



Sonepar Management US, Inc. Executive Incentive and Deferred Compensation Plan

CONTENTS

3	Introduction
4	How to Enroll
6	Potential Advantages of Plan Participation <i>How the Plan Compares With Your 401(k)</i>
7	Plan Highlights
11	Managing Your Account

INTRODUCTION

As a highly valued member of our team, and based on your projected compensation for the year, you are part of a select group of associates invited to participate in the Sonepar Management US, Inc. Executive Incentive and Deferred Compensation Plan (the “Plan”). The Plan allows you to defer a portion of your annual income until a specified future date to help you save for retirement and other important goals.

By participating in the Plan, you have the opportunity to:

- Contribute to your retirement beyond the IRS limits for the Sonepar USA 401(k) Plan (the “401(k) Plan”).
- Reduce your current taxable income (consult a qualified tax advisor to discuss your personal situation).
- Benefit from potential tax-deferred growth on your contributions.
- Diversify your retirement portfolio through a variety of investment options.

If you would like to participate in the Plan or make changes to your past elections, please review this guide for key Plan provisions and complete the enrollment instructions within the annual open enrollment window.

HOW TO ENROLL

The Plan's annual open enrollment window is held during the fourth quarter. Unless you become eligible during the Plan year, you may only enroll during this period.



Your decision to defer amounts for the upcoming compensation year is irrevocable and cannot be changed until the next annual open enrollment window.

STEP 1

Log in to **workplace.schwab.com** during the open enrollment window.

- If you are already participating in the 401(k) Plan, log in using your existing login credentials.
- If you are not a participant in the 401(k) Plan, click **Register Now** to establish your login credentials.

STEP 2

After logging in, click **Sonepar Management US, Inc. Executive Incentive and Deferred Compensation Plan**.

STEP 3

Click the **Enrollment** link to read important details, and then click **Enroll Now**.

Do you have questions about the enrollment process?



Please call any of the following resources for more information or for assistance enrolling:

- Schwab Retirement Plan Services **1-800-724-7526**
- **Annette Grabow** Sonepar | Retirement Program Manager
annette.grabow@sonepar-us.com | 1-843-745-6869
- **Jeff Evans** CAPTRUST, Senior Financial Advisor
jeff.evans@captrust.com | 1-610-625-5623

CAPTRUST Financial Advisors is not affiliated with or an agent of Schwab Retirement Plan Services, Inc. ("SRPS") or any of its affiliates (collectively Charles Schwab). **The advisory services provided to participants for their Plan account by CAPTRUST Financial Advisors are not part of the recordkeeping services provided through SRPS.** SRPS does not supervise, make recommendations with respect to, or take responsibility for monitoring the advice provided to participants by CAPTRUST.

STEP 4

Make your contribution rate and distribution elections, review them, and click **Confirm**.



IMPORTANT NOTE: Please be sure to click **CONFIRM** to ensure your enrollment is complete.

Please **PRINT** and **SAVE** your elections for future reference after completing enrollment.

INVESTMENTS

Now that your enrollment is complete, please confirm your current elections or select new investments. Go back to **workplace.schwab.com**. Select **Sonepar Management US, Inc. Executive Incentive and Deferred Compensation Plan**. Click on **Manage Your Account > Investments**.

BENEFICIARY

Click the **My Profile** tab to designate your Plan beneficiary. This beneficiary designation is separate from any other beneficiary designation(s) you may have.

Are you already in the Plan and want to make the same elections as you did last year?



If so, no action is needed on your part. For your convenience, your contribution rate and distribution elections automatically renew each year unless you change them during open enrollment.

POTENTIAL ADVANTAGES OF PLAN PARTICIPATION

An Additional Savings Vehicle for Your Future

Contribution limits for 401(k) and other qualified plans may not allow you to save enough to maintain your current lifestyle in retirement. That's where non-qualified deferred compensation plans like this one may help.

Non-qualified deferred compensation plans are not subject to the annual deferral and compensation limits under the Internal Revenue Code (IRC), giving you the opportunity to set aside additional pre-tax amounts for retirement. The Plan allows you to contribute up to **75% of your eligible base salary/commission and/or up to 100% of your bonus compensation and/or up to 100% of your Strategic Income Plan compensation.**

How the Plan Compares With Your 401(k)

Let's take a look at the chart below to help you further understand some of the differences between the Sonepar Management US, Inc. Executive Incentive and Deferred Compensation Plan and the Sonepar USA 401(k) Plan.

