105-1 of the French Commercial Code (*Code de commerce*).

In the absence of certain consolidated information, we verified that the explanations were provided in accordance with the provisions in Article R.225-105-1, paragraph 3, of the French Commercial Code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial Code

(1) Scope available at www.cofrac.fr
(2) ISAE 3000 – *Assurance engagements other than audits or reviews of historical information.*

(*Code de commerce*), with the limitations specified in the Methodological Note on paragraph 4.1.7 and paragraph 4.3.5 of the Registration document.

Based on this work, and given the limitations mentioned above, we confirm the presence in the management report of the required CSR Information.

2. Assurance statement

Nature and scope of the work

We undertook two interviews with the people responsible for the preparation of CSR Information in the Sustainability and Human Resources departments, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important(3):

- At the level of the consolidating entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- At the level of the representative selection of sites that we selected(4), based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on a basis of samples, consisting in verifying the calculations made and linking them supporting documentation. The sample selected represented on average 28% of the total workforce and between 13 and 35% of the quantitative environmental information(5).

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sampling methods and sizes of the samples that we selected by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, February 11, 2016

Independent verifer
ERNST & YOUNG et Associés

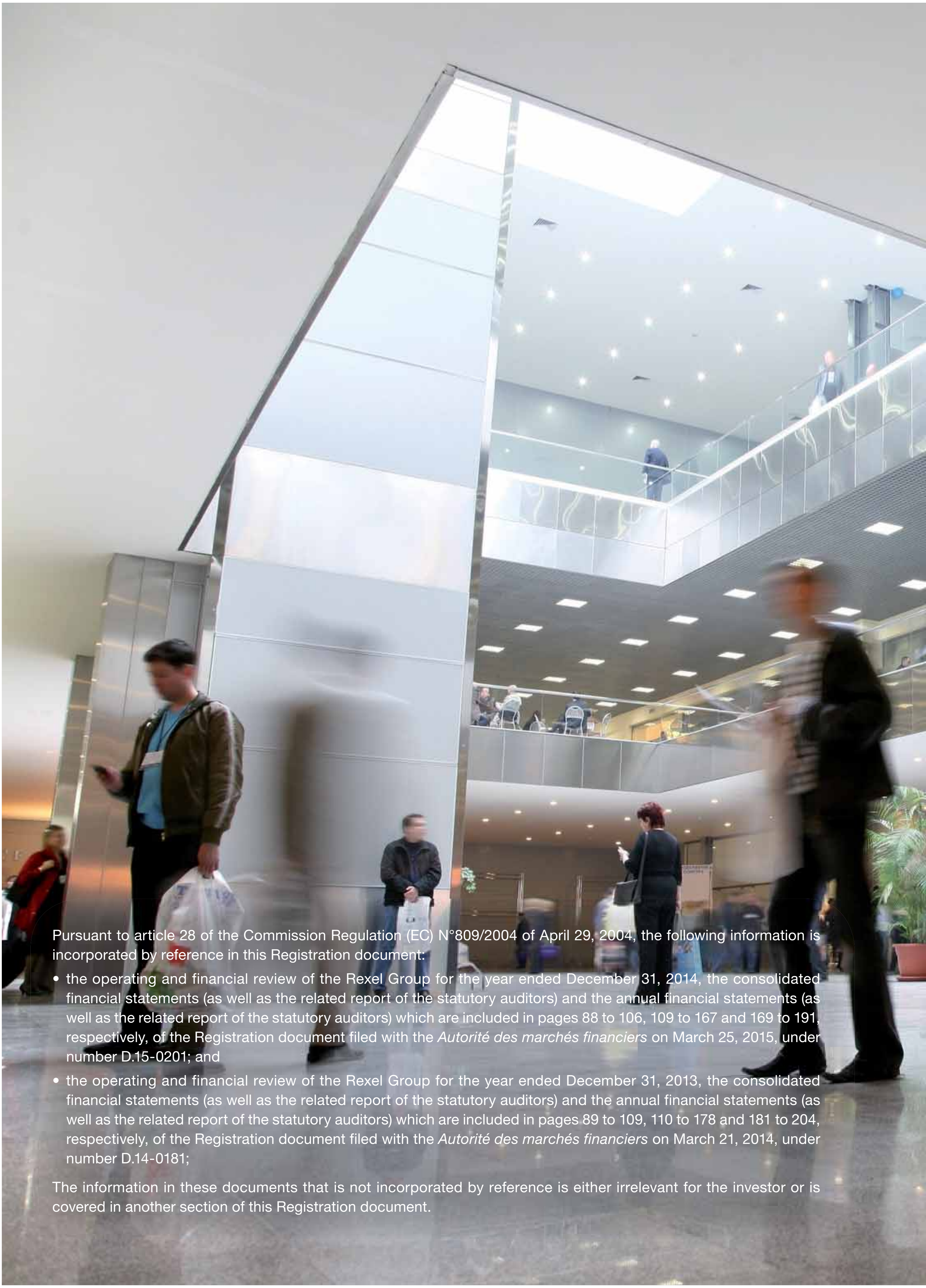
Eric Mugnier
Partner, Sustainable Development

Bruno Perrin
Partner

(3) **Environmental and societal information:**
- *Quantitative indicators:* thermal and electrical energy consumptions, GHG emissions (scope 1 and 2), total amount of waste collected to be recycled, total amount of packaging purchased.
- *Qualitative information:* deployment of Rexel's environmental charter, measures taken to reduce environmental footprint, trainings provided to customers on energy-efficiency solutions, environmental and social clauses included in purchasing contracts.

Social information:
- *Quantitative indicators:* total number of employees, total number of departures of permanent employees, absenteeism rate, frequency and gravity of work accidents, and total number of training hours.
- *Qualitative information:* training policy for employees, employees' support actions in case of restructuring, means to protect employees' health and safety at work, and employees' performance assessment process.

(4) Rexel China, Rexel USA, Rexel Ireland, Rexel Italia and Rexel Portugal.
(5) Coverage rate for each environmental subject : energy : 23%, packaging : 13%, waste : 18%, greenhouse gas emissions : 35%.



Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of April 29, 2004, the following information is incorporated by reference in this Registration document:

- the operating and financial review of the Rexel Group for the year ended December 31, 2014, 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 included in pages 88 to 106, 109 to 167 and 169 to 191, respectively, of the Registration document filed with the *Autorité des marchés financiers* on March 25, 2015, under number D.15-0201; and
- the operating and financial review of the Rexel Group for the year ended December 31, 2013, 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 included in pages 89 to 109, 110 to 178 and 181 to 204, respectively, of the Registration document filed with the *Autorité des marchés financiers* on March 21, 2014, under number D.14-0181;

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 Registration document.

5 Activity report

5.1 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 Financial position of the Group

5.1.1.1 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. Following the sale of its Latin America operations to Sonepar that was effective in the third quarter of 2015, the Group now operates in three geographic areas: Europe, North America and Asia-Pacific. Pre-divestment results of Latin America operating segment have been reported as discontinued operations in the income statement for the years 2014 and 2015 until the effective date of the sale transaction. This geographic segmentation is based on the Group's financial reporting structure.

In 2015, the Group recorded consolidated sales of €13,537.6 million, of which €7,289.3 million were generated in Europe (54% of Group sales), €4,898.1 million in North America (36% of Group sales) and €1,349.7 million in Asia-Pacific (10% of Group sales).

The Group's activities in Europe are in France (which accounts for 32% of sales in this region), the United Kingdom (15% of sales of this region), Germany (11% of sales of this region), Scandinavia (Sweden, Norway and Finland) and Austria, Switzerland, Belgium, The Netherlands, Spain, Italy, Ireland, Portugal and Luxembourg, as well as several other Central and Northern European countries.

The Group's activities in North America are in the United States (78% of sales in this region) and Canada (22% of sales in this region).

The Group's activities in Asia-Pacific are in Australia (38% of sales in this region), China (37% of sales of this region) and also in South-East Asia, New Zealand, India and Middle East.

This activity report analyzes 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.

5.1.1.2 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 cash flows are the strongest in the fourth quarter while relatively lower in the three other quarters, because of higher working capital requirements in those periods.

5.1.1.3 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 14% 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.

5.1.1.4 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. Second, 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 5.1.1.3 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 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.

	PERIOD ENDED DECEMBER 31,	
(in millions of euros)	**2015**	**2014(1)**
Operating income before other income and other expenses	**555.9**	**631.1**
Changes in scope of consolidation	–	4.5
Foreign exchange effects	–	41.2
Non-recurring effect related to copper	20.6	3.3
Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions	17.0	15.5
Adjusted EBITA on a constant basis	**593.5**	**695.7**

(1) Restated for the presentation of Latin America reporting segment as discontinued operations.

5.1.2 Comparison of financial results as of December 31, 2015 and as of December 31, 2014

5.1.2.1 Rexel Group's consolidated financial results

The following table sets out Rexel's consolidated income statement for 2015 and 2014, in millions of euros and as a percentage of sales.

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014[1]**	**Change in %**
REPORTED			
Sales	**13,537.6**	**12,824.3**	**5.6%**
Gross profit	3,222.6	3,118.5	3.3%
Distribution and administrative expenses[2]	(2,649.6)	(2,471.9)	7.2%
EBITA	**573.0**	**646.7**	**(11.4)%**
Amortization[3]	(17.0)	(15.5)	9.6%
Operating income before other income and expenses	**555.9**	**631.1**	**(11.9)%**
Other income and expenses	(176.5)	(105.0)	68.2%
Operating income	379.4	526.2	(27.9)%
Net financial expenses	(210.0)	(184.4)	13.9%
Income taxes	(84.4)	(100.9)	(16.4)%
Net income from continuing operations	**85.0**	**240.8**	**(64.7)%**
as a % of sales	*0.6%*	*1.9%*	
Net income from discontinued operations	**(69.3)**	**(40.8)**	**69.5%**
Net income	**15.7**	**200.0**	**(92.1)%**
(1) Restated for the presentation of Latin America reporting segment as discontinued operations.			
(2) Of which depreciation and amortization.	(90.7)	(78.7)	15.2%
(3) Amortization of the intangible assets recognized as part of the allocation of the purchase price of acquisitions.			

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**13,537.6**	**13,798.1**	**(1.9)%**
Same-day basis			*(2.1)%*
Gross profit	3,244.3	3,334.5	(2.7)%
as a % of sales	*24.0%*	*24.2%*	
Distribution and administrative expenses	(2,650.8)	(2,638.8)	0.5%
as a % of sales	*(19.6)%*	*(19.1)%*	
EBITA	**593.5**	**695.7**	**(14.7)%**
as a % of sales	***4.4%***	***5.0%***	

Sales

In 2015, Rexel's consolidated sales amounted to €13,537.6 million, as compared to €12,824.3 million in 2014.

On a reported basis, sales were up 5.6% year-on-year, including a positive currency impact of 7.1% and a positive net effect from acquisitions of 0.4%.

- The positive impact of currency amounted to €916.7 million, mainly due to the appreciation of the US dollar against the euro.
- The positive net effect from acquisitions amounted to €57.1 million, reflecting mainly acquisitions made in Asia-Pacific and in Europe and offset by the divestment of Czech Republic operations finalized in the fourth quarter of 2014.

On a constant and same-day basis, sales decreased by 2.1%. By geography, Europe remained broadly stable at -0.1% whereas North America decreased by 5.2% and Asia-Pacific decreased by 1.1%. Excluding the 0.5 percentage point negative impact due to lower copper-based cable prices, sales were down 1.6% as compared to 2014.

On a constant and actual number of working days basis, sales decreased by 1.9% as the calendar impact was positive at 0.2 percentage point.

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-TO-DATE
Growth on a constant and same-day basis	(0.4)%	(1.6)%	(3.3)%	(2.9)%	(2.1)%
Number of working days effect	(0.6)%	0.2%	0.4%	0.7%	0.2%
Growth on a constant and actual-day basis	***(1.0)%***	***(1.4)%***	***(2.9)%***	***(2.2)%***	***(1.9)%***
Changes in scope effect	0.2%	0.4%	0.5%	0.6%	0.4%
Foreign exchange effect	8.1%	9.6%	6.4%	4.8%	7.1%
Total scope and currency effects	***8.3%***	***10.0%***	***6.8%***	***5.4%***	***7.6%***
Growth on a reported basis[1]	**7.2%**	**8.4%**	**3.7%**	**3.2%**	**5.6%**

(1) Growth on a constant basis and actual number of working days compounded by the scope and currency effects.

Gross profit

In 2015, gross profit amounted to €3,222.6 million, up 3.3%, on a reported basis, as compared to €3,118.5 million in 2014.

On a constant basis, adjusted gross profit decreased by 2.7% and adjusted gross margin decreased by 20 basis points to 24.0% of sales, reflecting a drop in European and Asia-Pacific operations, offset by an increase in North America.

Distribution & administrative expenses

In 2015, distribution and administrative expenses amounted to €2,649.6 million, up 7.2%, on a reported basis, as compared to €2,471.9 million in 2014.

On a constant basis, adjusted distribution and administrative expenses increased by 0.5% and deteriorated by 45 basis points, representing 19.6% of sales in 2015 as compared to 19.1% in 2014, mainly related to operations in North America and Asia-Pacific.

EBITA

In 2015, as a result, EBITA stood at €573.0 million, down 11.4%, on a reported basis, as compared to €646.7 million in 2014.

On a constant basis, adjusted EBITA decreased by 14.7% to €593.5 million and adjusted EBITA margin stood at 4.4% of sales, down 65 basis points year-on-year.

Other income and expenses

In 2015, other income and expenses represented a net expense of €176.5 million (€105.0 million in 2014), consisting mainly of:

- €85.7 million impairment expense, mostly attributable to goodwill impairment in Australia for €50.5 million and to The Netherlands for €33.9 million. In 2014, impairment expense was €33.5 million mostly attributable to goodwill impairment in The Netherlands (€12.0 million), Slovakia (€3.4 million), Luxembourg (€2.7 million) and India (€2.4 million);
- €58.7 million restructuring costs (€57.0 million in 2014) incurred in connection with branch network optimization and logistics rationalization in Europe (mainly in Germany, the United Kingdom and Spain) and branch and banner reorganizations in North America;
- €27.1 million impairment charge of assets held for sale in connection with the divestment of Group's operations in Poland, Slovakia and Baltics to be completed in 2016.

Net Financial expenses

In 2015, net financial expenses stood at €210.0 million, as compared to €184.4 million in 2014. In 2015, net financial expenses included a €52.5 million non-recurring expense incurred in connection with the early repayment of the €489 million senior notes due 2018 (straight repayment in the first quarter of 2015) and the US$500 million senior notes due 2019 (refinanced by the €500 million senior notes due 2022 issued in the second quarter of 2015). Excluding this impact, net financial expenses were down by 14.6% mainly driven by a 100 basis-point decrease in effective interest rate on gross debt (from 4.9% in 2014 to 3.9% in 2015) thanks to positive effect of the repayment and the refinancing of the senior notes due 2018 and 2019 respectively.

Tax expense

In 2015, income tax expense was €84.4 million, a 16.4% decrease as compared to €100.9 million in 2014. This decrease is primarily due to the drop in profit before tax (from €341.8 million in 2014 to €169.4 million in 2015). The effective tax rate increased from 29.5% in 2014 to 49.8% in 2015, mainly due to the increasing burden of non tax-deductible goodwill impairment losses recognized in 2015 as compared to 2014.

Net income from continuing operations

As a result of the above items, net income from continuing operations stood at €85.0 million in 2015, a 64.7% decrease as compared to €240.8 million in 2014.

Net income from discontinued operations

Net income from discontinued operations was a loss of €69.3 million in 2015 (€40.8 million in 2014). This loss relates to Latin America operating segment sold to Sonepar on September 15, 2015 for a selling price of €17.2 million (US$ 18.6 million) and includes a divestment loss of €60.0 million as well as operating losses until the disposal date.

Net income

Including net income from discontinued operations, net income stood at €15.7 million in 2015, as compared to €200.0 million in 2014.

5.1.2.2 Europe (54% of Group sales)

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
REPORTED			
Sales	**7,289.3**	**7,145.2**	**2.0%**
Gross profit	1,921.7	1,919.7	0.1%
Distribution and administrative expenses	(1,506.7)	(1,466.8)	2.7%
EBITA	**415.0**	**452.9**	**(8.4)%**
as a % of sales	*5.7%*	*6.3%*	

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**7,289.3**	**7,267.1**	**0.3%**
Same-day basis			*(0.1)%*
Gross profit	1,934.3	1,952.9	(1.0)%
as a % of sales	*26.5%*	*26.9%*	
Distribution and administrative expenses	(1,507.0)	(1,495.8)	0.7%
as a % of sales	*(20.7)%*	*(20.6)%*	
EBITA	**427.3**	**457.1**	**(6.5)%**
as a % of sales	***5.9%***	***6.3%***	

Sales

In 2015, sales in Europe amounted to €7,289.3 million, a 2.0% increase on a reported basis, as compared to €7,145.2 million in 2014.

Exchange rate variations accounted for an increase of €133.5 million, mainly due to the appreciation of the British Pound and the Swiss Franc against the euro.

The negative net effect from acquisition amounted to €11.5 million, related to Elevite AG, acquired in the third quarter of 2014 in Switzerland and Electro-Industrie en Acoustiek in Belgium in the third quarter of 2015; offset by the divestment of Czech Republic operations made in the fourth quarter of 2014.

On a constant and same-day basis, sales remained broadly stable at -0.1% as compared to 2014. Excluding the 0.3 percentage point negative impact due to lower copper-based cable prices, sales were up 0.2% as compared to 2014.

In **France,** sales amounted to €2,330.2 million in 2015, a decrease of 2.3% as compared to 2014 on a constant and same-day basis in a challenging environment due to low level of commercial and industry end market.

In **the United Kingdom,** sales amounted to €1,109.0 million in 2015, a decrease of 0.7% from 2014 on a constant and same-day basis, affected by lower copper price and branch closures.

In **Germany,** sales stood at €802.7 million in 2015, a decrease of 1.1% from 2014 on a constant and same-day basis, mainly attributable to decreasing contractor and installers sales and lower photovoltaic sales.

In **Scandinavia** sales amounted to €922.7 million in 2015, an increase of 4.8% from 2014 on a constant and same-day basis, with a good performance in the three countries, thanks to utilities : +8.0% in Sweden, +2.6% in Norway and +1.0% in Finland.

In **Belgium** and in **The Netherlands,** sales amounted respectively to €328.6 million and €209.7 million in 2015. Sales in Belgium increased by 2.8% with a good performance on photovoltaic and installation equipment. Sales in The Netherlands were down 5.5% on a constant and same-day basis, due to lower lighting projects with key accounts partly offset by a good performance in photovoltaic equipment.

In **Switzerland** and **Austria,** sales amounted respectively to €477.5 million and €326.5 million in 2015. Sales in Austria increased by 3.3% from 2014, on a constant and same-day basis. Sales in Switzerland decreased by 4.1% from 2014, on a constant and same-day basis, impacted by the deflationary environment due to Swiss Franc evolution.

In **Spain** and **Italy,** sales amounted to respectively €252.8 million and €124.8 million in 2015. On a constant and same-day basis, sales in Spain increased by 16.6% from 2014 on both domestic and export activities and sales in Italy drop by 4.1% from 2014, due to the full year impact of 2014 branch closures.

Gross profit

In 2015, Europe recorded a gross profit of €1,921.7 million, stable on a reported basis, as compared to €1,919.7 million in 2014.

On a constant basis, adjusted gross profit decreased by 1.0% and adjusted gross margin decreased by 34 basis points to 26.5% of sales, of which circa one third is attributable to unfavorable country mix and lower cable margin and circa two third is attributable to the increased competitive pressure in some of European countries.

Distribution & administrative expenses

In 2015, distribution and administrative expenses amounted to €1,506.7 million, up 2.7%, on a reported basis, as compared to €1,466.8 million in 2014.

On a constant basis, adjusted distribution and administrative expenses increased by 0.7% in 2015, representing 20.7% of sales, a 9 basis-point increase as compared to 20.6% in 2014.

EBITA

In 2015, as a result, on a reported basis, EBITA amounted to €415.0 million, down 8.4% as compared to €452.9 million in 2014.

On a constant basis, adjusted EBITA decreased by 6.5% from 2014 and adjusted EBITA margin decreased by 43 basis points to 5.9% of sales.

5.1.2.3 North America (36% of Group sales)

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
REPORTED			
Sales	**4,898.1**	**4,477.9**	**9.4%**
Gross profit	1,066.0	966.7	10.3%
Distribution and administrative expenses	(877.7)	(762.7)	15.1%
EBITA	**188.3**	**204.0**	**(7.7)%**
as a % of sales	*3.8%*	*4.6%*	

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**4,898.1**	**5,165.4**	**(5.2)%**
Same-day basis			*(5.2)%*
Gross profit	1,075.2	1,124.1	(4.4)%
as a % of sales	*22.0%*	*21.8%*	
Distribution and administrative expenses	(878.6)	(883.9)	(0.6)%
as a % of sales	*(17.9)%*	*(17.1)%*	
EBITA	**196.6**	**240.3**	**(18.2)%**
as a % of sales	***4.0%***	***4.7%***	

Sales

In 2015, sales in North America amounted to €4,898.1 million, up 9.4%, on a reported basis, as compared to €4,477.9 million in 2014.

Favorable exchange rate variations accounted for €692.4 million, mainly due to the appreciation of US dollar against the euro.

On a constant and same-day basis, sales decreased by 5.2% as compared to 2014, impacted by a 28% drop in the oil and gas segment, representing a -2.8 percentage points and by lower cable sales, representing -1.5 percentage point.

In **the United States,** sales dropped to €3,799.1 million in 2015, a 4.2% decrease from 2014 on a constant and same-day basis. Sales were adversely impacted by decline in oil and gas business for 2.8 percentage points, by lower cable sales for 1.5 percentage point and by branch closures for 1.0 percentage point.

In **Canada,** sales amounted to €1,099.0 million in 2015, down 8.5% from 2014 on a constant and same-day basis, due to lower sales in the oil and gas segment for 2.9 percentage points, lower photovoltaic sales for 2.2 percentage points and lower cable sales for 1.5 percentage point.

Gross profit

In 2015, in North America, gross profit amounted to €1,066.0 million, up 10.3%, on a reported basis, as compared to €966.7 million in 2014.

On a constant basis, adjusted gross profit decreased by 4.4% and adjusted gross margin increased by 19 basis points to 22.0% of sales. Gross margin improvement was mainly driven by pricing initiatives in Canada and favorable banner mix in the United-States.

Distribution & administrative expenses

In 2015, distribution and administrative expenses amounted to €877.7 million, up 15.1%, on a reported basis, as compared to €762.7 million in 2014.

On a constant basis, adjusted distribution and administrative expenses decreased by 0.6% in 2015 and representing 17.9% of sales in 2015, a 83 basis-point increase as compared to 17.1% in 2014, affected by lower activity in 2015, investments for growth in Platt and Gexpro Services in the United-States, as well as logistic costs in connection with the end of the US hubs and distribution center transformation program.

EBITA

In 2015, as a result, EBITA amounted to €188.3 million, down 7.7%, on a reported basis, as compared to €204.0 million in 2014.

On a constant basis, adjusted EBITA decreased by 18.2% from 2014 and adjusted EBITA margin decreased by 64 basis points to 4.0% of sales.

5.1.2.4 Asia-Pacific (10% of Group sales)

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
REPORTED			
Sales	**1,349.7**	**1,200.9**	**12.4%**
Gross profit	234.3	231.8	1.1%
Distribution and administrative expenses	(223.9)	(196.0)	14.2%
EBITA	**10.4**	**35.8**	**(70.8)%**
as a % of sales	*0.8%*	*3.0%*	

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**1,349.7**	**1,365.2**	**(1.1)%**
Same-day basis			*(1.1)%*
Gross profit	234.3	257.1	(8.9)%
as a % of sales	*17.4%*	*18.8%*	
Distribution and administrative expenses	(223.9)	(212.8)	5.2%
as a % of sales	*(16.6)%*	*(15.6)%*	
EBITA	**10.4**	**44.3**	**(76.4)%**
as a % of sales	***0.8%***	***3.2%***	

Sales

In 2015, sales in Asia-Pacific amounted to €1,349.7 million, up 12.4%, on a reported basis, as compared to €1,200.9 million in 2014.

The entities acquired in the fourth quarter of 2014 (4 Knights International in Thailand and Beijing Ouneng Tongxing Technology Co. Ltd in China) and the entities acquired in 2015 (Shanghai Maxqueen Industry Development Co. Ltd and Zhonghao Technology in China) contributed for €73.5 million.

Favorable exchange rate variation accounted for €90.8 million, primarily due to the appreciation of the Chinese Yuan against the euro.

On a constant and same-day basis, sales declined by 1.1% as compared to 2014, reflecting a slight growth in Asia (+0.8%), offset by a 3.2% sales decrease in Pacific.

In Australia, sales amounted to €509.8 million, a 4.0% decrease from 2014, on a constant and same-day basis, reflecting lower sales in Western Australia and in Queensland, largely impacted by economic slowdown in China and drop in commodity prices.

In China, sales amounted to €499.5 million in 2015, a 3.0% decrease compared to 2014, on a constant and same-day basis, due to lower sales to panel builder and automation businesses partly offset by higher project sales and a good performance in the datacom activity.

Gross profit

In 2015, in Asia-Pacific, gross profit amounted to €234.3 million, up 1.1%, on a reported basis, as compared to €231.8 million in 2014.

On a constant basis, adjusted gross profit decreased by 8.9% and adjusted gross margin was 17.4% of sales, a 147 basis-point decrease as compared to 2014, mainly attributable to Australia impacted by lower supplier rebates and one-off items.

Distribution & administrative expenses

In 2015, on a reported basis, distribution and administrative expenses amounted to €223.9 million, up 14.2% as compared to €196.0 million in 2014.

On a constant basis, adjusted distribution and administrative expenses increased by 5.2% from 2014, representing 16.6% of sales in 2015, a 100 basis-point deterioration as compared to 15.6% in 2014, mainly due to increasing bad debt expenses in China and higher commercial costs relating to business development in South East Asia and Middle East.

EBITA

In 2015, as a result, EBITA amounted to €10.4 million, down 70.8%, on a reported basis, as compared to €35.8 million in 2014.

On a constant basis, adjusted EBITA decreased by 76.4% from 2014 and adjusted EBITA margin decreased by 247 basis points to 0.8% of sales.

5.1.2.5 Other operations

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
REPORTED			
Sales	**0.5**	**0.3**	**N/A**
Gross profit	0.5	0.3	N/A
Distribution and administrative expenses	(41.3)	(46.3)	(10.8)%
EBITA	**(40.8)**	**(46.0)**	**12.6%**
as a % of sales	*N/A*	*N/A*	

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change in %**
CONSTANT BASIS ADJUSTED FINANCIAL DATA			
Sales	**0.5**	**0.3**	**N/A**
Gross profit	0.5	0.3	N/A
as a % of sales	*N/A*	*N/A*	
Distribution and administrative expenses	(41.3)	(46.3)	(10.8)%
as a % of sales	*N/A*	*N/A*	
EBITA	**(40.8)**	**(46.0)**	**(11.3)%**
as a % of sales	***N/A***	***N/A***	

This segment mostly includes unallocated corporate overhead expenses. These expenses decreased by €5.2 million as compared to 2014, mainly due to lower share-based expenses.

5.2 Liquidity and capital resources

5.2.1 Cash flow

	PERIOD ENDED DECEMBER 31,		
(in millions of euros)	**2015**	**2014**	**Change**
Operating cash flow	**564.8**	**647.5**	**(82.7)**
Interest	(144.6)	(155.9)	11.3
Taxes	(108.0)	(84.3)	(23.7)
Change in working capital requirements	97.9	(34.1)	132.0
Net cash flow from operating activities	**410.1**	**373.2**	**36.9**
o.w. operating cash flows used by discontinued operations	*(16.7)*	*0.4*	*(17.1)*
Net cash flow from operating activities – continuing operations	**426.8**	**372.8**	**54.0**
Net cash flow from investing activities	**(131.8)**	**(133.3)**	**1.5**
o.w. investing cash flows (used)/provided by discontinued operations	*(6.9)*	*(0.5)*	*(6.4)*
Net cash flow from investing activities – continuing operations	**(124.9)**	**(132.8)**	**7.9**
o.w. operating capital expenditures[2]	*(113.5)*	*(101.1)*	*(12.4)*
Net cash flow from financing activities	**(611.4)**	**(60.9)**	**(550.5)**
o.w. financing cash flows (used)/provided by discontinued operations	*11.3*	*5.1*	*6.2*
Net cash flow from financing activities – continuing operations	**(622.7)**	**(66.0)**	**(556.7)**
Net cash flow	**(333.0)**	**178.9**	**(511.9)**
o.w. net cash flow from discontinued operations	*(12.3)*	*5.0*	*(17.3)*
Net cash flow – continuing operations	**(320.7)**	**173.9**	**(494.6)**
Free cash flow – continuing operations:			
Operating cash flow	572.3	647.6	(75.3)
Change in working capital requirements	103.8	(38.7)	142.5
Adjustment for timing difference in suppliers payments[1]	–	51.9	(51.9)
Operating capital expenditures[2]	(113.5)	(101.1)	(12.4)
Free cash flow before interest and taxes	**562.6**	**559.7**	**2.9**
Interest	(141.0)	(152.6)	11.7
Taxes	(108.4)	(83.7)	(24.7)
Free cash flow after interest and taxes	**313.3**	**323.4**	**(10.1)**

	DECEMBER 31,	
WCR as a % of sales[3] at:	**2015**	**2014**
Reported basis	9.8%	10.3%
Constant basis	9.7%	10.3%

(1) Working capital adjustment to reflect timing difference in supplier payments scheduled on December 31, 2013 and executed on January 2, 2014 for €51.9 million.
(2) Net of disposals.
(3) Working capital requirements, end of period, divided by last 12-month sales.

5.2.1.1 Cash flow from operating activities

Rexel's net cash flow from operating activities was an inflow of €410.1 million in 2015 compared to €373.2 million in 2014.

Rexel's net cash flow from operating activities of continuing operations was an inflow of €426.8 million in 2015 compared to €372.8 million in 2014.

Operating cash flow – continuing operations

Operating cash flow before interest, income tax and changes in working capital requirements decreased from €647.6 million in 2014 to €572.3 million in 2015. This mainly resulted from the decrease in EBITDA from €725.4 million in 2014 to €663.7 million in 2015, due to operating expenses which increased in volume more than gross profit in 2015 as compared to 2014.

Interest and taxes – continuing operations

In 2015, net interest paid decreased from €152.6 million in 2014 to €141.0 million. This decrease mainly results from decreasing interests paid following refinancing operations of the senior notes in the first semester of 2015.

In 2015, income tax paid increased from €83.7 million in 2014 to €108.4 million. This increase is firstly due to the refund of excess tax installments paid end of 2013 in respect of French corporate income tax and received in 2014 and secondly due to the down payment in 2015 of a tax reassessment in Finland although the Group brought a claim to dispute this reassessment.

Change in working capital requirements – continuing operations

In 2015, change in working capital requirements accounted for an inflow of €103.8 million as compared to €13.2 million in 2014, adjusted for supplier payments of €51.9 million that were related to end of December 2013. This improvement is mainly attributable to change in trade receivables which was an inflow of €81.0 million in 2015 as compared to an outflow of €43.7 million in 2014.

As a percentage of sales over the last 12 months, on a constant basis, working capital requirements amounted to 9.7% of sales as of December 31, 2015 as compared to 10.3% as of December 31, 2014. This 60 basis-point improvement on working capital requirements, as compared to December 31, 2014 is primarily associated with payables outstanding which increased by 2 days as of December 31, 2015 as compared to December 31, 2014 and to a lesser extent to the improvement by one day of the sales outstanding.

5.2.1.2 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 €131.8 million outflow in 2015, as compared to an outflow of €133.3 million in 2014.

	PERIOD ENDED DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Acquisitions of operating fixed assets	(119.5)	(104.0)
Proceed from disposal of operating fixed assets	4.7	4.6
Net change in debts and receivables on fixed assets	1.3	(1.6)
Net cash flow from operating investing activities – continuing operations	**(113.5)**	**(101.1)**
Net cash flow from operating investing activities – discontinued operations	**(1.8)**	**(1.7)**
Net cash flow from operating investing activities	**(115.3)**	**(102.8)**
Acquisition of subsidiaries, net of cash acquired	(28.2)	(36.7)
Proceeds from disposal of subsidiaries, net of cash disposed of	11.6	–
Net cash flow from financial investing activities	**(16.6)**	**(36.7)**
Net change in long-term investments	**–**	**6.1**
Net cash flow from investing activities	**(131.8)**	**(133.3)**

Acquisitions and disposals of operating fixed assets – continuing operations

Acquisitions of operating fixed assets, net of disposals, accounted for an outflow of €113.5 million in 2015, as compared to €101.1 million in 2014.

In 2015, gross capital expenditures amounted to €119.5 million (€104.0 million in 2014), *i.e.* 0.8% of sales for the period. This increase is mainly attributable to France, Germany and the United-States in connection with logistic projects. Disposals of fixed assets amounted to €4.7 million (€4.6 million in 2014). Net changes in the related payables and receivables amounted to €1.3 million, accounting for a decrease in net capital expenditures for the period (an increase in net capital expenditures for €1.6 million in 2014).

Financial investments

Financial investments resulted in a net outflow of €16.6 million in 2015 as compared to €36.7 million in 2014, consisting mainly in acquisition of subsidiaries, net of proceeds from disposal of subsidiaries.

In 2015, they were mainly comprised of €28.2 million acquisition of subsidiaries with the acquisition price of Electro-Industrie en Acoustiek in Belgium, Al Mousa for Industrial Projects Co Ltd in Saoudi Arabia, 60% controlling interests in Shanghai Maxqueen Industry Development Co. Ltd and 60% controlling interests in Zhonghao (Shangai) Technology Co. Ltd in China. In addition, financial investments include €11.6 million of proceeds net of cash disposed of from the sale of Latin America subsidiaries to Sonepar.

In 2014, they were mainly comprised of the acquisition price of Esabora Digital Services in France, Elevite AG in Switzerland, 4 Knights International in Thailand, 55% controlling interest in Ouneng Tongxing Technology Co. Ltd. in China.

5.2.1.3 Cash flow from financing activities

Cash flow from financing activities included mainly changes in indebtedness.

In 2015, cash flow from financing activities reflected a net debt repayment of €611.4 million, resulting mainly from the:

- Redemption of the 7.00% senior notes due 2018 on March 16, 2015 for €522.6 million including a redemption premium of €25.4 million;
- Redemption of the 6.125% senior notes due 2019 on June 22, 2015 for €468.6 million including a redemption premium of €25.5 million;
- Dividend distribution in cash of €91.3 million;
- Decrease of €86.1 million in assigned receivables with respect to securitization programs;
- Acquisition of non-controlling interests for €10.7 million;

partially compensated by the:

- €500 million issuance of senior notes due 2022 with coupons of 3.25% for an amount net of transaction costs of €489.7 million;
- Increase in other borrowings amounting to €75.5 million.

In 2014, cash flow from financing activities reflected a net outflow of €60.9 million, mainly resulting from the :

- Dividend distribution in cash of €65.6 million;
- Purchase of treasury shares for €26.4 million;
- Acquisition of non-controlling interests for €12.5 million;

partially offset by the:

- Settlement of interest rate swaps qualified as fair value hedge for €36.4 million; and
- Increase of €19.3 million in assigned receivables with respect to securitization programs.

5.2.2 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, 2015, Rexel's consolidated net debt amounted to €2,198.7 million, consisting of the following items:

	DECEMBER 31,					
	2015			2014		
(in millions of euros)	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Senior notes	–	1,637.1	1,637.1	–	1,992.2	1,992.2
Securitization	378.7	710.8	1,089.4	128.2	1,013.9	1,142.1
Bank loans	57.2	1.5	58.7	65.0	4.4	69.3
Commercial paper	134.6	–	134.6	85.9	–	85.9
Bank overdrafts and other credit facilities	88.4	–	88.4	81.7	–	81.7
Finance lease obligations	8.0	19.5	27.6	8.8	18.4	27.2
Accrued interest(1)	8.1	–	8.1	9.7	–	9.7
Less transaction costs	(6.5)	(26.9)	(33.3)	(8.0)	(32.9)	(40.9)
Total financial debt and accrued interest	***668.5***	***2,342.1***	***3,010.6***	***371.2***	***2,995.9***	***3,367.1***
Cash and cash equivalents			(804.8)			(1,159.8)
Accrued interest receivables			(0.7)			(0.7)
Debt hedge derivative			(6.4)			6.5
Net financial debt			**2,198.7**			**2,213.1**

(1) Of which accrued interest on Senior Notes for €3.3 million at December 31, 2015 (€4.9 million at December 31, 2014).

At December 31, 2015, the Group's liquidity amounted to €1,645.5 million (€2,052.2 million at December 31, 2014).

	DECEMBER 31,	
(in millions of euros)	2015	2014
Cash and cash equivalents	804.8	1,159.8
Bank overdrafts	(88.4)	(81.7)
Commercial paper	(134.6)	(85.9)
Undrawn Senior credit agreement	982.0	982.0
Bilateral facilities	81.7	77.9
Liquidity	**1,645.5**	**2,052.2**

The components of the net financial debt are described in detail in note 22 of Rexel's consolidated financial statements at December 31, 2015, set out in chapter 6 "Consolidated Financial Statements" of this Registration document.

At December 31, 2015, Rexel's ratings by the financial rating agencies were as follows:

	DECEMBER 31, 2015		
Rating agency	Moody's	Standard & Poor's	Fitch Ratings
Long-term debt	Ba2	BB	BB
Outlook	Stable	Stable	Stable
Short-term debt	NP	B	B

On February 26, 2015, Moody's published a note confirming the Ba2 rating and announcing the change of outlook from negative to stable.

At December 31, 2014, Rexel's ratings by the financial rating agencies were as follows:

	DECEMBER 31, 2014		
Rating agency	Moody's	Standard & Poor's	Fitch Ratings
Long-term debt	Ba2	BB	BB
Outlook	Negative	Stable	Stable
Short-term debt	NP	B	B

Other Rexel Group commitments are detailed in note 25 of the Notes to the Rexel Group's consolidated financial statements for the year ended December 31, 2014, set out in chapter 6 "Consolidated Financial Statements" of this Registration document.

Senior Credit Facility Agreement

Under the Senior Credit Facility Agreement, Rexel must maintain a leverage ratio below 3.50 times as at December 31 and June 30 of each year. The indebtedness ratio, as calculated under the terms of the senior credit agreement, stood at 2.99x as of December 31, 2015 (as compared to 2.74x as of December 31, 2014).

5.3 Outlook

The objectives and forecast presented in this chapter 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 Registration 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.

5.3.1 Comparison between the Rexel Group 2015 forecast and achievements

For 2015, Rexel had expressed the following forecast, on the basis of the assumptions set forth in the Registration document filed with the *Autorité des marchés financiers* on March 25, 2015 under number D.15-0201:

- Organic sales growth between -2% and +2% (on a constant and same-day basis);
- Adjusted EBITA margin between 4.8% and 5.2% (vs. 5.0% recorded in 2014);
- Solid free cash flow of at least 75% of EBITDA before interest and tax, and around 40% of EBITDA after interest and tax.

Upon communication of the 2nd quarter and 1st half-year results for 2015, on July 29, 2015, the Rexel Group had indicated the following figures:

- Slowing down organic sales: -1.6% for the 2nd quarter and -1.0% for the 1st half of 2015;
- A sequential improvement of the adjusted EBITA margin in the 2nd quarter at 4.4%; and
- A solid sales growth: 8.4% in the 2nd quarter and 7.8% in the 1st half of 2015, pushed by a positive currency effect.

And announced:

- an organic sales drop of a maximum of 2%; and
- an adjusted EBITA margin of at least 4.8%.

Nevertheless, due to the deterioration of the macroeconomic conditions in which Rexel operates since the announcement of the quarterly results on July 29, and expected trends for the rest of 2015, Rexel announced that it had revised its financial targets for 2015 in a press release dated October 7, 2015.

In this release, Rexel indicated that is now expected a decrease in organic sales on a constant and same-day basis between 2% and 3% on the whole of the remaining 2015 year.

In this context of revision of its yearly sales forecast, Rexel announced that it could generate an adjusted EBITA margin between 4.3% and 4.5% over the whole year (compared to the adjusted EBITA margin target indicated on July 29 of at least 4.8%).

Nevertheless, Rexel confirmed its capacity to generate structurally solid cash-flow in 2015:

- of at least 75% of EBITDA before interest and tax;
- about 40% after interest and tax.

The 3rd quarter sales reflected the deteriorating macroeconomic environment with an expected decrease of approximately 3.5% on a constant and same-day basis (after -0.4% in the 1st quarter and -1.6% in the second quarter), including:

- Europe: approximately -1%;
- North America: approximately -7%;
- Asia-Pacific: approximately -1%.

On the basis of Rexel's consolidated financial statements for the financial year ended on December 31, 2015, Rexel recorded:

- Consolidated sales of €13,537.6 million, down 2.1% on a constant and same day basis;
- Adjusted EBITA margin at 4.4%;
- Free cash-flow before interest and tax of 85% of EBITDA and free cash flow after interest and tax of 47% of EBITDA.

5.3.2 The Rexel Group 2016 forecasts

Rexel intends that its activity in 2016 would operate in the following context:

- Europe (54% of the Rexel Group sales in 2015) should grow on all its end markets: residential, commercial and industrial;
- The economic environment in North America (36% of the Rexel Group sales in 2015) is expected to remain uncertain due to the slowdown of the industrial market;
- Asia-Pacific (10% of the Rexel Group sales in 2015) should be affected by the uncertainty of the Chinese market while Pacific should post growth; and
- Following the example of 2015, the decline in copper prices would impact the cable business (about 14% of the Rexel Group sales in 2015) and the continuing oil prices decrease should weight on all the oil and gas activity (about 4% of the Rexel Group sales for 2015).

In this context, Rexel aims to deliver in 2016:

- Organic sales growth between -3% and 1% (on a constant and same-day basis);
- An adjusted EBITA margin of between 4.1% and 4.5% (vs 4.4% in 2015);
- A solid free cash flow:
  - Between 70% and 80% of EBITDA, before interest and tax;
  - Between 35% and 45% of EBITDA, after interest and tax.

5.3.3 Rexel medium-term objectives

Rexel's medium-term ambitions, as detailed during its latest Investor Day on February 11, 2016, and conditional upon an economic recovery materializing over the five-years period are the following:

- Organic sales growth, outperforming market growth, with annual growth of between 1% and 2% on a constant and same-day basis;
- Annual adjusted EBITA growth of at least twice the pace of organic sales growth;
- Conversion rates of EBITDA into solid free cash-flow of:
  - Between 70% and 80% of EBITDA, before interest and tax;
  - Between 35% and 45% of EBITDA, after interest and tax;
- A cash allocation strategy, combining:
  - An attractive dividend of at least 40% of recurring net income;
  - A targeted accretive acquisition strategy, with a total budget of around €1.5bn over the five-year period;
  - A sound financial structure, with net debt lesser than or equal to three times EBITDA at every year-end.

5.4 Significant changes in the issuer's financial or commercial position

To Rexel's knowledge, and with the exception of the items described in this Registration document, there has been no other significant change in the Rexel Group's financial or commercial position since the end of the financial year ended December 31, 2015.

Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of 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, 2014 set out on pages 109 to 167 of the *Registration document* for the financial year ended December 31, 2014 filed with the AMF on March 25, 2015 under number D.15-0201; and
- the consolidated financial statements and the audit report for the financial year ended December 31, 2013 set out on pages 110 to 178 of the *Registration document* for the financial year ended December 31, 2013 filed with the AMF on March 21, 2014 under number D.14-0181.

