



## **NOTICE OF MEETING**

Combined Ordinary and Extraordinary Annual Meeting  
Of April 23<sup>rd</sup> 2009

To be held at 3:00 p.m. at

**L'Espace Grande Arche  
Le Parvis de la Défense  
56, route de la Demi-lune  
92800 PUTEAUX / PARIS - LA DÉFENSE**

Toll-free number for investors in France: 0 800 20 55 14  
[www.schneider-electric.com](http://www.schneider-electric.com)

**SCHNEIDER ELECTRIC SA**  
INCORPORATED IN FRANCE WITH LIMITED LIABILITY  
AND ISSUED CAPITAL OF 1 979 405 032 EUROS  
REGISTERED OFFICE: **35, rue Joseph Monier - 92506 RUEIL MALMAISON**  
Registered in Nanterre 542 048 574



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**N.B. The request for the admission card is on the attached form.**

The shareholders of Schneider Electric SA are hereby called to meeting **on April 23, 2009**.  
The Combined Annual and Extraordinary Meeting will be held at **3:00 p.m.** at:

**L'Espace Grande Arche  
Le Parvis de la Défense  
56, route de la Demi-lune  
92800 PUTEAUX / PARIS - LA DÉFENSE**

to consider the items below.

The draft resolutions to be tabled at the meeting are provided on pages 23-33.

### **Agenda**

*Within the jurisdiction of an ordinary general meeting:*

- Reports issued by the Management Board, the Supervisory Board and the Statutory Auditors on the accounts for the financial year closed on December 31st 2008;
- Approval of corporate statutory financial statements for the 2008 financial year;
- Approval of consolidated financial statements for the 2008 financial year;
- Attributing income and determining the dividend together with the option for paying the dividend in the form of shares;
- Approval of the report on regulated agreements concluded in 2008 and during previous financial years;
- Approval of regulated agreements concerning the status of Mr Jean-Pascal TRICOIRE;
- Authorisation to be given to the Management Board for buying back company shares;
- Ratification of the change of the registered office;

*Within the jurisdiction of an extraordinary general assembly meeting:*

- Statutory modifications: adaptation of the company object, information issued when statutory thresholds are overrun;
- Delegating authority to the executive committee Management Board for making an increase in company capital whilst maintaining pre-emptive rights;
- Delegating authority to the Management Board for making an increase in company capital, without maintaining pre-emptive rights;
- Permission to increase the number of securities to be issued in the event of a surplus demand, when the increase in capital is made with or without pre-emptive rights;
- Possibility of using a delegation of authority for increasing capital with pre-emptive rights eliminated in order to remunerate contributions of securities in the event of a public exchange offer or for contribution in kind;
- Permission given to the executive committee Management Board to attribute options for subscribing to or purchasing shares to corporate officers and employees of the company and other companies related to it;
- Permission given to the Management Board for making attributions of bonus shares, subject, where appropriate, to performance conditions (on the basis of existing shares or shares still to be issued) to corporate officers and employees of the company or other companies related to it;
- Delegation of authority given to the Management Board for making increases in the capital reserved for participants in the Company Savings Plan;
- Permission given to the Management Board for making increases in capital reserved for a category of beneficiaries; entities formed in favour of Group employees;
- Permission given to the Management Board for cancelling, where appropriate, company shares purchased under conditions set by the general assembly meeting, up to a maximum amount of 10%;
- Powers to carry out formalities.

## WHO MAY ATTEND

All shareholders, no matter how many shares they hold, have the right to take part in the meeting in person, be represented by a third party or vote by mail, after providing evidence of their status as shareholder. However, to be allowed to take part in the meeting, to vote by mail or be represented:

- a) Shareholders owning registered shares must be registered in the "pure" or "administered" accounts by midnight, Paris time on the third working day before the meeting, i.e. April 20th 2009.
- b) Shareholders owning bearer shares must be registered by midnight, Paris time, on the third working day before the meeting, i.e. April 20th 2009. Book entry or registration of shares in bearer share accounts held by the authorised intermediary will be confirmed by a participation certificate issued by the latter, appended to the distance or proxy voting form or to the request for an entry pass drawn up in the name of the shareholder. A certificate may also be issued to any shareholder wishing to take part in the meeting in person and who has not received his or her entry pass by midnight, Paris time on the third working day before the meeting.

Shareholders may obtain the single form referred to above on request by mail to their financial intermediary or to the BNP Paribas Securities Services, service des assemblées, Immeuble Tolbiac 75450 Paris Cedex 09 to be received by the bank at least six days before the date of the meeting.

## PROCEDURES

### **You wish to attend the meeting**

If you wish to attend and vote at the meeting, you must apply for an admission card (\*) by checking box A on the enclosed form, dating and signing it in the space provided at the bottom.

As in previous years, voting will be done electronically. You are asked to:

1. Present your admission card and sign the attendance sheet at the registration desk starting at 2:00 p.m.
2. Enter the meeting room only with the electronic voting terminal provided upon signing the attendance sheet.
3. Carefully follow all the instructions for using the terminal given during the meeting.