	Sonepar Management US, Inc. Executive Incentive and Deferred Compensation Plan	Sonepar USA 401(k) Plan
Are contributions subject to annual IRC limits?	No.	Yes.
Can contribution rates be changed at any time?	No. Changes can only be made during the annual open enrollment window.	Yes.
Are pre-tax deferrals and investment returns taxed at distribution?	Yes. They are taxable as ordinary income and not eligible for rollover.	Yes. They are taxable as ordinary income, unless they are rolled over to another qualified retirement plan account or an Individual Retirement Account (IRA).
Can you select from a variety of investment options?	Yes.	Yes.
Can you change your investments at any time?	Yes, subject to prospectus requirements.	Yes, subject to prospectus requirements.
Are loans allowed?	No.	Yes.
Are penalty-free scheduled distributions before the age of 59½ allowed?	Yes.	No.
Are unscheduled withdrawals allowed?	Yes, only for hardship/unforeseeable emergencies.	Yes; however, there are IRS restrictions on when money may be withdrawn from your Plan account. You may access your 401(k) retirement savings under certain circumstances. Taxes and penalties may apply.
Are assets subject to the claims of creditors in the event of company bankruptcy?	Yes. Sonepar Management US, Inc. owns the Plan's assets and they are subject to claims of creditors.	No. Assets are held in a protected trust and are not subject to creditors.
Can I defer distribution at the time I separate from service?	No. Any modifications would need to be made 12 months prior to your separation of service.	Yes. If your balance is over \$5,000, you may leave your account balance in the 401(k) Plan when you leave the company.

PLAN HIGHLIGHTS

The following information describes key features and provisions of the Plan. Before you enroll, please take time to review these details and make sure you understand how the Plan fits into your overall retirement planning strategy.

My Contributions

How much can I defer to the Plan?

Each year during the open enrollment window, you may elect to defer:

- Up to 75% of your **eligible base salary/commission compensation** for the upcoming year.
- Up to 100% of your **bonus compensation**, provided you are eligible. **This election is for bonus compensation paid in 2023.**
- Up to 100% of your **Strategic Income Plan compensation paid in 2023.**

The amount you defer will be deducted from your pay before any 401(k) Plan contributions are calculated.

You are also eligible to make an **Excess Salary Election**. Your Excess Salary Election will not commence until you have reached your maximum deferral to the 401(k) Plan, **including catch-up contributions**, if applicable. Please note that the combined election between Salary/Commission and Excess Salary must not exceed 75%.

Will all of my elections carry over from year to year?

Yes. For your convenience, your contribution rate and distribution elections automatically renew each year, unless you change them during open enrollment.

Can I change my contribution rate during the Plan year?

Your decision to make deferrals for a given year is **irrevocable** and cannot be changed until the open enrollment period for the following year.

Am I vested in my Plan account?

All of your deferred amounts and potential earnings are immediately 100% vested in the Plan. Company contributions are subject to a vesting schedule. Please note that your Plan account does not entitle you to ownership of any actual assets. The amounts held within the Plan are Sonepar Management US, Inc. assets until distributed and, should Sonepar Management US, Inc. become insolvent, your rights against the assets will be no greater than the rights of other unsecured general creditors.

Note:



The Plan is a supplemental plan meant for those who want to defer more than the annual IRS contribution limit for 401(k) plans. **If you choose to defer to this Plan, you may want to review the percentage you contribute to your 401(k) Plan account.** Your 401(k) Plan contribution is based upon your compensation after it has been reduced by this Plan's deferral. Therefore, to maintain the same dollar contribution to your 401(k) Plan, you may need to increase the percentage you contribute.

Consider saving the maximum allowed in your 401(k) Plan prior to contributing to this Plan. Your 401(k) Plan offers you the flexibility to change your deferral rate at any time, and you may request a loan or an in-service distribution. Distribution elections can be made at the time of distribution. Further, assets in the 401(k) Plan are held in a trust and not subject to creditors in the case of the firm's insolvency.