6 Consolidated financial statements

6.1 Consolidated financial statements as of December 31, 2015

Consolidated income statement

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2015	2014[(1)]
Sales	5	13,537.6	12,824.3
Cost of goods sold		(10,315.1)	(9,705.8)
Gross profit		**3,222.6**	**3,118.5**
Distribution and administrative expenses	6	(2,666.6)	(2,487.4)
Operating income before other income and expenses		**555.9**	**631.1**
Other income	8	5.1	11.6
Other expenses	8	(181.7)	(116.6)
Operating income		**379.4**	**526.2**
Financial income		1.8	4.5
Interest expense on borrowings		(122.9)	(164.8)
Non-recurring redemption costs	22.1.2	(52.5)	–
Other financial expenses		(36.4)	(24.1)
Net financial expenses	*9*	*(210.0)*	*(184.4)*
Net income before income tax		**169.4**	**341.8**
Income tax	10	(84.4)	(100.9)
Net income from continuing operations		**85.0**	**240.8**
Net loss from discontinued operations	11	(69.3)	(40.8)
Net income / (loss)		**15.7**	**200.0**
Portion attributable:			
to the equity holders of the parent		16.9	199.7
to non-controlling interests		(1.2)	0.3
Earnings per share:			
Basic earnings per share (in euros)	19	0.06	0.69
Fully diluted earnings per share (in euros)	19	0.06	0.69
Earnings per share from continuing operations:			
Basic earnings per share from continuing operations (in euros)		0.29	0.84
Fully diluted earnings per share from continuing operations (in euros)		0.29	0.83

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Net income	**15.7**	**200.0**
Items to be reclassified to profit and loss in subsequent periods		
Net gain / (loss) on net investment hedges	(113.3)	(98.9)
Income tax	39.0	34.0
Sub-total	**(74.3)**	**(64.8)**
Foreign currency translation adjustment	187.4	195.7
Income tax	(32.2)	(29.5)
Sub-total	**155.2**	**166.1**
Net gain / (loss) on cash flow hedges	(0.3)	–
Income tax	0.1	–
Sub-total	**(0.2)**	**–**
Items not to be reclassified to profit and loss in subsequent periods		
Remeasurements of net defined benefit liability	(7.4)	(95.4)
Income tax	1.7	7.0
Sub-total	**(5.7)**	**(88.3)**
Other comprehensive income / (loss) for the period, net of tax	**75.0**	**13.0**
of which other comprehensive income / (loss) from discontinued operations	*27.9*	*2.2*
Total comprehensive income / (loss) for the period, net of tax	**90.7**	**212.9**
Portion attributable:		
to the equity holders of the parent	91.5	211.9
to non-controlling interests	(0.8)	1.0

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

Consolidated balance sheet

(in millions of euros)	NOTE	AS OF DECEMBER 31, 2015	2014
ASSETS			
Goodwill	12.1	4,266.6	4,243.9
Intangible assets	12.1	1,108.0	1,084.0
Property, plant and equipment	12.2	288.7	287.1
Long-term investments	12.3	33.8	24.8
Deferred tax assets	10.2	159.0	175.2
Total non-current assets		**5,856.2**	**5,815.0**
Inventories	13.1	1,535.0	1,487.2
Trade accounts receivable	13.2	2,129.4	2,206.0
Current tax assets		47.6	9.7
Other accounts receivable	13.3	495.3	499.0
Assets held for sale	14	53.8	3.7
Cash and cash equivalents	15	804.8	1,159.8
Total current assets		**5,065.8**	**5,365.4**
Total assets		**10,922.1**	**11,180.4**
EQUITY			
Share capital	17	1,509.4	1,460.0
Share premium	17	1,680.5	1,599.8
Reserves and retained earnings		1,154.1	1,275.9
Total equity attributable to equity holders of the parent		**4,343.9**	**4,335.7**
Non-controlling interests		9.0	7.7
Total equity		**4,352.9**	**4,343.4**
LIABILITIES			
Interest bearing debt (non-current part)	22	2,342.1	2,995.9
Net employee defined benefit liabilities	21.2	343.4	344.2
Deferred tax liabilities	10.2	211.2	196.9
Provision and other non-current liabilities	20	72.3	93.7
Total non-current liabilities		**2,968.9**	**3,630.7**
Interest bearing debt (current part)	22	660.4	361.5
Accrued interest	22	8.1	9.7
Trade accounts payable		2,138.3	2,126.8
Income tax payable		29.8	42.1
Other current liabilities	24	712.9	666.2
Liabilities related to assets held for sale	14	50.7	–
Total current liabilities		**3,600.2**	**3,206.3**
Total liabilities		**6,569.1**	**6,837.0**
Total equity and liabilities		**10,922.1**	**11,180.4**

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, 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income		315.2	495.8
Depreciation, amortization and impairment of assets	6 – 8 – 11	250.0	145.9
Employee benefits		(27.2)	(21.2)
Change in other provisions		(10.1)	17.6
Other non-cash operating items		36.9	9.4
Interest paid		(144.6)	(155.9)
Income tax paid		(108.0)	(84.3)
Operating cash flows before change in working capital requirements		**312.2**	**407.3**
Change in inventories		(34.6)	(19.7)
Change in trade receivables		77.8	(42.0)
Change in trade payables		49.9	29.4
Change in other working capital items		4.8	(1.8)
Change in working capital requirements		**97.9**	**(34.1)**
Net cash from operating activities		**410.1**	**373.2**
Of which operating flows provided / (used) by discontinued operations		*(16.7)*	*0.4*
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of tangible and intangible assets		(120.2)	(107.5)
Proceeds from disposal of tangible and intangible assets		5.0	4.8
Acquisitions of subsidiaries, net of cash acquired	4.3	(28.2)	(36.7)
Proceeds from disposal of subsidiaries, net of cash disposed of	11	11.6	–
Change in long-term investments		–	6.1
Net cash from investing activities		**(131.8)**	**(133.3)**
Of which investing flows provided / (used) by discontinued operations		*(6.9)*	*(0.5)*
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of capital	17.1	(0.3)	0.3
Contribution received from non-controlling interests		2.7	–
Disposal / (Purchase) of treasury shares		(0.6)	(26.4)
Acquisition of non-controlling interests	4.4	(10.7)	(12.5)
Issuance of senior notes net of transaction costs	22.2	489.7	–
Repayment of senior notes	22.2	(991.2)	–
Settlement of interest rate swaps qualified as fair value hedge	23.1	–	36.4
Net change in credit facilities, commercial papers, other financial borrowings and transaction costs	22.2	75.5	(7.4)
Net change in securitization	22.2	(86.1)	19.3
Net change in finance lease liabilities	22.2	1.1	(5.1)
Dividends paid		(91.3)	(65.6)
Net cash from financing activities		**(611.4)**	**(60.9)**
Of which financing flows provided / (used) by discontinued operations		*11.3*	*5.1*
Net (decrease) / increase in cash and cash equivalents		**(333.0)**	**178.9**
Cash and cash equivalents at the beginning of the period		1,159.8	957.8
Effect of exchange rate changes on cash and cash equivalents		(19.1)	23.1
Cash and cash equivalent reclassified to assets held for sale		(2.9)	–
Cash and cash equivalents at the end of the period		**804.8**	**1,159.8**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

Consolidated statement of changes in shareholders' 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, 2014										
As of January 1, 2014		**1,416.7**	**1,510.8**	**1,377.7**	**(21.4)**	**(1.7)**	**(65.1)**	**4,217.0**	**10.1**	**4,227.1**
Net income		–	–	199.7	–	–	–	199.7	0.3	200.0
Other comprehensive income		–	–	–	100.6	–	(88.3)	12.3	0.7	13.0
Total comprehensive income for the period		**–**	**–**	**199.7**	**100.6**	**–**	**(88.3)**	**211.9**	**1.0**	**212.9**
Cash dividends	17.3	–	–	(65.6)	–	–	–	(65.6)	–	(65.6)
Share capital increase		50.8	103.1	(153.5)	–	–	–	0.4	–	0.4
Share capital decrease		(7.5)	(14.1)	21.6	–	–	–	–	–	–
Share-based payments		–	–	12.3	–	–	–	12.3	–	12.3
Acquisition of non-controlling interests		–	–	(14.8)	0.3	–	–	(14.5)	(4.1)	(18.6)
Acquisition of subsidiaries		–	–	–	–	–	–	–	0.7	0.7
Disposal / (Purchase) of treasury shares		–	–	(25.8)	–	–	–	(25.8)	–	(25.8)
As of December 31, 2014		**1,460.0**	**1,599.8**	**1,351.5**	**79.5**	**(1.7)**	**(153.4)**	**4,335.7**	**7.7**	**4,343.4**
FOR THE YEAR ENDED DECEMBER 31, 2015										
As of January 1, 2015		**1,460.0**	**1,599.8**	**1,351.5**	**79.5**	**(1.7)**	**(153.4)**	**4,335.7**	**7.7**	**4,343.4**
Net income		–	–	16.9	–	–	–	16.9	(1.2)	15.7
Other comprehensive income		–	–	–	80.5	(0.2)	(5.7)	74.6	0.4	75.0
Total comprehensive income for the period		**–**	**–**	**16.9**	**80.5**	**(0.2)**	**(5.7)**	**91.5**	**(0.8)**	**90.7**
Cash dividends	17.3	–	–	(91.2)	–	–	–	(91.2)	(0.1)	(91.3)
Share capital increase		49.4	80.7	(130.3)	–	–	–	(0.2)	2.7	2.5
Share-based payments		–	–	10.1	–	–	–	10.1	–	10.1
Acquisition of non-controlling interests		–	–	(2.3)	0.6	–	–	(1.7)	(2.4)	(4.1)
Acquisition of subsidiaries		–	–	–	–	–	–	–	1.9	1.9
Disposal / (Purchase) of treasury shares		–	–	(0.3)	–	–	–	(0.3)	–	(0.3)
As of December 31, 2015		**1,509.4**	**1,680.5**	**1,154.4**	**160.6**	**(1.9)**	**(159.1)**	**4,343.9**	**9.0**	**4,352.9**

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 and its subsidiaries (hereafter referred to as "the Group" or "Rexel").

The Group 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 (United States and Canada) and Asia-Pacific (mainly in Australia, New Zealand and China).

These consolidated financial statements cover the period from January 1 to December 31, 2015 and were authorized for issue by the Board of Directors on February 10, 2016.

2. Significant events of the year ended December 31, 2015

In accordance with its disposal program, the Group divested from its operations in Latin America (Brazil, Chile and Peru) effective in the third quarter of 2015. Therefore, results of Latin America operating segment are reported as discontinued operations in the income statement for all periods representing a net loss of €69.3 million in 2015 (€40.8 million in 2014) (see note 11).

In 2015, the Group decided to dispose of its operations in Poland, Slovakia and Baltics and entered into selling agreements with the Würth group that have been executed on January 19, 2016. As of December 31, 2015, assets and liabilities related to these operations have been reclassified as assets and liabilities held for sale and a €27.1 million impairment charge was recognized (see note 14).

In 2015, Rexel entered into several refinancing transactions, including the redemption of its 7% €488.8 million senior notes due 2018 and the refinancing of its 6.125% $500 million senior notes due 2019 through the issuance of a 3.25% €500 million senior notes due 2022 (see note 22).

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, 2015 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, 2015.

IFRS as adopted by the European Union can be consulted on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm).

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 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 12.1);
- Employee benefits (notes 3.11 and 21);
- Provisions and contingent liabilities (notes 3.13, 20, and 27);
- Recognition of deferred tax assets (notes 3.17 and 10); and
- Measurement of share-based payments (notes 3.12 and 18).

3.2.1 Changes in accounting policies – amended standards

Effective on January 1, 2015, improvements cycle 2011-2013 that was issued in December 2013 applied to the Group. This cycle includes minor changes to several standards that are applicable. These changes had no material effect on the Group's financial statements.

3.2.2 New accounting standards and interpretations endorsed by the European Union with effect in future periods

- Amendment to IAS 19 "Defined Benefits Plans: Employee Contributions": the narrow scope amendment applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. This amendment is applicable for annual statements beginning on or after February 1, 2015.

- Improvements cycle 2010-2012, issued in December 2013, include minor changes to existing standards. These changes are applicable for annual statements beginning on or after February 1, 2015.

- Improvements to IFRSs 2012-2014 cycle include a series of minor amendments to IFRS 5 "Non-Current Assets held for sale and Discontinued Operations", IFRS 7 "Financial Instruments Disclosures", IAS 19 "Employee Benefits" and IAS 34 "Interim Financial Reporting". These changes are applicable for annual statements beginning on or after January 1, 2016.

- IAS 1 "Disclosure initiative" amendment addresses professional judgment to apply in determining what information to disclose in the financial statements. For example, the amendment makes clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendment clarifies that professional judgment should be used in determining where and in what order information is presented in the financial disclosures. This amendment is applicable for annual statements beginning on or after January 1, 2016.

These improvements and amendment are not expected to have any material impact on the Group's financial statements.

3.2.3 Accounting standards and interpretations issued by IASB and IFRS Interpretation Committee but not yet approved by the European Union

The following standards and interpretations issued by IASB are not yet approved by the European Union. Their potential impact is currently under review by the Group.

- On July 24, 2014, the International Accounting Standards Board (IASB) completed the final element of its comprehensive response to the financial crisis by issuing IFRS 9 "Financial Instruments". The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially-reformed approach to hedge accounting. The new standard will come into effect as of January 1, 2018 with early application permitted.

- IFRS 15 "Revenue from Contracts with Customers": the new standard supersedes IAS 11 "Construction contracts" and IAS 18 "Revenues" on revenue recognition. Revenue will be recognized to depict the transfer of goods or services to customers in amounts that reflect the payment to which the company expects to be entitled in exchange for those goods or services. The new standard will come into effect as of January 1, 2018 with early application permitted.

- On January 13, 2016, the IASB issued a new accounting standard called IFRS 16 "Leases" which represents a major revision to account for leases. The standard provides a single lessee accounting model requiring to recognize assets and liabilities for all leases unless the term is twelve months or less, or the underlying asset has a low value. IFRS 16 applies to reporting period beginning on or after January 1, 2019.

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, 2015. 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 inter-group 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.

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

Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Leased Assets

Lease contracts which substantially transfer to the Group all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Assets held under finance leases are stated at an amount equal to the fair value of the leased property or, if this is lower, the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses. Minimum lease payments are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The capital gains arising from the sale and leaseback of property, plant and equipment are recognized in full upon sale when the lease qualifies as an operating lease and the transaction is realized at fair value. They are spread on a straight-line basis over the lease term in case of a finance lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, when shorter, the term of the finance lease.

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognized in the income statement on a straight-line basis as an integral part of the total lease expense.

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 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.

3.8 Financial assets

3.8.1 Long-term investments

Long-term investments principally include investments in non-consolidated companies and other shareholdings, deposits required for operating purposes, and loans.

Investments in non-consolidated companies and other shareholdings are measured at fair value. When fair value is not reliably measurable, investments are stated at cost less impairment losses when necessary. Changes in fair value are recognized in other comprehensive income and transferred to profit or loss when the asset is sold or permanently impaired.

3.8.2 Held for trading instruments

Financial instruments held for trading mainly include marketable securities and are stated at fair value, with any resulting gain or loss recognized in profit or loss.

3.8.3 Trade and other accounts receivable

Trade and other accounts receivable are measured initially at fair value and subsequently measured at amortized cost using the effective interest rate method (see note 3.10) less impairment losses.

Impairment losses from estimated irrecoverable amounts are recognized in the income statement when there is objective evidence that the asset is impaired. The principal factors considered in recognizing these potential impairments include actual financial difficulties or aging of overdue receivables in excess of 30 days.

3.8.4 Derivative financial instruments

Derivative financial instruments are measured at fair value. The gain or loss on remeasurement to fair value is recognized immediately in profit or loss. However, when derivatives qualify for hedge accounting, the recognition of any resulting gain or loss is dependent on the nature of the item being hedged (see note 3.8.5). They are classified as assets or liabilities depending on their fair value.

Fair value measurement

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 16) and the summary of financial liabilities (note 24).

3.8.5 Hedge accounting

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.

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 asset or liability (or firm commitment), including fixed rate indebtedness such as indexed bonds and other fixed rate borrowings.

The hedging instrument is measured at fair value with changes in fair value recognized in the income statement. The hedged item is remeasured to fair value in respect of the hedged risk. Any resulting adjustment to the carrying amount of the hedged item related to the hedged risk is recognized in the income statement.

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.

3.8.6 Trade accounts payable

Trade accounts payable include exclusively payables due to suppliers of goods held for resale. Invoices payable to general and administrative suppliers are presented in other current liabilities.

3.8.7 Cash and cash equivalents

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.

3.9 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.

3.10 Interests-bearing borrowings

Interest-bearing borrowings are recognized initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost.

Effective interest rate

The effective interest rate is the rate that discounts the expected stream of future cash flows through to maturity to the current net carrying amount of the liability on initial recognition. When calculating the effective interest rate of a financial liability, future cash flows are determined on the basis of contractual commitments.

Transaction costs

Transaction costs are incremental costs that are directly attributable to the issue of the credit line. They 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.

For financial liabilities that are carried at amortized cost, 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.

3.11 Employee benefits

3.11.1 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.

3.11.2 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.

3.12 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.

3.13 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 3.15). 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.

3.14 Sales

Revenue arising from the sale of goods is presented in sales in the income statement. Sales are recognized when the significant risks and rewards of ownership have been transferred to the buyer, which usually occurs with the delivery or shipment of the product.

Sales are recognized net of customer rebates and discounts.

The Group may enter into direct sales (as opposed to warehouse sales) whereby the product is sent directly from the supplier to the customer without any physical transfer to and from the Group's warehouse. The Group is acting as principal and therefore recognizes the gross amount of the sale transaction.

3.15 Other income and other expenses

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 recurring performance of the operating segments.

3.16 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 3.8.5).

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.

3.17 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.

3.18 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
- The Asia-Pacific area.

Latin America reporting segment is no longer presented following the divestment of Latin America operations on September 15, 2015 and is disclosed as discontinued operations (see note 11).

The Group's financial reporting is reviewed monthly by the Chief Executive Officer and the Deputy Chief Executive Officer acting as the Chief operating decision maker.

3.19 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

4.1 2015 Acquisitions

In 2015, the Group made the following acquisitions:

- A 60% controlling interest in Shanghai Maxqueen Industry Development Co. Ltd On February 26, 2015, a company based in China;
- Electro-Industrie en Acoustiek NV on June 1, 2015, based in Belgium;
- The assets and business of Al Mousa for Industrial Projects Co. Ltd on July 15, 2015, a company based in Saudi Arabia; and
- A 60% controlling interest in Zhonghao (Shanghai) Technology Co. Ltd, a company based in China, on September 1, 2015.

These entities are non-material relative to the Group's total assets, sales and operating income.

4.2 2014 Acquisitions

In 2014, the Group completed the following acquisitions:

- Esabora Digital Services on January 7, 2014, based in France. This company is specialized in editing advanced software tools for electrical contractors and installers;
- AMP Ingenieros SAS on March 28, 2014, a Peruvian distributor of international branded electrical supplies;
- Elevite AG on July 29, 2014, a Swiss based lighting solutions distributor;
- Astrotek Ireland Limited on July 31, 2014, a specialist lighting company;
- 4 Knights International on October 29, 2014, a leader in the downstream Oil & Gas onshore activities based in Thailand; and
- A 55% controlling interest in Beijing Ouneng Tongxing Technology Co. Ltd on November 27, 2014, an automation distributor based in China.

These entities were non-material relative to the Group's total assets, sales and operating income.

4.3 Purchase Price Allocation

The table below shows the purchase price allocation to identifiable assets and liabilities, for the entities acquired in 2015.

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Net assets acquired and consideration transferred of acquisitions consolidated for the year ended December 31, 2015

(in millions of euros)	
Tangible assets and software	1.0
Other non current assets	0.2
Current assets	24.8
Net financial debt	(7.1)
Other non current liabilities	(1.9)
Current liabilities	(10.0)
Net asset acquired (except goodwill)	**7.0**
Goodwill acquired	17.2
Consideration transferred	**24.2**
Cash acquired	(1.8)
Deferred payments on year acquisitions	(3.0)
Net cash paid for 2015 acquisitions	**19.4**
Payments related to prior year acquisitions	8.7
Net cash paid for acquisitions	**28.2**

4.4 Acquisition of non-controlling interests

In 2015, the Group exercised its purchase option to acquire a 35% equity interest of Rexel-Hualian Electric Equipment Commercial Co. Ltd, a company based in China, for a consideration of €4.1 million. As a result of this transaction, the Group holds 100% interests in this company.

In 2014, the Group acquired non-controlling interests in Huazhang Electric Automation and in Beijing Zhongheng Hengxing Automation Equipment Co. Ltd, both entities being located in China, for a consideration of respectively €12.1 million and €6.1 million (the latter being paid in January 2015). As a result of these transactions, the Group holds 100% ownership interest in these two subsidiaries.

5. Segment reporting

The reportable operational segments are Europe, North America and Asia-Pacific. Latin America reporting segment is no longer presented following the divestment of Latin America operations on September 15, 2015 and is disclosed as discontinued operations (see note 11).

Information by geographic segment for the year ended December 31, 2015 and 2014

	2015					
(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,						
Sales to external customers	7,289.3	4,898.1	1,349.7	**13,537.1**	0.5	**13,537.6**
EBITA(1)	415.0	188.3	10.4	**613.7**	(40.8)	**573.0**
Goodwill impairment	(43.8)	–	(50.5)	**(94.3)**	–	**(94.3)**
AS OF DECEMBER 31,						
Working capital	572.1	588.1	175.1	**1,335.3**	(21.5)	**1,313.8**
Goodwill	2,543.7	1,465.4	257.6	**4,266.6**	–	**4,266.6**

	2014					
(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,(2)						
Sales to external customers	7,145.2	4,477.9	1,200.9	**12,824.0**	0.3	**12,824.3**
EBITA(1)	452.9	204.0	35.8	**692.7**	(46.0)	**646.7**
Goodwill impairment	(18.3)	–	(2.4)	**(20.7)**	–	**(20.7)**
AS OF DECEMBER 31,(3)						
Working capital	598.1	558.9	185.7	**1,342.7**	56.5	**1,399.3**
Goodwill(4)	2,548.3	1,394.2	290.5	**4,232.9**	11.0	**4,243.9**

(1) EBITA is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.
(2) Restated for Latin America reporting segment presented as discontinued operations (see note 11).
(3) Latin America working capital and goodwill are included under the caption “Corporate Holdings and other reconciling items”.
(4) In 2015, following the change in marketing servicing policy within the group, Rexel reallocated existing goodwill to the related CGUs. The table shows goodwill for the main CGUs after reallocation taking effect as of December 31, 2014.

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)	**2015**	**2014**(1)
EBITA – Total continuing operations	**573.0**	**646.7**
Amortization of intangible assets recognized upon allocation of the acquisition price of acquired entities	(17.0)	(15.5)
Other income and other expenses	(176.5)	(105.0)
Net financial expenses	(210.0)	(184.4)
Net income before tax from continuing operations	**169.4**	**341.8**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).

The reconciliation of the total allocated assets and liabilities with the Group's consolidated total assets is presented in the following table:

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Working capital	1,313.8	1,399.3
Goodwill	4,266.6	4,243.9
Total allocated assets & liabilities	**5,580.4**	**5,643.2**
Liabilities included in allocated working capital	2,842.7	2,792.2
Accrued interest receivable	0.7	0.7
Other non-current assets	1,430.5	1,395.9
Deferred tax assets	159.0	175.2
Current tax assets	47.6	9.7
Assets classified as held for sale	53.8	3.7
Derivatives	2.4	–
Cash and cash equivalents	804.8	1,159.8
Group consolidated total assets	**10,922.1**	**11,180.4**

6. Distribution & administrative expenses

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2015**	**2014**(1)
Personnel costs (salaries & benefits)	1,612.7	1,500.7
Building and occupancy costs	272.3	261.8
Other external costs	638.6	601.5
Depreciation expense	90.7	78.7
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities	17.0	15.5
Bad debt expense	35.3	29.2
Total distribution and administrative expenses	**2,666.6**	**2,487.4**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).

7. Salaries & Benefits

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2015**	**2014**(1)
Salaries and social security charges	1,543.9	1,432.0
Share-based payments	10.5	14.4
Pension and other post-retirement benefits-defined benefit plans.	6.1	7.9
Other employee expenses	52.2	46.4
Total employee expenses	**1,612.7**	**1,500.7**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).

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8. Other income & other expenses

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2015**	**2014[(1)]**
Gains on disposal of tangible assets	0.5	2.1
Write-back asset impairment	0.2	0.2
Release of unused provisions	4.1	2.3
Gains on earn-out	0.1	6.4
Other operating income	0.2	0.5
Total other income	**5.1**	**11.6**
Restructuring costs[(2)]	(58.7)	(57.0)
Losses on non-current assets disposed of	(1.8)	(3.3)
Impairment of goodwill and asset write-offs[(3)]	(85.7)	(33.5)
Impairment of assets held for sale in Poland, Slovakia & Baltics[(4)]	(27.1)	–
Shutdown of operations in Czech Republic	–	(9.4)
Acquisition related costs	(2.5)	(8.0)
Other operating expenses	(5.9)	(5.4)
Total other expenses	**(181.7)**	**(116.6)**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).
(2) Restructuring costs were mainly related to network optimization and logistics rationalization in Europe (mainly in Germany, the United Kingdom and Spain) and branch and banner reorganizations in North America.
(3) In 2015, goodwill impairment was recognized for €84.4 million, of which €50.5 million attributable to Australia and €33.9 million to The Netherlands. In 2014, goodwill impairment was recognized for €20.7 million, of which €12.0 million related to The Netherlands, €3.4 million to Slovakia, €2.7 million to Luxembourg and €2.4 million to India (see note 12.1).
(4) Impairment of assets held for sale related to Poland, Slovakia and Baltics operations to be disposed of in 2016 in accordance with sale agreements entered into with the Würth group. The group of assets held for sale was subject to an impairment loss of €27.1 million to bring down its net carrying value to the fair value less cost to sale (see note 14).

9. Net financial expenses

	FOR THE YEAR ENDED DECEMBER 31,	
(in millions of euros)	**2015**	**2014[(1)]**
Interest income on cash and cash equivalents	0.4	2.7
Interest income on receivables and loans	1.4	1.8
Financial income	**1.8**	**4.5**
Interest expense on financial debt (stated at amortized cost)	(132.0)	(167.3)
Interest gain / (expense) on interest rate derivatives	5.8	10.7
Gains and losses on derivative instruments previously deferred in other comprehensive income and reclassified in the income statement	(0.0)	0.1
Change in fair value of interest rate derivatives through profit and loss	3.3	(8.4)
Interest expense on borrowings	**(122.9)**	**(164.8)**
Non-recurring redemption costs[(2)]	**(52.5)**	**–**
Foreign exchange gain (loss)	*(4.8)*	*(3.3)*
Change in fair value of exchange rate derivatives through profit and loss	*(0.7)*	*0.3*
Net foreign exchange gain (loss)	(5.4)	(3.0)
Net financial expense on employee benefit obligations	(12.0)	(10.4)
Others	(19.0)	(10.7)
Other financial expenses	**(36.4)**	**(24.1)**
Net financial expenses	**(210.0)**	**(184.4)**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).
(2) Non-recurring costs related to the early repayment of the senior notes due 2018 and 2019 (see note 22.1.2).

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)	2015	2014[1]
Current tax	(55.8)	(97.7)
Deferred tax	(23.2)	(5.9)
Prior year adjustments on income tax	(5.4)	2.7
Total income tax expense	**(84.4)**	**(100.9)**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).

10.2 Deferred tax assets and liabilities

Changes in net deferred tax assets / liabilities are as follows:

(in millions of euros)	2015	2014[1]
Net deferred tax at the beginning of the year	**(21.7)**	**(10.5)**
Deferred tax income (expense)	(26.1)	(5.9)
Other comprenhensive income[2]	8.6	11.5
Change in consolidation scope	(2.1)	(0.1)
Currency translation adjustment	(11.1)	(8.3)
Other changes	0.3	(8.4)
Net deferred tax at the end of the year	**(52.1)**	**(21.7)**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).
(2) Including the tax impact of the remeasurement of net defined benefit plans liability that accounted for a gain of €1.7 million in 2015 (a gain of €7.0 million in 2014).

Analysis of deferred tax assets and liabilities by nature is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	2015	2014
Intangible assets	(377.4)	(340.8)
Property, plant and equipment	(4.9)	(2.6)
Financial assets	24.0	22.5
Trade accounts receivable	13.1	16.6
Inventories	20.0	17.2
Employee benefits	100.9	103.8
Provisions	13.7	11.8
Financing fees	(7.0)	(6.7)
Other items	11.3	18.5
Tax losses carried forward	309.8	318.4
Deferred tax assets / (liabilities), net	**103.5**	**158.7**
Valuation allowance on deferred tax assets	(155.6)	(180.4)
Net deferred tax assets / (liabilities)	**(52.1)**	**(21.7)**
of which deferred tax assets	159.0	175.2
of which deferred tax liabilities	(211.2)	(196.9)

A valuation allowance on deferred tax assets of €155.6 million was recognized as of December 31, 2015 (€180.4 million as of December 31, 2014), as a result of the recoverability assessment of the net deferred tax assets by each tax entity. The recoverable amount excludes risks arising from notified tax reassessments that are contested by the Group and is based on the expected taxable profits over the next 5 years. As of December 31, 2015, 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 the United Kingdom, Spain, France and Germany. The expiry date of such tax losses carried forward is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	2015	2014
One year	–	7.9
Two years	0.8	5.0
Three years	1.0	2.2
Four years	1.3	3.8
Five years	0.9	9.0
Thereafter	453.8	431.4
Total tax losses carried forward (tax basis) subject to a valuation allowance	**457.8**	**459.3**

10.3 Effective tax rate

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015		2014[(1)]	
Income before tax and before share of profit in associates	169.4		341.8	
French legal tax rate		*38.0%*		*38.0%*
Income tax calculated at the legal tax rate	(64.4)		(129.9)	
Differences of tax rates between French and foreign jurisdictions	19.0	(11.2%)	30.3	(8.9%)
Changes in tax rates	(3.9)	2.3%	0.7	(0.2%)
(Current year losses unrecognized), prior year losses recognized	(3.7)	2.2%	2.2	(0.7%)
(Non-deductible expenses), tax exempt revenues[(2)]	(33.5)	19.8%	(22.4)	6.5%
Tax credits and other tax reductions[(3)]	2.1	(1.2%)	18.0	(5.3%)
Actual income tax expense	**(84.4)**	**49.8%**	**(100.9)**	**29.5%**

(1) Restated for Latin America reporting segment presented as discontinued operations (see note 11).
(2) In 2015, non-deductible expenses and tax exempt revenues mainly relate to the €23.7 million tax impact of non-deductible goodwill impairment. In 2014, they included a €5.5 million tax impact of non-deductible goodwill impairment as well as share based payment adverse tax effects for €7.1 million. For further information on Goodwill impairment see note 12.1.
(3) Mainly including in 2014 the release of a tax exposure reserve of €17.5 million following the favourable decision of French appeal court regarding the tax dispute on the transfer price of the shareholding in Rexel Inc. (Rexel US subsidiary).

11. Discontinued operations

Effective on September 15, 2015, the Group sold its operations in Latin America to Sonepar for a selling price of €17.2 million ($18.6 million). As a result, the Group recognized a divestment loss of €60.0 million, part of the €69.3 million net loss from discontinued operations.

For the year ended December 31, 2015, proceeds received from the buyer were €16.7 million less €5.1 million of cash disposed of representing a net cash amount of €11.6 million. The outstanding balance was €0.5 million as of December 31, 2015. This operation had no significant tax impact.

The sale and purchase agreement provides for indemnification by Rexel for any damage incurred by the purchaser. The aggregate liability for indemnification shall not exceed $ 9.0 million.

The income statement of Latin America operating segment is presented below:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015	2014
Sales	169.7	256.8
Cost of goods sold	(134.4)	(200.6)
Gross profit	**35.3**	**56.3**
Distribution and administrative expenses	(37.0)	(56.7)
Operating income before other income and expenses	**(1.7)**	**(0.5)**
Other income and expenses	(62.5)	(29.8)
Operating income	**(64.2)**	**(30.3)**
Net financial expenses	(7.0)	(4.5)
Net income / (loss) before income tax	**(71.2)**	**(34.8)**
Income tax	2.0	(6.0)
Net income / (loss) from discontinued operations	**(69.3)**	**(40.8)**
Earnings per share for discontinued operations:		
Basic earnings per share (in euros)	(0.23)	(0.15)
Fully diluted earnings per share (in euros)	(0.23)	(0.14)

Distribution and administrative expenses

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015	2014
Personnel costs (salaries & benefits)	20.6	32.0
Building and occupancy costs	4.6	6.9
Other external costs	8.7	14.1
Depreciation expense	1.3	2.0
Amortization of intangible assets recognized upon the allocation of the acquisition price of acquired entities	0.4	0.6
Bad debt expense	1.4	1.2
Total distribution and administrative expenses	**37.0**	**56.7**

Other income and other expenses

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015	2014
Gains on disposal of tangible assets	0.0	0.1
Other operating income	0.1	–
Total other income	**0.1**	**0.1**
Restructuring costs	(0.7)	(1.9)
Losses on non-current assets disposed of	(25.1)	(0.0)
Impairment of goodwill and other intangible assets	(15.8)	(27.8)
Impairment of tangible assets	(14.0)	–
Other operating expenses	(6.9)	(0.2)
Total other expenses	**(62.6)**	**(30.0)**
Other income and expenses	**(62.5)**	**(29.8)**

12. Long-term assets

12.1 Goodwill and intangible assets

(in millions of euros)	STRATEGIC PARTNERSHIPS	DISTRIBUTION NETWORKS	SOFTWARE AND OTHER INTANGIBLE ASSETS	TOTAL INTANGIBLE ASSETS	GOODWILL
Gross carrying amount as of January 1, 2014	**185.6**	**638.6**	**530.7**	**1,354.9**	**4,428.3**
Change in consolidation scope	–	–	4.7	**4.7**	**46.9**
Additions	–	–	43.1	**43.1**	**–**
Disposals	–	–	(2.6)	**(2.6)**	**–**
Currency translation adjustment	–	24.5	29.3	**53.8**	**137.2**
Other changes	–	–	(2.6)	**(2.6)**	**–**
Gross carrying amount as of December 31, 2014	**185.6**	**663.1**	**602.5**	**1,451.3**	**4,612.4**
Change in consolidation scope	–	–	(7.3)	**(7.3)**	**(29.7)**
Additions	–	–	52.6	**52.6**	**–**
Disposals	–	–	(2.1)	**(2.1)**	**–**
Currency translation adjustment	–	18.4	25.1	**43.5**	**100.1**
Other changes	–	–	(6.8)	**(6.8)**	**(26.5)**
Gross carrying amount as of December 31, 2015	**185.6**	**681.6**	**664.0**	**1,531.2**	**4,656.3**
Accumulated amortization and depreciation as of January 1, 2014	**–**	**(5.8)**	**(310.7)**	**(316.5)**	**(317.1)**
Change in consolidation scope	–	–	(0.5)	**(0.5)**	**–**
Amortization expense	–	–	(40.9)	**(40.9)**	**–**
Impairment losses	–	–	(0.1)	**(0.1)**	**(48.5)**
Release	–	–	2.1	**2.1**	**–**
Currency translation adjustment	–	–	(16.0)	**(16.0)**	**(2.9)**
Other changes	–	–	4.6	**4.6**	**–**
Accumulated amortization and depreciation as of December 31, 2014	**–**	**(5.8)**	**(361.4)**	**(367.2)**	**(368.5)**
Change in consolidation scope	–	–	7.3	**7.3**	**46.9**
Amortization expense	–	–	(50.8)	**(50.8)**	**–**
Impairment losses(1)	–	–	(6.7)	**(6.7)**	**(105.7)**
Release	–	–	1.9	**1.9**	**–**
Currency translation adjustment	–	–	(14.0)	**(14.0)**	**11.1**
Other changes	–	–	6.2	**6.2**	**26.5**
Accumulated amortization and depreciation as of December 31, 2015	**–**	**(5.8)**	**(417.4)**	**(423.2)**	**(389.7)**
Carrying amount as of January 1, 2014	**185.6**	**632.8**	**220.0**	**1,038.4**	**4,111.2**
Carrying amount as of December 31, 2014	**185.6**	**657.3**	**241.2**	**1,084.0**	**4,243.9**
Carrying amount as of December 31, 2015	**185.6**	**675.8**	**246.6**	**1,108.0**	**4,266.6**

(1) Of which impairment losses on goodwill (€50.5 million attributable to Australia, €33.9 million to The Netherlands, €11.4 million to Latin America and €9.9 million to Slovakia) and on other intangible assets (€4.4 million to Latin America, €1.3 million to Slovakia and €1.0 million to Baltics).

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 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 includes mainly the net book value of software for €127.8 million in 2015 (€113.1 million in 2014) and customer relationships for €51.9 million in 2015 (€64.3 million in 2014).

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.

Impairment

The Group performs impairment tests of goodwill at the country level, which represents the lowest level at which operations are monitored by management for the purpose of measuring return on investment.

		AS OF DECEMBER 31,					
(in millions of euros)		2015			2014		
CGU	GEOGRAPHIC SEGMENT	GOODWILL	INTANGIBLE ASSETS(1)	TOTAL	GOODWILL(2)	INTANGIBLE ASSETS(1)	TOTAL
France	Europe	1,010.1	169.4	1,179.5	1,010.1	169.4	1,179.5
United States	North America	1,015.6	157.4	1,173.0	910.7	141.2	1,051.9
Canada	North America	449.8	67.0	516.8	483.4	72.0	555.5
United Kingdom	Europe	235.7	69.7	305.4	222.1	65.7	287.8
Switzerland	Europe	276.7	38.9	315.6	249.3	35.0	284.3
Germany	Europe	184.4	51.7	236.1	184.4	51.7	236.1
Sweden	Europe	201.4	20.5	221.9	197.0	20.0	217.1
Norway	Europe	161.9	12.9	174.8	171.9	13.7	185.6
Australia	Asia-Pacific	122.3	26.0	148.3	173.1	26.2	199.3
Austria	Europe	88.5	13.0	101.5	88.5	13.0	101.5
Belgium	Europe	72.5	–	72.5	72.5	–	72.5
The Netherlands	Europe	18.9	17.3	36.2	52.8	17.3	70.1
Other		428.8	217.6	646.4	428.0	217.7	645.7
	Total	**4,266.6**	**861.4**	**5,128.0**	**4,243.9**	**843.0**	**5,086.9**

(1) With indefinite useful life.
(2) In 2015, following the change in marketing servicing policy within the group, Rexel reallocated existing goodwill to the related CGUs. The table shows goodwill for the main CGUs after reallocation taking effect as of December 31, 2014.

Value-in-use key assumptions

The recoverable amount of the cash-generating units was determined based on value in use. The calculation of the value in use is based on a discounted cash flow model. The cash flows are derived from the strategic plan prepared in June 2015 and updated during the yearly budget process in November 2015 for the next 3 years and also include an extrapolation of two additional years and a normative terminal value. A perpetual growth rate has been used for the calculation of the terminal value. Cash flows were discounted on the basis of the weighted average cost of capital net of tax calculated for each country. Country-specific risk is incorporated by applying individual risk-free rates and equity risk premium. The weighted average cost of capital reflects the time value of money and the specific risks of the assets, not already factored in the projected cash flow, by taking into account the capital structure and the financing terms and conditions of a standard market participant.

The calculation of value in use is mostly sensitive to the EBITA margin computed in the terminal value, the discount rate and the perpetual growth rate:

- 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

The following after tax discount rates were used to estimate the value-in-use of the CGUs:

	2015	2014
France	7.5%	7.7%
United States	8.0%	8.5%
Canada	8.0%	7.5%
United Kingdom	7.8%	8.4%
Switzerland	6.3%	6.7%
Germany	7.2%	7.9%
Sweden	7.3%	7.8%
Norway	7.9%	8.2%
Australia	9.5%	10.0%
Austria	7.7%	7.4%
The Netherlands	7.7%	7.2%
Belgium	7.5%	7.6%
Other	5.6% to 14.7%	6.6% to 15.7%

- Perpetual growth rate

This growth rate is used to extrapolate cash flows beyond a five-year horizon and is based on expected long-term inflation. The perpetual growth rate used to measure the terminal value was 2% except for Australia: 2.5% (in line with 2014).

Impairment loss

As a result of impairment testing, a loss of €84.4 million was recognized in 2015 and allocated to goodwill: in Australia for €50.5 million mainly due to deteriorated market conditions related to the steady decline in demand of electrical supplies from the mining industry; and in The Netherlands for €33.9 million as recovery takes longer time than expected initially.

In 2014, the Group recognized a goodwill impairment expense of €20.7 million, of which €12.0 million attributable to The Netherlands, €3.4 million to Slovakia, €2.7 million to Luxembourg and €2.4 million to India (see note 8).

Sensitivity analysis

The table below summarizes the impact by cash generating units of a change of 50 bps in EBITA margin, discount rate and perpetual growth rate on the impairment expense:

	GOODWILL & INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE	DISCOUNT RATE	PERPETUAL GROWTH RATE	EBITA MARGIN (-50 BPS)	DISCOUNT RATE (+50 BPS)	PERPETUAL GROWTH RATE (-50 BPS)
France	1,179.5	7.5%	2.0%	–	–	–
United States	1,173.0	8.0%	2.0%	–	–	–
Canada	516.8	8.0%	2.0%	–	–	–
United Kingdom	305.4	7.8%	2.0%	–	–	–
Switzerland	315.6	6.3%	2.0%	–	–	–
Germany	236.1	7.2%	2.0%	–	–	–
Sweden	221.9	7.3%	2.0%	–	–	–
Norway	174.8	7.9%	2.0%	–	–	–
Australia	148.3	9.5%	2.5%	(17.4)	(15.7)	(9.8)
Austria	101.5	7.7%	2.0%	–	–	–
The Netherlands	36.2	7.7%	2.0%	(13.9)	(6.5)	(3.8)
Belgium	72.5	7.5%	2.0%	–	–	–
Other	646.4	5.6% to 14.7%	5.2% to 2.0%	(10.9)	(0.5)	(0.2)
Total	**5,128.0**			**(42.2)**	**(22.7)**	**(13.8)**

12.2 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, 2014	**257.5**	**639.9**	**28.8**	**926.2**
Change in consolidation scope	1.3	2.5	0.3	**4.0**
Additions	6.5	45.8	10.5	**62.7**
Disposals	(8.0)	(41.2)	(0.7)	**(49.9)**
Currency translation adjustment	7.1	16.4	0.6	**24.0**
Other changes	0.2	(0.3)	(2.6)	**(2.7)**
Gross carrying amount as of December 31, 2014	**264.5**	**663.0**	**36.8**	**964.4**
Change in consolidation scope	–	(10.6)	0.1	**(10.5)**
Additions	9.6	53.9	5.4	**68.9**
Disposals	(3.8)	(37.2)	(2.1)	**(43.2)**
Currency translation adjustment	8.0	10.3	1.0	**19.3**
Other changes	(7.4)	(1.7)	(10.2)	**(19.2)**
Gross carrying amount as of December 31, 2015	**270.9**	**677.8**	**31.0**	**979.7**
Accumulated amortization and depreciation as of January 1, 2014	**(135.1)**	**(494.9)**	**(18.1)**	**(648.1)**
Change in consolidation scope	–	(1.6)	–	**(1.6)**
Depreciation expense	(10.5)	(43.3)	(2.1)	**(56.0)**
Impairment losses	(0.2)	(0.5)	(0.0)	**(0.7)**
Release	4.5	39.4	0.5	**44.4**
Currency translation adjustment	(2.9)	(12.9)	(0.1)	**(15.8)**
Other changes	(0.3)	0.8	–	**0.5**
Accumulated amortization and depreciation as of December 31, 2014	**(144.4)**	**(513.0)**	**(19.8)**	**(677.3)**
Change in consolidation scope	-	6.4	5.0	**11.4**
Depreciation expense	(10.5)	(45.9)	(2.2)	**(58.6)**
Impairment losses	(4.3)	(1.0)	(6.8)	**(12.1)**
Release	1.9	34.4	0.9	**37.2**
Currency translation adjustment	(3.4)	(8.5)	0.8	**(11.1)**
Other changes	7.8	7.5	4.1	**19.4**
Accumulated depreciation and amortization as of December 31, 2015	**(153.0)**	**(520.0)**	**(18.0)**	**(691.0)**
Carrying amount as of January 1, 2014	**122.4**	**145.0**	**10.7**	**278.1**
Carrying amount as of December 31, 2014	**120.1**	**150.0**	**17.0**	**287.1**
Carrying amount as of December 31, 2015	**117.9**	**157.8**	**13.0**	**288.7**

Additions of the year 2015 include €10.0 million of assets (€4.7 million in 2014) acquired through finance lease contracts. In the consolidated cash flow statement, these acquisitions have been included in cash flows from investing activities and the corresponding variation of financial debt was included in “Net change in finance lease liabilities” in cash flows from financing activities.

12.3 Long-term investments

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Loans	–	0.1
Deposits	25.3	24.5
Derivatives	8.3	–
Other long-term investments	0.2	0.2
Long-term investments	**33.8**	**24.8**

13. Current assets

13.1 Inventories

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Cost	1,623.8	1,582.1
Allowance	(88.7)	(94.9)
Inventories	**1,535.0**	**1,487.2**

Changes in impairment losses

(in millions of euros)	**2015**	**2014**
Allowance for inventories as of January 1,	**(94.9)**	**(95.0)**
Change in consolidation scope	3.7	(1.4)
Net change in allowance	(7.6)	1.8
Currency translation adjustment	(2.2)	(4.4)
Other changes	12.4	4.1
Allowance for inventories as of December 31,	**(88.7)**	**(94.9)**

13.2 Trade accounts receivable

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Nominal value	2,247.6	2,342.4
Impairment losses	(118.3)	(136.3)
Trade accounts receivable	**2,129.4**	**2,206.0**

Trade accounts receivable include sales taxes collected on behalf of the tax authorities that, in certain circumstances, may be recovered when the client defaults. These recoverable taxes amounted to €259.4 million as of December 31, 2015 (€239.8 million as of December 31, 2014).

The Group has put in place credit insurance programs in certain countries. Trade accounts receivable covered by these programs amounted to €781.9 million as of December 31, 2015 (€753.9 million as of December 31, 2014).

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 €247.6 million as of December 31, 2015 (€263.6 million as of December 31, 2014).

Changes in impairment losses

(in millions of euros)	**2015**	**2014**
Impairment losses on trade accounts receivable as of January 1,	**(136.3)**	**(150.7)**
Change in consolidation scope	4.7	(1.5)
Net allowance[(1)]	14.7	18.5
Currency translation adjustment	(1.4)	(2.6)
Impairment losses on trade accounts receivable as of December 31,	**(118.3)**	**(136.3)**

(1) Of which receivables written-off for €44.6 million in 2015 (€41.3 million in 2014).

As of December 31, 2015, customer receivables were subject to impairment losses estimated on an individual basis following the assessment of the customer default risk for €87.8 million (€103.0 million as of December 31, 2014).

In accordance with the accounting principle stated in note 3.8.3, all past due receivables above 30 days are subject to an impairment loss estimated on the basis of the ageing for €30.5 million as of December 31, 2015 (€33.3 million as of December 31, 2014).

The summary of overdue receivables is as follows:

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
From 1 to 30 days	261.8	273.6
From 31 to 60 days	72.7	82.6
From 61 to 90 days	35.4	33.3
From 91 to 180 days	36.4	34.3
Above 180 days	34.3	32.1

13.3 Other accounts receivable

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Purchase rebates	339.2	351.6
VAT receivable and other sales taxes	22.0	45.5
Prepaid expenses	39.9	33.5
Derivatives	2.4	0.1
Other receivables	91.8	68.2
Total accounts receivable	**495.3**	**499.0**

14. 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.