*(\*) Note: If you have requested your admission card but have not received it in due time for the meeting, and that you can show that your shares are registered upon midnight, Paris time on the third working day before the meeting in the accounts held by the company (for nominative shares), or in the accounts held by the authorised intermediary (for bearers who hold a participation certificate), you can still attend the meeting by checking in at the registration desk starting at 2:15 p.m.*

### **You are unable to attend the meeting**

Please fill out the enclosed form and select one of the following options:

- 1. Vote by mail.**
- 2. Appoint your spouse or another shareholder (person or legal entity) as your proxy.**
- 3. Give the chairman of the meeting power to vote on your behalf.**

**The Management Board**

# HOW TO FILL OUT YOUR FORM

• If you intend to attend the Meeting in person: **tick box A** to request an admission card.

• If you are unable to attend the Meeting and wish to cast a postal vote or appoint a proxy: simply **tick box B** at the top of the form and sign and date it at the bottom.

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.**  
**QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM.**  
 Je désire assister à cette assemblée et demander une carte d'admission : dater et signer au bas du formulaire // I wish to attend the meeting and request an admission card : date and sign at the bottom of the form.  
 J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**SCHNEIDER ELECTRIC S.A.**  
 Société anonyme à directoire et conseil de surveillance  
 A limited company with registered and issued capital of 1.979.405.032 €  
 Siège Social / Registered office  
 35, rue Joseph Monier  
 92500 RUEIL, MALMAISON  
 542 048 574 RCS Nanterre

**ASSEMBLÉE GÉNÉRALE MIXTE (ordinaire et extraordinaire)**  
**DU 23 AVRIL 2009**  
**COMBINED GENERAL MEETING (ordinary and extraordinary)**  
**OF APRIL 23, 2009**

**CADRE RÉSERVÉ / For Company's use only**  
 Identifiant / Account  
 Nominatif Registered VS / single vote  
 Nombre d'actions Number of shares VD / double vote  
 Porteur / Bearer  
 Nombre de voix / Number of voting rights

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. au verso renvoi (3) - See reverse (3)  
 Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en notifiant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
 I vote FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote against or I abstain.  
 Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en notifiant comme ceci la case correspondant à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

1	2	3	4	5	6	7	8	9	Oui / Non/Ne / Yes / Abst/Abst	F	Oui / Non/Ne / Yes / Abst/Abst
10	11	12	13	14	15	16	17	18	A		G
19	20	21	22	23	24	25	26	27	B		H
28	29	30	31	32	33	34	35	36	C		J
37	38	39	40	41	42	43	44	45	D		K
									E		

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting:  
 - Je donne pouvoir au Président de l'A.G. de voter en mon nom. // I appoint the Chairman of the meeting to vote on my behalf...  
 - Je m'abstiens d'abstention équivalant à un vote contre. // I abstain from voting (it equialent to a vote against) ...  
 - Je donne procuration tel. au verso renvoi (2) à M, Mme ou Mlle ... pour voter en mon nom / I appoint (see reverse (2)) Mr, Mrs or Miss / to vote on my behalf

Fourir être prise en considération, toute formule doit parvenir au plus tard : le 20/04/2009  
 In order to be considered, this completed form must be returned at the latest : April 20, 2009

à / at BNP PARIBAS SECURITIES SERVICES, OCT Assemblées, Immeuble Tolbiac, 75450 PARIS Cedex 09

Date & Signature

• To cast a postal vote: tick here.  
 - To vote YES to a resolution leave blank the box next to resolution number.  
 - To vote NO to or abstain from a resolution, fill in the box next to the resolution number concerned.

Whatever you decide to do, do not forget to sign and date the form here.

• To grand proxy to the chairman of the General Meeting to vote on your behalf: Simply tick box B at the top of the form and sign and date it at the bottom.

• To grant proxy to your spouse or another Schneider Electric SA shareholder, who will represent you at the Meeting: tick here and indicate the name and contact details of your representative.

\* In case of joint possession, each indivisaire must sign.

In every case, the owner of the shares must sign and date the form and to return it as soon as possible to:

- If you hold registered shares:  
 BNP Paribas Securities Services  
 Global Corporate Trust - Equity France  
 Service des Assemblées  
 Immeuble Tolbiac  
 75450 Paris Cedex 09

- If you hold bearer shares:  
 Your financial intermediary who manages the share account in which your Shneider Electric SA shares are registered.