Please call any of the following resources for more information or for assistance enrolling:

- Schwab Retirement Plan Services **1-800-724-7526**.
- **Annette Grabow** Sonepar, Retirement Program Manager, annette.grabow@sonepar-us.com, **1-843-745-6869**
- **Jeff Evans** CAPTRUST, Senior Financial Advisor jeff.evans@captrust.com, **1-610-625-5623**

PLAN HIGHLIGHTS

Company Contributions

Does Sonepar Management US, Inc. contribute to my Plan account?

Sonepar Management US, Inc. may make the following contributions to your Plan account:

401(K) “PLUS” EXECUTIVE MATCH

You may receive discretionary matching contributions to make up for matching contributions that cannot be made to your 401(k) Plan account. You may receive these matching contributions if your eligible compensation is above the annual IRC 401(a)(17) limit (\$290,000 for 2021, subject to annual adjustments). This discretionary match calculation is based on the same discretionary matching formula used for the 401(k) Plan.

COMPANY PERFORMANCE MATCH

Sonepar Management US, Inc. may, at its discretion, choose to credit a Company Performance Match to your Plan account. Maximum match contribution is 33⅓% on the first 6% of total compensation (or 2%).

Company contributions are paid on a pre-tax basis and may be taxable at withdrawal.

What is the vesting schedule for Sonepar Management US, Inc. contributions?

The vesting schedule is as follows:

401(k) “PLUS” EXECUTIVE MATCH & COMPANY PERFORMANCE MATCH

Vesting is based on your years of service.

Years of Service	Percentage
Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

If there is a Change in Control (as defined by the Plan) of the Company, or an affiliate of a subsidiary that participates in this Plan and at which you are employed, your Plan account will be fully vested.

Upon death or disability, you will become 100% vested in the Plan.

If you are terminated for cause (as defined by the Plan), you forfeit any otherwise vested employer discretionary credits.

Investments

What investment options are available to me?

The Plan offers you a variety of carefully selected investment options to help you work toward your short- and long-term savings goals. You may request investment information and transfer existing assets in your Plan account to any of the other investment options available in the Plan at any time (subject to prospectus requirements) online at **workplace.schwab.com** or through a Participant Services Representative at **1-800-724-7526**.

You must make investment elections at the time of enrollment. If you do not make an investment election for your Plan account, your contributions will be invested in one of the Vanguard Target Retirement Funds, based on your date of birth and as determined by the Plan, until you make an alternate election.

For your convenience, your investment elections will automatically renew each year, unless you change them during the annual open enrollment.



Important: The available investment options are “deemed” investments, as federal law requires this to preserve the tax-deferred status of non-qualified deferred compensation plans. This means you do not have an ownership interest in the funds you select. The funds are used only to measure gains and losses attributable to your Plan account over time. Your deferred compensation and any earnings attributed to that deferred compensation will be reflected on the company’s books.

When can I change my investment elections?

You can change your investment elections at any time, subject to prospectus requirements. Changes received by market close of the New York Stock Exchange (ordinarily 4 p.m. ET) will take effect the first business day after receipt, based on the prior business day’s closing unit values. Changes received after 4 p.m. ET, or on a day when the NYSE is not open, will take effect on the second business day after the request date, using the market closing prices from the first business day after the request date.

Distributions

What are my distribution options?

RETIREMENT DISTRIBUTIONS

Under the Plan, you are eligible to receive Retirement Distributions when you terminate service with Sonepar Management US, Inc. You can choose one of the Retirement Accounts below, or can use a combination of both to determine how your balance will be paid to you.

- **Retirement Account 1:** Allows you to receive a lump sum or annual installment payments within a period of 2 to 5 years.
- **Retirement Account 2:** Allows you to receive a lump sum or annual installment payments within a period of 2 to 10 years.

These two options provide flexibility for your distribution strategy.

IN-SERVICE DISTRIBUTIONS

Under the Plan, you may also elect to receive distributions while you are still employed by Sonepar Management US, Inc. In the event of termination, In-Service Distribution elections will be ignored and distributions will be paid according to your Retirement Distribution elections. In-Service Distribution options are as follows:

- **Fixed-Date Account:** Allows you to receive a single lump-sum payment during your employment at Sonepar Management US, Inc. You may have one Fixed-Date Account at a time.
- **Education Account:** Allows you to establish an account within the Plan for relatives who are minors only. You may have up to three Education Accounts within the Plan at one time. In-Service Distributions from an Education Account are made in the form of four annual installment payments.

Can I change my distribution elections?