In 2015, the Group entered in a round of exclusive negotiations to dispose of its operations in Poland, Slovakia and Baltics. As a result, on January 19, 2016, the Group entered into a master agreement and local sale agreements with the Würth group that provide for a selling price based on an enterprise value of €10 million less working capital adjustments calculated at the closing of the transaction. This transaction remains subject to approval by the relevant anti-trust authorities and is expected to be completed in 2016. The sales agreements also provide for indemnification of any damage and liability incurred by the purchaser. The aggregate liability for indemnification shall not exceed €8 million. This transaction does not qualify as discontinued operations as Poland, Slovakia and Baltics do not represent a major geographical area. Therefore, related results of operations are not presented separately in the income statement.

As of December 31, 2015, the group of assets to be disposed of has been reclassified as assets and liabilities held for sale. An impairment charge of assets held for sale was recognized for €27.1 million to bring down the net carrying value of assets held for sale to the amount of the fair value less costs to sell.

Assets and liabilities of countries classified as held for sale are as follows:

	AS OF DECEMBER 31,
(in millions of euros)	**2015**
ASSETS	
Inventories	8.0
Trade accounts receivable	36.3
Other accounts receivable	3.5
Cash and cash equivalents	2.9
Total assets	**50.7**
LIABILITIES	
Interest bearing debt	0.2
Trade accounts payable	38.2
Other liabilities	12.3
Total liabilities	**50.6**
Net assets held for sale	**0.1**

As of December 31, 2015, accumulated foreign currency translation adjustment recognized in equity was €6.2 million. Foreign currency translation adjustment will be recycled to income statement at completion date of the transaction.

The Group also recognized other net assets held for sale of €3.1 million mainly related to properties in Europe.

15. Cash and cash equivalents

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Cash equivalents	481.3	926.1
Cash at bank	322.5	232.6
Cash in hand	1.1	1.2
Cash and cash equivalents	**804.8**	**1,159.8**

As of December 31, 2015, short-term investments include units in mutual funds, valued at their fair market value, for a total of €481.3 million (€926.1 million as of December 31, 2014). These investments were made in accordance with the Group's investment policy which requires that funds in which it invests are highly liquid, easily convertible into a known amount of cash and liable to a negligible risk of loss.

16. Summary of financial assets

				AS OF DECEMBER 31,			
				2015		2014	
(in millions of euros)	NOTE	IAS 39 CATEGORY	FAIR VALUE HIERARCHY*	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Hedging derivatives(1)		FV P&L	2	8.0	8.0	–	–
Hedging derivatives(1)		FV OCI	2	0.2	0.2	–	–
Other derivative instruments not eligible to hedge accounting		FV P&L	2	0.2	0.2	–	–
Loans		L&R		–	–	0.1	0.1
Deposits		L&R		25.3	25.3	24.5	24.5
Others(2)		N/A		0.2	N/A	0.2	N/A
Total long-term investments	12.3			**33.8**	**–**	**24.8**	**–**
Trade accounts receivable	13.2	L&R		**2,129.4**	**2,129.4**	**2,206.0**	**2,206.0**
Supplier rebates receivable		L&R		339.2	339.2	351.6	351.6
VAT and other taxes receivable(2)		N/A		22.0	N/A	45.5	N/A
Other accounts receivable		L&R		91.8	91.8	68.2	68.2
Other derivative instruments not eligible to hedge accounting		FV P&L	2	2.4	2.4	0.1	0.1
Prepaid expenses(2)		N/A		39.9	N/A	33.5	N/A
Total other current assets	13.3			**495.3**	**–**	**499.0**	**–**
Cash equivalents		FV P&L	2	481.3	481.3	926.1	926.1
Cash		L&R		323.5	323.5	233.8	233.8
Cash and cash equivalents	15			**804.8**	**–**	**1,159.8**	**–**

(1) Specific accounting treatment for hedging.
(2) Not a financial instrument under IAS 39.

Loans and receivables	L&R
Assets available for sale	AFS
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 3.8.4.

17. Share capital and premium

17.1 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, 2014	**283,337,214**	**1,416.7**	**1,510.8**
Exercise of share subscription rights	17,000	0.1	–
Issuance of shares in connection with payments of dividends	9,269,384	46.3	99.5
Employee share purchase plan	35,237	0.2	0.5
Issuance of shares in connection with free shares plans	846,741	4.2	–
Reduction in share capital	(1,500,000)	(7.5)	(14.1)
Allocation of free shares	–	–	(8.2)
Free shares cancelled	–	–	11.3
As of December 31, 2014	**292,005,576**	**1,460.0**	**1,599.8**
Exercise of share subscription rights(1)	14,900	0.1	–
Issuance of shares in connection with payments of dividends(2)	8,955,801	44.8	82.1
Employee share purchase plan	109,181	0.5	–
Issuance of shares in connection with free shares plans(3)	785,920	3.9	–
Allocation of free shares	–	–	(9.0)
Free shares cancelled	–	–	7.5
As of December 31, 2015	**301,871,378**	**1,509.4**	**1,680.5**

(1) For the year ended December 31, 2015, 14,900 shares options were exercised by key managers (17,000 for the year ended December 31, 2014).
(2) The Shareholders' Meeting of May 27, 2015 approved the payment of a dividend of €0.75 per share, either in cash or in Rexel shares at a price of €14.21, at the option of each shareholder. The total amount of the dividend distributed was €218.5 million, of which €91.2 million was paid in cash and €127.3 million was settled by the issuance of 8,955,801 new shares. Capital increase related costs of €0.3 million were recognized in reduction of the share premium.
(3) Issuance of 774,796 shares in connection with the 2011 bonus shares plans ("Plan 4+0") and 11,124 shares in connection with the 2013 bonus free shares plans ("Plan 2+2").

17.2 Capital Management and treasury shares

The Shareholders' Meeting of May 27, 2015 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 November 26, 2016).

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; and
- Any other actions that comply with applicable regulations in force.

In connection with this share buy-back program, Rexel entered into a mandate with a financial institution, complying with a Code of Ethics recognized by the *Autorité des marchés financiers* (AMF), the French securities regulator, to promote the liquidity of Rexel shares transactions for an amount of €15.1 million as of December 31, 2015 (€16.2 million as of December 31, 2014).

In addition to this share buy-back program, Rexel repurchased 1,132,736 treasury shares to serve its free share plans.

As of December 31, 2015, Rexel held in aggregate 1,602,736 treasury shares (1,737,761 as of December 31, 2014) valued at an average price of €12.48 per share

(€13.18 per share as of December 31, 2014) that were recognized as a reduction in shareholders' equity, for a total of €20.0 million (€22.9 million as of December 31, 2014).

Net capital losses realized on the sale of treasury shares in 2015 amounted to €0.6 million net of tax and were recognized as a decrease in shareholders' equity (net capital loss of €0.8 million in 2014).

17.3 Dividends

	FOR THE YEAR ENDED DECEMBER 31,	
	2015	**2014**
Dividends on ordinary shares	€0.75	€0.75
Dividends paid (in millions of euros)	**218.5**	**211.9**
of which:		
• dividends paid in cash	91.2	65.6
• dividends paid in shares	127.3	146.3

18. Share based payments

18.1 Bonus share plans

In addition to its long-term profit sharing policy for employees, Rexel has bonus share plans in place, the principal characteristics of which are described below:

Plans issued in 2015

On July 28, 2015, Rexel entered into free share plans for top executive managers amounting to a maximum of 1,798,393 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 (July 29, 2018), these being restricted for an additional two-year period (until July 29, 2020), the so-called "3+2 Plan"; and
- Or four years after the grant date (July 29, 2019) 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: (i) 2014/2017 average EBITA margin variation (ii) average free cash flow before interest and tax to EBITDA between 2015 to 2017 (iii) Rexel share market performance compared to peers	Four year service condition from grant date and performance conditions based on: (i) 2014/2017 average EBITA margin variation (ii) average free cash flow before interest and tax to EBITDA between 2015 to 2017 (iii) Rexel share market performance compared to peers	**TOTAL**
Plan	3+2	4+0	
Delivery date	July 29, 2018	July 29, 2019	
Share fair value at grant date July 28, 2015	*10.56*	*9.91*	
Maximum number of shares granted on July 28, 2015	**795,775**	**1,002,618**	**1,798,393**
Forfeited in 2015	(6,325)	(34,275)	**(40,600)**
Total maximum number of shares granted as of December 31, 2015	**789,450**	**968,343**	**1,757,793**

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.

Plans issued in 2014

On May 22, 2014, Rexel entered into free share plans for the members of the top executive managers amounting to a maximum of 1,641,008 shares. According to these plans, the beneficiaries will either be eligible to receive Rexel shares:

- Two years after the grant date (May 23, 2016), these being restricted for an additional two-year period (until May 23, 2018), the so-called "2+2 Plan";
- Three years after the grant date (May 23, 2017), these being restricted for an additional two-year period (until May 23, 2019), the so-called "3+2 Plan"; and
- Four years after the grant date (May 23, 2018) 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 set forth in the plan as described below:

Vesting conditions	Two year service condition from grant date and performance conditions based on: (i) 2013/2015 adjusted EBITA margin increase (ii) average free cash flow before interest and tax to EBITDA between 2014 and 2015 (iii) Rexel share market performance compared to peers		Three year service condition from grant date and performance conditions based on: (i) 2013/2016 adjusted EBITA margin increase (ii) average free cash flow before interest and tax to EBITDA between 2014 and 2016 (iii) Rexel share market performance compared to peers		**TOTAL**
Plan	2+2	4+0	3+2	4+0	
Delivery date	May 23, 2016	May 23, 2018	May 23, 2017	May 23, 2018	
Share fair value at grant date May 22, 2014	*13.49*	*12.14*	*12.78*	*12.11*	
Maximum number of shares granted on May 22, 2014	**348,980**	**471,524**	**348,980**	**471,524**	**1,641,008**
Forfeited in 2014	(4,263)	(11,963)	(4,263)	(11,963)	**(32,452)**
Forfeited in 2015	(18,021)	(96,041)	(18,021)	(96,041)	**(228,124)**
Total maximum number of shares granted as of December 31, 2015	**326,696**	**363,520**	**326,696**	**363,520**	**1,380,432**

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 two or three-year vesting period. The impact of restrictions attached to the dividends until the delivery date of the shares to the beneficiaries was excluded from the fair value.

Plans issued in 2013

On April 30, and July 25, 2013, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,131,539 shares. According to these plans, these employees and executives will either be eligible to receive Rexel shares two years after the grant date these being restricted for an additional two-year period, the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions, the so-called "4+0 Plan".

Furthermore, on April 30, 2013, Rexel entered into free share plans for its operational managers amounting to a maximum of 521,600 shares. According to these plans, these employees will either be eligible to receive Rexel shares three years after the grant date (May 2, 2016) these being restricted for an additional two-year period (May 2, 2018), the so-called "3+2 Plan", or five years after the grant date with no subsequent restrictions, the so-called "5+0 Plan".

The actual delivery of these bonus shares is subject to service, performance and market conditions set forth in the plan as described below:

BENEFICIARIES	MEMBERS OF GROUP EXECUTIVE COMMITTEE AND TOP MANAGERS		OPERATIONAL MANAGERS		TOTAL
Vesting conditions	Two-year service condition from grant date and performance conditions based on: (i) 2013 adjusted EBITA, (ii) 2012/2014 adjusted EBITA margin increase (iii) average free cash flow before interest and tax to EBITDA between 2013 and 2014 (iv) free cash flow before interest and tax 2013 and (v) two-year service condition from grant date and Rexel share performance compared with a panel of shares from firms of the same activity segment conditions		Three-year service condition from grant date		
Plan	2+2	4+0	3+2	5+0	
Delivery date	May 4, 2015	May 2, 2017	May 2, 2016	May 2, 2018	
Share fair value at grant date April 30, 2013	*13.70*	*12.04*	*14.37*	*12.71*	
Maximum number of shares granted on April 30, 2013	793,310	1,259,819	99,100	422,500	**2,574,729**
Delivery date	July 27, 2015	July 26, 2017			
Share fair value at grant date July 25, 2013	*15.73*	*14.07*			
Maximum number of shares granted on July 25, 2013	50,694	27,716			**78,410**
Total maximum number of shares granted in 2013	**844,004**	**1,287,535**	**99,100**	**422,500**	**2,653,139**
Forfeited in 2013	(368,148)	(563,165)	(11,100)	(18,200)	**(960,613)**
Forfeited in 2014	(155,619)	(274,550)	-	(31,500)	**(461,669)**
Forfeited in 2015	(119,717)	(177,006)	(7,000)	(45,900)	**(349,623)**
Delivered in 2015	(200,520)	–	–	–	**(200,520)**
Total maximum number of shares granted as of December 31, 2015	**–**	**272,814**	**81,000**	**326,900**	**680,714**

The fair value of Rexel's shares subject to market condition was computed based on a Monte Carlo model which simulates the evolution of Rexel's and panel shares' quotations at the end of the two years vesting period. Also, the impact of restrictions attached to the dividends until the delivery date of the shares to the beneficiaries was excluded from the fair value.

Plans issued in 2012 and before

In 2012 and 2011, Rexel entered into several bonus share plans for its senior executives and key employees subject to service and performance conditions. The table below shows the number of shares granted and not delivered:

	PLANS ISSUED IN 2012	PLANS ISSUED IN 2011
Average share fair value at the grant date	*€13.32*	*€11.64*
Maximum number of shares granted initially	**2,262,404**	**2,752,789**
Forfeited	(1,666,130)	(1,976,243)
Delivered	(204,328)	–
Maximum number of shares granted as of December 31, 2014 and not delivered	**391,946**	**776,546**
Forfeited in 2015	(437)	(1,750)
Delivered in 2015	–	(774,796)
Maximum number of shares granted as of December 31, 2015 and not delivered	**391,509**	**–**

18.2 Stock option plans

In 2005, Rexel established a share option subscription program that entitles key management personnel to purchase Rexel shares. Vesting conditions included the occurrence of certain events including in particular the admission of the Company's shares to trading on a regulated market.

In April 2007, options granted under this program vested in full upon the Initial Public Offering of Rexel shares.

These options are exercisable by the beneficiaries at the fair value of the shares at the date of grant for a period of 10 years from grant date. These plans are qualified as equity-settled transactions.

DATE OF ALLOCATION / BENEFICIARIES	NUMBER OF INSTRUMENTS ORIGINALLY ALLOCATED	NUMBER OF OPTIONS ACTIVE AS OF DECEMBER 31, 2015	OPTIONS TERM	EXERCISE PRICE
OPTIONS ALLOCATED TO KEY MANAGERS ("PLAN NO.1")				
– on October 28, 2005	2,711,000	32,820	October 28, 2016	€5.0
– on May 31, 2006	169,236	–		
– on October 4, 2006	164,460	–		
OPTIONS ALLOCATED TO KEY EMPLOYEES ("PLAN NO.2")				
– on November 30, 2005	259,050	106,278	November 30, 2016	€5.0
– on May 31, 2006	34,550	3,976		€6.5
Total options allocated by Rexel	**3,338,296**	**143,074**		

18.3 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)	**2015**	**2014**
Plans issued in 2011	–	1.4
Plans issued in 2012	0.1	2.2
Plans issued in 2013	3.5	5.8
Plans issued in 2014	4.2	4.1
Plans issued in 2015	1.8	–
Expense related to employee share purchase plan	0.8	0.8
Total free share plans expense	**10.5**	**14.4**

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,	
	2015	**2014**
Net income attributed to ordinary shareholders :		
• of which continuing operations *(in millions of euros)*	86.2	240.5
• of which discontinuing operations *(in millions of euros)*	(69.3)	(40.8)
Net income attributed to ordinary shareholders (in millions of euros)	***16.9***	***199.7***
Weighted average number of ordinary shares *(in thousands)*	295,041	286,128
Potential dilutive shares in connection with payments of dividends *(in thousands)*	128	562
Non-dilutive potential shares *(in thousands)*	881	1,324
Weighted average number of issued common shares adjusted for non-dilutive potential shares (in thousands)	***296,050***	***288,014***
Basic earning per share (in euros)	**0.06**	**0.69**
Dilutive potential shares *(in thousands)*	1,008	2,550
• of which share options *(in thousands)*	94	110
• of which bonus shares *(in thousands)*(1)	914	2,439
Weighted average number of common shares adjusted for dilutive potential shares (in thousands)	***297,058***	***290,564***
Fully diluted earnings per share *(in euros)*	**0.06**	**0.69**

(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

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Provisions	57.0	64.4
Derivatives	5.1	19.2
Other non-current liabilities	10.2	10.1
Provisions and other non-current liabilities	**72.3**	**93.7**

Other non-current liabilities comprise profit sharing related payables to French employees in the amount of €10.2 million (€10.1 million at December 31, 2014).

The variation in provisions is detailed in the table below:

(in millions of euros)	RESTRUCTURING(1)	TAX LITIGATION	OTHER LITIGATION & WARRANTY CLAIMS(2)	VACANT PROPERTIES(3)	TOTAL PROVISIONS
As of January 1, 2014	**17.5**	**6.8**	**22.5**	**18.7**	**65.4**
Increase	29.9	–	5.9	10.5	**46.3**
Use	(19.8)	(0.7)	(7.0)	(13.8)	**(41.3)**
Release	(1.3)	(4.7)	(0.4)	(1.0)	**(7.4)**
Currency translation adjustment	0.4	0.1	–	1.0	**1.5**
Other changes	(0.1)	–	–	–	**(0.1)**
As of December 31, 2014	**26.6**	**1.5**	**21.0**	**15.3**	**64.4**
Increase	17.0	2.4	6.8	7.3	**33.5**
Use	(24.7)	–	(2.9)	(9.1)	**(36.7)**
Release	(3.3)	(1.1)	(0.5)	(0.6)	**(5.5)**
Currency translation adjustment	0.1	–	(0.2)	0.7	**0.6**
Other changes	1.1	–	(0.3)	(0.1)	**0.7**
As of December 31, 2015	**16.8**	**2.8**	**23.9**	**13.5**	**57.0**

Provisions mainly comprise:

(1) Provisions for redundancy plans to adapt the Group's structure to current trading conditions. These restructuring plans resulted in the closure of branches, distribution centers and administrative headquarters. Provisions for restructuring activities undertaken at December 31, 2015, mainly concerned Europe for €10.9 million (€20.2 million in 2014), North America for €2.6 million (€4.6 million in 2014) and Asia-Pacific for €3.3 million (€1.7 million in 2014).

(2) Other litigations and warranty claims amounted to €23.9 million (€21.0 million in 2014), of which €10.8 million relating to litigation with French social security authorities (€8.6 million in 2014), €2.9 million for employee claims (€2.5 million in 2014) and €1.6 million for trade disputes litigations (€1.8 million in 2014).

(3) Provisions for lease commitments related to vacant properties mainly in the United Kingdom for €4.3 million (€6.7 million in 2014), the United States for €2.9 million (€2.9 million in 2014) and France for €1.4 million (€2.1 million in 2014).

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 Canada, in the United Kingdom 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, 2014 and was rolled forward up to December 31, 2015 for accounting purposes. 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 The Netherlands, until December 31, 2013, the main pension plan in force was a mix between defined benefit and defined contribution ("hybrid-type" plan). The defined benefit portion was subject to a ceiling. Above the defined benefit portion, a defined contribution section applied. Defined benefit pension plan was a salary average plan open for new entrants. As from January 1, 2014, a Collective Defined Contribution (CDC) plan has been implemented in *lieu et place* of the former Defined benefit Plan (DB Plan). The CDC arrangement establishes the new contribution formula for all future accruals. The employer risk related to past service has been transferred to the pension fund with increases in accrued benefits being granted solely on the available means in the pension fund. As such, all further legal or constructive obligations for the benefits provided under the DB Plan have been eliminated. There was no impact neither on the balance sheet nor on the profits and losses in 2014 associated with the DB Plan derecognition as the net defined benefit obligation liability was nil as of December 31, 2013 (the fair value of the defined benefit liability and the plan assets was €351.5 million).

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 provides 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 is performed every three years. The most recent valuations were performed as at December 31, 2013. The 2015 quantitative information on these plans was prepared based on a roll forward of these full valuations.

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)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2014	**409.2**	**377.7**	**228.4**	**162.2**	**147.1**	**1,324.6**
Service cost	–	0.1	2.7	5.1	4.9	12.9
Interest cost	1.8	17.3	10.5	3.3	5.4	38.3
Benefit payments	(1.6)	(12.8)	(13.3)	(4.4)	(7.8)	(39.9)
Employee contributions	–	–	0.6	3.0	0.1	3.6
Change in consolidation scope	–	–	–	7.3	–	7.3
Currency translation adjustment	–	29.4	10.9	3.8	4.2	48.3
Past service cost / settlement and other	(351.5)	–	–	–	(19.7)	(371.3)
Remeasurements						
Effect of change in demographic assumptions	*(10.4)*	*–*	*1.9*	*–*	*3.2*	*(5.3)*
Effect of change in financial assumptions	*11.5*	*67.2*	*23.4*	*15.9*	*9.8*	*127.8*
Effect of experience adjustments	*(0.0)*	*11.2*	*(1.3)*	*(1.1)*	*(2.2)*	*6.6*
As of December 31, 2014	**58.9**	**490.1**	**263.9**	**195.0**	**144.9**	**1,152.8**
Service cost	–	0.1	3.2	7.5	6.0	16.8
Interest cost	1.2	18.2	10.2	2.7	3.8	35.9
Benefit payments	(1.6)	(15.4)	(14.4)	(5.6)	(7.2)	(44.3)
Employee contributions	–	–	0.6	3.6	0.1	4.3
Change in consolidation scope	–	–	–	–	–	–
Currency translation adjustment	–	29.9	(18.0)	21.2	2.9	36.0
Past service cost / settlement and other	–	–	(4.4)	(1.2)	(4.8)	(10.5)
Remeasurements						
Effect of change in demographic assumptions	*–*	*4.9*	*–*	*–*	*0.3*	*5.3*
Effect of change in financial assumptions	*–*	*5.1*	*(0.0)*	*8.8*	*0.8*	*14.7*
Effect of experience adjustments	*–*	*(5.6)*	*(0.4)*	*0.2*	*(1.0)*	*(6.9)*
As of December 31, 2015	**58.5**	**527.3**	**240.5**	**232.1**	**145.8**	**1,204.2**

The change in the fair value of the defined benefit plan assets breaks down as follows:

	PLAN ASSETS					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2014	**405.9**	**305.6**	**166.4**	**160.3**	**43.0**	**1,081.2**
Employer contributions	0.2	10.0	7.4	4.4	6.2	28.1
Employee contributions	–	–	0.6	3.0	0.1	3.6
Interest income	1.8	13.4	7.8	3.3	1.6	27.8
Benefit payments	(1.6)	(12.8)	(13.3)	(4.4)	(7.3)	(39.4)
Change in consolidation scope	–	–	–	5.0	–	5.0
Currency translation adjustment	–	23.1	7.6	3.6	1.1	35.3
Past service cost / settlement and other	(351.5)	–	–	–	(14.0)	(365.5)
Return on plan assets excluding interest income (OCI)	4.2	11.5	7.3	9.6	(0.0)	32.5
As of December 31, 2014	**58.9**	**350.8**	**183.7**	**184.6**	**30.6**	**808.6**
Employer contributions	–	13.3	7.3	6.5	5.2	32.2
Employee contributions	–	–	0.6	3.6	0.1	4.3
Interest income	1.2	12.0	7.2	2.7	0.9	23.9
Benefit payments	(1.6)	(15.4)	(14.4)	(5.6)	(7.5)	(44.6)
Change in consolidation scope	–	–	–	–	–	–
Currency translation adjustment	–	21.3	(12.6)	20.1	0.3	29.1
Past service cost / settlement and other	–	–	–	–	–	–
Return on plan assets excluding interest income (OCI)	–	5.9	(3.8)	5.1	0.0	7.3
As of December 31, 2015	**58.5**	**387.9**	**167.9**	**217.0**	**29.6**	**860.7**

The change in the net liability / (asset) breaks down as follows:

	NET LIABILITY / (ASSET)					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
As of January 1, 2014	**3.3**	**72.2**	**62.0**	**1.9**	**104.0**	**243.4**
Service cost	–	0.1	2.7	5.1	4.9	12.9
Interest cost	–	3.9	2.7	(0.0)	3.7	10.4
Past service cost/settlement and other	–	–	–	–	(5.8)	(5.8)
Employer contributions	(0.2)	(10.0)	(7.4)	(4.4)	(6.1)	(28.1)
Benefit payments	–	–	–	–	(0.5)	(0.5)
Change in consolidation scope	–	–	–	2.4	–	2.4
Currency translation adjustment	–	6.3	3.3	0.2	3.1	13.0
Remeasurements	(3.1)	66.9	16.8	5.2	10.9	96.5
As of December 31, 2014	**0.0**	**139.4**	**80.1**	**10.4**	**114.3**	**344.2**
Service cost	–	0.1	3.2	7.5	6.0	16.8
Interest cost	–	6.1	3.0	0.0	2.9	12.0
Past service cost/settlement and other	–	–	(4.4)	(1.2)	(4.8)	(10.5)
Employer contributions	–	(13.3)	(7.3)	(6.5)	(5.2)	(32.2)
Benefit payments	–	–	–	0.0	0.3	0.3
Change in consolidation scope	–	–	–	–	–	–
Currency translation adjustment	–	8.6	(5.4)	1.1	2.7	6.9
Remeasurements	–	(1.5)	3.4	3.9	0.1	5.9
As of December 31, 2015	**0.0**	**139.4**	**72.6**	**15.2**	**116.2**	**343.4**

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

The reconciliation of the liability recognized on the balance sheet with the present value of the obligation in respect of defined benefit plans is as follows:

	LIABILITY RECONCILIATION					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
For the year ended December 31, 2014						
Defined benefit obligations	**58.9**	**490.1**	**263.9**	**195.0**	**144.9**	**1,152.8**
of which Funded schemes	*58.9*	*488.2*	*231.6*	*192.0*	*60.0*	*1,030.7*
of which Unfunded schemes	*–*	*2.0*	*32.2*	*3.0*	*84.9*	*122.1*
Fair value of plan assets	(58.9)	(350.8)	(183.7)	(184.6)	(30.6)	(808.6)
Recognized net liability for defined benefit obligations	**0.0**	**139.4**	**80.1**	**10.4**	**114.3**	**344.2**
of which "Employee benefits"	*0.0*	*139.4*	*80.1*	*10.4*	*114.3*	*344.2*
of which "Other financial assets"	*–*	*–*	*–*	*–*	*–*	*–*
For the year ended December 31, 2015						
Defined benefit obligations	**58.5**	**527.3**	**240.5**	**232.1**	**145.8**	**1,204.2**
of which Funded schemes	*58.5*	*526.9*	*213.8*	*228.6*	*62.7*	*1,090.4*
of which Unfunded schemes	*–*	*0.4*	*26.7*	*3.6*	*83.2*	*113.8*
Fair value of plan assets	(58.5)	(387.9)	(167.9)	(217.0)	(29.5)	(860.7)
Recognized net liability for defined benefit obligations	**0.0**	**139.4**	**72.6**	**15.2**	**116.2**	**343.4**
of which "Employee benefits"	*0.0*	*139.4*	*72.6*	*15.2*	*116.2*	*343.4*
of which "Other financial assets"	*–*	*–*	*–*	*–*	*–*	*–*

21.3 Re-measurements of the net defined benefit liability

	OTHER COMPREHENSIVE INCOME					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Return on plan assets excluding interest income	(4.2)	(11.5)	(7.3)	(9.6)	0.0	(32.5)
Effect of change in demographic assumptions	(10.4)	–	1.9	–	3.2	(5.3)
Effect of change in financial assumptions	11.4	67.2	23.4	15.7	9.1	126.7
Effect of experience adjustments	(0.0)	11.2	(1.3)	(1.1)	(2.2)	6.6
OCI recognized for the year ended December 31, 2014	**(3.3)**	**66.9**	**16.7**	**4.9**	**10.1**	**95.4**
Return on plan assets excluding interest income and asset ceiling	–	(5.9)	3.8	(5.2)	0.1	(7.3)
Effect of change in demographic assumptions	–	4.9	–	–	0.3	5.3
Effect of change in financial assumptions	–	5.1	–	8.7	0.8	14.7
Effect of experience adjustments	–	(3.7)	(0.4)	0.0	(1.2)	(5.3)
OCI recognized for the year ended December 31, 2015	**–**	**0.4**	**3.4**	**3.6**	**0.1**	**7.4**

21.4 Employee Benefit expense

The expense recognized in the consolidated income statement breaks down as follows:

	EXPENSE					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost(1)	–	0.1	2.7	5.1	4.9	12.9
Past service costs(1)	–	–	–	–	(5.8)	(5.8)
Net Interest expense(2)	0.1	3.9	2.7	(0.0)	3.7	10.4
Other(1)	–	–	0.0	0.3	0.4	0.8
Expense recognized for the year ended December 31, 2014	**0.1**	**4.1**	**5.5**	**5.4**	**3.3**	**18.3**
Service costs(1)	–	0.1	3.2	7.5	6.0	16.8
Past service costs(1)	–	–	(4.0)	(1.2)	(4.2)	(9.4)
Net Interest expense(2)	–	6.1	3.0	0.0	2.9	12.0
Other(1)	–	(1.9)	(0.0)	0.3	0.4	(1.3)
Expense recognized for the year ended December 31, 2015	**–**	**4.3**	**2.2**	**6.6**	**5.0**	**18.1**

(1) Recognized as personnel costs (see note 7).
(2) Recognized as net financial expenses (see note 9).

Significant plan amendments and settlements

For the year ended December 31, 2015

The Group amended its post-retirement Medical and Heathcare plans in Canada and in the United States to reduce medical coverage benefits. As a result of these amendments, the Group recognized gains of respectively €4.2 million and €3.9 million in the income statement (salaries and benefits).

For the year ended December 31, 2014

In the United States, health and life insurance benefits to certain eligible participants were reduced such that, effective January 1, 2015, post-65 retiree medical coverage is available at a higher cost to the participant and life insurance coverage is no longer offered for active members and retirees who are not yet 60 on January 1, 2015. These changes resulted in a gain of €4.8 million recognized in the third quarter of 2014 as a reduction in salaries and benefits.

The Group also initiated the termination of a qualified pension plan for US employees by purchasing annuities and paying lump sums in 2014. This resulted in a settlement gain of €1.2 million recognized as a reduction in salaries and benefits. The full termination process is expected to end in 2016.

In The Netherlands, a Collective Defined Contribution plan has been implemented in *lieu et place* of the former Defined Benefit plan which have been eliminated without any impact, neither on the balance sheet nor in profit and loss (see note 21.1).

21.5 Plan asset allocation

	PLAN ASSETS CLASS			
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND
Cash and cash equivalents	–	19.2	0.9	10.2
Equity instruments (quoted in an active market)	–	20.3	79.6	61.6
Debt instruments (quoted in an active market)	–	154.4	99.9	70.0
Real estate	–	–	–	35.7
Investment funds	–	156.2	–	0.8
Asset held by insurance company	58.9	–	3.4	–
Other	–	0.6	–	6.5
As of December 31, 2014	**58.9**	**350.8**	**183.7**	**184.6**
Cash and cash equivalents	–	19.9	0.8	9.0
Equity instruments (quoted in an active market)	–	14.7	72.8	74.5
Debt instruments (quoted in an active market)	–	141.1	91.3	84.0
Real estate	–	–	–	45.8
Investment funds	–	211.7	–	–
Asset held by insurance company	58.5	–	3.1	0.1
Other	–	0.6	–	3.4
As of December 31, 2015	**58.5**	**387.9**	**167.9**	**217.0**

21.6 Actuarial assumptions

The main actuarial assumptions are as follows:

	THE NETHERLANDS		UNITED KINGDOM		CANADA		SWITZERLAND	
	2015	2014	2015	2014	2015	2014	2015	2014
Average plan duration (in years)	18	19	18	18	13	14	17	16
Discount rate (in %)	2.00	2.00	3.50	3.50	4.00	4.00	0.75	1.25
Future salary increases (in %)	3.00	3.00	N/A	N/A	3.12	3.12	2.00	2.00

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 the Audit and Risk 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)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Service cost	–	–	0.2	0.6	0.3	1.1
Defined Benefit Obligation	5.6	49.3	17.7	20.0	8.3	100.9

	SENSITIVITY TO A 10% DOWNTURN IN FINANCIAL MARKET					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Plan assets	–	(1.5)	(7.3)	(7.5)	(0.5)	(16.7)

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; and
- Periodic review of investment performance by independent advisors to monitor investment volatility.

21.8 Expected cash flows

	EXPECTED CASH FLOW					
(in millions of euros)	THE NETHERLANDS	UNITED KINGDOM	CANADA	SWITZERLAND	OTHER	GROUP
Expected benefit payments for 2016	1.7	15.0	11.4	6.1	5.4	39.5
Expected benefit payments for 2017	1.8	15.9	11.8	6.2	7.1	42.7
Expected benefit payments for 2018	1.8	17.5	12.1	6.3	14.3	52.1
Expected benefit payments for 2019	1.9	17.7	12.5	6.8	7.0	46.0
Expected benefit payments for 2020 and after	12.4	126.2	82.5	44.8	46.4	312.4
Expected benefit contributions for 2016	–	12.8	6.9	4.8	4.2	28.7

22. Financial liabilities

This note provides information on financial liabilities as of December 31, 2015. 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, 2015, Rexel's consolidated net debt stood at €2,198.7 million, consisting of the following items:

	AS OF DECEMBER 31,					
	2015			2014		
(in millions of euros)	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
Senior notes	–	1,637.1	1,637.1	–	1,992.2	1,992.2
Securitization	378.7	710.8	1,089.4	128.2	1,013.9	1,142.1
Bank loans	57.2	1.5	58.7	65.0	4.4	69.3
Commercial paper	134.6	–	134.6	85.9	–	85.9
Bank overdrafts and other credit facilities	88.4	–	88.4	81.7	–	81.7
Finance lease obligations	8.0	19.5	27.6	8.8	18.4	27.2
Accrued interests(1)	8.1	–	8.1	9.7	–	9.7
Less transaction costs	(6.5)	(26.9)	(33.3)	(8.0)	(32.9)	(40.9)
Total financial debt and accrued interest	***668.5***	***2,342.1***	***3,010.6***	***371.2***	***2,995.9***	***3,367.1***
Cash and cash equivalents			(804.8)			(1,159.8)
Accrued interest receivable			(0.7)			(0.7)
Debt hedge derivatives(2)			(6.4)			6.5
Net financial debt			**2,198.7**			**2,213.1**

(1) Of which accrued interests on Senior Notes for €3.3 million as of December 31, 2015 (€4.9 million as of December 31, 2014).
(2) Debt hedge derivatives includes 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 executed on March 13, 2013 and further amended on November 13, 2014 provides for a five-year multicurrency revolving credit facility for an aggregate maximum initial amount of €1,100 million reduced to €982 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 €157.5 million. The original maturity of this credit facility was extended on October 19, 2015, by one year to November 12, 2020 and may be extended by one year.

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 leverage 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 0.85% to 2.5%.

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.

Under the Senior Credit Facility Agreement, Rexel must maintain a leverage ratio below 3.50 times as at December 31 and June 30 of each year.

The Leverage Ratio corresponds to adjusted total net debt relative to adjusted EBITDA, as such terms are defined below:

"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 *pro rata* 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; and
- 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.

As of December 31, 2015, this credit facility was not drawn down.

In addition to the Senior Facility Agreement, Rexel entered into two bilateral term loan agreements of €36.7 million ($ 40 million) and €45 million. On June 26, 2015, Rexel extended the maturity of its $40 million Revolving Credit Facility Agreement (RCFA) with Wells Fargo Bank International for a period of two years ending on June 27, 2017. The €45 million Facility matures in March 2018. As of December 31, 2015, these facilities were undrawn.

22.1.2 Senior notes

As of December 31, 2015, the carrying amount of the existing senior notes is detailed as follows:

	AS OF DECEMBER 31,									
	2015					2014				
	NOMINAL AMOUNT *(in millions of currency)*		NOMINAL AMOUNT *(in millions of euros)*	FAIR VALUE ADJUST-MENTS(1)	TOTAL	NOMINAL AMOUNT *(in millions of currency)*		NOMINAL AMOUNT *(in millions of euros)*	FAIR VALUE ADJUST-MENTS(1)	TOTAL
Senior notes due 2018	–	–	–	–	**–**	EUR	488.8	488.8	10.2	**499.0**
Senior notes due 2019	–	–	–	–	**–**	USD	500.0	411.8	(4.1)	**407.7**
Senior notes due 2020	USD	500.0	459.3	4.5	**463.8**	USD	500.0	411.8	0.8	**412.6**
Senior notes due 2020	EUR	650.0	650.0	19.7	**669.7**	EUR	650.0	650.0	22.8	**672.8**
Senior notes due 2022	EUR	500.0	500.0	3.8	**503.8**	–	–	–	–	**–**
TOTAL			**1,609.3**	**28.0**	**1,637.1**			**1,962.5**	**29.7**	**1,992.2**

(1) Adjustment to reflect interest rate fluctuations on the part of the notes hedged through fair value hedge derivatives (see note 23.1).

Repayment of €488.8 million notes due 2018

On March 16, 2015, Rexel redeemed its 7% senior notes due 2018 for a total amount of €522.6 million, including the principal amount of €488.8 million, an applicable "make-whole" redemption premium of €25.4 million and interests due for the period December 18, 2014 to March 16, 2015 of €8.5 million.

In relation to the repayment of the senior notes due 2018, the Group revised the amortized cost of such notes and recognized a financial expense of €19.6 million as a result of the effective interest rate method. This loss includes the "make-whole" premium plus the unamortized initial transaction costs of €3.9 million and minus fair value hedge adjustments for a profit of €9.7 million.

Issuance of €500 million notes due 2022

On May 27, 2015, Rexel issued €500 million of senior unsecured notes due 2022 which bear interests at 3.25% 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 December 15, 2015. The notes mature on June 15, 2022 and are listed on the Luxembourg Stock Exchange.

These notes are redeemable in whole or in part at any time prior to June 15, 2018 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after June 15, 2018, 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)
June 15, 2018	101.625%
June 15, 2019	100.813%
June 15, 2020 and after	100.000%

Repayment of $500 million notes due 2019

On June 22, 2015, Rexel redeemed its 6.125% senior notes due 2019 for a total amount of €468.6 million, including the principal amount of €442.5 million ($500 million), an applicable "make-whole" redemption premium of €25.5 million and interests due for the period June 15, 2015 to June 22, 2015 of €0.5 million.

In relation to the repayment of the senior notes due 2019, the Group revised the amortized cost of such notes and recognized a financial expense of €33.0 million as a result of the effective interest rate method. This loss includes the "make-whole" premium plus the unamortized initial transaction costs of €6.5 million and fair value hedge adjustments for a loss of €0.9 million.

The financial expense related to the redemption of the senior notes due 2018 and 2019 is detailed as follows:

(in millions of euros)	FOR THE YEAR ENDED DECEMBER 31, 2015
Make-whole redemption premium	51.0
Wrtie back of transaction fees	10.4
Less fair value adjustments	(8.9)
Non-recurring redemption costs	**52.5**

Notes due 2020

Rexel issued on April 3, 2013, €650 million and $500 million of senior unsecured notes due 2020 with coupons of 5.125% and 5.250% respectively.

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 December 15, 2013. The notes mature on June 15, 2020 and are listed on the Luxembourg Stock Exchange.

These notes are redeemable in whole or in part at any time prior to June 15, 2016 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after June 15, 2016, 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) EURO BONDS	DOLLAR BONDS
June 15, 2016	103.844%	103.938%
June 15, 2017	102.563%	102.625%
June 15, 2018	101.281%	101.313%
June 15, 2019 and after	100.000%	100.000%

22.1.3 Securitization programs

Rexel Group 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 the 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 IAS 39 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 sheets 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"). The maturity of this program was extended to December 2017.

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, 2015, derecognized receivables totaled €195.2 million (€180.1 million as of December 31, 2014). For the year ended December 31, 2015, expense incurred under this program reflecting the discount granted to the purchaser of the trade receivables was recognized as a financial expense for €8.3 million (€5.5 million in 2014). Carrying value and fair value of cash collected under the servicing agreement in relation to derecognized receivables and not yet transferred to the purchaser totaled €34.2 million and was recognized in financial liabilities (€23.1 million as of December 31, 2014).

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, 2015, 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:

PROGRAM	COMMITMENT	AMOUNT OF RECEIVABLES ASSIGNED AS OF DECEMBER 31, 2015	AMOUNT DRAWN DOWN AS OF DECEMBER 31, 2015	BALANCE AS OF DECEMBER 31, 2015	2014	REPAYMENT DATE
	(in millions of currency)			*(in millions of euros)*		
Europe and Australia	EUR 425.0	EUR 470.2	EUR 345.7	345.7	396.1	12/18/2017
United States	USD 545.0	USD 658.3	USD 484.4	444.9	422.9	12/20/2017
Canada(1)	CAD 175.0	CAD 264.4	CAD 175.0	115.8	128.2	01/18/2019
Europe	EUR 384.0	EUR 540.2	EUR 378.2	378.2	374.9	12/20/2016
TOTAL				**1,284.6**	**1,322.2**	
Of which:						
• on balance sheet				1,089.4	1,142.1	
• off balance sheet				195.2	180.1	

(1) On November 30, 2015, Rexel amended its Canadian securitization program and extended the maturity date from December 2016 to January 2019.

These securitization programs pay interest at variable rates including a specific credit spread to each program. As of December 31, 2015, the total outstanding amount authorized for these securitization programs was €1,452.9 million, of which €1,284.6 million were used.

22.1.4 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 customer as payment of trade receivables. Rexel transfers risks and benefits associated with discounted Bank Acceptance Drafts. As of December 31, 2015, Bank Acceptance Drafts have been derecognized from the balance sheet for €68.3 million (€48.2 million as of December 31, 2014).

22.1.5 Commercial paper program

Rexel runs a €500 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, 2015, the company had issued €134.6 million of commercial paper (€85.9 million as of December 31, 2014).

22.2 Change in net financial debt

As of December 31, 2015 and December 31, 2014, the change in net financial debt was as follows:

(in millions of euros)	2015	2014
As of January 1,	**2,213.1**	**2,192.0**
Issuance of senior notes net of transaction cost	489.7	–
Repayment of senior notes	(991.2)	–
Transaction costs and refinancing costs	(0.7)	(1.8)
Net change in credit facilities, commercial papers and other financial borrowings	76.2	(5.6)
Net change in credit facilities	**(426.0)**	**(7.4)**
Net change in securitization	(86.1)	19.3
Net change in finance lease liabilities	1.1	(5.1)
Net change in financial liabilities	***(511.0)***	***6.7***
Change in cash and cash equivalents	333.0	(178.9)
Effect of exchange rate changes on net financial debt	130.7	135.7
Effect of acquisition	8.9	6.1
Effect of divestment	(33.6)	–
Amortization of transaction costs	8.2	10.8
Non recurring refinancing costs	52.5	–
Other changes(1)	(3.1)	40.6
As of December 31,	**2,198.7**	**2,213.1**

(1) Of which in 2014, €36.4 million relating to the settlement of interest swaps qualified as fair value hedge of the senior notes

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

In order to hedge its exposure to changing interest rates, the Group has adopted an interest rate hedging strategy aimed at maintaining a hedging ratio on a one-year rolling basis of close to 80%, 50% on a two-year rolling basis, and 25% on a three-year rolling basis of its net financial debt at fixed or capped rates with the remainder at variable interest rates.

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)	2015	2014
Senior Notes and other fixed rate debt	1,639.3	2,003.5
Floating to fixed rate swaps	1,496.9	1,515.1
Fixed to floating rate swaps	(1,109.3)	(823.7)
Sub-total fixed or capped rate instruments	**2,026.9**	**2,695.0**
Floating rate debt before hedging	1,364.2	1,369.4
Floating to fixed rate swaps	(1,496.9)	(1,515.1)
Fixed to floating rate swaps	1,109.3	823.7
Cash and cash equivalents	(804.8)	(1,159.8)
Sub-total floating rate debt instruments	**171.7**	**(481.8)**
Total net financial debt	**2,198.7**	**2,213.1**

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Fair value hedge derivatives

As of December 31, 2015, 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:

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	WEIGHTED AVERAGE FIXED RATE RECEIVED	FLOATING RATE PAID	FAIR VALUE [1] *(in millions of euros)*	HEDGED ITEM
SWAPS PAYING VARIABLE RATE							
American dollar	500.0	459.3	June 2020	1.78%	3M Libor	2.9	Notes due 2020
Euro	150.0	150.0	June 2020	0.29%	3M Euribor	1.1	Notes due 2020
	500.0	500.0	June 2022	0.55%	3M Euribor	4.4	Notes due 2022
Total		**1,109.3**				**8.4**	

(1) Derivative instruments are presented at fair value, including accrued interest receivable for €0.5 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.

The change in fair value of these fair value hedging swaps for the year ended December 31, 2015 represented a gain of €13.4 million, partially offset by a loss of €13.1 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 October 2018. 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, 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, 2015, 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	FAIR VALUE [1] *(in millions of euros)*
SWAPS PAYING FIXED RATE						
American dollar	200.0	183.7	September 2016	1M Libor	0.71%	(0.5)
	50.0	45.9	December 2017	3M Libor	1.02%	0.1
	100.0	91.9	June 2018	3M Libor	1.24%	(0.0)
	250.0	229.6	September 2018	3M Libor	1.33%	(0.2)
Canadian dollar	100.0	66.2	October 2018	3M CDOR	1.23%	(0.7)
Australian dollar	100.0	67.1	June 2016	1M BBSW AUD	2.98%	(1.2)
	80.0	53.7	July 2018	3M BBSW AUD	2.26%	(0.1)
Total		**738.1**				**(2.6)**

(1) Derivative instruments are presented at fair value, including accrued interest payable for €1.6 million.

The change in fair value of the cash flow hedging instruments for the year ended December 31, 2015 was recorded as a €0.1 million increase in cash flow hedge reserve (before tax). The ineffectiveness recognized in 2015 was immaterial.

Derivatives not eligible for hedge accounting

	TOTAL NOTIONAL AMOUNT *(in millions of currency)*	TOTAL NOTIONAL AMOUNT *(in millions of euros)*	MATURITY	FLOATING RATE RECEIVED (PAID)	WEIGHTED AVERAGE FIXED RATE PAID (RECEIVED)	FAIR VALUE [1] *(in millions of euros)*
SWAPS PAYING FIXED RATE						
American dollar	300.0	275.6	June 2016	3M Libor	0.79%	(0.2)
	100.0	91.9	December 2017	3M Libor	1.01%	0.2
Swedish Krona	1,300.0	141.5	September 2016	3M Stibor	1.73%	(2.2)
	450.0	49.0	September 2017	3M Stibor	(0.16)%	(0.0)
Swiss franc	150.0	138.4	December 2016	3M Libor	0.39%	(1.6)
Euro	62.5	62.5	May 2018	6M Euribor	3.21%	(5.9)
Total		**758.8**				**(9.7)**

(1) Derivative instruments are presented at fair value, including accrued interest payable of €1.4 million.

These derivatives are designated primarily as hedges of variable cash flows arising from interest rate swaps and are not eligible to hedge accounting under IAS 39 provisions.

Sensitivity to interest rate variation

As of December 31, 2015, 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 €10.3 million and a €20.6 million gain related to the change in fair value of the hedging instruments of which a €8.1 million in the income statement and €12.5 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). As part of this policy, the Group issued senior notes denominated in US dollars in 2015 for an amount of $500 million of which $419 million were qualified as net investment hedges of the US dollars denominated Group's net assets. For the year ended December 31, 2015, unrealized exchange loss in other comprehensive income related to external borrowings qualified as net investment hedges account for €113.3 million before tax.

As of December 31, 2015, the notional value of foreign exchange derivatives was €636.5 million (€487.5 million of forward sales and €149.0 million of forward purchases). Forward contracts are recognized at their fair value for a net negative amount of €1.5 million. The change in fair value of forward contracts for the year ended December 31, 2015 was recorded as a financial loss of €0.3 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 €328.9 million and a decrease (increase) in operating income before other income and other expenses of €11.6 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, 2015 would result in a corresponding decrease (increase) in financial debt and shareholders' equity of €79.5 million and €111.7 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	1,774.7	765.7	115.8	86.4	0.7	0.3	175.3	0.1	57.9	26.4	3,004.1
Cash and cash equivalents	(819.9)	251.3	(19.9)	41.7	(21.0)	(8.7)	(163.6)	(56.3)	(22.3)	14.1	(804.8)
Net financial position before hedging	**954.7**	**1,017.0**	**95.9**	**128.1**	**(20.3)**	**(8.5)**	**11.7**	**(56.2)**	**35.6**	**40.5**	**2,198.7**
Impact of hedges	(346.1)	4.8	(7.1)	0.4	-	174.1	6.8	166.1	–	1.0	0.0
Net financial position after hedging	**608.7**	**1,021.8**	**88.8**	**128.5**	**(20.3)**	**165.7**	**18.5**	**109.9**	**35.6**	**41.5**	**2,198.7**
Impact of a 5% increase in exchange rates	*–*	*51.1*	*4.4*	*6.4*	*(1.0)*	*8.3*	*0.9*	*5.5*	*1.8*	*2.1*	*79.5*

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, 2015	2014
DUE WITHIN		
One year	675.0	379.1
Two years	602.8	384.2
Three years	4.0	644.8
Four years	118.5	501.5
Five years	1,134.0	409.3
Thereafter	509.6	1,088.9
Total gross financial debt before transaction costs	**3,043.9**	**3,407.9**
Transaction costs	(33.3)	(40.9)
Gross financial debt	**3,010.6**	**3,367.1**

As of December 31, 2015, 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	792.4	0.2	792.7
Two years	706.7	(4.1)	702.6
Three years	83.4	(2.2)	81.2
Four years	197.5	1.2	198.6
Five years	1,180.7	2.3	1,182.9
Thereafter	533.6	4.4	537.9
Total gross financial debt	**3,494.2**	**1.7**	**3,495.9**

The €650 million and the $500 million senior notes issued in April 2013 mature in June 2020, the €500 million senior notes issued in May 2015 mature in June 2022.

The Senior Facility Agreement was amended in November 2014 for a period of 5 years ending in November 2020. The Senior Facility Agreement together with the €45 million Bilateral Term loan provide a five-year multicurrency revolving credit facility for an aggregate maximum available amount of €1,027.0 million which can also be drawn down through swingline loans for an aggregate amount of €157.5 million (see note 22.1.1).

On June 26, 2015, Rexel extended the maturity of its $40 million Revolving Credit Facility Agreement with Wells Fargo Bank International for a period of two years ending on June 27, 2017. As of December 31, 2015, this facility was not drawn down.

Lastly, securitization programs mature in 2016, 2017 and 2019. 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.

In addition, the trade accounts payable amounted to €2,138.3 million as of December 31, 2015 (€2,126.8 million as of December 31, 2014) and are due in less than one year.

As of December 31, 2015, the Group's liquidity amounted to €1,645.5 million (€2,052.2 million as of December 2014) in excess of €970.5 million compared to €675.0 million expected to be paid within the next twelve months with respect to debt repayment.

	AS OF DECEMBER 31,	
(in millions of euros)	**2015**	**2014**
Cash and cash equivalents	804.8	1,159.8
Bank overdrafts	(88.4)	(81.7)
Commercial paper	(134.6)	(85.9)
Undrawn Senior Facility Agreement	982.0	982.0
Bilateral facilities	81.7	77.9
Liquidity	**1,645.5**	**2,052.2**

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 in the majority of the significant countries in which the Group operates. As of December 31, 2015, the maximum risk corresponding to the total accounts receivable amounted to €2,129.4 million and is detailed in note 13.2 Trade receivables.

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 €804.8 million as of December 31, 2015 (€1,159.8 million as of December 31, 2014), which equals the net book value of the aforementioned items.

The maximum counterparty risk on the Group's other financial assets was €529.1 million (€523.8 million as of December 31, 2014) and mainly corresponds to supplier discounts receivable.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

24. Summary of financial liabilities

			AS OF DECEMBER 31,			
			2015		2014	
(in millions of euros)	CATEGORY IAS 39	FAIR VALUE HIERARCHY*	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Bonds	AC	1	1,637.1	1,646.2	1,992.2	2,045.9
Other financial debts, including accrued interest	AC		1,373.5	1,373.5	1,374.9	1,374.9
Total financial liabilities			**3,010.6**		**3,367.1**	
Hedging derivatives(1)	FV P&L	2	–	–	6.5	6.5
Hedging derivatives(1)	FV OCI	2	0.6	0.4	0.7	0.4
Other derivative instruments not eligible to hedge accounting	FV P&L	2	4.5	4.5	11.6	11.6
Other liabilities(2)	N/A		10.1	N/A	10.1	N/A
Total other non-current liabilities			**15.2**		**29.0**	
Trade accounts payable	AC		**2,138.3**	**2,138.3**	**2,126.8**	**2,126.8**
Vendor rebates receivable	AC		127.6	127.6	119.3	119.3
Personnel and social obligations(2)	N/A		231.4	N/A	231.9	N/A
VAT payable and other sales taxes(2)	N/A		75.2	N/A	82.3	N/A
Hedging derivatives(1)	FV OCI	2	0.5	0.8	0.3	0.8
Other derivative instruments not eligible to hedge accounting	FV P&L	2	8.0	8.0	0.5	0.5
Other liabilities	AC		259.8	259.8	223.4	223.4
Deferred income	N/A		10.4	N/A	8.4	N/A
Total other debts			**712.9**		**666.2**	

(1) Specific accounting measurements for hedging.

(2) Not classified as a financial instrument under IAS 39.

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 value hierarchy see note 3.8.4.

25. Operating leases

The following table details the Group's obligations in relation to operating lease contracts, representing the minimum payments under non-cancelable leases:

(in millions of euros)	PAYMENTS OUTSTANDING AS OF DECEMBER 31, 2015	2014
DUE WITHIN		
One year	202.0	189.9
Two years	156.9	150.4
Three years	117.9	112.9
Four years	79.2	77.3
Thereafter	143.7	148.1
Total	**699.8**	**678.6**

The total expense under operating lease contracts was €217.9 million for the year ended December 31, 2015 (€211.2 million as of December 31, 2014).

26. 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, 2015	2014
Salaries and other short-term benefits	10.9	11.7
Post-employment benefits (service costs)	1.2	1.0
Indemnities at termination of contract	1.2	0.6
Free shares and stocks options(1)	3.3	4.8

(1) Share-based payment expense is detailed in Note 18 – Share based payments.

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 €10.4 million.

27. Litigation & other contingencies

27.1 Litigation

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.

ACCC (Australia) claim against Olex and others

On December 3, 2014, the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings in the Federal Court of Australia against several parties, including the Australian affiliate of the Group (Rexel Electrical Supplies PTY Ltd). The proceedings have been filed against five companies, six individuals and an industry association for alleged cartel and exclusionary conduct in the supply and acquisition of electrical cable in Australia.

At this stage in the proceedings, it is not possible either to predict the outcome of this claim or to meaningfully quantify its financial impact.

The principal tax proceedings involving Group companies as of December 31, 2015 are described below:

Rexel

Following a tax audit, Rexel received in December 2011 a proposed tax reassessment in which the French tax authorities allege that Rexel did not demonstrate that its borrowings from Ray Finance LP (subsidiary of Ray Investment SARL) amounting to €952 million were real transactions; they also alleged that Ray Finance LP enjoyed a privileged tax regime and accordingly, rejected the deduction of €91 million of interest expense related to the 2005 to 2007 tax years. Rexel disputes the tax authority's position entirely and referred the case to the Administrative Court in April 2014. A provision amounting to €32 million was recorded by writing down deferred tax assets on tax losses carried forward.

Hagemeyer Finance BV Finnish branch

In a final report received in May 2014, Finnish tax authorities asserted that the interest on the financing used to acquire Elektroskandia Oÿ in 2008 should be allocated to the Dutch head office of Hagemeyer Finance BV, rather than to the Finnish branch. The Group disputed this analysis in a response letter sent in September 2014. In December 2014, Finnish tax authorities issued the reassessment decision for years 2008-2012, resulting in an amount of tax payable of €11.3 million for fiscal years 2008-2012. Rexel Group lodged an appeal in 2015 before the Tax Adjustment Board. In December 2015, reassessments for fiscal years 2013 and 2014 were issued, resulting in additional amount of tax of €1.5 million, which Rexel Group contests also. Rexel considers that it is more likely than not that the matter will be resolved favorably in its interest and has therefore not recorded a provision.

To the best of Rexel's knowledge, over the last financial year there were no other legal or arbitration proceedings that might have or recently had a material impact on the financial situation or profitability of Rexel.

27.2 Other contingent liabilities

The Group has granted the following warranties to purchasers in connection with the disposal of certain subsidiaries. These warranties had not been called as of the balance sheet date, except where stated otherwise.

Latin America

With respect to the divestment of Latin America operations, the Group committed to indemnify any dommage incurred by the purchaser up to $9 million.

Tax warranties

In connection with previous divestment transactions, the Group committed to indemnify purchasers for tax liabilities of the companies sold relating to events occurred prior to their sale.

As of December 31, 2014, Techpac Holdings Ltd had notified to Hagemeyer B.V. various claims under the warranty provisions of the Share Sale Agreement dated June 12, 2003 between several Hagemeyer group companies as "Vendors" and Techpac Holdings Ltd as "Purchaser" ("the SSA"). The claims relate mainly to tax litigations between Tech Pacific India Ltd and the Indian tax authorities. The SSA provides for full indemnification by the Vendor to the Purchaser as long as claims by tax authorities are not barred. Hagemeyer B.V. has recorded a provision amounting to €1.8 million to cover those risks.

Environmental warranty

Under an agreement signed on February 28, 2003 with Ashtenne, a real estate company, concerning a sale and leaseback transaction relating to 45 sites in Europe, the Group agreed to indemnify the purchaser for any environmental liabilities with respect to third party claims and governmental injunctions. This warranty covers a maximum of €4 million free of VAT for all of the properties sold, with a minimum threshold of €30,000. This commitment expires five years after the expiration of the lease.

28. Events after the reporting period

On January 4, 2016, Rexel realized the following acquisitions:

- Sofinther, a French distribution company specializing in thermal, heating and control solutions which realized annual sales of €106 million. The acquisition price was €83 million and may be adjusted further depending on the actual level of net cash available at the closing date. A down payment of €80 million was paid to the sellers and the outstanding amount will be paid after issuance of the completion accounts; Cordia, a French €11 million sales distributor engaged in the provision of fire prevention equipment and services. The acquisition price was set to €10.7 million before adjustment of the working capital and net cash available. At the closing date, a down payment of €10.0 million was paid to the sellers.

On January 20, 2016, Rexel announced the sale of its operations in Poland, Slovakia and the Baltics to the Würth group (see note 14).

On February 3, 2016, the Group announced the acquisition of Brohl & Appell, a US €24 million sales company specialized in industrial automation.

29. Consolidated entities as of December 31, 2015

All these subsidiaries are fully consolidated.

	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
SBEM	Paris	100.00
La Boîte Electrique	Paris	100.00
Esabora Digital Services	Paris	100.00
EUROPE		
Germany		
Rexel GmbH	Munich	100.00
Hagemeyer Deutschland GmbH & Co KG	Munich	100.00
Hagemeyer Deutschland Verwaltungs GmbH	Munich	100.00
Hagemeyer Beteiligungs GmbH	Munich	100.00
Silstar Deutschland GmbH	Emmerich	100.00
Hagemeyer Holding Deutschland GmbH	Munich	100.00
United Kingdom		
Rexel Senate Ltd.	Potters Bar	100.00
Denmans Electrical Wholesalers Ltd.	Potters Bar	100.00
Senate Group Ltd.	Potters Bar	100.00
Rexel (UK) Holdings Ltd.	Potters Bar	100.00
Rexel (UK) Ltd.	Potters Bar	100.00
Newey & Eyre Ltd.	Potters Bar	100.00
Parker Merchanting Limited	Potters Bar	100.00
WF Electrical Plc	Potters Bar	100.00
Newey & Eyre (C.I.) Ltd.	Guernsey	100.00
Warrior Ltd.	Potters Bar	100.00
H.A. Wills (Southampton) Ltd.	Potters Bar	100.00
Rexel UK Pension Trustees Ltd.	Potters Bar	100.00

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	HEAD OFFICE	% INTEREST
A&A Security Technologies Limited	Potters Bar	100.00
Defiance Contractor Tools Limited	Potters Bar	100.00
J&N Wade Limited	Potters Bar	100.00
Clearlight Electrical Company	Potters Bar	100.00
Power Industries Limited	Potters Bar	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
Schäcke Elektro-Grosshandel GmbH	Vienna	100.00
Regro Elektro-Grosshandel GmbH	Vienna	100.00
The Netherlands		
B.V. Electrotechnische Groothandel J.K. Busbroek	Zwolle	100.00
Rexel Nederland B.V.	Gouda	100.00
Cosa Liebermann B.V.	Hoofddorp	100.00
Rexel Holding Netherlands B.V.	Hoofddorp	100.00
Hagemeyer Finance B.V.	Hoofddorp	100.00
Borsu International B.V.	Hoofddorp	100.00
Italy		
Rexel Italia SpA	Milano	100.00
Spain		
ABM-Rexel SL	Madrid	100.00
Suministros Eléctricos Erka, S.L.	Renteria	100.00
Belgium		
Rexel Belgium S.A.	Zellik	100.00
Electro-Industrie en Acoustiek	Zellik	100.00
Portugal		
Rexel Distribuição de Material Elecrico S.A.	Lisboa	100.00
Ireland		
Rexel Electrical Supply & Services Holding Ltd.	Dublin	100.00
M Kelliher 1998 Ltd.	Tralee	100.00
Hagemeyer Industrial Ireland Ltd.	Limerick	100.00
Astrotek Ireland Limited	Dublin	100.00
Switzerland		
Elektro Material AG	Zurich	100.00
Lichtexpress.ch SA	Bedano	100.00

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	HEAD OFFICE	% INTEREST
Luxembourg		
Rexel Luxembourg S.A.	Luxembourg	100.00
Rexel RE S.A.	Luxembourg	100.00
Rexel Holding Luxembourg	Luxembourg	100.00
Czech Republic		
Rexel CZ s.r.o.	Brno	100.00
Slovakia		
Hagard. Hal, spol. Sr.o.	Nitra	100.00
Hungary		
Rexel Hungary General Supply & Services kft	Fót	100.00
Slovenia		
Elektronabava d.o.o.	Ljubljana	100.00
Poland		
Elektroskandia Polska S.A.	Poznan	100.00
Russia		
OOO Elektroskandia Rus	St. Petersburg	100.00
Estonia		
OÜ Elektroskandia Baltics	Tallinn	100.00
Finland		
Rexel Finland Oy	Hyvinkää	100.00
Norway		
Elektroskandia Norge AS	Oslo	100.00
Elektroskandia Norway Holding AS	Oslo	100.00
NORTH AMERICA		
United States		
Rexel Holdings USA Corp.	Dallas	100.00
Rexel 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
Consolidated Electrical Supply Limited	Dallas	99.99
General Supply & Services Inc.	Dallas	100.00
Gesco General Supply & Services Puerto Rico LLC	Shelton	100.00
Canada		
Rexel North America Inc.	St Laurent	100.00
Rexel Canada Electrical Inc.	Mississauga	100.00

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	HEAD OFFICE	% INTEREST
ASIA-OCEANIA		
Hong Kong SAR		
Rexel Hong Kong Ltd.	Kowloon	100.00
Huazhang Electric Automation Holding Co. Ltd.	Hong Kong	100.00
LuckyWell Int'l Investment Ltd.	Hong Kong	100.00
China		
Rexel Ouneng (Beijing) Technology Co. Ltd.	Beijing	55.00
Rexel Hailongxing Electrical Equipment Co. Ltd.	Beijing	65.00
Rexel Hualian Electric Equipment Commercial 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 LuckyWell-ZN Electrical Co. Ltd.	Beijing	100.00
Beijing ZhongHeng Hengxin Automation 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
Shanghai Maxqueen Industry Development Co. Ltd	Shanghai	60.00
Zhonghao (Shanghai) Technology Co. Ltd.	Shanghai	60.00
India		
Yantra Automation Private Limited	Pune	100.00
Rexel India Private Limited	Pune	100.00
A.D. Electronics Private Limited	Mumbai	100.00
Macau SAR		
Gexpro Supply (Macau) Company Limited	Macau	100.00
Korea		
Gexpro Korea Co. Ltd.	Seoul	100.00
Indonesia		
P.T. Hagemeyer Cosa Liebermann	Jakarta	100.00
P.T. General Supply & Services Indonesia	Jakarta	100.00
Malaysia		
Rexel Luxlight SDN. BHD.	Kuala Lumpur	100.00
Singapore		
Rexel Singapore Pte. Ltd.	Singapore	100.00
Rexel South East Asia Pte. Ltd.	Singapore	100.00
Luxlight Pte. Ltd.	Singapore	100.00
Lenn International Pte. Ltd.	Singapore	100.00

	HEAD OFFICE	% INTEREST
Thailand		
Rexel General Supply and Services Co. Ltd.	Bangkok	100.00
Rexel Quality Trading Co. Ltd.	Bangkok	70.00
Vietnam		
Rexel Vietnam Co. Ltd.	Ho Chi Minh City	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
EIW Holding Pty Ltd.	Sydney	100.00
Hagemeyer Holdings (Australia) 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	Dubaï	100.00
Rexel Middle East FZE	Dubaï	100.00
Rexel Emirates LLC	Abu Dhabi	90.00

6.2 Statutory Auditors' report on the consolidated financial statements for the financial year ended December 31, 2015

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the group's 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
63, rue de Villiers 92208
Neuilly-sur-Seine Cedex

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

Rexel

Year ended December 31, 2015

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2015, on:

- The audit of the accompanying consolidated financial statements of Rexel;
- The justification of our assessments;
- The specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Goodwill and intangible assets with indefinite useful lives are subject to annual impairment tests, according to the accounting policies and principles described in notes 3.5 and 12.1 to the consolidated financial statements. We have examined the terms and conditions for implementing these tests, as well as the data and assumptions used. We have also verified that the information disclosed in notes 8 and 12.1 to the consolidated financial statements is appropriate, especially regarding the sensitivity analysis.

- Your company has booked provisions relating to post-employment and other long-term benefits according to the accounting policies and terms and conditions described in note 3.11 to the consolidated financial statements. The related obligations were assessed with the assistance of external actuaries. Our work consisted in examining the data used, assessing the chosen assumptions and verifying that the information disclosed in note 21 to the consolidated financial statements is appropriate.
- Your company also makes estimates in respect of the measurement of financial instruments (notes 3.8.4 and 22), provisions and contingent liabilities (notes 3.13, 20 and 27) and deferred taxes (notes 3.17 and 10). Our work consisted in examining the data and assumptions used as well as the procedure implemented by management to approve these estimates. We have also reviewed, using sampling techniques, the calculations made by the group and verified that the information disclosed in the notes to the consolidated financial statements is appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matter to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, February 11, 2016,

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Christian Perrier	Philippe Diu

Pursuant to article 28 of the Commission Regulation (EC) N°809/2004 of April 29, 2004, the following information is incorporated by reference in this Registration document:

- the company financial statements and the relevant audit report for the year ended December 31, 2014 which is included in pages 169 to 191 of the Registration document for the financial year ended on December 31, 2014 registered by the *Autorité des marchés financiers* on March 25, 2015, under number D.15-0201; and
- the company financial statements and the relevant audit report for the year ended December 31, 2013 which is included in pages 181 to 204 of the Registration document for the financial year ended on December 31, 2013 registered by the *Autorité des marchés financiers* on March 21, 2014, under number D.14-0181.

7 Company financial statements

7.1 Company financial statements for the financial year ended December 31, 2015

Income Statement

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2015	2014
Operating revenues		**1.1**	**1.5**
Other purchases and outside services		(16.8)	(16.7)
Taxes other than income taxes		(0.8)	(0.7)
Other expenses		(5.2)	(0.5)
Depreciation, amortization and increases in provisions		(11.6)	(2.1)
Loss from operations	(3.1)	**(33.3)**	**(18.5)**
Dividend income		–	211.5
Other financial revenues (from short-term investments, loans and exchange gains)		51.7	145.7
Decrease in financial provisions, transfer of expenses		–	–
Total financial revenues		**51.7**	**357.2**
Interest and related expenses and exchange losses		(166.1)	(132.4)
Increase in financial provisions		–	–
Total financial expenses		**(166.1)**	**(132.4)**
Net financial income	(3.2)	**(114.4)**	**224.8**
Income from ordinary activities		**(147.7)**	**206.3**
Non-recurring income (expense), net	(3.3)	**(2.1)**	**(47.6)**
Profit before tax		**(149.8)**	**158.7**
Income taxes	(3.5)	**72.3**	**62.4**
Net income		**(77.5)**	**221.1**

COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

Balance sheet

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2015	2014
ASSETS			
Intangible fixed assets		**–**	**–**
Tangible fixed assets	(4.1)	**0.4**	**0.5**
Land		–	–
Buildings		0.4	0.5
Long-term financial assets	(4.1)	**4,562.5**	**4,562.7**
Investments in related companies		4,104.9	4,104.9
Other securities		–	–
Loans and other long-term financial assets		457.6	457.8
Fixed assets	(4.1)	**4,562.9**	**4,563.2**
Trade accounts receivable	(4.2)	2.0	1.8
Other accounts receivable	(4.2)	44.1	57.1
Short-term investments, cash and bank	(4.2)	496.3	993.2
Adjustment accounts		**4.0**	**11.3**
Prepayments		0.3	0.1
Deferred charges	(4.2)	3.7	11.2
Unrealized exchange rate losses		–	–
Current assets		**546.4**	**1,063.4**
TOTAL ASSETS		**5,109.3**	**5,626.6**

COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

(in millions of euros)	NOTE	FOR THE YEAR ENDED DECEMBER 31, 2015	2014
LIABILITIES AND STOCKHOLDERS' EQUITY			
Share capital		1,509.4	1,460.0
Share premiums		1,680.5	1,599.8
Legal reserve		56.5	45.4
Regulated reserves		–	–
Statutory and contractual reserves		–	–
Other reserves		37.3	40.3
Retained earnings		66.7	75.2
Net income for the period		(77.5)	221.1
Stockholders' equity	(4.3)	**3,272.9**	**3,441.8**
Provisions		**14.2**	**11.8**
Bonds	(4.4)	1,612.6	1,967.7
Borrowings from financial institutions	(4.4)	134.9	86.3
Other financial debt	(4.4)	20.4	103.4
Trade accounts payable		2.6	0.5
Other operating liabilities		51.7	15.1
Deferred income		–	–
UNREALIZED EXCHANGE RATE GAINS		–	–
Liabilities	(4.4)	**1,822.2**	**2,173.0**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**5,109.3**	**5,626.6**

Company results over the last five years (as required by articles 133, 135 and 148 of the French commercial decree)

	FROM JANUARY 1 TO DECEMBER 31,				
(in euros)	**2011**	**2012**	**2013**	**2014**	**2015**
SHARE CAPITAL AT YEAR END					
Share capital	1,344,098,795	1,359,616,145	1,416,686,070	1,460,027,880	1,509,356,890
Number of issued shares	268,819,759	271,923,229	283,337,214	292,005,576	301,871,378
Number of convertible bonds	–	–	–	–	–
INCOME STATEMENT INFORMATION					
Sales, excluding sales taxes	2,528,803	3,046,692	1,837,506	1,475,018	1,086,524
Net income before taxes, depreciation and provisions	(24,069,187)	(61,519,890)	208,065,057	158,900,553	(135,871,677)
Income taxes	(93,128,578)	(70,816,280)	(81,663,693)	(62,368,238)	(72,318,484)
Net income	50,512,277	633,586	267,679,378	221,076,956	(77,523,045)
Earnings distributed	173,456,613	203,138,200	211,864,482	218,459,916	0(1)
EARNINGS PER SHARE					
Earnings per share after taxes but before depreciation and provisions	0.26	0.03	1.02	0.76	(0.21)
Earnings per share after taxes, depreciation and provisions	0.19	0.00	0.94	0.76	(0.26)
Dividend paid per share	0.65	0.75	0.75	0.75	0.00(1)
PERSONNEL					
Number of employees	–	–	–	–	–
Total remuneration	–	–	–	–	–
Total social charges and other personnel related expenses	–	–	–	–	–

(1) Proposed distribution: €120.1m taken from share premiums, to be voted at the annual general meeting May 25, 2016.

COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

Principal subsidiaries and other investments

DECEMBER 31, 2015 *(in millions of euros)*

CORPORATE NAME	REGISTERED OFFICE	CAPITAL	RESERVES AND RETAINED EARNINGS (EXCLUDING CURRENT YEAR RESULTS)	PERCENTAGE SHARE CAPITAL HELD	CARRYING OF VALUE SHAREHOLDING		OUTSTANDING LOANS	GUARANTEES GRANTED BY REXEL S.A.	CURRENT YEAR RESULT	DIVIDENDS RECEIVED	SALES
					COST	NBV					
A/ FRENCH SUBSIDIARIES											
Rexel Développement SAS	Paris	2,098.7	2,141.0	100.00%	4,104.9	4,104.9	0.9	0.0	210.3	0.0	70.8
TOTAL		**2,098.7**	**2,141.0**		**4,104.9**	**4,104.9**	**0.9**	**0.0**	**210.3**	**0.0**	**70.8**

Notes to the Company's financial statements

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. Accounting principles

The financial statements for the year ended December 31, 2015 are presented with comparative amounts for the year ended December 31, 2014 and have been prepared in accordance with French law and with accounting principles generally accepted in France.

The accounting principles set out below have been applied in a prudent manner, and in conformity with the following concepts:

- Going concern;
- Consistency;
- Cut-off.

Main accounting principles used are described hereafter.

2.1 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 determines the value in use of long-term investments in subsidiaries on the basis of projected cash flows less net debt. When the carrying amount exceeds value in use, an impairment write-down is recognized for the difference.

2.2 Loans and other long-term financial assets

Loans and other long-term financial assets are initially measured at nominal amount. When considered necessary, a valuation allowance is recorded to cover the risk of non-recovery. Own shares held are measured at the year-end closing price.

2.3 Receivables and payables

Receivables and payables are recorded at historical cost. When considered necessary, receivables are subject to an allowance to cover the risk of non-recovery. Assets and liabilities denominated in foreign currencies are converted at the year-end exchange rate. Exchange rate differences arising from this adjustment are recorded 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):

- 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 should be 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;
- When the nominal amount of the hedging instrument is lower than the nominal amount of the underlying at the closing date: Only the unrealized exchange loss linked to non hedged part is provided for through the income statement;
- When the nominal amount of the hedging instrument is higher than the nominal amount of the underlying at the closing date: The accounting treatment of the non-allocated part of the hedging instrument depends on whether the instrument is traded on an organized market and equivalent or over the counter market. When the hedging instrument is traded on an organized market and equivalent, unrealized exchange gains and losses are recognized through the income statement. When the hedging instrument is traded over the counter market, only the unrealized exchange losses linked to the non-allocated part of the instrument is provided for through the income statement.

2.4 Short-term investments

Short-term investments are recorded at acquisition cost, with a provision to cover any unrealized losses. Own shares held and already attributed to free shares plans are recorded at acquisition cost until their delivery to recipients.

2.5 Borrowings and related issuing cost

Borrowings are recognized at nominal value. Bonds issue costs are recognized through the income statement. Bonds premiums are amortized, either over the life of bonds, or in proportion to accrued interests. Bonds in foreign currency are converted to the year-end exchange rate.

2.6 Financial instruments covering currency and interest rate risks

In order to optimize the management of its financial borrowings, Rexel uses derivatives instruments as hedges against foreign exchange and interest rate risks, in particular foreign exchange and interest rate swaps, forward exchange contracts, and interest rate and foreign exchange options. Premiums or discounts arising from the operation of interest rate swaps and of options are recorded in income over the life of the contracts, as an adjustment to interest expense.

2.7 Key events of the period

1. On March 16, 2015, Rexel redeemed its 7% senior notes due 2018 for the principal amount of €488.8 million;
2. On May 27, 2015, Rexel issued €500 million of senior unsecured notes due 2022 which bear interests at 3.25% annually;
3. On June 22, 2015, Rexel redeemed its 6.125% senior notes due 2019 for the principal amount of €442.5 million ($500 million).

3. Notes to the income statement

3.1 Operating revenues and expenses

Operating income amounts to €1.1 million (€1.5 million in 2014) and relates principally to services provided to subsidiaries.

Operating expenses amount to €34.4 million (€20.0 million in 2014) and mainly comprise fees and other expenses for €5.3 million (€7.3 million in 2014), personnel costs and other charges for €5.2 million (€0.5 million in 2014), bank charges for €5.5 million related to the non-use of the facilities under Senior Credit (€8.6 million in 2014), bonds issue costs for €6.9 million (€1.5 million in 2014 related to the amendment of Credit Senior Agreement issue costs 2013), depreciation of loans issue costs for €11.2 million (€2.0 million in 2014), and depreciation and provisions for €0.3 million (€0.1 million in 2014).

3.2 Net financial income

Net financial income amounts to (€114.4) million (€224.8 million net income in 2014 of which dividends received for €211.5 million), comprising:

1. €51.7 million of financial income (€357.2 million in 2014) relating principally to interests on loans to its subsidiaries for an amount of €25.9 million, to termination balances of interest rate swaps received for €1.5 million, and to other financial incomes for €24.3 million;
2. €166.1 million of financial expenses (€132.4 million in 2014) relating principally to the interests of the senior unsecured notes for €86.9 million, the commercial paper for €1.0 million, the “make-wholes” redemption premium of €50.9 million related to the senior notes due 2018 and 2019, the result of sales of Rexel’s shares for €0.9 million, these shares being held in accordance with the share repurchase programme (see section § 4.1), net foreign exchange expense for €12.8 million, and other financial expenses for €13.6 million.

3.3 Non-recurring income and expenses

Non-recurring income and expenses in an amount of (€2.1) million are attributable to operating non-recurring expenses. For the year ended December 31, 2014, net non-recurring income and expenses of (€47.6) million were related to the early redemption of long term intercompany loan.

3.4 Compensation of company officers

Board attendance fees paid to company officers during 2015 amount to €0.9 million (€0.4 million in 2014).

Compensation paid to company officers in 2015 amounts to €2.4 million (€2.3 million in 2014).

3.5 Income taxes

Under the group tax consolidation agreement, Rexel is liable for the payment of all tax due by the tax group. Each subsidiary recognizes its individual tax expense calculated based on its own taxable income. Any tax benefits arising from the tax group are recognized by Rexel as the head of the tax group. Rexel has recognized an income of €70.1 million for 2015 (€65.2 million in 2014). Tax losses carried forward of the tax consolidation group amount to €337.6 million as of December 31, 2015 (€328.0 million in 2014) and the related estimated future tax relief stands at €84.9 million.

4. Notes to the balance sheet

4.1 Changes in fixed assets

(in millions of euros)	COST OR VALUATION, JANUARY 1, 2015	INCREASE	DECREASE	COST OR VALUATION, DECEMBER 31, 2015
Intangible fixed assets	–	–	–	–
Tangible fixed assets	0.5	–	–	0.5
Long-term financial assets:				
• Investments in related companies	4,104.9	–	–	4,104.9
• Loans and other long-term financial assets	457.8	13.5	13.7	457.6
Sub-total	**4,562.7**	**13.5**	**13.7**	**4,562.5**
TOTAL	**4,563.2**	**13.5**	**13.7**	**4,563.0**

Long-term financial assets

Investments in related companies

These investments in related companies refer only to Rexel Développement.

Loans and other long-term financial assets

This item is composed by:

1. Own shares and cash equivalents held under Rexel's share liquidity agreement. In connection with its own-share buy-back program, Rexel entered into a contract with BNP Paribas Securities on January 1, 2015 (after termination of the previous contract with Natixis) to promote the liquidity of Rexel shares for an initial amount of €12.8 million. As of December 31, 2015, Rexel held 470,000 shares with the objective of stock price stabilization, for a gross value of €5.8 million. The balance of this contract consists of €9.3 million of cash equivalents;
2. Loans granted by Rexel to some subsidiaries.

As of December 31, 2014, the loans were the following:

- Rexel Sverige AB SEK for 1,600 million;
- Elektro Material AG CHF for 155 million;
- Elektroskandia Norway Holding NOK for 648 million;
- Rexel New Zealand NZD for 20 million;
- Rexel Holdings Australia PTY AUD for 40 million;
- Hagemeyer Finance BV Branch in Finland EUR for 30.9 million;

In the course of 2015:

- Elektroskandia Norway partially redeemed the loan due on June 30, 2020 for an amount of NOK 120.0 million (€13.7 million).

As of December 31, 2015, the loans were the following:

	BALANCE AS OF DECEMBER 31,2015 (in millions of currency)	CURRENCY	BALANCE AS OF DECEMBER 31,2015 (in millions of euroS)	INTEREST AND MARGIN	DUE DATE
Rexel Sverige AB	1,600.0	SEK	174.1	6.20%	06/30/2020
Rexel New Zealand Ltd	20.0	NZD	12.6	6.70%	06/30/2020
Elektro Material AG	155.0	CHF	143.0	4.80%	06/30/2020
Elektroskandia Norway	528.0	NOK	55.0	6.90%	06/30/2020
Rexel Holdings Australia PTY	40.0	AUD	26.9	6.70%	06/30/2020
HGM Finance BV Finland	30.9	EUR	30.9	3.10%	06/30/2020
TOTAL			**442.5**		

COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

4.2 Other information relating to assets

Currents assets

(in millions of euros)	TOTAL DECEMBER 31, 2015	DUE WITHIN ONE YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER MORE THAN 5 YEARS
Trade accounts receivable	2.0	2.0	–	–
Currents accounts receivable	13.0	13.0	–	–
Other receivable	31.1	31.1	–	–
TOTAL	**46.1**	**46.1**	**–**	**–**

Short-term investments, cash and bank

This item is mainly composed by:

1. Own shares acquisition cost held to serve free shares plans. Rexel held 1,132,736 shares for an amount of €14.2 million as of December 31, 2015;
2. Other short-term investments: cash and bank for an amount of €482.1 million.

Deferred charges

Deferred charges include:

- Redemption premium of senior notes due 2020 and 2022. As of December 31, 2015, the net book value amounts to €0.1 million and €3.6 million respectively. These have been amortized in 2015 for €0.3 million;
- Outstanding bonds issuance costs are related to senior notes due 2018 and 2019 that were redeemed in whole respectively in March and June 2015. These costs have been amortized through the income statement for €11.2 million in 2015.

Besides, transaction costs related to senior notes due 2022 and issued in 2015 have been recognized in the income statements for €6.9 million.

4.3 Stockholders' equity

(in millions of euros)	JANUARY 1, 2015	RESERVES	APPROPRIATION OF THE 2014 NET INCOME	INCREASE IN SHARE CAPITAL	2015 NET INCOME	DECEMBER 31, 2015
Share capital	1,460.0	4.5	44.8	0.1	–	1,509.4
Share premiums	1,599.8	(1.5)	82.2	–	–	1,680.5
Legal reserve	45.4	–	11.1	–	–	56.5
Other reserves	40.3	(3.0)	–	–	–	37.3
Retained earnings	75.2	–	(8.5)	–	–	66.7
Net income for the year	221.1	–	(221.1)	–	(77.5)	(77.5)
TOTAL	**3,441.8**	**0**	**(91.5)**	**0.1**	**(77.5)**	**3,272.9**

Changes in equity during 2015:

1. On May 4, 2015, share capital was increased by €0.03 million by issuing 5,289 shares with a par value of €5 each in connection with the April 2013 free share plan. This share capital increase has been recorded by offsetting the other non-distributable reserves.
2. On May 13, 2015, share capital was increased by €3.8 million by issuing 761,061 shares with a par value of €5 each in connection with the May 2011 free share plan. This share capital increase has been recorded by offsetting the other non-distributable reserves.
3. The Annual General meeting held on May 27, 2015 approved a resolution appropriating the 2014 result as follows: €11.1million to the Legal reserve and distribution of €218.5 million paid on July 1, 2015, in cash for an amount of €91.2 million and by issuance

of new shares for an amount of €127.3 million. The capital was increased by €44.8 million with an issuance of 8,955,801 shares with a share premium of €82.5 million. The €0.3 million issuance costs were deducted from share premium.

4. On July 1, 2015, share capital was increased by €0.5 million by issuing 109,181 shares with a par value of €5 each in connection with the May 2010 free share plan (associated with the employee share purchase plan Opportunity 10). This share capital increase has been recorded by offsetting the other reserves.
5. On July 27, 2015, share capital was increased by €0.03 million by issuing 5,835 shares at par value of €5 each in connection with the July 2013 free shares plan, and has been recorded by offsetting the other reserves.
6. On July 28, 2015, the company's Management Board decided to allocate an amount of €9.0 million to the other non-distributable reserves by offsetting the share premium corresponding to 1,798,393 free shares granted at a par value of €5 each.
7. On October 12, 2015, share capital was increased by €0.07 million by issuing 13,735 shares with a par value of €5 each in connection with the October 2011 free share plan. This share capital increase has been recorded by offsetting the other non-distributable reserves.
8. During the year 2015, 14,900 options were exercised by issuing 14,900 shares in connection with the 2005 stock option plan resulting in a share capital increase of €0.07 million.
9. Amounts initially allocated to other non-distributable reserves and related to forfeited free shares during the year 2015 were retransferred to the share premium for an amount of €7.5 million.
10. Net loss for the year 2015 is €(77.5) million.

As of December 31, 2015, the company's share capital amounts to €1,509,356,890 represented by 301,871,378 shares each with a par value of €5.

4.4 Other information related to liabilities

(in millions of euros)	TOTAL DECEMBER 31, 2015	DUE WITHIN ONE YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER MORE THAN 5 YEARS
Senior notes	1,612.6	3.3	1,109.3	500.00
Borrowings from financial institutions	134.9	134.9	–	–
Other financial debt	20.4	20.4	–	–
Trade accounts payable	2.6	2.6	–	–
Other operating liabilities	51.7	51.7	–	–
Unrealized exchange rate gains	–	–	–	–
TOTAL	**1,822.2**	**212.9**	**1,109.3**	**500.0**

Senior Notes

5.125% and 5.250% Senior Notes due 2020

Concurrently with the refinancing of the Senior Facility Agreement on March 15, 2013, Rexel issued €500 million and $500 million of senior unsecured notes with coupons of 5.125% and 5.250% respectively.

On March 26, 2013, Rexel issued an additional €150 million principal amount of these notes at a price of 101.00% of their nominal amount. The additional notes are fully fungible with the previously-issued notes and have identical terms and conditions.

The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2013. The Notes will mature on December 15, 2020 and are listed on the Luxembourg Stock Exchange.

The notes are redeemable in whole or in part at any time prior to June 15, 2016 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after

June 15, 2016, 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)	
	€ NOTES	$ NOTES
June 15, 2016	103.844%	103.938%
June 15, 2017	102.563%	102.625%
June 15, 2018	101.281%	101.313%
June 15, 2019 and after	100.000%	100.000%

3.25% Senior Notes due 2022

On May 27, 2015, Rexel issued €500 million senior notes. The notes rank *pari passu* with Rexel's senior credit facility and other senior unsecured notes and bear interest annually at 3.25%. They are listed on the Luxembourg Stock Exchange.

Rexel will pay interest on the notes semi-annually in arrears on June 15 and December 15, with the first payment on December 15, 2015. The Notes will mature on June 15, 2022.

The notes are redeemable in whole or in part at any time prior to June 15, 2018 at a redemption price equal to 100% of their principal amount, plus a "make-whole" premium and accrued and unpaid interest. On or after June 15, 2018, 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)
June 15, 2018	101.625%
June 15, 2019	100.813%
June 15, 2020 and after	100.000%

Early repayment of 7% Senior Notes due 2018

On March 16, 2015, Rexel redeemed €522.6 million senior notes due 2018, which includes a nominal amount of €488.8 million, a "make-whole" premium of €25.4 million, and accrued interest running from December 18, 2014 to March 16, 2015 for €8.4 million.

Early repayment of 6.125% Senior Unsecured Notes due 2019

On June 22, 2015, Rexel redeemed €468.6 million senior notes due 2019, which includes a nominal amount of €442.5 million ($500 million), a "make-whole" premium of €25.6 million, and accrued interest running from June 15, 2015 to June 22, 2015 for €0.5 million.

Senior Credit Agreement

On March 15, 2013, Rexel refinanced its €1,100 million existing revolving credit facilities agreement dated December 21, 2009 by entering into a new revolving credit facility agreement (the "Senior Facility Agreement") with BNP Paribas, Crédit Agricole Corporate and Investment Bank, Crédit Industriel et Commercial, HSBC France, ING Belgium SA, French branch, Natixis and Société Générale Corporate and Investment Banking as Mandated Lead Arrangers and Bookrunners.

In September 2013, the maximum commitment under the 2013 Senior Facility Agreement was reduced by €45.0 million following the execution of a bilateral €45 million Term Loan Agreement maturing in March 2018.

On November 13, 2014, Rexel entered into an amendment of its Senior Facility Agreement September 2013 with BNP Paribas, Crédit Agricole Corporate and Investment bank, Crédit Industriel et Commercial, HSBC France, ING Bank France, Natixis and Société Générale Corporate and Investment Banking as Mandated Lead Arrangers and Bookrunners reducing the maximum amount from €1,055 million to €982 million.

The Senior Facility Agreement provides a five-year multicurrency credit facility for an aggregate maximum amount of €982 million, which can also be drawn through swing line loans for an aggregate amount of €157.5 million. The original maturity of this credit facility (November 2019) may be extended two times by one year. On October 19, 2015, the maturity of this credit facility was extended to November 12, 2020 for €910 million (of which €72 million due in November 13, 2019).

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 0.85% to 2.5%.

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.

Under the Senior Credit Facility Agreement, Rexel must maintain a leverage ratio below 3.50 times as at December 31 and June 30 of each year.

The Leverage Ratio corresponds to adjusted consolidated net debt relative to adjusted EBITDA, as such terms are defined below:

- 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. On June 27, 2014, Rexel entered into a bilateral USD 40 million Term Loan Agreement maturing in June 2015. On June 26, 2015, this Agreement has been renewed for a period of two years.

As at December 31, 2015, no amount was drawn down under the Senior Facility Agreement or both bilateral Term Loan Agreements.

Commercial paper program

In September 2010, Rexel launched 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, 2015, under this program, €134.9 million were outstanding.

Other financial debts

Other financial debts relate mainly to the current account with the company Rexel Développement.

4.5 Financial instruments covering currency and interest rate risks

Financial instruments covering currency and interest rate risks

In the course of its business, Rexel SA is exposed to market risks relating to borrowing cost management. Rexel SA uses various financial instruments to optimize its financial expense 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, 2015, the outstanding hedge contracts were as follows:

Interest rate swaps

TYPE OF CONTRACT	MATURITY	NOTIONAL AMOUNTS (IN MILLIONS OF FOREIGN CURRENCY)	FAIR VALUE OF HEDGES (IN MILLIONS OF EUROS)
Interest rate swap paying LIBOR 3 months	2020	USD 500.0	2.6
Interest rate swap paying EURIBOR 3 months	2020	EUR 150.0	1.1
Interest rate swap paying EURIBOR 3 months	2022	EUR 500.0	4.2

Forward contracts

TYPE OF CONTRACT	NOTIONAL AMOUNTS (IN MILLIONS OF FOREIGN CURRENCY)	NOTIONAL AMOUNTS (IN MILLIONS OF EUROS)	FAIR VALUE (IN MILLIONS OF EUROS)
Forward sales of Australian dollars for euros	40.0	26.1	(0.7)
Forward sales of Swiss francs for euros	155.0	142.5	(0.6)
Forward sales of Norwegian crowns for euros	528.1	56.4	1.4
Forward sales of New Zealand dollars for euros	19.9	12.2	(0.3)
Forward sales of Swedish crowns for euros	1,599.7	170.1	(4.0)
Forward purchase of U.S. dollars for euros	514.3	513.4	(41.9)

4.6 Amounts due to and from related companies

Related companies are direct and indirect Rexel subsidiaries. There are no significant transactions with these companies that are not concluded at normal conditions of market. As of December 31, 2015, balances with related companies were as follows:

(in millions of euros)

ASSETS		LIABILITIES	
Investments in related companies	4,104.9	Other financial debt	20.4
Loans and other long-term financial assets	442.5	Trade accounts payable	0.0
Trade accounts receivable	2.0	Other liabilities	48.7
Other accounts receivable	14.3		
Cash and bank	1.2		
EXPENSES		**INCOME**	
Operating expenses	0.1	Operating income	1.1
Financial expenses	18.4	Financial income	34.0
Non-recurring expenses	0.0	Income tax	70.1

5. Additional information

5.1 Commitments

The Senior Credit Agreement 2013 amended on November 13, 2014 contains standard clauses for this type of agreement. These include clauses restricting the ability of Group companies which are parties to that Agreement and certain subsidiaries from (i) granting security interests or warranties based on their assets; (ii) making loans to others; (iii) creating security interests; (iv) undertaking certain investments; (v) disposing of assets; or (vi) substantially changing the general nature of the Group's business.