Plan your distribution elections carefully. Although you can change how a Separation from Service Distribution will be paid, any change will require:

- The distribution start date will be five years later than the previously scheduled starting date.
- You make your Distribution Election Change at least 12 months prior to the previously scheduled payment starting date.



Important: Any changes you make to distribution elections for a specific Plan account will overwrite distribution elections made in prior years for that account.

PLAN HIGHLIGHTS

For your convenience, your distribution elections will automatically renew each year, unless you change them during annual open enrollment. Modifications of distribution options can be made at any time of the year with the proper form. You don't have to wait for annual enrollment to change them.

What happens if I leave Sonepar Management US, Inc.?

If you terminate employment, your Plan account balance will be paid as elected for retirement. However, to qualify for installment payments, you must have a total Plan account balance of at least \$100,000 at the time of the first payment. **If you do not meet this Plan requirement, your distribution will be paid as a lump sum, regardless of your elections.**

Are there any other events that will automatically trigger a distribution?

Yes. The following events may trigger a distribution:

- **Death:** Any unpaid distributions will be paid to your beneficiary in a lump sum.
- **Disability:** In the event that you become permanently disabled (as defined by the Plan), you will receive a lump-sum payment.

Can I take a loan from the Plan?

No. You cannot obtain a loan from the Plan.

Can I take a hardship withdrawal from the Plan?

Should you encounter an unforeseeable emergency, you may have the ability to access some of your Plan savings, depending on the circumstances of your emergency or hardship. For this purpose, an unforeseeable emergency is defined as a severe financial hardship resulting from an illness or accident involving you or your dependent, loss of property due to a casualty not covered by insurance or other reimbursement, or other similar extraordinary and unforeseeable circumstances resulting from events beyond your control and as defined or allowed by federal tax laws.

Other Factors

What other factors should I consider before enrolling?

Consider all of your sources of income and your assets. Do you have a savings account or other liquid assets to cover unanticipated expenses?



Remember, your deferral election is irrevocable and cannot be changed until the open enrollment window for the following year.

If you decide to participate in the Plan, you may choose to increase the percentage you contribute to the 401(k) Plan. Your 401(k) contribution is based upon your compensation after it has been reduced by this Plan's deferral. Therefore, to maintain the same dollar contribution to your 401(k), you may need to increase the percentage you contribute.

What are the tax implications?

Deferred compensation is subject to current Social Security, Medicare, and other statutory employment taxes at the time it is deferred.

All distributions from the Plan will be treated as ordinary income and will be subject to federal and state income taxation at the time of distribution, if applicable. Distributions (including any investment returns credited to your Plan account) may not be subject to Social Security or Medicare taxes.

What are some of the potential risks of a non-qualified deferred compensation plan?

To preserve the tax-deferral savings advantages of a non-qualified deferred compensation plan, federal law requires that the plan be unfunded. Assets held in this non-qualified deferred compensation plan are considered general assets of Sonepar Management US, Inc. This means assets are available to creditors in the event of insolvency or bankruptcy. You will be considered a general creditor.

MANAGING YOUR ACCOUNT



You can access your
Plan account at
workplace.schwab.com.



If you prefer to speak with a
Participant Services Representative, call
1-800-724-7526. Additionally,
you may contact:

Annette Grabow
Sonepar, Retirement Program Manager
annette.grabow@sonepar-us.com
1-843-745-6869

Jeff Evans
CAPTRUST, Senior Financial Advisor
jeff.evans@captrust.com
1-610-625-5623

This summary provides a brief overview of the Plan's features and is not a legally binding document. You may contact your HR Department or Participant Services at 1-800-724-7526 if you have any questions regarding the features of this Plan. If any discrepancy arises between these Plan Highlights and the Plan Document, the Plan Document shall prevail.

This information is not intended to be a substitute for specific individualized tax, legal, or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, financial planner, or investment manager.

CAPTRUST Financial Advisors is not affiliated with or an agent of Schwab Retirement Plan Services, Inc. ("SRPS") or any of its affiliates (collectively Charles Schwab). **The advisory services provided to participants for their Plan account by CAPTRUST Financial Advisors are not part of the recordkeeping services provided through SRPS.** SRPS does not supervise, make recommendations with respect to, or take responsibility for monitoring the advice provided to participants by CAPTRUST.

Access to electronic services may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance, or for other reasons.

Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans and has provided this communication to you as part of the recordkeeping services it provides to the Plan.