The Senior Credit Agreement contains certain covenants for total or partial acceleration of maturity, particularly in the event of a change of control of Rexel, the sale of all or a part of Rexel's assets, payment default or in the event of accelerated maturity of other financial debt of certain Group entities (above established thresholds) or other events that are likely to have a significant negative effect on the obligations of payment of Rexel.

The notes rank *pari passu* with Rexel's new senior credit facility. Neither notes nor Senior Credit Agreement are guaranteed by any Rexel's subsidiaries.

An Indenture contract was entered into on April 03, 2013 between Rexel and the Bank of NewYork Mellon in connection with the $500 million and €650 million senior notes issuance.

An Indenture contract was entered into on May 27, 2015 between Rexel, certain of Rexel's subsidiaries and the Bank of New York Mellon in connection with the €500 million senior notes issuance.

These contracts provide for the terms under which BNP Paribas Trust Corporation UK Limited and the Bank of New York Mellon undertook to act in the capacity of Trustee in the scope of the issuance of such notes. These agreements were authorized by the Supervisory Board upon its meeting of February 11, 2013, and by the Board of Directors upon its meeting of April 29 2015.

5.2 Employees

The staff of the company is composed by two corporate officers as at December 31, 2015.

5.3 Information on stock options and free share plans

The general meeting held on October 28, 2005 approved the implementation of a stock option plan, by authorizing the Chairman to grant stock options to certain company officers and employees of Rexel Group companies in France or abroad, to a maximum of 2,882,000 "Cercle 2" options and 289,300 "Cercle 3" options. The terms of the options are governed by the provisions of articles L.225-177 and following of the French Commercial Code.

COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

Plan N°1 – cercle 2:

Date of shareholders decision:	October 28, 2005		
Maximum number of options granted from the start:	2,882,000		
	1st attribution	**2nd attribution**	**3rd attribution**
Date of granting:	October 28, 2005	May 31, 2006	October 4, 2006
Number of options granted:	2,775,120	169,236	164,460
Number of beneficiaries from the start:	47	5	7
Type of plan:	Subscription	Subscription	Subscription
Exercise Price:	€5 / option	€6.5 / option	€9.5 / option
Unavailability Period:	From Oct. 28, 2005 to Oct. 28, 2009 included	From May 31, 2006 to May 31, 2010 included	From Oct. 04, 2006 to Oct. 4, 2010 included
Expiration date:	October 28, 2016	October 28, 2016	October 28, 2016
Follow up of the plan:			
Number of options to be exercised as of December 31, 2005:	2,711,000	–	–
Options cancelled or reallocated:	162,696	–	–
Number of options to be exercised as of December 31, 2006:	2,548,304	169,236	164,460
Number of beneficiaries as of December 31, 2006:	44	5	7
Number of options to be exercised as of December 31, 2007 (after dividing the nominal amount by 2 and multiplying the number of options by 2):	1,231,002	140,944	267,452
Number of options to be exercised as of December 31, 2009:	1,231,002	140,944	267,452
Options exercised in 2010:	1,198,182	140,944	–
Number of options to be exercised as of December 31, 2010:	32,820	–	267,452
Options exercised in 2011:	–	–	267,452
Number of options to be exercised as of December 31, 2011:	32,820	–	–
Options exercised in 2012:	–	–	–
Number of options to be exercised as of December 31, 2012:	32,820	–	–
Options exercised in 2013:	–	–	–
Number of options to be exercised as of December 31, 2013:	32,820	–	–
Options exercised in 2014:	–	–	–
Number of options to be exercised as of December 31, 2014:	32,820	–	–
Options exercised in 2015:	–	–	–
Number of options to be exercised as of December 31, 2015:	32,820	–	–

Plan N°2 - cercle 3:

Date of shareholders decision:	October 28, 2005	
Maximum number of options to be granted:	289,300	
	1st attribution	**2nd attribution**
Date of granting:	November 30, 2005	May 31, 2006
Number of options granted:	265,700	35,550
Number of beneficiaries from the start:	205	35
Type of plan:	Subscription	Subscription
Exercise Price:	€5 / option	€6.5 / option
Unavailability Period:	From Nov. 30, 2005 to Nov. 30, 2009 included	From May 31, 2006 to May 31, 2010 included
Expiration date of options:	November 30, 2016	November 30, 2016
Follow up of the plan:		
Number of options to be exercised as of December 31, 2005:	259,050	–
Options cancelled or reallocated:	17,111	–
Number of options to be exercised as of December 31, 2006:	241,939	34,550
Number of beneficiaries as at December 31, 2006:	197	34
Number of options cancelled as from January 1, 2007:	4,711	562
Number of options to be exercised as of December 31, 2007 (after dividing the nominal amount by 2 and multiplying the number of options by 2):	474,456	67,976
Number of options cancelled as from January 1, 2008:	1,500	2,000
Number of options to be exercised as of December 31, 2008:	472,956	65,976
Number of options exercised in 2009:	66,900	–
Number of options to be exercised as of December 31, 2009:	406,056	65,976
Number of options exercised in 2010:	119,866	30,100
Number of options to be exercised as of December 31, 2010:	286,190	35,876
Number of options exercised in 2011:	70,200	9,500
Number of options to be exercised as of December 31, 2011:	215,990	26,376
Number of options exercised in 2012:	50,836	15,100
Number of options to be exercised as of December 31, 2012:	165,154	11,276
Number of options exercised in 2013:	28,476	5,800
Number of options to be exercised as of December 31, 2013:	136,678	5,476
Number of options exercised in 2014:	15,500	1,500
Number of options to be exercised as of December 31, 2014:	121,178	3,976
Number of options exercised in 2015:	14,900	–
Number of options to be exercised as of December 31, 2015:	106,278	3,976

COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

On May 12, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,082,748 shares. According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the granting date (May 12, 2013), these being restricted for an additional two-year period (until May 12, 2015), or four years after the granting date (May 12, 2015), with no subsequent restrictions.

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	NUMBER OF SHARES DELIVERED IN 2015
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 Ratio Net Debt / EBITDA adjusted.	188,415
Other key managers	Two-year service condition from the implementation for 80% of shares and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 ratio Net Debt/ EBITDA adjusted.	232,521
Operating managers	Two-year service condition from the implementation.	340,125
NUMBER OF SHARES NOT DELIVERED AS OF DECEMBER 31, 2015		–

The unit value used as the basis of social contribution of 14% amounts to €17.22.

On October 11, 2011, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 340,719 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (October 11, 2013), these being restricted for an additional two-year period (until October 11, 2015), the so-called “2+2 Plan”, or four years after the granting date with no subsequent restrictions (October 11, 2015), the so-called “4+0 Plan”.

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	NUMBER OF SHARES DELIVERED IN 2015
Top executives and managers	Two-year service condition from the implementation and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 Ratio Net Debt / EBITDA adjusted.	3,779
Other key managers	Two-year service condition from the implementation for 80% of shares and performance conditions based on: 1/ the 2011 EBITDA level adjusted, 2/ the increase from 2010 to 2012 EBITDA margin adjusted, 3/ the 2011 ratio Net Debt/ EBITDA adjusted.	9,956
NUMBER OF SHARES NOT DELIVERED AS OF DECEMBER 31, 2015		–

The share price used as the basis of social contribution of 14% amounts to €11.39.

On May 2, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,019,324 shares. According to local regulations, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (May 3, 2014), these being restricted for an additional two-year period (until May 3, 2016), the so-called “2+2 Plan”, or four years after the granting date with no subsequent restrictions (May 3, 2016), the so-called “4+0 Plan”.

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2015 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	–
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	339,811
As of December 31, 2015		**339,811**

The share price used as the basis of social contribution of 14% amounts to €14.47.

On July 26, 2012, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 243,080 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (July 26, 2014), these being restricted for an additional two-year period (until July 26, 2016), the so-called “2+2 Plan”, or four years after the granting date with no subsequent restrictions (July 26, 2016), the so-called “4+0 Plan”. The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2015 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	–
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2011 to 2013 for 50% of shares, 2/ 2012 EBITA for 15% of shares, 3/ the average cash-flow ratio of 2012 and 2013 for 25% of shares, 4/ 2012 cash level for 10% of shares.	51,698
As of December 31, 2015		**51,698**

The share price used as the basis of social contribution of 30% amounts to €11.85.

On April 30, 2013, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 2,574,729 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (April 30, 2015), these being restricted for an additional two-year period (April 30, 2017), the so-called “2+2 Plan”, or four years after the granting date with no subsequent restrictions (April 30, 2017), the so-called “4+0 Plan” or three years after the granting date (April 30, 2016) these being restricted for an additional two-year period (April 30, 2018), the so-called “3+2 Plan” or five years after the granting date with no subsequent restrictions (April 30, 2018), the so-called “5+0 Plan”.

COMPANY FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2015 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares, 5/ Rexel's share performance/panel's shares performance for 20% of shares.	–
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares. 5/ Rexel's share performance/panel's shares performance for 20% of shares.	267,163
3+2 Plan	Three-year service condition from the implementation.	81,000
5+0 Plan	Three-year service condition from the implementation.	326,900
As of December 31, 2015		**675,063**

The share price used as the basis of social contribution of 30% amounts to €13.70.

On July 25, 2013, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 78,410 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (July 25, 2015), these being restricted for an additional two-year period (until July 25, 2017), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (July 25, 2017), the so-called "4+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2015 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares. 5/ Rexel's share performance/panel's shares performance for 20% of shares.	–
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2012 to 2014 for 15% of shares, 2/ 2013 EBITA for 45% of shares, 3/ the average cash-flow ratio of 2013 and 2014 divided by EBITDA for 5% of shares, 4/ 2013 cash level for 15% of shares. 5/ Rexel's share performance/panel's shares performance for 20% of shares.	5,651
As of December 31, 2015		**5,651**

The share price used as the basis of social contribution of 30% amounts to €15.73.

On May 22, 2014, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 1,641,008 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares two years after the grant date (May 23, 2016), these being restricted for an additional two-year period (until May 23, 2018), the so-called "2+2 Plan", or four years after the granting date with no subsequent restrictions (May 23, 2018), the so-called "4+0 Plan", or three years after the granting date (May 23, 2017) these being restricted for an additional two-year period (May 23, 2019), the so-called "3+2 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2015 AND NOT DELIVERED
2+2 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014 and 2015 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	326,696
4+0 Plan	Two-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014 and 2015 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	363,520
4+0 Plan	Three-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014, 2015 and 2016 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	363,520
3+2 Plan	Three-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2013 to 2015 for 40% of shares, 2/ the average cash-flow ratio of 2014, 2015 and 2016 divided by EBITDA for 30% of shares, 3/ Rexel's share performance/panel's shares performance for 30% of shares.	326,696
As of December 31, 2015		**1,380,432**

The share price used as the basis of social contribution of 30% amounts to respectively €13.49, €12.14, €12.11 and €12.78.

On July 28, 2015, Rexel entered into free share plans for its top executives and key managers amounting to a maximum of 1,798,393 shares. According to local regulation, these employees and executives will either be eligible to receive Rexel shares three years after the grant date (July 28, 2018), these being restricted for an additional two-year period (until July 28, 2020), the so-called "3+2 Plan", or four years after the granting date with no subsequent restrictions (July 28, 2019), the so-called "4+0 Plan".

The delivery of these shares is subject to service and performance conditions of the schemes as described below:

BENEFICIARIES	VESTING CONDITIONS	MAXIMUM NUMBER OF SHARES ALIVED ON DECEMBER 31, 2015 AND NOT DELIVERED
4+0 Plan	Four-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2014 to 2017 for 40% of shares, 2/ the average cash-flow ratio of 2015, 2016 and 2017 divided by EBITDA for 30% of shares, 3/Rexel's share performance/panel's shares performance for 30% of shares.	968,343
3+2 Plan	Three-year service condition from the implementation and performance conditions based on: 1/ Variance of EBITA margin from 2014 to 2017 for 40% of shares, 2/ the average cash-flow ratio of 2015, 2016 and 2017 divided by EBITDA for 30% of shares, 3/Rexel's share performance/panel's shares performance for 30% of shares.	789,450
As of December 31, 2015		**1,757,793**

The share price used as the basis of social contribution of 30% amounts to respectively €10.17 and €10.71.

5.4 Tax litigations

Following a tax audit, Rexel received in December 2011 a proposed tax reassessment in which the French tax authorities allege that Rexel did not give evidence that the borrowings from Ray Finance LP (subsidiary of Ray Investment SARL) amounting to €952 million were real transactions; they also allege that Ray Finance LP enjoyed a privileged tax regime and deny by those means the deduction of €91 million interests expense related to years 2005 to 2007. Rexel disputes the whole argumentation. The tax risk related to this tax reassessment amounts to €32 million, would result in a potential reduction of the consolidated tax losses carried forward.

5.5 Auditors' fees

The auditors' fees amount to €1.4 million for 2015 compared with €1.3 million in 2014.

5.6 Other information

None.

5.7 Subsequent events

None.

7.2 Statutory Auditors' report on the company financial statements for the financial year ended December 31, 2015

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the 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

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

ERNST & YOUNG Audit
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles

Rexel

Year ended December 31, 2015

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Rexel;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the board of directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

As disclosed in note 2.1 to the financial statements, value-in-use of long-term investments in affiliates is based on forecasted future cash flows less net debt of the aforementioned affiliates. Within the framework of the justification of our assessments, we reviewed the assumptions of budgeted cash flows, on which these assumptions were based, and their computation.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

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 documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French commercial code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favor, 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 companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, April 6, 2016

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit
Christian Perrier

ERNST & YOUNG Audit
Philippe Diu

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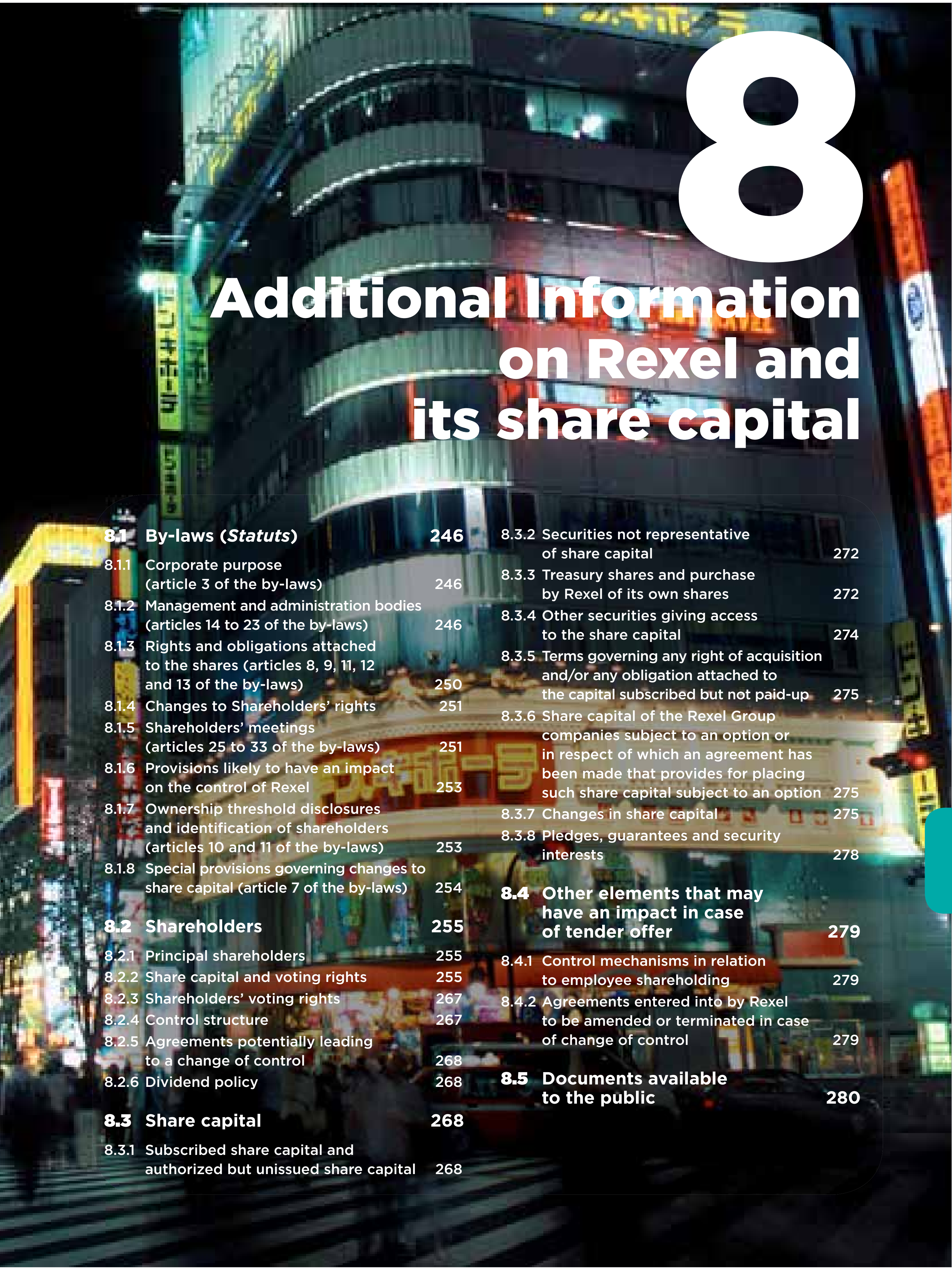


8

Additional Information on Rexel and its share capital

8.1 By-laws (*Statuts*)

The main provisions described below are drawn from the by-laws of Rexel as updated following the decisions of Rexel's Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2015.

8.1.1 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.

8.1.2 Management and administration bodies (articles 14 to 23 of the by-laws)

8.1.2.1 Board of Directors (articles 14 to 18 of the by-laws)

Membership (article 14 of the by-laws)

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, members of the Board of Directors are renewed or reappointed by the ordinary shareholders' meeting.

They are appointed for a maximum term of four years.

However, the first directors who were appointed by the shareholders' meeting of May 22, 2014 and who were members of Rexel's Supervisory Board on the date of the shareholders' meeting of May 22, 2014, were appointed for a term equal to the remainder of their term of office as member of Rexel's Supervisory Board.

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 members of the Board of 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 the members of the Board 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.

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.

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.

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 cooption 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 Board member shall remain in office only for the remainder of his predecessor's term.

No person may be appointed as member of the Board of Directors 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.

Shares held by members of the Board of Directors (article 15 of the by-laws)

For their whole term of office, the members of the Board of Directors must hold at least one thousand (1,000) Rexel shares. If, at the date of his/her appointment, a member of the Board of Directors 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)

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.

The Chairman of the Board of Directors may not be more than 65 years of age; his/her term of office automatically lapse on December 31 of the year of his/her 65th 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.

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.

The Board of Directors also appoints a secretary who is not required to be a member of the Board and who serves as an officer of the Board, alongside the Chairman and the Deputy Chairman. In secretary's absence, the Board of Directors appoints one of its members or a third party to discharge the secretary's duties.

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)

The Board of Directors meets whenever the best interests of Rexel so require, and at least once every quarter, at meetings convened by its Chairman or Deputy Chairman.

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 Board members 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 director has one vote and may not represent more than one fellow director.

In accordance with the applicable regulations, the Board of Director draws 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 members who participate in Board meetings by videoconference or any other forms of telecommunication shall be deemed be 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.

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.

The deliberations of the Board of Directors 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.

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)

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 it deems useful from the Chairman.

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.

The Rules of Procedure of the Board of Directors define the decisions requiring the prior authorization of the Board of Directors.

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.

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 along 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.

8.1.2.2 Executive Management (article 19 of the by-laws)

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.

Where the Company's executive management is performed by the Chairman, the provisions of the laws 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-a-vis third parties.

To perform his/her functions, the Chief Executive Officer must be less than 65 years of age. If the Chief Executive Officer reaches the age of 65 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.

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.

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-a-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.

The Chief Executive Officer and, as the case may be, the Deputy Chief Executive Officer(s), may be authorized to grant substitutions of powers, subject to the limitations provided by the laws and regulations in force.

8.1.2.3 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)

The ordinary shareholders' meeting may allocate a fixed annual amount, in lieu of attendance fees, to the directors as compensation for their activities; such amount is included in the operating expenses of Rexel and remains in effect until the shareholders' meeting decides otherwise.

The Board of Directors allocates this compensation among the directors as it deems fit.

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.

The Board of Directors may allot exceptional compensation for special missions or duties assigned to Board members; 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.

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 members of the Board of Directors, unless they are linked to Rexel by an employment agreement under the conditions authorized by law.

8.1.2.4 Agreements entered into by Rexel with its shareholders or managers (article 22 of the by-laws)

Any agreement entered into between Rexel and its shareholders or any one of them, or between Rexel 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.

The foregoing provisions do not apply to agreements relating to ordinary transactions entered into on arms' length terms. However, each interested party is required to notify such agreements to the Chairman of the Board of Directors, who then forwards the list and purpose of such agreements to the members of the Board of Directors and to the Statutory Auditors, on or before the date of the meeting of the Board called to approve the financial statements for the previous financial year.

8.1.2.5 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.

8.1.3 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 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)

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.

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.

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 (*usufrutier*) at ordinary meetings and to the legal owner (*nu-propriétaire*) at extraordinary meetings.

8.1.4 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.

8.1.5 Shareholders' meetings (articles 25 to 33 of the by-laws)

8.1.5.1 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.

8.1.5.2 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.

8.1.5.3 Agenda (article 27 of the by-laws)

The agenda of shareholders' meetings is set by the party that convened the meeting.

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 Board of Directors and appoint their replacements.

8.1.5.4 Access to shareholders' meetings (article 28 of the by-laws)

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.

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 the Company, in accordance with the provisions laid down by law.

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.

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.

8.1.5.5 Attendance sheet – Officers of the meeting – Minutes of meetings (article 29 of the by-laws)

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.

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.

Minutes of the meetings are drawn up and copies or excerpts thereof are delivered and certified in accordance with the law.

8.1.5.6 Quorum – Voting – Number of votes (article 30 of the by-laws)

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.

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.

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.

8.1.5.7 Ordinary shareholders' meetings (article 31 of the by-laws)

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.

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.

8.1.5.8 Extraordinary shareholders' meetings (article 32 of the by-laws)

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.

While voting in accordance with the applicable quorum and majority requirements, the extraordinary shareholders' meeting exercises the powers assigned thereto by law.

8.1.5.9 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.

8.1.6 Provisions likely to have an impact on the 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 8.2.5 "Agreements potentially leading to a change of control" of this 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, 2015, set out in Chapter 6 "Consolidated Financial Statements" of this Registration document.

8.1.7 Ownership threshold disclosures and identification of shareholders (articles 10 and 11 of the by-laws)

8.1.7.1 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).

8.1.7.2 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.

Rexel may, at any time, in accordance with the applicable laws and regulations, request that the central custodian in charge of the administration of its share issue account, in exchange for consideration paid by Rexel, identify the owners of securities giving immediate or future voting rights at shareholders' meetings, as well as the number of securities held by each such owner and any restrictions that may apply to such securities.

After following the procedure described in the previous paragraph and in the light of the list transmitted by the central custodian, Rexel may also request, either through such custodian or directly from the persons registered on this list and whom Rexel believes may be registered on behalf of third parties, information regarding the owners of the securities as provided in the preceding paragraph.

If the shares are in registered form, the intermediary registered as provided by law is required to disclose the identity of the owners of such shares and the number of shares held by each owner at the request of Rexel or its authorized representative, in accordance with the applicable laws and regulations, and such request may be presented at any time.

As long as Rexel believes that certain holders of shares whose identity has been disclosed hold such shares as nominees for third parties, it has the right to ask the nominees to reveal the identity of the owners of such shares.

Upon completion of the identification procedures, and without prejudice to the disclosure of material holdings as required by law, Rexel may ask any legal entity that owns its shares and holds interests exceeding one-fortieth of the share capital or voting rights to disclose the identity of any persons that directly or indirectly control more than one third of the share capital or voting rights of such legal entity.

Failure by the holders of shares or by the intermediaries to fulfil their obligation to disclose the aforesaid information may, as provided for by law, lead to suspension or even disqualification from voting and dividend rights attached to the shares.

8.1.8 Special provisions governing changes to share capital (article 7 of the by-laws)

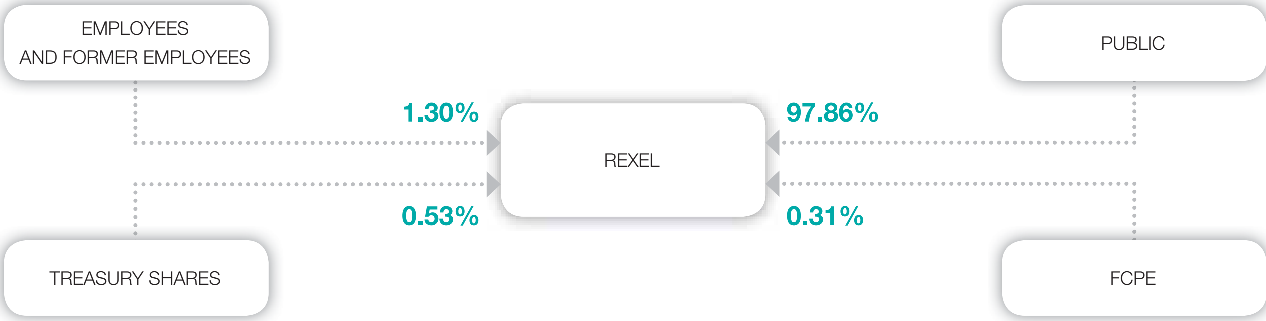
Rexel's share capital may be increased or reduced in all ways and by all manners authorized by law.

The extraordinary shareholders' meeting may also decide to divide the shares or to group them together.

8.2 Shareholders

8.2.1 Principal shareholders

The chart below shows the simplified shareholding structure of Rexel as of December 31, 2015:



8.2.2 Share capital and voting rights

8.2.2.1 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, 2015, 2014 and 2013:

	DECEMBER 31,											
	2015				2014				2013			
SHAREHOLDERS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS	NUMBER OF SHARES	NUMBER OF VOTING RIGHTS	% OF SHARES	% OF VOTING RIGHTS
Ray Investment	–	–	–	–	–	–	–	–	46,856,915	46,856,915	16.54	16.54
Employees and former employees	3,920,706	3,920,703	1.30	1.30	3,040,608	3,040,608	1.04	1.04	3,475,288	3,475,288	1.23	1.23
Rexel FCPE	947,000	947,000	0.31	0.31	978,210	978,210	0.33	0.33	915,274	915,274	0.32	0.32
Public	295,400,936	295,400,936	97.86	97.86	286,248,997	286,248,997	98.03	98.03	230,419,535	230,419,535	81.32	81.32
Treasury shares	1,602,736	1,602,736[1]	0.53	0.53[1]	1,737,761	1,737,761[1]	0.60	0.60[1]	1,670,202	1,670,202[1]	0.59	0.59[1]
TOTAL	**301,871,378**	**301,871,378**	**100**	**100**	**292,005,576**	**292,005,576**	**100**	**100**	**283,337,214**	**283,337,214**	**100**	**100**

(1) Theoretical voting rights. For the purpose of shareholders' meetings, no voting right is actually attached to these shares.

Also, Rexel has received the shareholding threshold disclosures set forth in paragraph 8.2.2.2 "Shareholding threshold disclosures" of this Registration document.

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, 2015, more than 5% of the share capital and/or voting rights of Rexel.

8.2.2.2 Shareholding threshold disclosures

During the financial year ended December 31, 2015 and as of the date of this Registration document, Rexel received the following thresholds crossing disclosures:

COMPANY	DATE OF THE DECLARATION	STATUTORY AND LEGAL THRESHOLD	TYPE OF CROSSING	% OF CAPITAL AND VOTING RIGHTS AFTER CROSSING	NUMBER OF SHARES HELD AFTER CROSSING
The Capital Group Companies, Inc.	January 13, 2015	5%	Down	4.58%	13,386,616
Kiltearn Partners LLP	February 2, 2015	2.5%	Down	2.49%	7,260,897
Morgan Stanley Corp.	April 23, 2015	5%	Up	5.23%	15,277,095
Henderson Global Investors Ltd	May 8, 2015	5%	Up	5.20%	15,191,194
T. Rowe Price	June 1, 2015	1%	Up	1.37%	4,034,802
Morgan Stanley Corp.	June 1, 2015	5%	Down	3.15%	9,184,416
Morgan Stanley Corp.	June 2, 2015	5%	Up	8.77%	25,597,329
Morgan Stanley Corp.	June 4, 2015	5%	Down	2.98%	8,713,340
Henderson Global Investors Ltd	June 5, 2015	5%	Down	4.87%	14,209,349
Morgan Stanley Corp.	June 8, 2015	5%	Up	5.70%	16,650,176
Morgan Stanley Corp.	June 9, 2015	5%	Down	0.06%	184,646
Morgan Stanley Corp.	June 30, 2015	5%	Up	5.53%	16,183,539
Morgan Stanley Corp.	July 1, 2015	5%	Down	0.07%	195,718
First Eagle Investment Management LLC	July 28, 2015	2.5%	Up	2.67%	7,825,203
First Eagle Investment Management LLC	September 11, 2015	5%	Up	5.04%	15,220,218
Morgan Stanley Plc	September 18, 2015	5%	Up	5.18%	15,643,816
Parvus Asset Management Europe Ltd	September 24, 2015	5%	Up	5.09%	15,378,533
Morgan Stanley Plc	October 28, 2015	5%	Down	0.03%	85,346
Morgan Stanley Plc	December 7, 2015	5%	Up	6.08%	18,368,594
Morgan Stanley Plc	December 17, 2015	6%	Up	6.18%	18,660,571
T. Rowe Price	December 29, 2015	2%	Down	1.99%	6,033,380
Amundi	January 15, 2016	2.5%	Down	2.0%	6,060,461
Parvus Asset Management Europe Ltd	January 15, 2016	6%	Up	6.06%	18,305,185
Cevian Capital Partners Ltd	January 18, 2016	2.5%	Up	2.71%	8,168,750
BlackRock, Inc.	January 22, 2016	5%	Up	5.20%	15,707,690
BlackRock, Inc.	January 25, 2016	5%	Down	4.84%	14,600,215
BlackRock, Inc.	January 26, 2016	5%	Up	5.21%	15,729,746
BlackRock, Inc.	January 27, 2016	5%	Down	4.78%	14,429,302
BlackRock, Inc.	February 8, 2016	5%	Up	5.02%	15,164,939
BlackRock, Inc.	February 10, 2016	5%	Down	4.78%	14,428,011
First Eagle Investment Management LLC	February 11, 2016	7.5%	Up	7.63%	23,023,337
T. Rowe Price	February 11, 2016	2%	Up	2.0%	6,039,395
BlackRock, Inc.	February 12, 2016	5%	Up	5.01%	15,121,519
BlackRock, Inc.	February 16, 2016	5%	Down	4.64%	14,008,164
BlackRock, Inc.	February 17, 2016	5%	Up	5.34%	16,120,413
BlackRock, Inc.	February 18, 2016	5%	Down	4.77%	14,388,832
Cevian Capital Partners Ltd	February 18, 2016	5%	Up	5.44%	16,434,250
Parvus Asset Management Europe Ltd	February 22 2016	7.5%	Up	8.3%	25,077,085
Parvus Asset Management Europe Ltd	February 26 2016	7.5%	Up	8.93%	26,949,414
Morgan Stanley Plc	March 1, 2016	5%	Down	0.11%	330,145
Cevian Capital Partners Ltd	March 9, 2016	7.5%	Up	7.58%	22,896,580

8.2.2.3 Interests held by managers in the share capital of Rexel

Rexel interests held by the members of the Board of Directors and the Deputy Chief Executive Officer

As of December 31, 2015, the members of Rexel's Board of Directors held the following ownership interests in Rexel's share capital:

	NUMBER OF SHARES	% OF THE SHARE CAPITAL AND VOTING RIGHTS
MEMBERS OF THE BOARD OF DIRECTORS		
Thomas Farrell	1,851	NS
Fritz Fröhlich	1,000	NS
François Henrot	7,133	NS
Isabel Marey-Semper	1,000	NS
Rudy Provoost	216,165	0.07
Monika Ribar	2,000	NS
Maria Richter	2,500	NS
Pier-Luigi Sigismondi	1,000	NS
Hendrika Verhagen	1,000	NS
DEPUTY CHIEF EXECUTIVE OFFICER		
Catherine Guillouard	10,808	NS

Transactions on Rexel securities carried out by the members of the Board of Directors, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer

During the financial year ended December 31, 2015, the following purchase disclosures were made:

	DATE OF TRANSACTION	NUMBER OF SHARES	PRICE PER SHARE	TOTAL AMOUNT
MEMBER OF THE BOARD OF DIRECTORS				
Thomas Farrell	March 27, 2015	750	€17.41	€13,057.5
Thomas Farrell	June 9, 2015	500	€15.135	€7,567.5
Herna Verhagen	June 16, 2015	1,000	€14.63	€14,630
Fritz Fröhlich	June 19, 2015	1,000	€15.4	€15,400
Maria Richter	August 5, 2015	2,500	€14.4645	€36,161.25
Isabel Marey-Semper	August 26, 2015	1,000	€13.4827	€13,482.7
Thomas Farrell	November 20, 2015	574	€13.3604	€7,668.87

8.2.2.4 Employees shareholding

Employee shareholding plan implemented in 2010

In accordance with the twenty-seventh resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 20, 2010, the Management Board, at its meetings of May 20, 2010 and August 31, 2010, decided to implement a share capital increase reserved for members of the Rexel Group Savings Plan (PEG) or of the International Rexel Group Savings Plan (PEGI).

The total number of shares created pursuant to the decisions of the Management Board of May 20, 2010 and August 31, 2010 amounted to 356,123 shares. This share capital increase was carried out and acknowledged by the Management Board on November 17, 2010.

In accordance with the twenty-eighth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 20, 2010, the Management Board decided, further to the authorization of the Supervisory Board of May 20, 2010, to carry out an allocation of free

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shares of the Company at the benefit of members of the PEGI who subscribe to the 2010 employee shareholding transaction pursuant to the twenty-seventh resolution of the Shareholders' Meeting. During its meeting of August 31, 2010, the Management Board adopted the free share allocation plan and on November 19, 2010, determined the list of beneficiaries of this allocation of free shares, for a total number of 135,234 shares. These free shares were subject to a condition of presence on June 30, 2015. Exceptions to this condition of presence are nevertheless provided in the aforementioned plan.

The assets subscribed in 2010 in the context of the PEG and the PEGI have become available on July 1, 2015 and a total number of 109,181 free shares which have vested on June 30, 2015 have been delivered to the beneficiaries on July 1, 2015.

Employee shareholding plan implemented in 2012

In accordance with the thirty-third resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 16, 2012, and with the authorization of the Supervisory Board, the Management Board, at its meetings of May 16, 2012 and September 3, 2012, decided to implement a share capital increase reserved for members of the PEG or of the PEGI.

The total number of shares created pursuant to the decisions of the Management Board of May 16, 2012 and September 3, 2012 amounted to 337,465 shares. This share capital increase was carried out and acknowledged by the Management Board on November 23, 2012.

In accordance with the thirty-first resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 16, 2012, the Management Board, further to the authorization of the Supervisory Board of May 16, 2012, adopted the free share allocation plan on the same date and, on November 23, 2012, determined the list of beneficiaries of this free share allocation plan, for a total number of 145,634 shares. These free shares are subject to a condition of presence on June 30, 2017, subject to certain exceptions set forth in the aforementioned plan.

Lastly in accordance with the thirty-fourth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 16, 2012, the Management Board, at its meetings of May 16, 2012 and September 3, 2012, decided to implement a share capital increase for the benefit of Capital IRG Trusteed Limited as part of the Share Incentive Plan ("SIP") in the United Kingdom. The total number of shares created pursuant to the decisions of the Management Board of May 16, 2012 and September 3, 2012 stood at 45,953 shares. This share capital increase was carried out and acknowledged by the Management Board on March 14, 2013.

Employee shareholding plan implemented in 2013

In accordance with the sixteenth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 22, 2013, and with the authorization of the Supervisory Board, the Management Board, at its meetings of May 22, 2013 and September 3, 2013, decided to implement a share capital increase reserved for members of the PEG or of the PEGI.

The total number of shares created pursuant to the decisions of the Management Board of May 22, 2013 and September 3, 2013 amounted to 256,751 shares. Two share capital increases were carried out. The first share capital increase was acknowledged by the Management Board on November 26, 2013 in respect of all subscriptions except those of employees in China: 237,210 shares were created. The second share capital increase was acknowledged by the Management Board on December 27, 2013 in respect of subscriptions of employees in China after having received the necessary authorizations from the Chinese authorities: 19,541 shares were created.

In accordance with the fifteenth resolution of the Combined Ordinary and Extraordinary Shareholders' Meeting of May 22, 2013, the Management Board, further to the authorization of the Supervisory Board of May 22, 2013, adopted the free share allocation plan on the same date and, on November 26, 2013 and December 27, 2013, determined the list of beneficiaries of this free share allocation plan, for a total number of 104,669 shares. These free shares are subject to a condition of presence on June 30, 2018, subject to certain exceptions set forth in the aforementioned plan.

Number of shares held in connection with employee shareholding plans

As of December 31, 2015, the number of shares held by employees in the context of the employee shareholding plans, directly or through employee investment funds (FCPE), as part of the employee shareholding plan, was 1,347,599 shares, *i.e.*, 0.45% of the share capital and voting rights of Rexel.

8.2.2.5 Subscription or purchase options for Rexel shares

This paragraph presents information on the share subscription or purchase options plans issued by Rexel.

In accordance with the authorizations granted by the Combined Extraordinary Shareholders' Meetings of October 28, 2005, May 31, 2006 and October 4, 2006, the Chairman of Rexel, pursuant to decisions dated as of October 28, 2005, November 30, 2005, May 31, 2006 and October 4, 2006, adopted the terms and conditions of two Rexel share subscription options plans for certain employees or corporate officers of the Rexel Group's French or foreign companies, and to proceed with the following allotments of subscription options:

PLAN	PLAN NR.1			PLAN NR.2	
Date of shareholders' meeting	October 28, 2005	May 31, 2006	October 4, 2006	October 28, 2005	May 31, 2006
Option grant date	October 28, 2005	May 31, 2006	October 4, 2006	November 30, 2005	May 31, 2006
Number of options to subscribe for shares granted	2,711,000	169,236	164,460	259,050	34,550
Maximum total number of options that can be exercised(1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed for(1)	1,231,002	140,944	267,452	472,956	65,976
Total number of shares that can be subscribed by(1):					
• Rexel's corporate officers	–	–	–	–	–
• Rexel's top ten employees	860,750	169,236	164,460	35,500	17,600
Start of option exercise period	October 29, 2009	June 1, 2010	October 5, 2010	December 1, 2009	June 1, 2010
Option expiry date	October 28, 2016	October 28, 2016	October 28, 2016	November 30, 2016	November 30, 2016
Exercise price of the option(1)	€5.00	€6.50	€9.50	€5.00	€6.50
Number of options outstanding as of December 31, 2014	32,820	–	–	121,178	3,976
Number of shares that have been subscribed for during the financial year ended on December 31, 2015	–	–	–	14,900	–
Aggregate number of options that have been cancelled or lapsed during the financial year ended on December 31, 2015	–	–	–	–	–
Outstanding options at December 31, 2015	32,820	–	–	106,278	3,976

(1) After the division of the par value of the Rexel share that occurred in 2007.

Unexercised options to subscribe for shares at December 31, 2015 may result in the creation of 143,074 new shares and a dilution of 0.05%.

During the financial year ended December 31, 2015, no option to subscribe for or to purchase shares was granted to Rexel's corporate officers or any other employee and no share subscription or purchase option has been exercised by the corporate officers of Rexel.

During the financial year ended December 31, 2015, the three largest exercises carried out by employees, in respect of all plans, were as follows:

BENEFICIARIES	NUMBER OF OPTIONS EXERCISED	NUMBER OF SHARES SUBSCRIBED	EXERCISE PRICE
Employee #1	1,900	1,900	€5
Employee #2	100	100	€5
Employee #3	1,500	1,500	€5

As at December 31, 2015, all of the option plans established by Rexel Distribution and assumed by Rexel Développement had expired.

8.2.2.6 Allotment of free shares

Free shares granted in the financial year ended December 31, 2011

Free share plan created on May 12, 2011

Pursuant to the authorizations granted by the Combined Ordinary and Extraordinary Shareholders' Meeting held on May 20, 2010 and by the Supervisory Board on May 11, 2011, the Management Board, during its meeting of May 12, 2011, decided to grant 2,082,748 free Rexel shares under six plans.

On May 11, 2011, in the context of the authorization granted to the Management Board to carry out the allotment of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allotment of free shares shall retain 20% of the vested shares in registered form until the end of their term of office.

The table below summarizes the free share allotments carried out on May 12, 2011:

PLAN	LEADERSHIP REXEL 2+2	LEADERSHIP REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0	OPERATING MANAGERS 2+2	OPERATING MANAGERS 4+0
Shareholders' Meeting	May 20, 2010					
Management Board	May 12, 2011					
Number of beneficiaries	29	39	83	170	113	423
Initial number of free shares allocated	429,203	507,879	177,931	484,110	96,375	387,250
• Corporate officers	–	–	–	–	–	–
• Top ten employees (1)	303,224					
Vesting Date	May 12, 2013	May 12, 2015	May 12, 2013	May 12, 2015	May 12, 2013	May 12, 2015
Date of transferability of shares	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015	May 13, 2015
Number of shares allocated and valid at December 31, 2014	–	188,415	–	232,521	–	341,875
Number of shares allocated and cancelled or expired(2):	–	–	–	–	–	1,750
• Number of shares vested at December 31, 2015	–	188,415	–	232,521	–	340,125
Number of shares valid at December 31, 2015	–	–	–	–	–	–

(1) Considering the number of shares allotted to the employees, the top ten allotments were included.
(2) Presence condition not satisfied or performance condition not achieved.

Free shares allocated have all been delivered. No free share allocated is currently to be vested.

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 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2015).

The shares under the Leadership Rexel 4+0 plan, that vested during the financial year ended December 31, 2015 were subject to the following performance conditions:

- The vesting of 50% of the shares depended on the adjusted EBITDA margin variation between 2010 and 2012;
- The vesting of 25% of the shares depended on the 2011 adjusted EBITDA level;
- The vesting of 25% of the shares depended on the 2011 net debt / 2011 adjusted EBITDA ratio.

The vesting level, linked to the performance conditions, amounted to 58.6% (with a possible maximum at 130%) of the allocated shares.

The shares under the Managers Rexel 4+0 plan, that vested during the financial year ended December 31, 2015 were subject to the following performance conditions:

- The vesting of 40% of the shares depended on the adjusted EBITDA margin variation between 2010 and 2012;

- The vesting of 20% of the shares depended on the 2011 adjusted EBITDA level;
- The vesting of 20% of the shares depended on the 2011 net debt / 2011 adjusted EBITDA ratio;
- The vesting of 20% of the shares depended solely on a presence condition of 2 years.

The vesting level, linked to the performance conditions, amounted to 66.9% (with a possible maximum at 124%) of the allocated shares.

The shares under the operating Managers Rexel 4+0 plan, that vested during the financial year ended December 31, 2015 were not subject to performance conditions.

Free share plan created on October 11, 2011

Pursuant to the authorizations granted by the Combined Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2011 and by the Supervisory Board on October 6, 2011, the Management Board, at its meeting of October 11, 2011, decided:

- To grant 281,701 Rexel free shares to the corporate officers and employees of Rexel under four plans: "Leadership Rexel 4+0", "Leadership Rexel 2+2", "Managers Rexel 4+0" and "Managers Rexel 2+2";
- To grant 59,018 Rexel free shares to Rudy Provoost under the "Ordinary" plan. The criteria and conditions for granting the free shares decided by the Management board included a two-year presence condition but no performance condition; and
- To allocate 1,343,310 free Rexel shares to the members of the Executive Committee, including the managing corporate officers and certain key contributors under two plans: "Exceptionnel 5+0" and "Exceptionnel 3+2".

The table below summarizes the free share allotments carried out on October 11, 2011:

PLAN	EXCEPTIONAL 3+2	EXCEPTIONAL 5+0	ORDINARY 2+2	LEADERSHIP REXEL 2+2	LEADERSHIP REXEL 4+0	MANAGERS REXEL 2+2	MANAGERS REXEL 4+0
Shareholders' Meeting	May 19, 2011						
Management Board	October 11, 2011						
Number of beneficiaries	7	8	1	1	1	6	11
Initial number of free shares allocated	840,334	502,976	59,018	236,532	8,381	10,929	25,859
Corporate officers							
• Rudy Provoost	430,155	–	59,018	236,532	–	–	–
Top ten employees (1)	640,900						
Vesting date	October 11, 2014	October 11, 2016	October 11, 2013	October 11, 2013	October 11, 2015	October 11, 2013	October 11, 2015
Date of transferability of shares	October 12, 2016	October 12, 2016	October 12, 2015	October 12, 2015	October 12, 2015	October 12, 2015	October 12, 2015
Number of shares valid at December 31, 2014	–	–	–	–	3,779	–	9,956
Number of shares allocated and cancelled or expired(2):	–	–	–	–	–	–	–
• Number of vested shares at December 31, 2015	–	–	–	–	3,779	–	9,956
Number of shares valid at December 31, 2015	–	–	–	–	–	–	–

(1) Considering the number of shares allotted to the employees, the top ten allotments were included.
(2) Presence condition not satisfied or performance condition not achieved.

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 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2015).

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The shares under the Leadership Rexel 4+0 plan, that vested during the financial year ended December 31, 2015 were subject to the following performance conditions:

- The vesting of 50% of the shares depended on the adjusted EBITDA margin variation between 2010 and 2012;
- The vesting of 25% of the shares depended on the 2011 adjusted EBITDA level;
- The vesting of 25% of the shares depended on the 2011 net debt / 2011 adjusted EBITDA ratio.

The vesting level, linked to the performance conditions, amounted to 58.6% (with a possible maximum at 130%) of the allocated shares.

The shares under the Managers Rexel 4+0 plan, that vested during the financial year ended December 31, 2015 were subject to the following performance conditions:

- The vesting of 40% of the shares depended on the adjusted EBITDA margin variation between 2010 and 2012;
- The vesting of 20% of the shares depended on the 2011 adjusted EBITDA level;
- The vesting of 20% of the shares depended on the 2011 net debt / 2011 adjusted EBITDA ratio;
- The vesting of 20% of the shares depended solely on a presence condition of 2 years.

The vesting level, linked to the performance conditions, amounted to 66.9% (with a possible maximum at 124%) of the allocated shares.

During the financial year ended December 31, 2015, no share was vested permanently by the corporate officers.

Free shares granted in the financial year ended December 31, 2012

Free share plan created on May 2, 2012

Pursuant to the authorizations granted by Rexel's Combined Ordinary and Extraordinary Shareholders' Meeting held on May 19, 2011 and by the Supervisory Board on May 2, 2012, the Management Board, at its meeting of May 2, 2012, decided to grant 2,019,324 free Rexel shares under two plans.

On May 2, 2012, further to the authorization granted to the Management Board to carry out the allotment of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allotment of free shares shall retain 20% of the vested shares in registered form until the end of their term of office.

Free share plan created on July 26, 2012

Pursuant to the authorizations granted by Rexel's Combined Ordinary and Extraordinary Shareholders' Meeting held on May 16, 2012 and by the Supervisory Board on July 26, 2012, the Management Board, at its meeting of July 26, 2012, decided to grant 243,080 free Rexel shares under two plans.

The table below summarizes the free share allotments carried out during the financial year ended on December 31, 2012:

PLAN	REXEL 2+2	REXEL 4+0	REXEL 2+2	REXEL 4+0
Shareholders' Meeting	May 19, 2011		May 16, 2012	
Management Board	May 2, 2012		July 26, 2012	
Number of beneficiaries	158	348	4	39
Initial number of free shares allocated	737,024	1,282,300	59,243	183,837
Corporate officers				
• Rudy Provoost	90,816	–	–	–
Top ten employees (1)	400,103			
Vesting date	May 2, 2014	May 2, 2016	July 26, 2014	July 26, 2016
Date of transferability of the shares	May 3, 2016	May 3, 2016	July 27, 2016	July 27, 2016
Number of shares valid at December 31, 2014	–	340,248	–	51,698
Number of shares cancelled or expired(2):	–	437	–	–
• Number of vested shares at December 31, 2015	–	–	–	–
Number of shares valid at December 31, 2015	–	339,811	–	51,698

(1) Considering the number of shares allotted to the employees, the top ten allotments were included.
(2) Presence condition not satisfied or performance condition not achieved.

Free shares allocated and not yet delivered at December 31, 2015 may result in the creation of 391,509 new shares and a dilution of 0.13%.

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 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2015).

During the financial year ended on December 31, 2015, no share was vested in favor of the corporate officers.

Free shares granted in the financial year ended December 31, 2013

Free share plan created on April 30, 2013

Pursuant to the authorizations granted by Rexel's Combined Ordinary and Extraordinary Shareholders' Meeting held on May 16, 2012 and by the Supervisory Board on April 30, 2013, the Management Board, at its meeting of April 30, 2013, decided to grant 2,574,729 free Rexel shares under four plans.

On April 30, 2013, further to the authorization granted to the Management Board to carry out the allotment of free shares, the Supervisory Board decided that the members of the Management Board who are beneficiaries of an allotment of free shares shall retain 20% of the vested shares in registered form until the end of their term of office.

Free share plan created on July 25, 2013

Pursuant to the authorizations granted by Rexel's Combined Ordinary and Extraordinary Shareholders' Meeting held on May 22, 2013 and by the Supervisory Board on July 25, 2013, the Management Board, at its meeting of July 25, 2013, decided to grant 78,410 free Rexel shares under two plans.

The table below summarizes the free share allotments carried out during the financial year ended on December 31, 2013:

PLAN	KEY MANAGERS 2+2	KEY MANAGERS 4+0	OPERATING MANAGERS 3+2	OPERATING MANAGERS 5+0	KEY MANAGERS REXEL 2+2	KEY MANAGERS REXEL 4+0
Shareholders' meeting	May 16, 2012				Mai 22, 2013	
Management Board	April 30, 2013				July 25, 2013	
Number of beneficiaries	163	324	91	377	9	6
Initial number of free shares allocated	793,310	1,259,819	99,100	422,500	50,694	27,716
Corporate Officers						
• Rudy Provoost	96,682	–	–	–	–	–
• Catherine Guillouard	42,980	–	–	–	–	–
Top ten employees[1]	229,544	307,300	13,000	16,000	50,694[2]	27,716[3]
Vesting Date	April 30, 2015	April 30, 2017	April 30, 2016	April 30, 2018	July 25, 2015	July 25, 2017
Date of transferability of the shares	May 2, 2017	May 2, 2017	May 2, 2018	May 2, 2018	July 26, 2017	July 26, 2017
Number of shares valid at December 31, 2014	300,239	440,960	88,000	372,800	19,998	8,860
Number of shares cancelled or expired[4]:	111,727	173,797	7,000	45,900	7,990	3,209
• Number of vested shares at December 31, 2015	188,512	–	–	–	12,008	–
Number of shares valid at December 31, 2015	–	267,163	81,000	326,900	–	5,651

(1) Considering the number of shares allotted to the employees, the top ten allotments were included.
(2) Concerns 9 beneficiaries only.
(3) Concerns 6 beneficiaries only.
(4) Presence condition not satisfied or performance condition not achieved.

SHAREHOLDERS

Free shares allocated and not yet delivered at December 31, 2015 may result in the creation of 680,714 new shares and a dilution of 0.23%.

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 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2015).

In the financial year ended December 31, 2015, the following shares finally vested in favor of the corporate officers of the Rexel Group, under the plan providing for a 2-year vesting period:

BENEFICIARY	NUMBER OF SHARES IRREVOCABLY VESTED
Rudy Provoost	24,309
Catherine Guillouard	10,808

The shares under Key Managers Rexel 2+2 plan of April 30, 2013 and July 25, 2013, that vested during the financial year ended December 31, 2015 were subject to the following performance conditions:

PERFORMANCE OF THE KEY MANAGERS PERFORMANCE SHARES PLANS GRANTED IN 2013	WEIGHT	OBJECTIVE	TRIGGER	TARGET	MAXIMUM	% ACHIEVEMENT (NOT WEIGHTED)	% PERFORMANCE SHARES ACQUIRED (WEIGHTED)
2012-2014 EBITA margin variation	15%	5.7% to 6.1%	25% of shares vest if the performance reaches at least the target minus 20bps	100% of shares vest if the target is reached	150% of shares vest if the performance reaches at least the target plus 20bps	0.0%	0.0%
2013 EBITA	45%	804.9	25% of shares vest if the performance reaches at least 85% of the target	100% of shares vest if the target is reached	150% of shares vest if the performance reaches at least 120% of the target	90.4%	19.9%
2013-2014 Average ratio of free cash flow before interest and taxes to EBITDA	5%	77.6	50% of shares vest if the performance reaches at least 90% of the target	100% of shares vest if the target is reached	150% of shares vest if the performance reaches at least 150% of the target	99.8%	5.0%
2013 Free cash flow before I&T	15%	658.4	50% of shares vest if the performance reachesat least 90% of the target	100% of shares vest if the target is reached	150% of shares vest if the performance reaches at least 150% of the target	93.8%	10.3%
TSR (Companies of Stoxx Europe TMI “Electronic & Electrical Equipment”, and Wolseley; Farnell; Grainger; Anixter; Electrocomponents and Wesco International)	20%	80th percentile	30% of shares vest if the Rexel’s TSR performance reaches at least the 40th percentile of the panel	100% of shares vest if the Rexel’s TSR performance reaches at least the 80th percentile of the panel	Maximum level of vesting is 100%	27th percentile	0.0%
							35.2%

Free shares granted in the financial year ended December 31, 2014

Free share plan created on May 22, 2014

Persuant to the authorization granted by Rexel's Shareholder's Meeting of May 22, 2013, the Management Board was authorized to proceed with the allotment of free shares and on May 22, 2014, after having approved the conversion of Rexel from a *société anonyme* with a Supervisory Board and a Management Board into a *société anonyme* with a Board of Directors, the Shareholder's Meeting reiterated such authorization in favor of the Board of Directors. The Board of Directors of May 22, 2014 decided to grant 1,641,008 free Rexel shares under four plans.

On May 22, 2014, in the context of the authorization granted to the Board of Directors it was decided that the Chairman and 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 registered form until the end of their term of office.

The table below summarizes the shares allocated during the financial year ended December 31, 2014:

PLAN	TRANSITION 2+2	TRANSITION 4+0	KEY MANAGERS 3+2	KEY MANAGERS 4+0
Shareholders' meeting	May 22, 2013			
Board of Directors	May 22, 2014			
Number of beneficiaries	168	368	168	368
Initial number of free shares allocated	348,980	471,524	348,980	471,524
Corporate officers				
• Rudy Provoost	60,000	–	60,000	–
• Catherine Guillouard	29,100	–	29,100	–
Top ten employees(1)	285,376			
Vesting date	May 22, 2016	May 22, 2018	May 22, 2017	May 22, 2018
Date of transferability of the shares	May 23, 2018	May 23, 2018	May 23, 2019	May 23, 2018
Number of shares valid at December 31, 2014	344,717	459,561	344,717	459,561
Number of shares cancelled or expired(2):	18,021	96,041	18,021	96,041
• Number of vested shares at December 31, 2015	–	–	–	–
Number of shares allocated and valid at December 31, 2015	326,696	363,520	326,696	363,520

(1) Considering the number of shares allotted to the employees, the top ten allotments were included.
(2) Presence condition not satisfied or performance condition not achieved.

Free shares allocated and not yet delivered at December 31, 2015 may result in the creation of 1,380,432 new shares and a dilution of 0.46%.

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 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2015).

During the financial year ended on December 31, 2015, no shares vested in favor of the corporate officers.

Free shares granted in the financial year ended December 31, 2015

Free share plans created on July 28, 2015

Pursant to the authorization granted by Rexel's Extraordinary Shareholders' Meeting held on July 27, 2015, the Board of Directors at its meeting of July 28, 2015 decided to grant 1,798,393 Rexel free shares under two plans.

On July 28, 2015, 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 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.

SHAREHOLDERS

The table below summarizes the free shares allotment carried out on July 28, 2015:

PLAN	KEY MANAGERS 3+2	KEY MANAGERS 4+0
Shareholders' meeting	July 27, 2015	
Board of Directors	July 28, 2015	
Number of beneficiaries	172	419
Initial number of free shares allocated	795,775	1,002,618
Corporate officers		
• Rudy Provoost	120,000	–
• Catherine Guillouard	58,200	–
Top ten employees(1)	305,125	
Vesting date	July 28, 2018	July 28, 2019
Date of transferability of the shares	July 29, 2020	July 29, 2019
Number of shares canceled or expired(2):	6,325	34,275
Number of vested shares at December 31, 2015	–	–
Number of shares allocated valid at December 31, 2015	789,450	968,343

(1) Considering the number of shares allotted to the employees, the top ten allotments were included.
(2) Presence condition not satisfied or performance condition not achieved.

The Board of Directors has allocated the following shares to the corporate officers and ten top employees of Rexel during the financial year ended December 31, 2015:

BENEFICIARIES	PLAN NAME	NUMBER OF SHARES	VALUE OF ALLOCATED SHARES	VESTING DATE	TRANSFERABILITY DATE	CONDITIONS(1)
CORPORATE OFFICERS						
Rudy Provoost	Key Managers 3+2	120,000	1,267,200	July 28, 2018	July 29, 2020	(1)
Catherine Guillouard	Key Managers 3+2	58,200	614,592	July 28, 2018	July 29, 2020	(1)
TEN TOP EMPLOYEES						
Employee #1	Key Managers 3+2	55,000	580,800	July 28, 2018	July 29, 2020	(1)
Employee #2	Key Managers 4+0	45,000	445,950	July 28, 2019	July 29, 2019	(1)
Employee #3	Key Managers 4+0	45,000	445,950	July 28, 2019	July 29, 2019	(1)
Employee #4	Key Managers 3+2	38,375	405,240	July 28, 2018	July 29, 2020	(1)
Employee #5	Key Managers 3+2	30,700	324,192	July 28, 2018	July 29, 2020	(1)
Employee #6	Key Managers 3+2	30,000	316,800	July 28, 2018	July 29, 2020	(1)
Employee #7	Key Managers 4+0	15,750	156,083	July 28,2019	July 29, 2019	(1)
Employee #8	Key Managers 3+2	15,300	161,568	July 28, 2018	July 29, 2020	(1)
Employee #9	Key Managers 3+2	15,000	158,400	July 28, 2018	July 29, 2020	(1)
Employee #10	Key Managers 3+2	15,000	158,400	July 28, 2018	July 29, 2020	(1)

(1) See the above table summarizing the performance criteria adopted under 2015 Key Managers 3+2 plan and Key Managers 4+0 plan.

The shares allocated and not yet delivered at December 31, 2015 may result in the creation of 1,757,793 new shares and therefore a dilution of 0.58%.

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 18.1 of the Notes to the consolidated financial statements of the Rexel Group for the financial year ended December 31, 2015).

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 these plans:

	WEIGHT	TRIGGER	TARGET	MAXIMUM	COMMENTS
3-year average(1) EBITA margin variation (Mid-Term Plan)	40%	25% of shares vest if the average performance reaches the target minus 10bps	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least the target plus 30bps	Calculation on a linear basis between the points
3-year average(2) ratio of free cash flow before interest and taxes to EBITDA (Mid-Term Plan)	30%	50% of shares vest if the average performance reaches 90% of the target	100% of shares vest if the target is reached	150% of shares vest if the average performance reaches at least 120% of the target	Calculation on a linear basis between the points
TSR (Companies of Stoxx Europe TMI "Electronic & Electrical Equipment", and Wolseley; Farnell; Grainger; Anixter; Electrocomponents and Wesco International) over 3 years(3)	30%	50% of shares vest if the Rexel's TSR performance reaches the median 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 at least the 90th percentile of the panel	Calculation on a linear basis between the points
	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 initial grant.			

(1) Variation average on the 2014-2017 period, under the 2015 plan.
(2) Average on 2015, 2016 and 2017, under the 2015 plan.
(3) 2015-2018, under the 2015 plan.

During the financial year ended on December 31, 2015, no shares vested in favor of the corporate officers.

8.2.2.7 Aggregate dilution

The number of options to subscribe for shares which have not yet been exercised and the number of shares freely allocated by Rexel which have not yet been delivered may result in the creation of 4.353.522 new shares, representing 1.44% of the share capital and voting rights of Rexel at December 31, 2015.

8.2.3 Shareholders' voting rights

Each share of Rexel entitles the holder to one vote. Consequently, as of the date of this 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.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.

8.2.4 Control structure

The creation of Committees of the Board of Directors, the appointment of independent members at the Board of 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 Chapter 3 "Corporate Governance" of this Registration document, enable Rexel, *inter alia*, to avoid being controlled in an "abusive manner" within the meaning of European Council Regulation N°809/2004 dated April 29, 2004.

8.2.5 Agreements potentially leading to a change of control

Rexel is not aware of any other agreements between its shareholders.

8.2.6 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 they have been declared are transferred to the French State.

Rexel intends to maintain a cash allocation policy aimed at paying a dividend of at least 40% of the recurring net result.

Rexel's medium-term objective is to generate a solid available cash flow before interest and taxes of at least 75% of the EBITDA and approximately 40% of the EBITDA after 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, 2015, the Board of Directors will submit a proposal to the Shareholders' Meeting held on May 25, 2016 to distribute an amount of 0.40 euro per share to be deducted from the "issue premium" account in order to enable the Company 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
2012	€203,138,199.75	€0.75
2013	€211,250,259.00	€0.75
2014	€217,700,861.25	€0.75
2015	€120,107,456.80*	€0.40*

* Amount subject to the approval of the shareholders upon the Shareholders' Meeting.

Rexel offered its shareholders the opportunity to opt for a dividend payment in shares upon the Shareholders' Meeting of May 27, 2015, which resulted in the creation of 8,955,801 new shares.

8.3 Share capital

8.3.1 Subscribed share capital and authorized but unissued share capital

As of December 31, 2015, Rexel's share capital amounted to €1,509,356,890 divided into 301,871,378 shares with a par value of €5 per share, all of the same class, and all of them fully paid-up and subscribed, as acknowledged by the decision of the Board of Directors of February 10, 2016.

The Combined Ordinary and Extraordinary Shareholders' Meetings held on May 22, 2013, May 22, 2014 May 27, 2015 and July 27, 2015, 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, 2016, the Board of Directors decided to submit to the approval of the Shareholders' Meeting the following projects of delegations and authorizations.

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS MEETING OF MAY 25, 2016		
NATURE OF AUTHORIZATION	DATE OF SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	DURATION (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	NO. RESOLUTION	DURATION	MAXIMUM AMOUNT
AUTHORIZATIONS SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF MAY 25, 2016							
EMPLOYEE SHAREHOLDING, ALLOCATION OF SHARES SUBSCRIPTION OR PURCHASE OPTIONS, FREE SHARE ALLOCATIONS							
Allocation of free performance shares	July 27, 2015 (resolution 1)	26 months (September 27, 2017)	1.4% of the share capital as at the date of the decision of the Board of Directors	Allotment of free shares of July 28, 2015: 1,798,393 shares, *i.e.* €8,991,965	18	26 months	1.4% of the share capital as at the date of the decision of the Board of Directors
Allocation of free shares to the members of the personnel and to the corporate officers members of a shareholding plan	July 27, 2015 (resolution 2)	26 months (September 27, 2017)	0.1% of the share capital as at the date of the decision of the Board of Directors	N/A	19	26 months	0.3% of the share capital as at the date of the decision of the Board of Directors
Issuance with cancellation of the preferential subscritption right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions	May 27, 2015 (resolution 25)	18 months (November 27, 2016)	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the 2% maximum provided for by resolution number 24 and from the maximum provided by resolution number 18	N/A	20	July 27, 2017	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the 2% maximum provided for by resolution number 24 and from the maximum provided by resolution number 18 of the Shareholders Meeting of May 27, 2015
DECREASE IN THE SHARE CAPITAL BY CANCELLING SHARES							
Decrease in the share capital by cancelling shares	May 27, 2015 (resolution 17)	18 months (November 27, 2016)	10% of the share capital on the date of cancellation by 24-month period	N/A	17	18 months	10% of the share capital on the date of cancellation by 24-month period
REPURCHASE BY REXEL OF ITS OWN SHARES							
Share repurchase	May 27, 2015 (resolution 16)	18 months (November 27, 2016)	10% of share capital as at the completion date Maximum total amount: €250 million Maximum repurchase price €30	Utilization under Exane BNP Paribas liquidity contract for market making purposes: purchase of 7,352,447 shares at an average price of €14.7761 and sale of 7,298,076 shares at an average price of €14.7985	16	18 months	10% of share capital as at the completion date Maximum total amount €250 million Maximum repurchase price €30

SHARE CAPITAL

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS MEETING OF MAY 25, 2016		
NATURE OF AUTHORIZATION	DATE OF SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	DURATION (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	NO. RESOLUTION	DURATION	MAXIMUM AMOUNT
AUTHORIZATIONS NOT SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF MAY 25, 2016							
SHARE CAPITAL INCREASE							
Issuance with upholding of preferential subscription rights	May 27, 2015 (resolution 18)	26 months (July 27, 2017)	Equity securities: €720,000,000 (*i.e.*, 144,000,000 shares) Joint maximum amount of resolutions number 18 and 25 Debt securities: €1,000,000,000 Joint maximum amount of resolutions number 18 and 25	N/A			
Issuance by way of public offering with cancellation of the preferential subscription right	May 27, 2015 (resolution 19)	26 months (July 27, 2017)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) Joint maximum amount of resolutions number 19, 20 and 23 This maximum to be deducted from the maximum provided for by resolution number 18 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution number 18	N/A			
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 27, 2015 (resolution 20)	26 months (July 27, 2017)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) This maximum to be deducted from the maximum amounts provided for by resolution number 18 and 19 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution number 18	N/A			

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS MEETING OF MAY 25, 2016		
NATURE OF AUTHORIZATION	DATE OF SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	DURATION (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	NO. RESOLUTION	DURATION	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 27, 2015 (resolution 21)	26 months (July 27, 2017)	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 number 18	N/A			
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 27, 2015 (resolution 22)	26 months (July 27, 2017)	10% of Rexel share capital at the date of the decision of the Management Board determining the offering price per 12-month period This maximum to be deducted from the maximum that applies to the initial issuance, as well as from the maximum provided for by resolution number 18	N/A			
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 27, 2015 (resolution 23)	26 months (July 27, 2017)	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 resolution number 18 and 19	N/A			
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 27, 2015 (resolution 27)	26 months (July 27, 2017)	€200,000,000 (*i.e.*, 40,000,000 shares) This maximum not to deducted from any maximum	N/A			
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	May 27, 2015 (resolution 24)	26 months (July 27, 2017)	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 provided for by resolution number 18 Joint maximum amount of resolutions number 24 and 25	N/A			

8.3.2 Securities not representative of share capital

As of the date of this Registration document, Rexel has not issued any securities not representing share capital.

8.3.3 Treasury shares and purchase by Rexel of its own shares

Information on the share repurchase plan approved by the Shareholders' Meeting of May 27, 2015

Characteristics of the share repurchase plan

The Combined Ordinary and Extraordinary Shareholders' Meeting of May 27, 2015 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 241-6 of the French financial markets authority (AMF) general rules, and Regulation n°2273/2003, dated December 22, 2003, of the European Commission, 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 November 26, 2015

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 through an investment services provider, acting independently under a liquidity agreement in compliance with the AMF market ethics charter;
- 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 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 acknowledged market practices and 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;
- Canceling 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, 2015, Rexel held 1,602,736 shares among which 470,000 under the liquidity agreement entered into with Exane BNP Paribas and 1,132,736 shares previously acquired and held for the attribution to employees.

Under the liquidity agreement entered into with Exane BNP Paribas, Rexel purchased 7,352,447 shares at an average price of €14.7761 and for a total cost of €108,640,299.87, representing 2.44% of Rexel's share capital during the financial year ended December 31, 2015. These shares were acquired for market-making purposes under a liquidity contract concluded with Exane BNP Paribas. Furthermore, under the liquidity agreement, Rexel has sold 7,298,076 shares at an average price of €14.7985.

Transactions carried out by Rexel on its own shares for the year ended December 31, 2015 mainly consisted of:

Number of shares cancelled during the last 24 months	1,500,000
Number of shares held by Rexel as treasury shares as of December 31, 2014	1,737,761
• Share purchases	7,352,447
• Share disposals	7,298,076
• Share transfers	189,396
• Shares cancelled	–
• Number of treasury shares held at December 31, 2015	1,602,736
Percentage of capital directly or indirectly held by Rexel as of December 31, 2015	0.53%
Book value of the treasury shares	19,987,726.30
Market value of the treasury shares as of December 31, 2015	19,681,598.08
Details of transactions carried out by Rexel in 2015, by objective:	
• Liquidity agreement entered into with Exane	
Share purchases by Exane	7,352,447
Share disposals by Exane	7,298,076
Number of treasury shares held at December 31, 2015	470,000
• Cancellation of shares	
Number of cancelled shares	–
Number of treasury shares held at December 31, 2015	–
• Allocation to employees	
Share purchases	–
Share transfers	189,396
Number of treasury shares held at December 31, 2015	1,132,736

Rexel did not hold open buy or sell positions on derivative instruments as of December 31, 2015.

The costs incurred by Rexel within the context of the implementation of the share repurchase plan amount to €67,279 for the financial year ended on December 31, 2015.

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, 2016, the Board of Directors decided to submit a resolution to the Shareholders' Meeting authorizing it, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, of articles 241-1 to 241-6 of the General Regulation of the *Autorité des marchés financiers* and of Regulation n°2273/2003 of the European Commission of December 22, 2003, to purchase or cause to be purchased a maximum number of Rexel shares, representing up to 10% of Rexel's share capital.

Date of the Shareholders' Meeting

The new share repurchase plan will be submitted to the approval of the Combined Shareholders' Meeting of May 25, 2016

Objectives of the share repurchase plan for 2016

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 shares through an investment services provider, acting independently under a liquidity agreement and in compliance with the market ethics charter recognized 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 the Company 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 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 and 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 by any means, immediately or in the future, to Rexel shares;
- Cancelling all or part of the shares so repurchased; 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 2016 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 the Company 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, 2015 and having deducted the 1,602,736 shares held at this date, the maximum number of shares that may be purchased amounts to 28,584,402.

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 2016 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 November 26, 2017.

Breakdown by objectives of the shares held by Rexel

As at December 31, 2015:

- 1,132,736 shares were allocated to the implementation of all share subscription option plans and free share allocation plans of Rexel; and
- 470,000 were allocated to the purchase, sale, conversion, transfer, loan, or availability of the shares in connection with a liquidity agreements in compliance with the AFEI Code of Ethics and entered into with Exane BNP Paribas on January 2, 2016, in compliance with market practice accepted by the French financial markets authority (*Autorité des marchés financiers*) or to carry out counter-trend market transactions.

8.3.4 Other securities giving access to the share capital

8.3.4.1 Subscription or purchase options for Rexel shares

Rexel has issued options to subscribe for shares under the terms and conditions described in paragraph 8.2.2.5 "Subscription or purchase options for Rexel shares" of this Registration document.

8.3.4.2 Allocation of free shares

Rexel has granted free shares to certain employees and officers of the Rexel Group in accordance with the terms set forth in paragraph 8.2.2.6 "Allotment of free shares" of this Registration document.

8.3.5 Terms governing any right of acquisition and/or any obligation attached to the capital subscribed but not paid-up

Not applicable.

8.3.6 Share capital of the Rexel Group companies subject to an option or in respect of which an agreement has been made that provides for placing such share capital subject to an option

Not applicable.

8.3.7 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 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 (€)
February 2, 2012	Share capital increase further to the exercise of share subscription options	19,500	97,500	2,100	1,344,098,795	268,819,759	5
April 12, 2012	Share capital increase further to the vesting of free shares	55	275	N/A	1,344,099,070	268,819,814	5
May 14, 2012	Share capital increase further to the vesting of free shares	48,788	243,940	N/A	1,344,343,010	268,868,602	5
June 25, 2012	Share capital increase further to the vesting of free shares	364,440	1,822,200	N/A	1,346,165,210	269,233,042	5
June 25, 2012	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 16, 2012	2,273,474	11,367,370	19,074,446,86	1,357,532,580	271,506,516	5
July 19, 2012	Share capital increase further to the exercise of share subscription option	36,336	181,680	10,350	1,357,714,260	271,542,852,	5
October 2, 2012	Share capital increase further to the vesting of free shares	13,226	66,130	N/A	1,357,780,390	271,556,078	5
November 23, 2012	Share capital increase reserved for employees	337,465	1,687,325	N/A	1,359,467,715	271,893,543	5

SHARE CAPITAL

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 (€)
February 5, 2013	Share capital increase further to the exercise of share subscription options	29,600	148,000	12,300	1,359,615,715	271,923,143	5
February 5, 2013	Share capital increase further to the vesting of free shares	86	430	N/A	1,359,616,145	271,923,229	5
March 14, 2013	Share capital increase reserved for employees	45,953	229,765	485,033,91	1,359,845,910	271,969,182	5
May 13, 2013	Share capital increase further to the vesting of free shares	788,642	3,943,210	N/A	1,363,789,120	272,757,824	5
July 2, 2013	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 22, 2013	10,287,149	51,435,745	98,653,758,91	1,415,224,865	283,044,973	5
July 22, 2013	Share capital increase further to the exercise of share subscription options	10,200	51,000	7,800	1,415,275,865	283,055,173	5
August 19, 2013	Share capital increase further to the vesting of free shares	166	830	N/A	1,415,276,695	283,055,339	5
October 14, 2013	Share capital increase further to the vesting of free shares	1,048	5,240	N/A	1,415,281,935	283,056,387	5
November 26, 2013	Share capital increase reserved for employees	237,210	1,186,050	2,259,670,65	1,416,467,985	283,293,597	5
December 27, 2013	Share capital increase reserved for employees	19,541	97,705	182,512,94	1,416,565,690	283,313,138	5
February 6, 2014	Share capital increase further to the exercise of share subscription options	24,076	120,380	900	1,416,686,070	283,337,214	5
March 13, 2014	Share capital increase further to the vesting of free shares	86	430	N/A	1,416,686,500	283,337,300	5

SHARE CAPITAL

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 (€)
March 13, 2014	Share capital increase reserved for employees	35,151	175,755	474,362,75	1,416,862,255	283,372,451	5
May 5, 2014	Share capital increase further to the vesting of free shares	11,879	59,395	N/A	1,416,921,650	283,384,330	5
May 12, 2014	Share capital increase further to the vesting of free shares	834,862	4,174,310	N/A	1,421,095,960	284,219,192	5
July 2, 2014	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 22, 2014	9,269,384	46,346,920	99,923,959,52	1,467,442,880	293,488,576	5
July 29, 2014	Share capital increase further to the exercise of share subscription options	6,100	30,500	2,250	1,467,473,380	293,494,676	5
October 28, 2014	Share capital reduction further to the cancellation of shares	1,500,000	7,500,000	14,075,710,03	1,459,973,380	291,994,676	5
February 11, 2015	Share capital increase further to the exercise of share subscription options	10,900	54,500	N/A	1,460,027,880	292,005,576	5
May 4, 2015	Share capital increase further to the vesting of free shares	5,289	26,445	N/A	1,460,054,325	292,010,865	5
May 13, 2015	Share capital increase further to the vesting of free shares	761,061	3,805,305	N/A	1,463,859,630	292,771,926	5
July 1, 2015	Share capital increase further to the scrip dividend distribution voted by Rexel's shareholders' meeting of May 27, 2015	8,955,801	44,779,005	82,482,927,21	1,508,638,635	301,727,727	5
July 1, 2015	Share capital increase further to the vesting of free shares	109,181	545,905	N/A	1,509,184,540	301,836,908	5

SHARE CAPITAL

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 (€)
July 27, 2015	Share capital increase further to the vesting of free shares	5,835	29,175	N/A	1,509,213,715	301,842,743	5
July 28, 2015	Share capital increase further to the exercise of share subscription options	7,500	37,500	N/A	1,509,251,215	301,850,243	5
October 12, 2015	Share capital increase further to the vesting of free shares	13,735	68,675	N/A	1,509,319,890	301,863,978	5
February 10, 2016	Share capital increase further to the exercise of share subscription options	7,400	37,000	N/A	1,509,356,890	301,871,378	5

8.3.8 Pledges, guarantees and security interests

As of the date of this Registration document and to Rexel's knowledge, no Rexel shares have been pledged or are subject to a guarantee or security interest.

8.4 Other elements that may have an impact in case of tender offer

8.4.1 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.

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.

8.4.2 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 the company for the financial year ended December 31, 2015, set out in Chapter 6 "Consolidated Financial Statements" of this Registration document);
- The 2013 and 2015 senior Bonds (see note 22.1.2 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2015, set out in Chapter 6 "Consolidated Financial Statements" of this Registration document); and
- The €45 million bilateral facility agreement entered into with Bayerische Landes Bank on September 2, 2013 (see note 22.1.1 of the Notes to the consolidated financial statements of the company for the financial year ended December 31, 2015, set out in Chapter 6 "Consolidated Financial Statements" of this Registration document).

8.5 Documents available to the public

All of the legal and financial documents in relation to Rexel and that must be made available to the shareholders and to the public in accordance with the applicable regulations may be consulted at the registered office of Rexel or on Rexel's website (www.rexel.com).

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9

Ordinary and Extraordinary Shareholders' Meeting of May 25, 2016

9.1 Report of the Board of Directors to the Ordinary and Extraordinary Shareholders' Meeting of May 25, 2016

To the Shareholders,

The ordinary and extraordinary 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 May 25, 2016 at 10 a.m. at the Salons Eurosites George V, 28 avenue George V, 75008 Paris, in order to resolve upon the draft resolutions presented hereinafter (the **"Shareholders' Meeting"**).

In this report, we present you with the motives behind each of the resolutions being put to a vote at the Shareholders' Meeting.

1. Course of business

For the financial year ended December 31, 2015, the Group's performance is in line with the targets announced.

- The Group achieved sales of €13.5 billion, up 5.6% on a reported basis and down 2.1% on a constant and same-day basis (in line with guidance of "between -2% and -3% on a constant and same-day basis");
- The Group achieved an adjusted EBITA margin of 4.4% (in line with guidance of "between 4.3% and 4.5%");
- The Group achieved a Solid free cash-flow at 85% of EBITDA before interest and tax (in line with guidance of "at least 75%") and 47% of EBITDA after interest and tax (in line with guidance of "around 40%"); and
- The Group indebtedness ratio stood at 2.99x at December 31, 2015 (in line with guidance of "≤ 3 x EBITDA").

The Group net income was impacted by one-off effects. The recurring net income amounted to €269.4 million, down to 7.1%.

The Group proposes to distribute the amount of €0.40 per share, in cash.

The course of business and the financial condition of the Company during the financial year ended December 31, 2015 are described in the Registration document of the Company.

2. Resolutions 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, 2015, as drawn up by the Board of Directors.

The annual financial statements show a loss of €(77,523,044.74).

The consolidated financial statements show a profit of €15.7 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, 2015, these costs and expenses amounted to €19,537. These costs and expenses represent an amount of income tax of €7,424 (at an income tax rate of 38%). 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 (third resolution)

Subject to the annual and consolidated financial statements as presented by the Board of Directors being approved by the shareholders, the third resolution submits to the approval of the shareholders the following allocation of results for the financial year ended December 31, 2015:

Origin of the amounts to be allocated:

• Results from the financial year 2015	€(77,523,044.74)
• Previous carry forward at December 31, 2015	€66,709,156.73
Total	**€(10,813,888.01)**

Allocation:

• To the carry forward account	€(10,813,888.01)
Total	**€(10,813,888.01)**

The "carry forward" account would therefore amount to €(10,813,888.01).

Each of the shares making up the share capital and conferring rights to it would be paid an amount of €0.40, integrally deducted from the "Issue premium" account. The "Issue premium" account will be reduced from €1,680,460,886.85 to €1,560,353,430.05.

The shares held by the Company, at the date of payment of the distribution, would not give right to this distribution and the amount corresponding to the shares held by the Company would remain allocated to the account "Issue premium".

The detachment from the share on the regulated market of Euronext in Paris would take place on July 1, 2016. The payment would take place on July 5, 2016.

The article 112-1° of the French General Tax Code provides that the reimbursement of premium or repayment of capital are not considered as taxable income in France if the profits and reserves, other than the legal reserve, have been distributed. Therefore, the distribution thus proposed meets these conditions for its global amount, *i.e.* €120,107,456.80.

During the last three financial years, the Company has made the following net dividend payments per share:

	2014	2013	2012
Dividend per share (euros)	€0.75(1)	€0.75(1)	€0.75(1)
Number of shares eligible	291,279,888	282,485,976	270,850,933
Total Dividend (euros)	€218,459,916(1)	€211,864,482(1)	€203,138,199.75(1)

(1) Amount(s) eligible to the 40% tax allowance benefiting to the natural persons which are residents in France for tax purposes, 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 to sixth resolutions)

The fourth to sixth resolutions relate to the shareholders' approval of the related-party transactions.

2.3.1 Approval of related-party agreements (fourth resolution)

The fourth resolution relates to the shareholders' approval of agreements referred to 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.

The Board of Directors of February 10, 2016 has decided to close the supplemental defined-benefit pension scheme ("article 39"), that included in particular the Deputy Chief Executive Officer, Catherine Guillouard (and from which a small number of non-corporate officers who, while approaching the age of retirement, will continue to benefit from this scheme).

The Board of Directors considered in particular, that this scheme was no longer adapted to the new profiles of the Group's top managers and that the constant changes in the relating legislation made the system unstable with increasing costs for the Company.

The estimated impact of the partial closure of the supplemental defined-benefit retirement scheme (article 39) shall represent a reversal from provisions of around €1.5 million in the 2016 consolidated accounts.

Consequently, we suggest that you approve the partial closure of article 39 and the related resolution.

In addition, the shareholders will be invited to acknowledge the continuation whithout execution during the financial year ended December 31, 2015 of the agreements. These agreements are described in the Registration document of the Company for the financial year ended December 31, 2015 and in the special report of the auditors.

2.3.2 Approval of the commitments made to the benefit of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer in case of termination or change of duties (fifth and sixth resolutions)

Under the provisions of article L.225-42-1 of the French Commercial Code, the Board of Directors, upon recommendation of the Nomination and Compensation Committee, must set the performance conditions associated with the deferred compensation of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer. This deferred compensation and the related conditions must then be approved during the shareholders' meeting of the Company.

In the event of forced departure, Rudy Provoost shall benefit from a severance indemnity, subject to certain performance conditions.

REPORT OF THE BOARD OF DIRECTORS

The employment contract of Catherine Guillouard provides for, under certain conditions, a severance indemnity, subject to certain performance conditions.

Besides its decision to limit the conditions for entitlement to the severance indemnity of the corporate officers (limitation to forced departure and linked to a change in control or strategy) taken on February 11, 2015, the Board of Directors of February 10, 2016 has modified the definition of the reference compensation and the calculation and payment conditions of the severance indemnity of the Chairman and Chief Executive Officer and of the Deputy Chief Executive Officer in order to be further aligned with market practices. The Board of Directors wanted to harmonize the applicable rules for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer.

The severance indemnity shall not exceed 24 months of a monthly reference compensation (fixed and variable remuneration paid).

The performance conditions remain unchanged, but the possibility for the Board of Directors to review them during the reference financial years in case of deterioration of the economic or financial environment of Rexel or of the market has been withdrawn.

As a consequence, the fifth resolution regards the approval of the modifications of the commitments made to the benefit of Rudy Provoost. The sixth resolution regards the approval of the modifications of the commitments made to the benefit of Catherine Guillouard.

We suggest that you approve these resolutions.

Severance indemnity of Rudy Provoost

Rudy Provoost does not have an employment contract with any of the Rexel Group companies.

In accordance with the decision of the Board of Directors of February 11, 2015, upon recommendation of the Nomination and Compensation Committee, the severance indemnity of Rudy Provoost will only be paid in case of a forced departure linked to a change in control or strategy. The severance indemnity is not applicable in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or voluntary leave or compulsory retirement leave[(1)].

Rudy Provoost benefits from a gross severance indemnity equal to 24 months of a monthly reference compensation.

As decided by the Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee, the monthly reference compensation is now understood as the last fixed gross annual compensation plus the gross amount of the last variable bonus paid, excluding any exceptional bonus, with this sum being divided by 12 (until that date, the reference compensation was understood as the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid).[(2)]

This gross severance indemnity is deemed to include the non-compete indemnity, if any (the latter being not subject to the conditions of termination of the corporate office referred to above, or to the performance conditions referred to below).

A non-compete clause is stipulated regardless of the cause of departure from Rexel. The Board of Directors may waive this non-compete clause[(3)]. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the corporate office. As consideration, the monthly non-compete indemnity is equal to one twelfth of the gross fixed annual compensation.

Severance indemnity of Catherine Guillouard

Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013.

In the event of termination of her corporate office within Rexel, Catherine Guillouard's employment contract with Rexel Développement would be reinstated with a compensation package equivalent to that from which she benefited as corporate officer.

The employment contract of Catherine Guillouard, amended on February 24, 2016 provides, in the event of termination of the employment contract at the initiative of the employer, notified within twelve months following the end of her duties as corporate officer, the conditions referred to as forced departure, and linked to a change in control or strategy, independent of the grounds of the termination of contract, except in case of gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or compulsory retirement leave[(1)], that Catherine Guillouard would benefit from a

(1) The position adopted by the Board of Directors is more restrictive than the guidelines of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "*independent of the form of such departure*".
(2) Consequently, the severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid.
(3) The Board of Directors, having the option to assess the interest for Rexel to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive (in particular, taking into account the various legislations applicable in respect of retirement rights for international executives).

gross contractual severance indemnity equal to 24 months of the monthly reference compensation (this contractual severance indemnity was previously 18 months of the reference compensation). The 8 months notice period which was in force in the event of termination of the employment contract at the initiative of the employer has been waived.

The monthly reference compensation is defined as the gross annual fixed compensation applicable during the full month prior to the month of the effective redundancy date, plus the amount of the gross variable compensation received in respect of the last financial year, excluding any other additional or exceptional compensation items, divided by 12 (until that date, the reference compensation was understood as the fixed gross annual compensation plus the average gross amount of the last two variable bonuses paid).

The monthly reference compensation includes any compensation (fixed and variable, on a *prorata* basis) received as a corporate officer during this last month in respect of the fixed compensation or for the last financial year in respect of the variable compensation (excluding any additional or exceptional compensation item).[(2)]

The Catherine Guillouard's employment contract amended on February 24, 2016 also provides, in the event of the termination of the employment contract at the initiative of the employer, notified more than twelve months following the end of her duties as corporate officer, and subject to the actual exercise of a salaried position during this period, that the below mentioned performance conditions and the above mentioned conditions of termination of the corporate office will not be applicable.

In addition, regardless of the cause of departure from Rexel, a non-compete clause is stipulated in Catherine Guillouard's employment contract amended on February 24, 2016. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-compete indemnity is equal to one twelfth of the gross fixed annual compensation. The company may waive this non-compete clause[(3)].

The gross contractual severance indemnity includes the statutory severance indemnity (*indemnité légale de licenciement*) or severance indemnity pursuant to the applicable collective bargaining agreement (*indemnité conventionnelle de licenciement*) as well as the non-compete indemnity, if any (these indemnities not being subject to the conditions of termination of the corporate office referred to above, or to the performance conditions referred to below).

Performance conditions applicable to severance indemnities

Pursuant to the provisions of article L.225-42-1 of the French Commercial Code, Rudy Provoost's severance indemnities (which are subject to the approval of the Shareholders' Meeting), other than the non-compete indemnity, as well as the contractual severance indemnities of Catherine Guillouard (subject to the approval at the shareholders' meeting), other than the statutory severance indemnity or the severance indemnity pursuant to the applicable collective bargaining agreement or non-compete indemnity, are subject to performance conditions.

The Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee decided to withdraw the possibility to modify during the reference financial years the targets to achieve.

Consequently, the performance conditions are the followings:

- the payment of 60% of the indemnity would be dependent on the level of EBITA of the Rexel Group. This payment would be 100% if the level of EBITA, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate functions or employment contract (the reference period) reache on average a minimum of 60% of the amount budgeted for such two periods; and
- the payment of 40% of the indemnity would be dependent on the level of ATWC of the Rexel Group. This payment would be 100% if the level of ATWC, calculated on the basis of Rexel's consolidated audited financial statements for the last two financial years preceding the date of termination of the corporate office or employment contract (the reference period) reache on average a maximum of 125% of the performance budgeted for such two financial years.

These indemnities will only be paid after a decision of the Board of Directors acknowledging the fulfillment of these conditions.

(1) The position adopted by the Board of Directors is more restrictive than the guidelines of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "*independent of the form of such departure*".
(2) Consequently, the severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid.
(3) The Board of Directors, having the option to assess the interest for Rexel to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive (in particular, taking into account the various legislations applicable in respect of retirement rights for international executives).

REPORT OF THE BOARD OF DIRECTORS

These commitments are in line with the recommendations of the Code of corporate governance for listed companies drawn up by the AFEP and the MEDEF.

Accordingly, we submit for your approval the commitments made by the Board of Directors to the benefit of Rudy Provoost and Catherine Guillouard as well as the performance conditions related thereto, as described above.

We suggest that you approve the above-mentioned commitments and performance conditions.

2.4 Advisory vote on the elements of compensation due or granted for the financial year 2015 to Rudy Provoost, Chairman and Chief Executive Officer and to Catherine Guillouard, Deputy Chief Executive Officer (seventh and eighth resolutions)

In accordance with paragraph 24.3 of the AFEP-MEDEF Code on corporate governance, as revised in November 2015, to which the Company refers in application of article L.225-37 of the French Commercial Code, the seventh and eighth resolutions submit to the Shareholders' opinion the elements of compensation due or granted for the financial year 2015 to Rudy Provoost, as Chairman and Chief Executive Officer and to Catherine Guillouard, as Deputy Chief Executive Officer.

The relevant elements of compensation relate to: (i) the fixed portion, (ii) the annual variable portion and, as the case may be, the multiannual variable portion with the objectives contributing to the setting of this variable portion, (iii) exceptional compensation, (iv) shares options, performance-based shares and any other long-term element of compensation, (v) indemnities related to the appointment or to the termination of office, (vi) supplementary pension plan and (vii) benefits of any nature.

The above-mentioned elements of compensation are set out in paragraph 3.2 "Compensation of corporate officers" of the Company's Registration document for the financial year ended December 31, 2015:

Rudy Provoost (Chairman and Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Fixed annual compensation	€875,500	The gross fixed annual compensation in respect of the financial year ended on December 31, 2015, determined by the Board of Directors of February 11, 2015, upon recommendation of the Nomination and Compensation Committee is €875,500. The gross fixed annual compensation in respect of the financial year ended on December 31, 2014 stood at €875,500. See paragraph 3.2.1 of the Registration document.
Variable annual compensation	€348,624	The gross variable annual compensation in respect of the financial year ended on December 31, 2015 determined by the Board of Directors of February 10, 2016 on the proposal of the Nomination and Compensation Committee is €348,624. The variable compensation was based for 75% on financial criteria (adjusted EBITA in volume, ATWC and sales growth in volume) and for 25% on individual criteria. In percentage, financial performance stood at 21.6% and individual performance stood at 80%. This amount thus corresponds to 36.20% of the target variable compensation (the target variable compensation was determined at 110% of the fixed annual compensation if 100% of the financial and individual targets were achieved). For details on the calculation of the variable compensation for 2015, please see paragraph 3.2.1 of the Registration document.
Deferred variable compensation	Not applicable	Rudy Provoost does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable	Rudy Provoost does not benefit from any multiannual variable compensation.
Exceptional compensation	Not applicable	Rudy Provoost does not benefit from any exceptional compensation.
Other compensation item	€60,000	Rudy Provoost benefits from a housing allowance, an annual gross amount of €60,000. The amount for the financial year ended December 31, 2015 has not varied compared to the financial year ended December 31, 2014.

Rudy Provoost (Chairman and Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Subscription or purchase options	Not applicable	No subscription or purchase options have been alloted to Rudy Provoost during the financial year ended on December 31, 2015.
Performance share allotments	€1,267,200	In accordance with the authorizations granted by Rexel's Shareholders' on July 27, 2015 (resolution no. 1), the Board of Directors decided, at its meeting of July 28, 2015, to allot Rexel performance shares. Accordingly, 120,000 shares were alloted to Rudy Provoost. This number of shares is the maximum number of shares that may be vested if the performance conditions are outperformed and corresponds to a maximum vesting percentage of 100%. Such shares represented 0.04% of the share capital and voting rights of Rexel as at December 31, 2015. The final vesting of the shares alloted to Rudy Provoost is entirely subject to performance conditions, as described in paragraph 8.2.2.6 of the Registration document. The two limits put in place in 2015 were respected (the annual value of the performance shares alloted to the Chairman and Chief Executive Officer has not exceeded 100% of his 2015 fixed and variable target compensation, and the number of shares alloted in 2015 to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer has not exceeded 10% of the overall envelope of performance shares alloted to all the beneficiaries).
Other long term compensation items	Not applicable	Rudy Provoost does not benefit from any other long term compensation items.
Attendance fees	€90,000	In respect of his corporate offices within Rexel UK Ltd, British subsidiary, and Rexel Holdings USA Corp., US subsidiary, Rudy Provoost received attendance fees amounting to €90,000, paid in 2016 in respect of the financial year ended on December 31, 2015. The attendance fees paid in 2015 in respect of the financial year ended on December 31, 2014, amounted to €90,000. The Board of Directors of February 10, 2016 decided to suppress the grant of intra-group attendance fees at the benefit of the Chairman and Chief Executive Officer as of 2016. See paragraph 3.2.1 of the Registration document.
Valuation of benefits in kind	€25,773	Rudy Provoost receives benefits in kind amounting to €9,179, comprising a company car and €16,594 for executive director's unemployment coverage GSC. For the financial year ended on December 31, 2014, such benefits in kind amounted to €25,405. See paragraph 3.2.1 of the Registration document.

REPORT OF THE BOARD OF DIRECTORS

Rudy Provoost (Chairman and Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Severance indemnities	No payment	In the event of forced departure, Rudy Provoost shall receive a gross severance indemnity in an amount equal to 24 months of reference monthly compensation. In accordance with the decision made by the Board of Directors of February 10, 2016, reference monthly compensation is now defined as the last gross fixed annual compensation increased by the gross amount of the last variable bonus received, except for any exceptional bonuses, divided by 12 (the severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid). The severance indemnity will only be paid in case of forced departure and linked to a change in control or strategy. The severance indemnity shall not apply in the event of resignation, termination for gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or voluntary leave or compulsory retirement leave[(1)]. This severance indemnity includes, as the case may be, the non-compete indemnity. This severance indemnity (excluding the non-compete indemnity) is subject to the following performance conditions[(2)]: • the payment of 60% of the indemnity depends on the level of EBITA of the Rexel Group; and • the payment of 40% of the indemnity depends on the level of ATWC of the Rexel Group. The payment of these indemnities requires a prior decision of the Board of Directors acknowledging the fulfillment of these conditions. This severance indemnity was authorized by a decision of the Board of Directors of February 11, 2015 and a decision of February 10, 2016. These decisions will be the purpose of a resolution submitted to the General Shareholders' Meeting of May 25, 2016 (resolution No. 5). See paragraph 3.2.2 of the Registration document.
Non-compete indemnity	No payment	Regardless of the cause of Rudy Provoost's departure from Rexel, a non-compete clause is provided. The Board of Directors may waive the implementation of such a non-compete clause[(3)]. This non-compete undertaking is limited to a period of 12 months as from the date of effective termination of his corporate office. In consideration for such non-compete undertaking, the monthly non-compete indemnity is equal to one twelfth of the gross fixed annual compensation. It is not subject to performance conditions. The gross severance indemnity includes, as the case may be, the non-compete indemnity. This non-compete indemnity was authorized by a decision of the Board of Directors of February 11, 2015 and of February 10, 2016. See paragraph 3.2.2 of the Registration document.
Supplemental retirement plan	Not applicable	In accordance with the request of Rudy Provoost, the Supervisory Board[(4)] of March 6, 2013 decided to withdraw the advantage resulting from the benefit of the defined-benefits retirement plan (article 39).

(1) The position adopted by the Board of Directors is more restrictive than the guidelines of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "independent of the form of such departure".
(2) The Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee decided to withdraw the possibility to modify these performance conditions during the reference period, in case of deterioration of Rexel's or of the market economic and financial environment.
(3) The Board of Directors, having the option to assess the interest for the company to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive officer (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive officer (in particular, taking into account the various legislations applicable in respect of retirement rights for international executive officers).
(4) As of that date, Rexel was a *société anonyme* with a Supervisory Board and a Management Board.

Catherine Guillouard (Deputy Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Fixed annual compensation	€475,000	The gross fixed annual compensation in respect of the financial year ended on December 31, 2015 determined by the Board of Directors of February 11, 2015, upon recommendation of the Nomination and Compensation Committee is €475,000. The gross fixed annual compensation in respect of the financial year ended December 31, 2014 amounted to €452,083, including a gross fixed annual compensation of €420,000 from January 1 to May 31, 2014, followed by €475,000 from June 1, to December 31, 2014. The fixed compensation remained therefore unchanged since June 1, 2014. This fixed annual compensation is reviewed regularly in accordance with the compensation policy applicable to top managers of the Group in order to allow, through this continuous adjustment, the alignment of the fixed annual compensation with the median of the reference market (based on benchmarks analysis provided by an independent consulting firm on a panel of French and European companies of similar industries and size and comparable in terms of sales, number of employees and market capitalisation). This alignment takes also into account the responsibilities carried out, the experience and the performance achieved. See paragraph 3.2.1 of the Registration document.
Variable annual compensation	€186,352	The gross variable annual compensation in respect of the financial year ended on December 31, 2015 determined by the Board of Directors of February 10, 2016 upon recommendation of the Nomination and Compensation Committee is €186,352. The variable compensation was based for 65% on financial criteria (adjusted EBITA in volume, ATWC and sales growth in volume) and for 35% on individual criteria. Financial performance stood at 21.6% and individual performance stood at 100%. This amount thus corresponds to 49.04% of the target bonus (the target bonus was determined at 80% of the fixed annual compensation if 100% of the financial and individual targets were achieved). For details on the calculation of the variable compensation for 2015, please see paragraph 3.2.1 of the Registration document.
Deferred variable compensation	Not applicable	Catherine Guillouard does not benefit from any deferred variable compensation.
Multiannual variable compensation	Not applicable	Catherine Guillouard does not benefit from any multiannual variable compensation.
Exceptional compensation	Not applicable	Catherine Guillouard does not benefit from any exceptional compensation.
Subscription or purchase options	Not applicable	No subscription or purchase options have been alloted to Catherine Guillouard during the financial year ended on December 31, 2015.
Performance share allotments	€614,592	In accordance with the authorizations granted by Rexel's Shareholders' of July 27, 2015 (resolution No.1), the Board of Directors, at its meeting of July 28, 2015, decided to allot Rexel performance shares. Accordingly, 58,200 performance shares were alloted to Catherine Guillouard. This number of shares is the maximum number of shares that may be vested if the performance conditions are outperformed and corresponds to a maximum vesting percentage of 100%. Such shares represented 0.02% of the share capital and voting rights of Rexel as at December 31, 2015. The final vesting of the shares alloted to Catherine Guillouard is entirely subject to performance conditions as described in paragraph 8.2.2.6 of the Registration document. The two limits put in place in 2015 were respected: the annual value of the performance shares alloted to the Deputy Chief Executive Officer has not exceeded 100% of her 2015 fixed and variable target compensation, and the number of shares alloted to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer has not exceeded 10% of the overall envelope of performance shares alloted to all the beneficiaries.
Other long term compensation items	Not applicable	Catherine Guillouard does not benefit from any other long term compensation items.
Attendance fees	Not applicable	Catherine Guillouard does not benefit from any attendance fees.

REPORT OF THE BOARD OF DIRECTORS

Catherine Guillouard (Deputy Chief Executive Officer)

COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE	PRESENTATION
Valuation of benefits in kind	€13,866	Catherine Guillouard receives benefits in kind amounting to €6,479, comprising a company car and €7,387 for executive director's unemployment coverage GSC. For the financial year ended on December 31, 2014, such benefits amounted to €13,794. See paragraph 3.2.1 of the Registration document.
Severance indemnities	No payment	Catherine Guillouard's employment contract with Rexel Développement has been suspended since April 30, 2013. In the event of termination of her corporate office within Rexel, Catherine Guillouard's employment contract with Rexel Développement would be reinstated with a compensation package equivalent to that from which she benefited as corporate officer. The employment contract of Catherine Guillouard, amended on February 24, 2016 provides, in the event of the termination of the employment contract at the initiative of the employer, notified within twelve months following the end of her duties as corporate officer, within conditions referred to as forced departure and linked to a change in control or strategy, independent of the grounds of the termination of contract, except in case of gross negligence (*faute grave*) or willful misconduct (*faute lourde*) or compulsory retirement leave(1), that Catherine Guillouard will benefit from a gross contractual severance indemnity equal to 24 months of the monthly reference compensation (this contractual severance indemnity was previously equal to 18 months of the reference compensation). The 8 months notice period which was in force in the event of termination of the employment contract at the initiative of the employer has been waived.(2) The monthly reference compensation is now defined as the gross annual fixed compensation applicable during the full month prior to the month of the effective redundancy date, plus the amount of the gross variable compensation received in respect of the last financial year, excluding any other additional or exceptional compensation items, divided by 12. The monthly reference compensation includes any potential compensation (fixed and variable, on a *prorata* basis) received as a corporate officer during this last month in respect of the fixed compensation or for the last financial year in respect of the variable compensation (excluding any additional or exceptional compensation item). The severance indemnity shall not exceed 24 months of the last fixed and variable compensation paid. The gross contractual severance indemnity is deemed to include the statutory severance indemnity *(indemnité légale de licenciement)* or severance indemnity pursuant to the applicable collective bargaining agreement *(indemnité conventionnelle de licenciement)* due, if any, as well as the non-compete indemnity. This contractual severance indemnity (excluding the statutory severance indemnity or the severance indemnity pursuant to the applicable collective bargaining agreement and the non-compete indemnity, if any) is subject to the following performance conditions(3): • the payment of 60 % of the indemnity depends on the level of EBITA of the Rexel Group; and • the payment of 40 % of the indemnity depends on the level of ATWC of the Rexel Group. The payment of these indemnities requires a prior decision of the Board of Directors acknowledging the satisfaction of these conditions. The employment contract of Catherine Guillouard, amended on February 24, 2016 provides, in the event of the termination of the employment contract at the initiative of the employer, notified more than twelve months after the end of her duties as corporate officer, and subject to the actual exercise of a salaried position during this period, that the above mentioned conditions of termination of the corporate office and performance conditions will not be applicable. This severance indemnity was authorized by a decision of the Board of Directors of February 11, 2015, and a decision of February 10, 2016. These decisions will be the purpose of a resolution submitted to the General Shareholders' Meeting of May 25, 2016 (resolution No. 6). See paragraph 3.2.2 of the Registration document.

(1) The position adopted by the Board of Directors is more restrictive than the guidelines of the AFEP-MEDEF Code that provides for the payment of indemnities in case of forced departure "independent of the form of such departure".
(2) The Board of Directors decided to modify and align the calculation and payment of severance indemnities of the two corporate officers.
(3) The Board of Directors of February 10, 2016, upon recommendation of the Nomination and Compensation Committee decided to withdraw the possibility to modify these performance conditions during the reference period, in case of deterioration of Rexel's or of the market economic and financial environment.

Catherine Guillouard (Deputy Chief Executive Officer)		
COMPENSATION ITEMS DUE OR ALLOTED IN RESPECT OF THE FINANCIAL YEAR ENDED	**AMOUNT OR ACCOUNTING VALUATION SUBMITTED TO A VOTE**	**PRESENTATION**
Non-compete indemnity	No payment	Regardless of the cause of Catherine Guillouard's departure from Rexel, a non-compete clause is stipulated in her employment contract as amended on February 24, 2016. This non-compete undertaking is limited to a period of 12 months from the date of the termination of the employment contract. As consideration, the monthly non-compete indemnity is equal to one twelfth of the gross fixed annual compensation. The Company may waive this non-compete clause(1). The contractual severance indemnity includes the non-compete indemnity, if any. This non-compete indemnity was authorized by a decision of the Board of Directors of February 11, 2015 and by a decision of the Board of Directors of February 10, 2016. See paragraph 3.2.2 of the Registration document.
Supplemental retirement plan	No payment	Catherine Guillouard benefited from the supplemental defined benefit retirement plan in force within Rexel Développement and Rexel since July 1, 2009. The supplemental pension under this plan is equal to the product of the reference compensation, the years of seniority and an annual acquisition factor ranging between 0% and 1% according to the level of reference compensation. The reference compensation used to calculate the supplemental pension is equal to the average of the three highest calendar years of gross compensation received for the period in which the potential beneficiary can justify seniority and eligibility. This compensation includes: • Salary and/or compensation as a corporate officer; and • Exclusively contractual annual bonuses classified as "annual variable compensation" not including any special bonuses, hardship allowances or other similar bonuses. These annual bonuses are taken into account for an amount of up to 80% of the fixed base salary. The reference compensation does not include special bonuses, particularly payments made upon retirement and/or redundancy and/or entered into amicably, judicially, through arbitration or by settlement. It also does not include benefits in kind. The reference compensation is globally capped at 40 times the annual French Social Security ceiling. The amount of the benefit is subject to a certain number of limits: • The amount of the supplemental pension under the new rules is limited to 20% of the reference compensation; • The amount of all the supplemental pension schemes of Rexel (defined benefits or defined contributions) may not exceed 25% of the reference compensation; and • The aggregate amount of mandatory pension schemes and all supplemental pensions plans in force within Rexel may not exceed 50% of the reference compensation. On the basis of the information available on the date hereof, Catherine Guillouard's annual pension under this supplemental retirement plan should not exceed 13% of the reference compensation upon retirement. This supplemental retirement plan was authorized by a decision of the Board of Directors of May 22, 2014 and approved by the Shareholders' of May 27, 2015 (5th decision). The Board of Directors of February 10, 2016, upon proposal of the Nomination and Compensation Committee, decided to put an end, as from 2016 to the supplemental defined-benefit retirement scheme (article 39)(2), that included in particular Deputy Chief Executive Officer Catherine Guillouard as beneficiary. The Board of Directors considered, in particular, that this regime 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…). Furthermore, the legislation in connection with these schemes has been continuously changing throughout the last few years, which makes the system unstable with increasing costs for the Company. See paragraph 3.2.4 of the Registration document.

(1) The Board of Directors, having the option to assess the interest for the Group to activate the non-compete clause or to waive its right in such respect depending on the effective risk of competition upon the departure of the executive officer (in particular in the situation where the executive would continue to carry out mission or functions for competitors, even after a retirement leave or a compulsory retirement leave), believes that the activation of such clause should not be ruled out as a principle, in the event of a voluntary retirement leave by the executive (in particular, taking into account the various legislations applicable in respect of retirement rights for international executives officers).

(2) Except for some beneficiaries, non corporate officers, about to retire.

We suggest you to give a favorable opinion on the elements of compensation due or granted for the 2015 financial year to Rudy Provoost, as Chairman and Chief Executive Officer, and to Catherine Guillouard, as Deputy Chief Executive Officer.

2.5 Renewal of the terms of offices of Thomas Farrell as director (ninth resolution)

In accordance with article 14.2 of the by-laws of the Company and the unanimous decision of the members of the Board of Directors of February 10, 2016, the terms of office of Thomas Farrell as director will expire after the Shareholders' Meeting.

This early termination aims at allowing the Board of Directors to be renewed in quarters each year and, thus, the terms of office of the members of the Board of Directors to be fully renewed every four years.

Therefore, the ninth resolution submits to the approval of the shareholders the renewal of the terms of office of Thomas Farrell 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, 2019, to be held in 2020.

Thomas Farrell

Thomas Farrell was born in June 1, 1956 and is a U.S. citizen residing 41, Walcott Avenue, 02835 Jamestown, Rhode Island, United States of America.

Thomas Farrell has served on the Board of Directors of Rexel since May 22, 2014. Since May 16, 2012, he had been a member of the Supervisory Board. From November 2011 to May 2012, Thomas Farrell served as observer in the Supervisory Board of Rexel. He worked with Lafarge since 1990. Prior to joining Lafarge, Thomas Farrell was a corporate attorney with Shearman & Sterling, working at both their New York and Paris offices. After joining Lafarge, Thomas Farrell first worked at the Paris headquarters as Vice President of Strategy for two years. From 1992 to 2002, he managed various Lafarge operating units in France, Canada and India. From 1998 through 2002 he was CEO of Lafarge India. In June 2002, Thomas Farrell was appointed EVP of Lafarge North America. In September 2007, he was appointed Lafarge Group EVP, Co-President of the Aggregates & Concrete Division, and a member of the Executive Committee. In January 2012, he became Group EVP, Operations, responsible for the Group's operations in 20 countries. Thomas Farrell is a graduate of Brown University (BA 1978) and of Georgetown University Law Center (JD 1981).

Details regarding Thomas Farrell are presented in Chapter 3 of the Registration document for the financial year 2015.

As of December 31, 2015 Thomas Farrell held 1,851 Rexel's shares.

We suggest that you approve this resolution.

2.6 Approval of the cooptions of Elen Phillips and Marianne Culver as directors and renewal of their terms of office as directors (tenth to thirteenth resolutions)

The tenth and twelfth resolutions submit to the approval of the shareholders the approval of the cooptions of Elen Phillips and Marianne Culver as directors of the Company in replacement of Isabel Marey-Semper and Monika Ribar for the remainder of the terms of their predecessors, *i.e.*, respectively until the shareholders' meeting which will be called to approve the financial statements for the financial year ending December 31, 2018, to be held in 2019 and for the financial year ending December 31, 2016, to be held in 2017.

These two cooptions approved by the Shareholders' Meeting, may be made only for the remainder of the term of their predecessors as indicated above.

In accordance with article 14.2 of the by-laws of Rexel and the unanimous decision of the members of the Board of Directors of March 8, 2016, the eleventh and thirteenth resolutions submit to the approval of the shareholders the renewals of the term of offices of Elen Phillips and Marianne Culver for a period 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, 2019, to be held in 2020.

Elen Phillips

Elen Phillips (56 years old)	PROFESSIONAL ADDRESS: 2518 DEL MONTE DRIVE – HOUSTON – TEXAS, 77019 – UNITED STATES OF AMERICA	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Director, member of the Audit and Risk Committee and member of the Strategic Investment Committee

Elen Phillips was coopted as director by the Board of Directors on March 8, 2016 to replace Isabel Marey-Semper, resigning. Elen Phillips' cooptation as director and the renewal of her directorship will be submitted to shareholders' approval during the Shareholders' Meeting of May 25, 2016.

Elen Phillips is both a British and an American citizen.

Elen Phillips is Vice President for Fuels & Marketing, Americas of Shell Oil since 2010.

She held previously different executive roles at Shell Group and notably Vice President for Global Retail Network of Shell International (2004-2010), Head of Retail Network & Engineering of Shell Retail International (2002-2004) and General Manager for Network Development of Shell Oil (2000-2002). She was previously General Manager for Gulf Coast Retail Sales of Motiva Enterprises LLC (1998-2000). Before that she was Business Manager, Retail – Eastern Region of Shell Oil (1997-1998), Consultant in the Business Transformation Team of Shell Oil (1995-1997), Business Manager for Aviation Fuels of Shell Oil Products (1993-1995), Business Development Representative for Detergent Alcohols of Shell Chemical Company (1991-1993) and Business Strategist for Shell International Chemical Company (1988-1990). Elen Phillips began her career with Shell Group in 1983, being in charge of the business development and the product management until 1988.

Elen Phillips holds a Master in Business Science from the Manchester Business School and a Bachelor of Science from the University of Salford.

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 Strategic Investment 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

–

Marianne Culver

Marianne Culver (59 ans)	PROFESSIONAL ADDRESS: 10, LINKSWOOD ROAD, BURNHAM, BUCKS SL18AT – UNITED KINGDOM	NUMBER OF REXEL SHARES HELD: –

EXPERIENCE AND EXPERTISE

Director, member of the Nomination and Remuneration Committee and member of the Strategic Investment Committee

Marianne Culver was coopted as director by the Board of Directors on March 8, 2016, to replace Monika Ribar, resigning. Marianne Culver's cooptation as director and the renewal of her directorship will be submitted to shareholders' approval during the Shareholders' Meeting of May 25, 2016.

Marianne Culver is a British citizen.

Marianne Culver is Managing Director of TNT Express UK/Ireland Ltd. since 2015.

She held previously different executives roles at Premier Farnell plc. between 2004 and 2014: Executive Director of Transformation and Supply Chain, and Global Head of Business Transformation and Supplier Management. She worked as consultant for the UK Government (2003-2004). Previously, she held several roles at Avnet Inc., including Corporate Vice President, President of Avnet Silica (2000-2003) and was Director of Diplomac Plc. (1987-2000). She is a graduate from the Saint Andrews University.

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 and Remuneration Committee
- Member of Rexel's Strategic Investment Committee

Abroad

–

Over the last five financial years:

In France

–

Abroad

–

TITLES AND DUTIES OUTSIDE THE REXEL GROUP:

Current:

In France

–

Abroad

- Director of British Quality Foundation (United Kingdom – association, non-listed)

Over the last five financial years:

In France

–

Abroad

- Director of EDS (United States – association, non-listed)

We suggest that you approve these resolutions.

2.7 Appointment of a Statutory Auditor and an Alternate Statutory Auditor of the Company (fourteenth and fifteenth resolutions)

The mandate of Statutory Auditors of the company Ernst & Young and the mandate as alternate Statutory Auditors of the company Auditex will expire at the end of this Shareholders' Meeting.

As a consequence, the fourteenth and fifteenth resolutions submit to the approval of the shareholders the appointment of KMPG SA and Salustro Reydel as Statutory Auditors and alternate Statutory Auditors of the Company for a period of six years, *i.e.* until the shareholders' meeting which will be called to approve the financial statements for the financial year ending December 31, 2021.

The choice of KMPG SA and Salustro Reydel has been made by the Board of Directors, upon recommendation of the Audit and Risk Committee, after conducting a tender procedure from several audit companies.

We suggest that you approve these resolutions.

2.8 Authorization to carry out transactions on the Company's shares (sixteenth resolution)

The Ordinary and Extraordinary Shareholders' Meeting of May 27, 2015 authorized the Board of Directors to carry out transactions on the Company's shares for a period of 18 months as of the date of said meeting.

This authorization was implemented by the Board of Directors in the conditions described in the Registration document for the year ended December 31, 2015. Under this authorization, 7,352,447 shares were purchased during the financial year 2015 at an average price of €14.7761 and for a global amount of €108,640,299.87 representing 2.44% of the share capital of the Company.

This authorization expires in 2016.

Accordingly, the sixteenth 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 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, (iv) delivering shares in the context of external growth transactions, (v) delivering shares in connection with the exercise of rights attached to securities, (vi) cancelling 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 (seventeenth 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 delegations and authorizations (eighteenth to twentieth 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' Meeting of May 27, 2015 and July 27, 2015 granted the Board of Directors with the delegations of authority and authorizations as described in the table provided at Schedule 1 attached 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.

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, the allotment of free shares or the issuances resulting from the capitalization of premiums, reserves, profits or other items that may be capitalized.

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 less than 50% of the share capital and voting rights of the Company.

In addition, 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 less than 10% of the share capital and voting rights of the Company.

Theses delegations and authorizations are still in force. Thus, it is not planned to submit their renewal to the Shareholders Meeting, with the exception of:

- The two resolutions authorizing the Board of Directors to allocate free shares. The law n°2015-990 (Macron Law) of August 6, 2015 has modified the free share issuance regime. The benefit of the new regime will only apply to allocations made under authorizations granted after the above-mentioned law came into force. Consequently, in order to allow the beneficiaries of the free shares allocations, which will be implemented by the Company, to benefit from the new regime, the shareholders of the Company are proposed to grant to the Board of Directors new authorizations in order to allocate free shares; and
- The resolution granting an authorization to the Board of Directors to issue securities reserved for certain categories of beneficiaries in order to allow the implementation of employee Group shareholding plans.

Thus, the draft resolutions being put to the vote of the shareholders are relative to:

3.2.1 Allotment of performance shares (eighteenth resolution)

In accordance with the provisions of articles L.225-129 *et seq.* and L.229-197-1 *et seq.* of the French Commercial Code, the eighteenth resolution relates to the authorization to be granted to the Board of Directors to allocate free existing and/or newly-issued shares of the Company (the "Performance shares"), in one or several occurrences, to the salaried personnel members and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in article L.225-197-2 of the French Commercial Code or to certain categories of them.

The granting of this authorization would allow the Board of Directors to put in place performance shares plans to the benefit of the corporate officers and the employees of the Rexel Group, in France and abroad, and thus to pursue its policy which aims at associating its collaborators to its results and its development and to ensure the international competitiveness of their compensation, on very dynamic and competitive markets.

In the context of its corporate project and its mid-term objectives which require an important involvement of the teams in order to successfully carry out the major evolutions that are necessary to the development of the Rexel Group, Rexel contemplates in particular allocating to its corporate officers and the key staff of the Rexel Group, involved in the current and future projects, performance shares which would be fully submitted to performance conditions determined on the basis of its strategy and to a presence condition.

This resolution would also allow the future allotments of performance shares to benefit from the fiscal and social improvements of the law n°2015-990 (Macron Law) of August 6, 2015 for the beneficiaries in France and Rexel (with a vesting period of at least 3 years).

The terms of the authorization submitted at the Shareholders Meeting are the following:

Maximum grant

The number of performance shares that may be alloted could not exceed 1.4% of the Company's share capital, calculated at the time when the Board of Directors makes its decision.

This maximum amount of 1.4% of the share capital of the Company would include, as the case may be, the performance shares that will be alloted to the corporate officers of the Company, being mentioned that these allotments may not exceed 10% of the allotments carried out. Moreover, the compensation policy for the corporate officers of the Group specifies that the annual value of the performance shares alloted to the corporate officers shall not exceed 100% of the respective target monetary compensation (fixed and variable annual target compensation).

The limit of 1.4% of the share capital of the Company for a 26 month-period has been determined on the basis of the number of employees of the Rexel Group, the current organization and the strategic challenges. This percentage is consistent with market practices and capital consumption level of plans granted in the last three years to key people of Rexel, *i.e.* an annual average of 0.63% of the share capital (not taking into account outperformance possibilities of the 2013 plan, which were not realized, and taking into account the doubling of the number of beneficiaries in 2013, aiming at acknowledging more operational people throughout the organization).

	2013	2014	2015	3 YEARS AVERAGE
Percentage of share capital used (as at December 31)	0.72%	0.56%	0.60%	0.63%
Number of beneficiaries	970	536	591	

Therefore, it is a stable policy in relation with the number of shares allocated and aligned with market practices.

The total number of performance shares alloted can not exceed 10% of the share capital as at the date of the allotment decision of the Board of Directors. For information purposes, share subscription options that have not been exercised and shares that have been granted and that have not been delivered may result in the creation of 4 353 522 new shares, representing 1.44% of the share capital and the voting rights of Rexel at December 31, 2015.

Terms of the allotment

The Board of Directors shall determine, on the basis of the recommendation of the Nomination and Compensation Committee, the terms of the allotment and the eligibility conditions for the allotment of the shares. The Board of Directors shall subordinate to presence and performance conditions the entirety of the allotment of shares to all beneficiaries.

The conditions relating to the eligibility, the level of allotment and the measurement of the performance are determined each year by the Board of Directors, upon recommendation of the Nomination and Compensation Committee.

The performance conditions applicable to the performance shares plans are rigorous. As a reminder, the conditions set forth under the 2011, 2012 and 2013 plans have allowed the vesting of 59%, 43% and 35% of the shares allotted, respectively. In addition, no share under the exceptional plan put in place in 2011 was vested:

PERFORMANCE SHARES	PERCENTAGE OF ACHIEVEMENT
2013 allotment (Key Managers)	35%
2012 allotment	43%
2011 allotment (Leadership)	59%
2011 allotment (Exceptional)	0%

Performance shares allocated on July 28, 2015 on the basis of the authorization granted by the Shareholders' Meeting of July 27, 2015 are summarized hereafter (for more details, see paragraph 8.2.2.6 of the Registration document):

Number of performance shares alloted on July 28, 2015	**1,798,393**
Representing a percentage of the share capital at December 31, 2015 of	0.6%
Including corporate officers grant:	
• Rudy Provoost	120,000
• Catherine Guillouard	58,200
Number of beneficiaries	591

In the event of a favorable vote by the Shareholders, the 2016 plan would provide for:

1) A presence condition of at least three years; and
2) The performance conditions mentioned hereafter which have been adjusted for 2016 in order to be strictly in line with the Group's financial ambitions communicated during the "Capital Markets Day" at the beginning of the year:
   - The vesting of 30% of the number of performance shares alloted would depend on the average growth of EBITA in value over three years (mid-term plan);
   - The vesting of 30% of the number of performance shares alloted would depend on the average organic sales growth over three years (mid-term plan);
   - The vesting of 20% of the number of performance shares alloted would depend on the average free cash flow before interest and taxes / EBITDA ratio over three years (mid-term plan); and
   - The vesting of 20% of the number of performance shares alloted would depend on the Company's TSR (Total Shareholder Return) compared to a panel of companies (companies of the Stoxx Europe TMI "Electronic & Electrical Equipement", as well as the following companies: Wolseley, Premier Farnell, Grainger, Anixter, Electrocomponents and Wesco International) over a period of three years.

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The criteria above-mentioned would be applied as follows:

	WEIGHT	TRIGGER	TARGET	MAXIMUM	COMMENTS
3-years average(1) EBITA growth in value (mid-term plan)	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 at least 125% of target	Calculation on a linear basis between the points
3-years average(1) organic sales growth (mid-term plan)	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 at least 125% of target	Calculation on a linear basis between the points
3-years average(2) free cash flow before interest and taxes / EBITDA ratio (mid-term plan)	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 at least 120% of target	Calculation on a linear basis between the points
TSR of Rexel compared to a panel of companies (companies of the Stoxx Europe TMI "Electronic & Electrical Equipement", as well as the following companies: Wolseley, Premier Farnell, Grainger, Anixter, Electrocomponents and Wesco International) over a period of three years(3)	20%	50% of shares vest if the Rexel's TSR performance reaches the median 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 at least the 90th percentile of the panel	Calculation on a linear basis between the points
	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) Average variation 2015/2018, for the 2016 plan.
(2) Average 2016,2017 and 2018, for the 2016 plan.
(3) 2016-2019, for the 2016 plan.

Vesting and holding periods

The allotment of shares would become vested after a minimum vesting period of 3 years and the beneficiaries will be required to hold such shares for an additional minimum period of 2 years as from the vesting of the shares. In addition, and notwithstanding the above, when the allotment of said shares to their beneficiaries will be vested after a minimum vesting period of 4 years, the beneficiaries shall not be bound by any holding period.

Furthermore, the vesting of the shares may take place prior to the end of the end of vesting period in case of disability of the beneficiaries ranked in the 2nd and 3rd categories referred to in article L.341-4 of the French Social Security Code (or equivalent provisions outside of France). The shares would then be immediately transferable.

Since 2014, Rexel applies performance conditions measured over a minimum period of three years (compared to two years for the previous allotments) in order to be in line with market practices.

Duration of the authorization

This authorization would be granted for a term of 26 months as from the date of the Shareholders' Meeting.

All of these elements have demonstrated the Rexel Group's intention to align with best market practices with respect to allotments of performance shares and thus to answer to its shareholders' expectations in this respect.

We suggest that you approve this resolution.

3.2.2 Free shares to be alloted to the employees or to the corporate officers subscribing to a Group shareholding plan (nineteenth resolution)

In accordance with the provisions of Articles L.225-129 *et seq.* and L.229-197-1 *et seq.* of the French Commercial Code, the nineteenth resolution seeks to authorize the Board of Directors to carry out, in one or several occurrences, the allotment of free existing and/or newly-issued shares of the Company to employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in article L.225-197-2 of the French Commercial Code and that subscribe to a Group employee shareholding plan established as part of a capital increase reserved for them, carried out under the twenty-fourth or twenty-fifth resolutions of the Extraordinary Shareholders' Meeting of May 27, 2015, or any other substitute resolution (in particular the twentieth resolution submitted to the Shareholders' Meeting) or as part of a sale of existing shares reserved for members of a group savings plan.

The granting of this authorization would enable the Board of Directors to establish free share plans for eligible employees or corporate officers who would subscribe to a shareholding plan. In fact, an employer matching contribution is often granted to persons who subscribe to employee shareholding plans and it may be necessary, particularly for countries other than France, that the employer's matching contribution takes the form of an allocation of free shares.

This tool was established by Rexel in recent years as part of its "Opportunity" plans outside of France. This resolution is thus necessary to enable Rexel to ensure continuity in the structure of its employee shareholding plans.

Under such a structure, the matching free shares can be alloted at the time of delivery of the shares subscribed to under the employee shareholding plan and delivered subject to a continued employment condition (for example, after a minimum period of 4 years), that is to say at a date close to the end of the retention period of the shares under the Group Savings Plan. No retention period is applicable in this case.

It is consistent to not submit these shares to performance conditions, as it represents a benefit linked to an employee or corporate officer investment under the employee shareholding plan.

The main terms of the authorization submitted to the Shareholders' Meeting are:

Grant limits

The number of free shares that can be alloted could not exceed 0.3% of the share capital of the Company, valued on the time the Board of Directors makes its decision.

The total number of freely alloted shares can not exceed 10% of the share capital as at the date of the decision regarding their allotment by the Board of Directors.

Terms of the grant

The Board of Directors would determine the terms of the allotment and, as the case may be, the eligibility conditions of the allotment. It shall subject the allotment of shares to a continued employment condition. It may, however, make exceptions to such a condition in very special cases.

Acquisition and retention period(s)

The allotment of shares would only become effective after a minimum acquisition period of 4 years, with no retention period.

Furthermore, the shares may become vested before the end of the acquisition period in the event that the beneficiaries become disabled and that such disability corresponds to the 2nd or 3rd category set forth under Article L.341-4 of the French Social Security Code (or equivalent provisions outside of France). The shares would immediately become freely transferable.

Duration of the authorization

The authorization would be granted for a term of 26 months as of the date of the Shareholders' Meeting.

We therefore invite you to approve this resolution.

3.2.3 Issuance reserved to certain categories of beneficiaries in order to implement employee shareholding transactions (twentieth resolution)

The twentieth 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 enumerated in the resolution (employees of non-French companies of the Rexel Group and certain 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 the other Rexel employees would benefit under the twenty-fourth resolution of the Shareholders' Meeting of May 27, 2015, and would benefit, as the case maybe, from a more favorable tax and legal regime than under the twenty-fourth resolution of the Shareholders' Meeting of May 27, 2015.

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 the issuances carried out pursuant to the twenty-fourth resolution of the Shareholders' Meeting of May 27, 2015 and of the twentieth resolution of the Shareholders' Meeting may not exceed a limit of 2% of the share capital of the Company. This limit would be deducted from the limits set forth in the eighteenth resolution of the Shareholders' Meeting of May 27, 2015.

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 in 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 authorization would be granted for a term running until July 27, 2017, corresponding to the term of the eighteenth resolution of the Shareholders' Meeting of May 27, 2015.

We suggest that you approve this resolution.

3.3 Powers for legal formalities (twenty-first resolution)

The twenty-first 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 March 8, 2016
The Board of Directors

Schedule 1 Delegations and authorizations

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS MEETING OF MAY 25, 2016		
NATURE OF AUTHORIZATION	DATE OF SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	DURATION (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	NO. RESOLUTION	DURATION	MAXIMUM AMOUNT
AUTHORIZATIONS SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF MAY 25, 2016							
EMPLOYEE SHAREHOLDING, ALLOTMENTS OF SHARES SUBSCRIPTION OR PURCHASE OPTIONS, PERFORMANCE SHARE ALLOTMENTS							
Allotment of free performance shares	July 27, 2015 (resolution 1)	26 months (September 27, 2017)	1.4% of the share capital as at the date of the decision of the Board of Directors	Allotment of performance shares of July 28, 2015: 1,798,393 shares *i.e.* €8,991,965	18	26 months	1.4% of the share capital as at the date of the decision of the Board of Directors
Allotment of free shares to the members of the personnel and to the corporate officers members of a shareholding plan	July 27, 2015 (resolution 2)	26 months (September 27, 2017)	0.1% of the share capital as at the date of the decision of the Board of Directors	N/A	19	26 months	0.3% of the share capital as at the date of the decision of the Board of Directors
Issuance with cancellation of the preferential subscritption right reserved for certain categories of beneficiaries in order to allow employee shareholding transactions	May 27, 2015 (resolution 25)	18 months (November 27, 2016)	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the 2% maximum provided for by resolution number 24 and from the maximum provided by resolution number 18	N/A	20	July 27, 2017	1% of the share capital as at the date of the decision of the Board of Directors This maximum to be deducted from the 2% maximum provided for by resolution number 24 and from the maximum provided by resolution number 18 of the Shareholders' Meeting of May 27, 2015
DECREASE IN THE SHARE CAPITAL BY CANCELLING SHARES							
Decrease in the share capital by cancelling shares	May 27, 2015 (resolution 17)	18 months (November 27, 2016)	10% of the share capital on the date of cancellation by 24-month period	N/A	17	18 months	10% of the share capital on the date of cancellation by 24-month period
REPURCHASE BY REXEL OF ITS OWN SHARES							
Share repurchase	May 27, 2015 (resolution 16)	18 months (November 27, 2016)	10% of share capital as at the completion date Maximum total amount: €250 million Maximum repurchase price €30	Utilization under the Exane BNP Paribas liquidity contract for market-making purposes: purchase of 7,352,447 shares at an average price of €14.7761 and sales of 7,298,076 shares at an average price of €14.7985	16	18 months	10% of share capital as at the completion date Maximum total amount: €250,000,000 Maximum repurchase price €30

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CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS MEETING OF MAY 25, 2016		
NATURE OF AUTHORIZATION	DATE OF SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	DURATION (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	NO. RESOLUTION	DURATION	MAXIMUM AMOUNT
AUTHORIZATIONS NOT SUBMITTED FOR RENEWAL TO THE SHAREHOLDERS MEETING OF MAY 25, 2016							
SHARE CAPITAL INCREASE							
Issuance with upholding of preferential subscription rights	May 27, 2015 (resolution 18)	26 months (July 27, 2017)	Equity securities: €720,000,000 (*i.e.*, 144,000,000 shares) Joint maximum amount of resolutions number 18 and 25 Debt securities: €1,000,000,000 Joint maximum amount of resolutions number 18 and 25	N/A			
Issuance by way of public offering with cancellation of the preferential subscription right	May 27, 2015 (resolution 19)	26 months (July 27, 2017)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) Joint maximum amount of resolutions number 19, 20 and 23 This maximum to be deducted from the maximum provided for by resolution number 18 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution number 18	N/A			
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 27, 2015 (resolution 20)	26 months (July 27, 2017)	Equity securities: €140,000,000 (*i.e.*, 28,000,000 shares) This maximum to be deducted from the maximum amounts provided for by resolution number 18 and 19 Debt securities: €1,000,000,000 This maximum to be deducted from the maximum provided for by resolution number 18	N/A			

CURRENT AUTHORIZATIONS					AUTHORIZATIONS PROPOSED TO THE SHAREHOLDERS MEETING OF MAY 25, 2016		
NATURE OF AUTHORIZATION	DATE OF SHAREHOLDERS' MEETING (NO. OF RESOLUTION)	DURATION (DATE OF EXPIRY)	MAXIMUM AUTHORIZED AMOUNT	USE	NO. RESOLUTION	DURATION	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 27, 2015 (resolution 21)	26 months (July 27, 2017)	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 number 18	N/A			
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 27, 2015 (resolution 22)	26 months (July 27, 2017)	10% of Rexel share capital at the date of the decision of the Board of Directors determining the offering price per 12-month period This maximum to be deducted from the maximum that applies to the initial issuance, as well as from the maximum provided for by resolution number 18	N/A			
Issuance of up to 10% of the share capital in consideration for contributions in kind	May 27, 2015 (resolution 23)	26 months (July 27, 2017)	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 resolution number 18 and 19	N/A			
Capital increase by capitalization of share premiums, reserves, profits or other items that may be capitalized	May 27, 2015 (resolution 27)	26 months (July 27, 2017)	€200,000,000 (*i.e.*, 40,000,000 shares) This maximum not to deducted from any maximum	N/A			
EMPLOYEE SHAREHOLDING, ALLOTMENT OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS, FREE SHARE ALLOTMENTS							
Issuance with cancellation of preferential subscription rights to the benefit of the members of a share savings plan	May 27, 2015 (resolution 24)	26 months (July 27, 2017)	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 provided for by resolution number 18 Joint maximum amount of resolutions number 24 and 25	N/A			

9.2 Text of the draft resolutions

Text of the draft resolutions submitted to the Ordinary and Extraordinary Shareholders' Meeting of May 25, 2016

I. Resolutions submitted to the Ordinary Shareholders' Meeting

First resolution

(Approval of the annual financial statements for the financial year ended December 31, 2015)

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, 2015,

Approved the annual financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2015, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The annual financial statements show a loss of €(77,523,044.74).

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 €19,537 for the closed financial year, corresponding to an assumed income tax amounting to €7,424.

Second resolution

(Approval of the consolidated financial statements for the financial year ended December 31, 2015)

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, 2015,

Approved the consolidated financial statements, *i.e.*, the balance sheet, the income statement and the notes thereto, for the financial year ended December 31, 2015, as presented to it, as well as the transactions reflected in such financial statements and summarized in these reports.

The consolidated financial statements show a profit of €15.7 million.

Third resolution

(Allocation of the results for the financial year ended December 31, 2015 and distribution of an amount of €0.40 per share, by deduction from the "Issue premium" account)

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 allocate the results for the year ended December 31, 2015, which amounted to €(77,523,044.74) as follows:

Origin of the amounts to be allocated:	
• Results from the financial year 2015	€(77,523,044.74)
• Previous carry forward at December 31, 2015	€66,709,156.73
Total	**€(10,813,888.01)**
Allocation:	
• To the carry forward account	€(10,813,888.01)
Total	**€(10,813,888.01)**

The Shareholders Meeting, deciding under the quorum and majority requirement for ordinary shareholders' meetings, having reviewed the report of the Board of Directors and acknowledged that the "Issue premium" account shows a credit of €1,680,460,886.85, decided:

- To distribute to the shareholders, the global amount of €120,107,456.80, being €0.40 per share, deducted from: the Issue premium. The "Issue premium" account will be reduced from €1,680,460,886.85 to €1,560,353,430.05;
- To authorize the Board of Directors to adjust the amount of the distribution in order to take into account the global number of shares in circulation at the date of the distribution giving right to this distribution;
- That the treasury shares held by the Company, at the date of payment of the distribution, will not give right to this distribution and that the amount corresponding to the treasury shares held by the Company will remain

allocated to the account "Issue premium", being specified that the global amount of €120,107,456.80 was determined on the basis of a number of shares composing the share capital of 301,871,378 as at December 31, 2015 and a number of 1,602,736 shares held by the Company at the same date;

- That the detachment of the right for this distribution will occur on July 1, 2016 and that payment of this distribution will be made on July 5, 2016; and
- To authorize the Board of Directors to acknowledge, if necessary, the sum actually distributed and the new amount of the account "Issue premium".

The article 112-1° of the French General Tax Code provides that the reimbursement of premium or repayment of capital are not considered as taxable income in France if the profits and reserves, other than the legal reserve, have been distributed. Therefore, the distribution thus proposed meets these conditions for its global amount, *i.e.* €120,107,456.80.

The Shareholders' meeting recognizes, as necessary, that the Board of Directors will, in accordance with the legal and regulatory provisions in force, ensure the preservation of the rights of holders of securities giving access to the share capital of the Company, in order to take into account the impact of the distribution which has been decided, and shall report to the Shareholders at the next general annual meeting of the Company.

During the last three financial years, the Company has made the following net dividend payments per share:

	2014	2013	2012
Dividend per share (euros)	€0.75(1)	€0.75(1)	€0.75(1)
Number of shares eligible	291,279,888	282,485,976	270,850,933
Total Dividend (euros)	€218,459,916(1)	€211,864,482(1)	€203,138,199.75(1)

(1) Amount(s) eligible to the 40% tax allowance benefiting to the natural persons which are residents in France for tax purposes, 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 the information relating to the agreements entered into and the undertakings made during previous financial years which are mentioned in the special report of the Statutory Auditors' on related-party transactions governed by articles L.225-38 *et seq.* of the French Commercial Code; and

Approved the terms of the special report of the Statutory Auditors' on related-party transactions governed by articles L.225-38 *et seq.* of the French Commercial Code as well as the new agreement that is mentioned therein.

Fifth resolution

(Authorization of the undertakings made to the benefit of Mr. Rudy Provoost in case of termination of, or change in, his duties referred to in article L.225-42-1 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,

Approved the undertakings made by the Board of Directors on May 22, 2014 to the benefit of Mr. Rudy Provoost as Chairman and Chief Executive Officer (*Président-Directeur Général*), as modified on February 11, 2015 and February 10, 2016, and acknowledged and approved, in accordance with the provisions of article L.225-42-1 of the French Commercial Code, the agreement relative to Mr. Rudy Provoost set forth in the report.

Sixth resolution

(Authorization of the undertakings made to the benefit of Mrs. Catherine Guillouard in case of termination, or change in, her duties referred to in article L.225-42-1 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,

Approved the undertakings made by the Board of Directors on May 22, 2014 to the benefit of Mrs. Catherine Guillouard as Deputy Chief Executive Officer (*Directeur Général Délégué*), as modified on February 11, 2015 and February 10, 2016, and acknowledged and approved, in accordance with the provisions of article L.225-42-1 of the French Commercial Code, the agreement relative to Mrs. Catherine Guillouard set forth in the report.

TEXT OF THE DRAFT RESOLUTIONS

Seventh resolution

(Opinion on the elements of compensation due or granted for the financial year 2015 to Mr. Rudy Provoost, Chairman and Chief Executive Officer)

The Shareholders' Meeting, consulted in accordance with the recommendations of paragraph 24.3 of the AFEP-MEDEF Code of corporate governance of November 2015, to which the Company refers in application of article L.225-37 of the French Commercial Code, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the Registration document of the Company for the financial year ended December 31, 2015,

Give a favorable opinion on the elements of compensation due or granted in respect of the financial year ended December 31, 2015 to Mr. Rudy Provoost, Chairman and Chief Executive Officer, as described in the Registration document of the Company for the financial year ended December 31, 2015, Section 3.2.5 "Consultation on the corporate officers' individual compensation".

Eighth resolution

(Opinion on the elements of compensation due or granted for the financial year 2015 to Mrs. Catherine Guillouard, Deputy Chief Executive Officer)

The Shareholders' Meeting, consulted in accordance with the recommendations of paragraph 24.3 of the AFEP-MEDEF Code of corporate governance of November 2015, to which the Company refers in application of article L.225-37 of the French Commercial Code, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors and the Registration document of the Company for the financial year ended December 31, 2015,

Give a favorable opinion on the elements of compensation due or granted in respect of the financial year ended December 31, 2015 to Mrs. Catherine Guillouard, Deputy Chief Executive Officer, as described in the Registration document of the Company for the financial year ended December 31, 2015, Section 3.2.5 "Consultation on the corporate officers' individual compensation".

Ninth resolution

(Renewal of the term of office of Mr. Thomas Farrell 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 end of the duties of Mr. Thomas Farrell as director, effective as of the end of this Shareholders' Meeting in accordance with the provisions of article 14.2 of the by-laws of the Company;
2. Decided to renew the term of office as director of Mr. Thomas Farrell 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, 2019, to be held in 2020.

Mr. Thomas Farrell has indicated that he is prepared to serve for another term of office and that he is not legally prohibited from doing so in any manner whatsoever.

Tenth resolution

(Approval of the cooption of Mrs. Elen Phillips 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,

Decided, in accordance with article L.225-24 of the French Commercial Code, to confirm the cooption of Mrs. Elen Phillips as director in replacement of Mrs. Isabel Marey-Semper, resigning, for the remainder of the term of her predecessor, *i.e.*, until the Shareholders' Meeting which will be called to approve the financial statements for the financial year ending December 31, 2018, to be held in 2019. This cooption was approved by the Board of Directors on March 8, 2016.

Eleventh resolution

(Renewal of the term of office of Mrs. Elen Phillips 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 end of the duties of Mrs. Elen Phillips as director, effective as of the end of this Shareholders' Meeting in accordance with the provisions of article 14.2 of the by-laws of the Company;

2. Decided to renew the term of office as director of Mrs. Elen Phillips 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, 2019, to be held in 2020.

Mrs. Elen Phillips has indicated that she is prepared to serve for another term of office and that she is not legally prohibited from doing so in any manner whatsoever.

Twelfth resolution

(Approval of the cooption of Mrs. Marianne Culver 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,

Decided, in accordance with article L.225-24 of the French Commercial Code, to confirm the cooption of Mrs. Marianne Culver as director in replacement of Mrs. Monika Ribar, resigning, for the remainder of the term of her predecessor, *i.e.*, until the Shareholders' Meeting which will be called to approve the financial statements for the financial year ending December 31, 2016, to be held in 2017. This cooption was approved by the Board of Directors on March 8, 2016.

Thirteenth resolution

(Renewal of the term of office of Mrs. Marianne Culver 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 end of the duties of Mrs. Marianne Culver as director, effective as of the end of this Shareholders' Meeting in accordance with the provisions of article 14.2 of the by-laws of the Company;
2. Decided to renew the term of office as director of Mrs. Marianne Culver 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, 2019, to be held in 2020.

Mrs. Marianne Culver has indicated that she is prepared to serve for another term of office and that she is not legally prohibited from doing so in any manner whatsoever.

Fourteenth resolution

(Appointment of a new Statutory Auditor of the Company)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

Acknowledged that term of Ernst & Young, as Statutory Auditor will expire at the end of this Shareholders Meeting, and decided, with effect at the end of this Shareholders Meeting, to appoint KPMG SA as Statutory Auditor of the Company for a period of 6 financial years until the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2021.

Fifteenth resolution

(Appointment of a new alternate Statutory Auditor of the Company)

The Shareholders' Meeting, deciding under the quorum and majority requirements for ordinary shareholders' meetings,

Having reviewed the report of the Board of Directors,

Acknowledged that term of Auditex, as alternate Statutory Auditor will expire at the end of this Shareholders Meeting, and decided, with effect at the end of this Shareholders Meeting, to appoint Salustro Reydel, as alternate Statutory Auditor for a period of 6 financial years until the end of the Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2021.

Sixteenth 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 article L.225-209 of the French Commercial Code, of articles 241-1 to 241-6 of the General Regulations of the French financial markets authority (the "AMF") and 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 acknowledged market practices and 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;
- Canceling 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 shall be carried out or paid 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 shall 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 so authorized 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, and supersede the authorization granted by the 16th resolution of the ordinary shareholders' meeting of the Company of May 27, 2015.

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 submitted to the Extraordinary Shareholders' Meeting

Seventeenth 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 limits 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.225-209 *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 and supersede any prior authorization with the same purpose, in particular the authorization granted by the 17th resolution of the extraordinary shareholders' meeting of the Company of May 27, 2015.

Eighteenth resolution

(Authorization to be granted to the Board of Directors to grant performance shares to the employees and to the corporate officers of the Company and its subsidiaries)

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 accordance with the provisions of articles L.225-129 *et seq.* and L.225-197-1 *et seq.* of the French Commercial Code:

1. Authorized the Board of Directors to carry out, with the option to subdelegate to any duly empowered person in accordance with the legislative and regulatory provisions, in one or several occurrences, the allotment of performance existing and/or newly-issued shares of the Company (the "performance shares") to employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in article L.225-197-2 of the French Commercial Code, or to certain categories of them;
2. Decided that the Board of Directors shall determine the beneficiaries of the allotments and the number of shares granted to each of them, the terms of the allotment and the eligibility criteria for the allotment of the shares. The Board of Directors shall subordinate to presence and performance conditions the entirety of the allotment of shares to all beneficiaries.

   Performance conditions shall be considered over a minimum period of three years and shall include the average EBITA growth in value, the average organic sales growth, the average free cash flow before interest and taxes / EBITDA ratio, the "Total Shareholder Return" of the Company compared to a panel of companies;
3. Decided that the number of performance shares that may be granted pursuant to this resolution may not exceed 1.4% of the share capital of the Company considered as at the date of the decision by the Board of Directors, being specified that:
   - (i) this limit do not take into account the legislative, regulatory and, as the case may be, contractual adjustments necessary to maintain the beneficiaries' rights; and
   - (ii) the total number of granted performance shares can not exceed 10% of the share capital as at the date of the decision regarding their granting by the Board of Directors.

TEXT OF THE DRAFT RESOLUTIONS

This maximum amount of 1.4% of the share capital of the Company shall include, as the case may be, the performance shares that will be granted to the corporate officers of the Company, being mentioned that these allotments can not exceed 10% of the allotments carried out in accordance with this authorization;

4. Decided that the shares allocated to their beneficiaries will become vested after a minimum vesting period of 3 years and that the beneficiaries will be required to hold such shares for an additional minimum period of 2 years as from the vesting of the shares. Notwithstanding the above, the Shareholders' Meeting authorized the Board of Directors to decide that, when the allotment of said shares to their beneficiaries will be vested after a minimum vesting period of 4 years, the beneficiaries shall then be bound by no holding period;
5. Decided that the shares may become vested before the term of the period of vesting in the event that the beneficiaries become disabled and that such disability corresponds to the second or third category set forth under article L.341-4 of the Social security Code (or equivalent provisions outside of France) and that the shares will immediately become freely transferable;
6. Authorized the Board of Directors to carry out, as the case may be, during the period of vesting, the adjustments relating to the numbers of performance shares granted on the basis of the potential transactions affecting the share capital of the Company in order to maintain the rights of the beneficiaries;
7. In the event of performance shares to be issued, authorized the Board of Directors to carry out one or several increase(s) in the share capital by capitalization of reserves, profits or issuance premiums reserved for the beneficiaries of such performance shares and acknowledged that this authorization includes the related waiver of the shareholders' preferential subscription rights with respect to such shares and to the portion of the reserves, profits and issuance premiums thus capitalized, to the benefit of the beneficiaries; the Board of Directors is granted a delegation of authority in respect of this transaction in accordance with article L.225-129-2 of the French Commercial Code;
8. Decided that the Board of Directors will have full powers, with the option to subdelegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of:
   - Determining whether the performance shares shall be newly-issued shares or existing shares;
   - Determining the beneficiaries and the number of performance shares granted to each of them;
   - Setting the dates on which performance shares shall be allocated, in the conditions and limits of applicable law;
   - Deciding upon the other terms and conditions of the allotment of shares, particularly the period of vesting and the period of holding of the shares thus allocated, in rules for the allotment of performance shares;
   - Deciding upon the conditions under which the number of performance shares to be allocated shall be adjusted, in accordance with applicable legal and regulatory provisions;
   - More generally, entering into any agreements, executing any documents, acknowledging the share capital increases resulting from vesting, changing the by-laws accordingly, and carrying out any formality or declaration with any organization;
9. Decided that this authorization is granted for a term of 26 months as of the date of this Shareholders' Meeting.
10. Decided that this authorization shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

Nineteenth resolution

(Authorization to be granted to the Board of Directors to grant free shares to the employees and to the corporate officers of the Company and its subsidiaries subscribing to a Group shareholding 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 of the Statutory Auditors' special report, in accordance with the provisions of articles L.225-129 *et seq.* and L.225-197-1 *et seq.* of the French Commercial Code:

1. Authorized the Board of Directors to carry out, with the option to subdelegate to any duly empowered person in accordance with the legal and regulatory

provisions, in one or several occurrences, the allocation of free existing and/or newly-issued shares of the Company to employees and/or the corporate officers of the Company and/or the companies or groups that are, directly or indirectly, linked to it under the conditions set forth in article L.225-197-2 of the French Commercial Code and that subscribe to a Group employee shareholding plan established as part of a capital increase reserved for them, carried out under the twenty-fourth or twenty-fifth of the Extraordinary Shareholders' Meeting of May 27, 2015, or any other substitute resolution (in particular, the twentieth resolution of this Shareholders' Meeting if adopted), or as part of a sale of existing shares reserved for members of a group savings plan;

2. Decided that the Board of Directors shall determine the identity of the beneficiaries of the allotments and the number of shares granted to each of them, the terms of the allocation and, as the case may be, the eligibility criteria for the allocation of the shares. The Board of Directors shall subordinate to a continued employment condition the allocation of shares;

3. Decided that the number of shares that may be freely granted pursuant to this resolution may not exceed 0.3% of the share capital of the Company considered as at the date of the decision by the Board of Directors, it being specified that:

   (i) This limit does not take into account the legal, regulatory and in some cases contractual adjustments necessary to maintain the beneficiaries' rights; and

   (ii) The total number of freely granted shares may not exceed 10% of the share capital as at the date of the decision regarding their granting by the Board of Directors.

4. Decided that the shares allocated to their beneficiaries will become vested after a minimum period of acquisition of 4 years, without retention period.

5. Decided that the shares may become vested before the term of the period of acquisition in the event that the beneficiaries become disabled and that such disability correspond to the second or third category set forth under article L.341-4 of the Social security Code (or equivalent provisions outside of France) and that the shares will immediately become freely transferable;

6. Authorized the Board of Directors to carry out, as the case may be, during the period of acquisition, adjustments relating to the numbers of free shares granted on the basis of the potential transactions affecting the share capital of the Company in order to maintain the rights of the beneficiaries;

7. In the event of free shares being issued, authorized the Board of Directors to carry out one or several increase(s) in the share capital by capitalization of reserves, profits or issuance premiums reserved for the beneficiaries of such free shares and acknowledged that this authorization includes the related waiver of the shareholders' preferential subscription rights with respect to such shares and to the portion of the reserves, profits and issuance premiums thus capitalized, to the benefit of the beneficiaries; the Board of Directors is granted a delegation of authority in respect of this transaction in accordance with article L.225-129-2 of the French Commercial Code;

8. Decided that the Board of Directors will have full powers, with the option to delegate such powers to any duly empowered person in accordance with legislative and regulatory provisions, to implement this delegation of authority, *inter alia* for the purposes of:

   - Determining whether the free shares shall be newly issued shares or existing shares;
   - Determining the identity of the beneficiaries and the number of free shares granted to each of the beneficiaries;
   - Setting the dates on which free shares shall be allocated, in the conditions and limits of applicable law;
   - Deciding upon the presence condition and the other terms of the allocation of shares, particularly the period of acquisition thus allocated, in rules for the allocation of free shares;
   - Deciding upon the conditions under which the number of free shares to be allocated shall be adjusted, in accordance with applicable provisions of the law and the by-laws;
   - More generally, entering into any agreements, executing any documents, acknowledging the share capital increases resulting from definitive allocations, changing the by-laws accordingly, and carrying out any formality or declaration with any organization;

9. Decided that this authorization is granted for a term of 26 months as of the date of this Shareholders' Meeting;

10. Decided that this authorization shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations.

Twentieth 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.* and L.225-138 of the French Commercial Code:

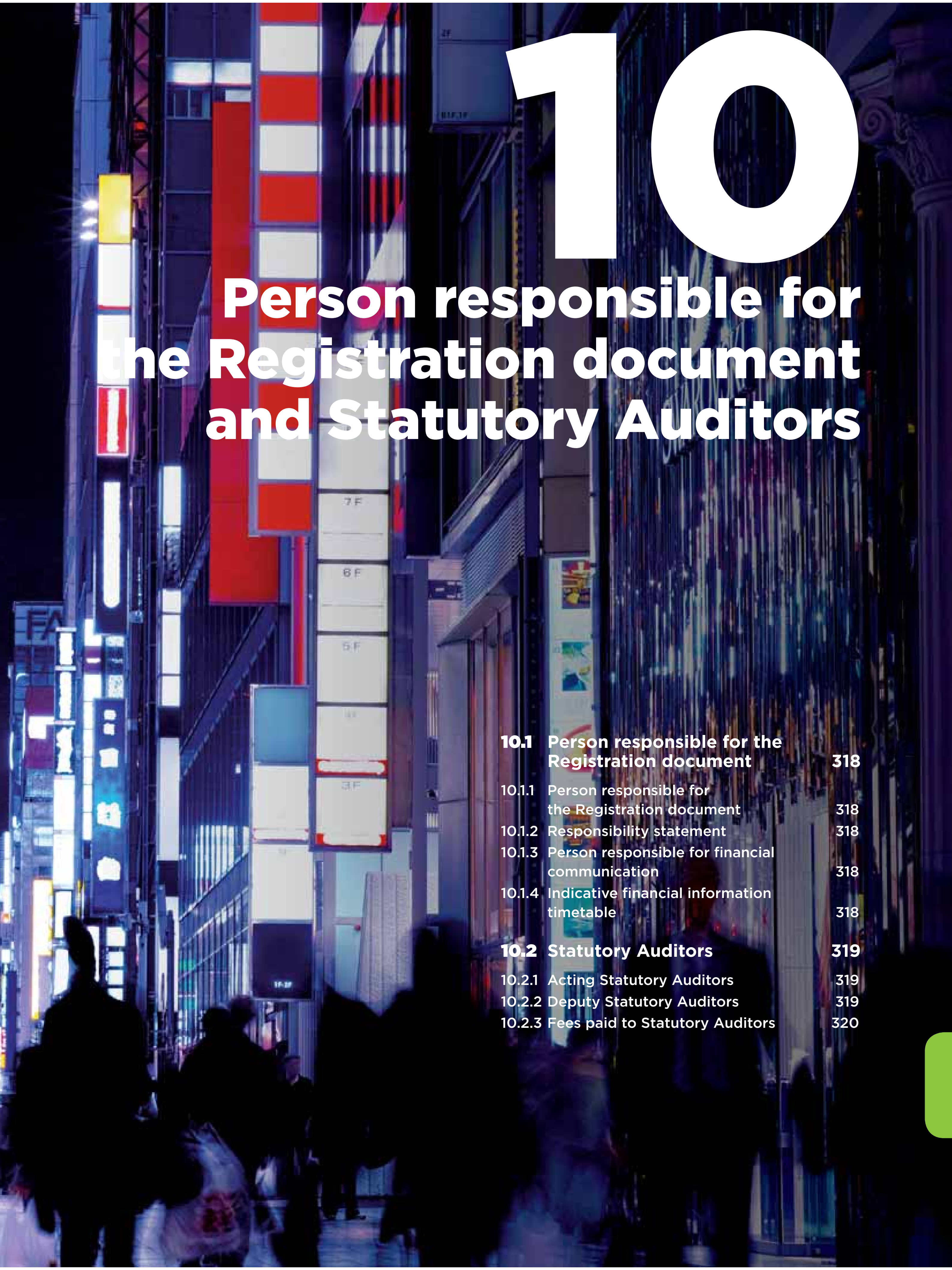
1. Delegated to the Board of Directors, with the option to delegate such powers to any duly empowered person in accordance with the legislative and regulatory provisions, the authority necessary to increase, on one or more occasions, at such time or times and in the amounts that it shall decide, the share capital through the issue of (i) ordinary shares 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, 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 any share capital increase(s) that may be carried out pursuant to this delegation, as well as under the twenty-fourth resolution of the Shareholders' Meeting of May 27, 2015, 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 global limit of €720 million set by the eighteenth resolution of the Shareholders' Meeting of May 27, 2015; 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 the law 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 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:
   a) in case of issuance referred to in paragraph 3 (a) to (c) above, to the share price(s) may 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 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 over-subscription 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 over-subscription);
   - 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 this delegation shall cancel and supersede any previous authorizations having the same purpose, as regards the unused portion of these authorizations;
8. Decided that this delegation to the Board of Directors is granted for a period ending on July 27, 2017.

Twenty-first resolution

(Powers to carry out legal formalities)

The Shareholders' Meeting, deciding under the quorum and majority requirements for extraordinary shareholders' meetings, conferred full powers to bearers of originals, copies or extracts of these minutes in order to carry out publication, filing and other necessary formalities.



10 Person responsible for the Registration document and Statutory Auditors

10.1 Person responsible for the Registration document

10.1.1 Person responsible for the Registration document

Rudy Provoost, Chairman and Chief Executive Officer of Rexel.

10.1.2 Responsibility statement

I hereby certify, having taken all reasonable steps to confirm it, that the information contained in this 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 the management report, contained in this Registration document 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 document and read the entire document.

Rudy Provoost
Chairman and Chief Executive Officer of Rexel
Paris, April 7, 2016

10.1.3 Person responsible for financial communication

Marc Maillet
Vice President, Investors Relations

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

10.1.4 Indicative financial information timetable

Financial information reported to the public by Rexel will be available on the Rexel website (www.rexel.com).

10.2 Statutory Auditors

10.2.1 Acting Statutory Auditors

- Ernst & Young Audit
  Represented by Philippe Diu
  1/2, place des Saisons
  92400 Courbevoie – Paris-La Défense 1

Ernst & Young Audit was appointed principal statutory auditor on the date of incorporation of Rexel on December 16, 2004. Its engagement was renewed by Rexel's Shareholders' Meeting of May 20, 2010 for a term of six years expiring at the end of the shareholder's meeting which is to approve the financial statements for the financial year ending December 31, 2015.

Ernst & Young is a member of the regional body of statutory auditors of Versailles (*"Compagnie Régionale des Commissaires aux Comptes de Versailles"*).

Following a tender offer process, on the basis on the recommendation of the Audit and Risk Committee, the Board of Directors has decided to propose to the shareholders at the Shareholders' Meeting, the appointment of KPMG SA to replace Ernst & Young.

- PricewaterhouseCoopers Audit
  Represented by Christian Perrier
  63, rue de Villiers
  92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed principal 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 appointment shall therefore expire at the end of the shareholders' meeting convened to resolve on the financial statements for the year ending December 31, 2017.

PricewaterhouseCoopers Audit is a member of the regional body of statutory auditors in Versailles (*"Compagnie Régionale des Commissaires aux Comptes de Versailles"*).

10.2.2 Deputy Statutory Auditors

- Auditex
  1/2, place des Saisons
  92400 Courbevoie – Paris-La Défense 1

Auditex was appointed deputy statutory auditor by the Shareholders' Meeting of Rexel of May 20, 2010 for a term of six years which is to expire at the end of the shareholders' meeting convened to resolve on the financial statements for the financial year ending December 31, 2015.

Following a bidding process, on the basis on the recommendation of the Audit and Risk Committee, the Board of Directors has decided to propose to the shareholders at the Shareholders' Meeting, the appointment of Salustro Reydel to replace Auditex.

- Anik Chaumartin
  63, rue de Villiers
  92208 Neuilly-sur-Seine Cedex

Anik Chaumartin was appointed deputy statutory auditor at the Shareholders' Meeting of Rexel held on May 16, 2012, for a term of six financial years. Her appointment shall therefore expire at the end of the shareholders' meeting convened to vote upon the financial statements for the year ending on December 31, 2017.

STATUTORY AUDITORS

10.2.3 Fees paid to Statutory Auditors

The table below sets forth the fees paid to PricewaterhouseCoopers Audit and Ernst & Young Audit for services performed during 2015 and 2014:

	PRICEWATERHOUSECOOPERS AUDIT				ERNST & YOUNG AUDIT			
	AMOUNT		%		AMOUNT		%	
(in million of euros)	2015	2014	2015	2014	2015	2014	2015	2014
AUDIT SERVICES								
Statutory auditors (1)								
Issuer	0.5	0.5	15.0%	18.0%	0.5	0.5	15.4%	15.1%
Consolidated entities	2.6	2.2	72.3%	72.5%	2.5	2.8	71.4%	78.7%
Sub-total (1)	**3.1**	**2.7**	**87.3%**	**90.5%**	**3.1**	**3.3**	**86.8%**	**93.8%**
Other work and services directly related to Audit work (2)								
Issuer	0.1	0.1	4.0%	1.0%	0.2	0.1	6.0%	1.7%
Consolidated entities	0.1	0.1	4.0%	3.4%	0.2	0.1	5.8%	3.3%
Sub-total (2)	**0.3**	**0.2**	**8.0%**	**4.5%**	**0.4**	**0.2**	**11.8%**	**5.0%**
Sub-total	**3.4**	**2.9**	**95.3%**	**95.0%**	**3.5**	**3.5**	**98.6%**	**98.8%**
OTHER SERVICES (3)								
Legal, tax, social	0.2	0.1	4.7%	5.0%	0.1	0.1	1.4%	1.2%
Other	–	–	–	–	–	–	–	–
Sub-total (3)	**0.2**	**0.1**	**4.7%**	**5.0%**	**0.1**	**0.1**	**1.4%**	**1.2%**
TOTAL	**3.5**	**3.0**	**100.0%**	**100.0%**	**3.5**	**3.6**	**100.0%**	**100.0%**

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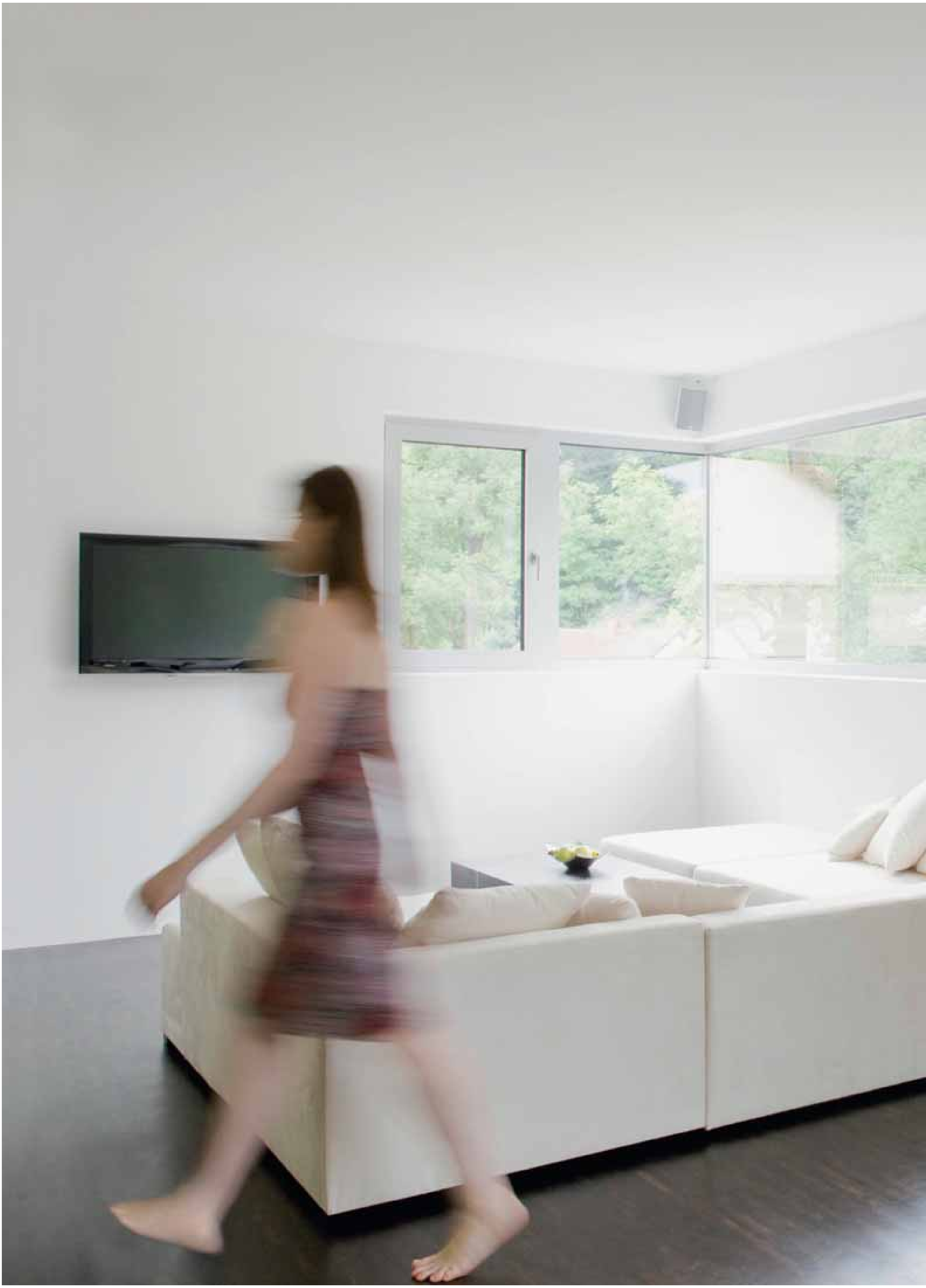

11 Correlation Tables

11.1 Correlation table with Regulation (EC) 809/2004

The following correlation table allows to identify, in this Registration document, the information required by Annex I of the Regulation (EC) 809/2004 of the European Commission dated April 29, 2004.

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	PERSONS RESPONSIBLE	10.1	318
1.1.	Persons responsible for the information contained in the registration document	10.1.1	318
1.2.	Declaration of persons responsible for the information contained in the registration document	10.1.2	318
2.	STATUTORY AUDITORS	10.2	319 to 320
2.1.	Name and address of the issuer's Statutory auditors	10.2.1, 10.2.2	319
2.2.	Statutory auditors having resigned, dismissed or not reappointed during the relevant period	10.2.1, 10.2.2	319
3.	SELECTED FINANCIAL DATA	1.1	8 to 9
3.1.	Selected historical financial information	1.1	8 to 9
3.2.	Selected financial information for interim periods	Not applicable	
4.	RISK FACTORS	2	29 to 45
5.	INFORMATION ABOUT THE ISSUER	1.2, 1.3, 1.7	10, 11 and 26
5.1.	History and development of the company	1.2	10
5.1.1	Corporate name and trade name	1.2.1	10
5.1.2	Place and name of incorporation	1.2.2	10
5.1.3	Date of incorporation and term	1.2.3	10
5.1.4	Registered office, legal form, jurisdiction, country of origin, address and phone number of registered office	1.2.4	10
5.1.5	Material events in business development	1.2.5	10
5.2.	Investments	1.7	26
5.2.1	Completed investments	1.3, 1.7.1	11 and 26
5.2.2	Ongoing investments	1.3, 1.7.2	11 and 26
5.2.3	Future investments	1.3, 1.7.3	11 and 26
6.	BUSINESS OVERVIEW	1.4	11 to 21
6.1.	Principal activities	1.4.2, 1.4.3, 1.4.4	14 to 21
6.1.1	Nature of the issuer's operations and its principal activities	1.4.2, 1.4.3, 1.4.4	14 to 21
6.1.2	New products and/or services	1.4.2, 1.4.3, 1.4.4	14 to 21
6.2.	Principal Markets	1.4.1	12 to 14
6.3.	Exceptional factors having influenced the information given pursuant to items 6.1. and 6.2.	1.4, 5	11 to 21 and 140 to 155
6.4.	Information regarding the extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	1.4.5	21
6.5.	Basis for any statements made by the issuer regarding its competitive position	General remarks	4

CORRELATION TABLE WITH REGULATION (EC) 809/2004

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
7.	ORGANIZATIONAL STRUCTURE	1.5	22 to 25
7.1.	Description of the group and the issuer's position within the group	1.5.1	22
7.2.	List of the issuer's significant subsidiaries	1.5.2	23 to 25
8.	PROPERTY, PLANTS AND EQUIPMENT	1.6, 4.2, 4.3, 4.4	25 and 118 to 137
8.1.	Existing or planned material tangible fixed assets	1.6	25
8.2.	Environmental issues that may affect the issuer's utilization of the tangible fixed assets	4.2, 4.3, 4.4	118 to 137
9.	OPERATING AND FINANCIAL REVIEW	5	139 to 155
9.1.	Issuer's financial condition, changes in financial condition and results of operations for each year and interim period, for which historical financial information is required	5.1	140 to 149
9.2.	Operating results	5.1	140 to 149
9.2.1	Important factors materially impacting the operating income	5.1	140 to 149
9.2.2	Material changes in sales	5.1	140 to 149
9.2.3	Government, economic, budget, currency or political strategy or factor	5.1	140 to 149
10.	CAPITAL RESOURCES	5.2	150 to 153
10.1	Information concerning the issuer's capital resources	5.2	150 to 153
10.2.	Sources and amounts of and narrative description of the issuer's cash flows	5.2	150 to 153
10.3.	Information on the borrowing requirements and funding structure of the issuer	5.2	150 to 153
10.4.	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	5.2	150 to 153
10.5.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.2.3. and 8.1	1.3, 1.7, 5.1, 5.2	11, 26 and 140 to 153
11.	RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES	1.4.5	21
12.	TREND INFORMATION	1.4, 5	11 to 21 and 139 to 155
12.1.	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	1.4, 5	11 to 21 and 139 to 155
12.2.	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.	5.3.1, 5.3.2, 5.3.3	154 to 155
13.	PROFIT FORECASTS OR ESTIMATES	5.3.1, 5.3.2	154 to 155
13.1.	Statement setting out the principal assumptions upon which the issuer has based its forecast or estimate	5.3.2	155
13.2.	Report prepared by independent accountants or auditors	Not applicable	
13.3.	Profit forecast or estimate prepared on a basis comparable with the historical financial information	5.3.2	155
13.4.	Statement setting out whether or not that forecast is still correct as of the time of the registration document, and an explanation of why such forecast is no longer valid if that is the case	5.3.1	154
14.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	3.1	48 to 70
14.1.	Information in relation to members of the administrative, management, and supervisory bodies	3.1.1 to 3.1.5	49 to 70

CORRELATION TABLE WITH REGULATION (EC) 809/2004

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
14.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests	3.1.6, 3.4	70 and 93 to 101
15.	REMUNERATION AND BENEFITS	3.2	70 to 91
15.1.	Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	3.2.1 to 3.2.3, 3.2.5	72 to 83 and 86 to 91
15.2.	Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefit	3.2.4	83 to 86
16.	BOARD PRACTICES	3.1	48 to 70
16.1.	Date of expiration of the current term of office and period during which the person has served in that office	3.1.1, 3.1.2	49 to 68
16.2.	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 negative statement	3.1.7	70
16.3.	Information about the issuer's audit committee and remuneration committee	3.1.2	63 to 68
16.4.	Statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime	3.1	48 to 70
17.	EMPLOYEES	4.1, 4.4	108 to 118 and 136 to 137
17.1	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	4.1, 4.4	108 to 118 and 136 to 137
17.2.	Shareholdings and stock options	8.2.2.4 to 8.2.2.7	257 to 267
17.3.	Arrangement for involving the employees in the capital of the issuer	4.1.5.3, 8.1.2.4	116 to 117 and 250
18.	PRINCIPAL SHAREHOLDERS	8.2	255 to 268
18.1.	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, appropriate negative statement	8.2.1, 8.2.2	255 to 267
18.2.	Different voting rights, or appropriate negative statement	8.2.3	267
18.3.	Direct or indirect ownership or control of the issuer	8.2.4	267
18.4.	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	8.2.5	268
19.	RELATED PARTY TRANSACTIONS	3.4	93 to 101
20.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	6, 7	157 to 217 and 218 to 242
20.1.	Historical financial information	6, 7	157 to 217 and 218 to 242
20.2.	*Pro forma financial information*	Not applicable	
20.3.	Financial statements	6.1 and 7.1	158 to 215 and 220 to 240
20.4.	Auditing of historical annual financial information	6.2 and 7.2	216 to 217 and 241 to 242
20.4.1	Statement that the historical financial information has been audited	6.2 and 7.2	216 to 217 and 241 to 242
20.4.2	Other information which has been audited by the auditors	4.4	136 to 137

CORRELATION TABLE WITH REGULATION (EC) 809/2004

	REGULATION (EC) 809/2004 OF THE EUROPEAN COMMISSION DATED APRIL 29, 2004 – ANNEX I	REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
20.4.3	Information not coming from audited financial information	Not applicable	
20.5.	Date of latest financial information	6 and 7	157 to 217 and 218 to 242
20.6	Interim and other financial information	Not applicable	
20.6.1.	Quarterly or half-year financial information	Not applicable	
20.6.2.	Interim financial information for the first half of the new financial year	Not applicable	
20.7	Dividend policy	8.2.6	268
20.7.1.	Amount of dividend per share	8.2.6	268
20.8.	Legal proceedings and arbitration	2.1.2.1, 6.1 (note 27 of the Note)	33 and 158 to 215
20.9.	Significant changes in the issuer's financial or trading position	5.4	155
21.	ADDITIONAL INFORMATION	8	245 to 280
21.1.	Share capital	8.3	268 to 278
21.1.1.	Amount of subscribed share capital	8.3.1	268 to 271
21.1.2.	Shares not representative of share capital	8.3.2	272
21.1.3.	Shares held by or on behalf of the issuer itself or by subsidiaries of the issuer	8.3.3	272 to 274
21.1.4.	Convertible securities, exchangeable securities or securities with warrants	8.3.4	274
21.1.5.	Right of acquisition and/or any obligation attached to the capital subscribed	8.3.5	275
21.1.6	Capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option	8.3.6	275
21.1.7	Share capital history	8.3.7	275 to 278
21.2.	Memorandum of association and by-laws	8.1	246 to 254
21.2.1	Corporate purpose	8.1.1	246
21.2.2	Members of the administrative, management and supervisory bodies	8.1.2	246 to 250
21.2.3	Rights, preferences and restrictions attaching to each class of the existing shares	8.1.3	250 to 251
21.2.4	Changes to shareholders' rights	8.1.4	251
21.2.5	Shareholders' meetings	8.1.5	251 to 253
21.2.6	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	8.1.6	253
21.2.7	Provisions of the articles of association, statutes, charter or by-law provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed	8.1.7	253 to 254
21.2.8	Conditions imposed by the memorandum and articles of association statutes, charter or by-laws governing changes in the capital	8.1.8	254
22.	MATERIAL AGREEMENTS	6.1 (note 22.1 of the Note)	158 to 215
23.	INFORMATION FROM THIRD PARTIES, STATEMENTS BY EXPERTS AND DECLARATIONS OF INTEREST	Not applicable	
23.1	Statement or report attributed to a person acting as expert	Not applicable	
23.2	Third-party information	Not applicable	
24.	DOCUMENTS AVAILABLE TO THE PUBLIC	8.5	280
25.	INFORMATION ON EQUITY INTERESTS	1.3, 1.5	11 and 22 to 25

11.2 Correlation table with the annual financial report

The following correlation table allows to identify, in this Registration document, the information that are comprised in the annual financial report to be published pursuant to the articles L.451-1-2 of the French monandary and financial code and 222-3 of the General rules of the French *Autorité des marchés financiers*.

ANNUAL FINANCIAL REPORT		REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Annual financial statements	7.1	220 to 240
2.	Consolidated financial statements	6.1	158 to 215
3.	Management report (see paragraph 11.3)	1 to 9	7 to 306
3.1	Information referred to in articles L.225-100 and L.225-100-2 of the French Commercial Code		
	Analysis of the evolution of the business	1.4, 5.1, 5.2, 5.3, 5.4	11 to 21 and 140 to 155
	Analysis of the results	5.1	140 to 149
	Analysis of the financial situation	5.2	150 to 153
	Main risks and uncertainties	2	29 to 45
	Table regarding current delegations and authorizations	8.3.1	268 to 271
3.2	Information referred to in article L.225-100-3 of the French Commercial Code		
	Elements that may have an impact in case of tender offer	3, 8.1 to 8.4	47 to 104 and 246 to 279
3.3	Information referred to in article L.225-211 §2 of the French Commercial Code		
	Share repurchase plan	8.3.3	272 to 274
4.	Declaration of persons responsible for the information contained in the registration document	10.1	318
5.	Report of the Statutory auditors on the annual financial statements	7.2	241 to 242
6.	Report of the Statutory auditors on the consolidated financial statements	6.2	216 to 217
7.	Statutory auditors' fees	10.2.3	320
8.	Report of the Chairman of the Board of Directors on the functioning of the Board of Directors and on internal control	3	47 to 104
9.	Report of the Statutory auditors on the report of the Chairman of the Board of Directors	3.6	103 to 104

11.3 Correlation table with management report

The following correlation table allows to identify, in this Registration document, the information that is comprised in the management report.

MANAGEMENT REPORT		REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Activity and financial position	1.2, 1.3, 1.4, 5.1, 5.2	10 to 21 and 140 to 153
2.	Recent events, trends and prospects	5.1, 5.2, 5.3, 5.4, 6,1 (note 28), 7.1 (note 5.7)	140 to 155, 158 to 215 and 220 to 240
3.	Research and development	1.4.5	21
4.	Description of main risks and uncertainties	2	29 to 45
5.	Use of financial instruments	2, 6.1 (notes 3.8, 9, 12, 16, 23, 24), 7.1 (note 2.6, 4)	29 to 45, 158 to 215 and 220 to 240
6.	Corporate and social responsibility (see paragraph 11.4)	4	107 to 137
7.	Subsidiaries and holdings	1.5, 6.1, 7.1	22 to 25, 158 to 215 and 220 to 240
8.	Corporate officers (list of corporate offices and functions, compensation, securities transactions)	3, 8.2.2.3	47 to 104 and 257
9.	Share capital, shareholding structure and employee shareholding	8.2, 8.3	255 to 278
10.	Dividend distributions over the past three financial years	8.2.6	268
11.	Purchases and sales of own shares	8.3.3	272 to 274
12.	Items likely to have an impact in the event of a public offer	3, 8.2.5, 8.4	47 to 104, 268 and 279
13.	Other information (payment periods, etc.)	6.1 (note 23), 7.1 (note 4)	158 to 215 and 220 to 240
	SCHEDULES		
14.	Summary table of current delegations	8.3.1	268 to 271
15.	Table of the company's results for the past five financial years	7.1	220 to 240
16.	Report of the Chairman of the Board of Directors	3	47 to 104

11.4 Correlation table with the information on corporate and environmental responsibility

The following correlation table allows to identify, in this Registration document, the information on corporate and environmental responsibility.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY		REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
1.	Social information	4.1	108 to 118
	a) Employment		
	Total headcount and breakdown of employees	4.1.1	108 to 110
	Hires and dismissals	4.1.2	110 to 111
	Compensation and changes	4.1.3.1	111 to 112
	b) Work organisation		
	Organisation of working hours	4.1.3.2	112
	Absenteeism	4.1.5.2	116
	c) Social relationships		
	Organisation of the social dialogue	4.1.5.3	116 to 117
	Overview of collective agreements	4.1.5.3	116 to 117
	d) Health and safety		
	Health and safety at work	4.1.3.3	112 to 114
	Overview of agreements signed	4.1.5.3	116 to 117
	Accidents at work and occupational diseases	4.1.3.3	112 to 114
	e) Training		
	Policies applied	4.1.3.3, 4.1.4	112 to 114 and 114 to 115
	Total number of training hours	4.1.3.3, 4.1.4	112 to 114 and 114 to 115
	f) Equal treatment		
	Measures taken in favor of gender equality	4.1.3.4	114
	Measures taken in favor of the employment and insertion of disabled persons	4.1.3.4	114
	Anti-discrimination policy	4.1.3.4	114
	g) Promotion of and compliance with the provisions of the core conventions of the International Labour Organization		
	Respect of the freedom of association and right to collective bargaining	4, 4.1.6	107 to 137 and 117 to 118
	Elimination of discrimination in respect of employment and occupation	4, 4.1.6	107 to 137 and 117 to 118
	Elimination of forced or compulsory labor	4, 4.1.6	107 to 137 and 117 to 118
	Effective abolition of child labor	4, 4.1.6	107 to 137 and 117 to 118
2.	Environmental information	4.3	122 to 135
	a) General environmental policy		
	Organisation of the company	4.3.1	122 to 124
	Employee training and information actions	4.3.1	122 to 124

CORRELATION TABLE WITH THE INFORMATION ON CORPORATE AND ENVIRONMENTAL RESPONSIBILITY

	SOCIAL AND ENVIRONMENTAL RESPONSIBILITY	REGISTRATION DOCUMENT	
N°	SECTION	PARAGRAPH(S)	PAGE(S)
	Means devoted to the prevention of environmental risks and pollution	4.3.2.4	125
	Amount of provisions and guarantees for environmental risks	4.3.2.6	125
	b) Pollution and waste management		
	Emission prevention, reduction and remediation measures	4.3.3.5, 4.3.4	131 and 132
	Waste prevention, recycling and disposal measures	4.3.3.4	130
	Means of addressing noise pollution and other pollution generated by a given activity	4.3.3.5	131
	c) Sustainable use of ressources		
	Water consumption and procurement	4.3.3.2	128
	Consumption of raw materials and measures taken to improve their efficient use	4.3.3.3	129 to 130
	Energy consumption and measures taken to improve energy efficiency and the use of renewable energies	4.3.3.1, 4.3.4	126 to 128 and 132
	Land use	4.3.3.5	131
	d) Climate change		
	Greehouse gas emissions	4.3.3.6	131 to 132
	Adaptation to the consequences of climate change	4.3.2.5	125
	e) Protection of biodiversity		
	Measures taken to preserve or develop biodiversity	4.3.3.5	131
3.	Information on corporate commitments in favor of sustainable development	4.2	118 to 122
	a) Territorial, economic and social impact of the company's business		
	In relation to employment and regional development	4.2.1, 4.2.2	119 to 121
	On neighboring or local populations	4.2.1, 4.2.2	119 to 121
	b) Relationships with the persons or organizations having an interest in the company's business, particularly associations promoting integration, education institutions, associations for the defence of the environment, consumer associations and neighboring populations		
	Organization of the dialogue with these persons or organizations	4.2.1, 4.2.2	119 to 121
	Partnership or philanthropic actions	4.2.1, 4.2.2, 4.2.3	119 to 122
	c) Sub-contracting and suppliers		
	Means of addressing social and environmental challenges in the purchasing policy	4.2.1, 4.2.2	119 to 121
	Importance of sub-contracting and consideration given to the social and environmental responsibility of suppliers and sub-contractors	4.2.1, 4.2.2	119 to 121
	d) Fair practices		
	Anti-bribery actions	4, 4.1.6	107 to 137
	Measures taken in favor of consumer health and safety	4, 4.1.6	107 to 137
	e) Other actions in favor of human rights	4, 4.1.6	107 to 137

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