# Supervisory Board

(as of December 31, 2008)

## Chairman of the Supervisory Board

### M. Henri LACHMANN

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Age: 70

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Business address: Schneider Electric, 35 rue Joseph-Monier - 92500 Rueil-Malmaison, France

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21,497 Schneider Electric SA shares (1)

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First elected: 1996 / Term ends: 2010

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#### *Other directorships and functions in French or foreign companies*

- Currently: Chairman of the Supervisory Board of **Schneider Electric SA**; Member of the Supervisory Boards of **Vivendi**, **AXA** and **Groupe Norbert Dentressangle**; Director of various AXA subsidiaries; Non-voting director of **Fimalac** and **Tajan**; Chairman of the Board of Directors of Centre Chirurgical Marie Lannelongue; Chairman of Fondation pour le Droit Continental; Member of Conseil des Prélèvements Obligatoires; Member of the Steering Committee of Institut de l'Entreprise; Director of Association Nationale des Sociétés par Actions, Chairman of Institut Télémaque, Vice-Chairman and Treasurer of Institut Montaigne, Member of CODICE, Director of Solidarités Actives, Planet Finance and Fondation Entreprendre.
- Previous directorships and functions held in the past five years: Chairman and Chief Executive Officer of **Schneider Electric SA**; Chairman of **Schneider Electric Industries SAS**; Director of a number of Schneider Electric Group subsidiaries, **Vivendi Universal**, **Etablissements de Dietrich & Cie**, **Finaxa**, **Fimalac Investissements**.

#### *Expertise and experience*

A graduate of Hautes Etudes Commerciales (HEC), Henri Lachmann began his career in 1963 with Arthur Andersen. In 1970, he joined Compagnie Industrielle et Financière de Pompey. In 1971 he became Chief Executive Officer of Financière Strafor (later Strafor Facom), where from 1981 to 1997 he served as Chairman and Chief Executive Officer. He was elected to the **Schneider Electric SA** Board of Directors in 1996 and was appointed Chairman on February 25, 1999. On May 3, 2006, he became Chairman of the Supervisory Board of **Schneider Electric SA**.

## Vice Chairman of the Supervisory Board

### M. Serge WEINBERG\*

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Age: 58

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Business address: Weinberg Capital Partners, 40 rue La Boétie - 75008 Paris, France

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500 Schneider Electric SA shares

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First elected: 2005 / Term ends: 2010

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#### *Other directorships and functions in French or foreign companies*

- Currently: Vice Chairman of the Supervisory Board of **Schneider Electric SA**; Chairman of the Board of Directors of **Accor**; Chairman and Chief Executive Officer of Weinberg Capital Partners; Vice Chairman and Director of Financières SASA; Member of the Supervisory Board of Gucci Group;

*Note: boldface type indicates companies whose shares trade on a regulated market.*

*\*Independent Supervisory Board member according to the AFEP-MEDEF code for governing companies listed on the stock exchange.*

*(1): held directly or through a corporate mutual fund*

Director of FNAC, RASEC (since February 2006), Team Partners Group (since November 20, 2006), Alliance Industrie (since October 5, 2006), Financière Poinsetia (since September 11, 2006), VL Holding and SASA Industrie; General Manager of Adoval, Maremma.

- Previous directorships and functions held in the past five years: Chairman of the Management Board of **Pinault-Printemps-Redoute**; Chairman of the Supervisory Boards of France Printemps, Conforama Holding, Guilbert SA and Redcats; Member of the Supervisory Boards of Yves Saint-Laurent Parfum, Boucheron Holding and PPR Interactive (as PPR's permanent representative); Director of **Schneider Electric SA, Rexel** and PPR Asia; Tennessee's permanent representative at the Board of Directors of **Bouygues**; General Manager of Serole.

#### *Expertise and experience*

After graduating from Ecole Nationale d'Administration, Serge Weinberg held several positions in the civil service and ministerial offices. He then served as Chief Operating Officer of French television channel FR3, Chief Executive Officer and then Chairman of the Management Board of Havas Tourisme, and Managing Director of Banque Pallas Finance. In 1990, Serge Weinberg joined what would become Pinault-Printemps-Redoute (PPR) when he became Chief Executive of CFAO. Within PPR, he served as Chairman of Rexel (formerly CDME), an electrical equipment distributor. In 1995, he was appointed Chairman of the PPR Management Board, a position he held until early 2005. In March 2005 he founded Weinberg Capital Partners, a company that manages an investment fund specialized in leveraged buyouts. In 2006, he was appointed Chairman of the Board of Directors of Accor.

## Members of the Supervisory Board

### M. Léo APOTHEKER\*

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Age: 55

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Business address: SAP, Immeuble Capital 8, 32, rue de Monceau - 75008 Paris, France

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250 Schneider Electric SA shares

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First elected: 2007 / Term ends: 2012

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#### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; co-CEO of **SAP AG**; Director and Member of the Boards of **AXA**, SAP America Inc. (USA), SAP Global Marketing Inc. (USA), SAP Asia Pte. Ltd. (Singapore), SAP Japan Co. Ltd. (Japan), SAP France SA, SAP Italia Sistemi, applicazioni, prodotti in data processing s.p.a. (Italy), SAP Hellas Systems Application and Data Processing SA (Greece) and SAP (Beijing) Software System Co. Ltd. (China).
- Previous directorships and functions held in the past five years: Non-voting Member of **Schneider Electric SA**, Director of Ginger SA, Enigma Inc. (USA), SAP Manage Ltd. (Israel), SAP Finland Oy (Finland) and SAP Danmark A/S (Denmark).

#### *Expertise and experience*

Léo Apotheker began his career in 1978 in management control after graduating in international relations and economics from the Hebrew University in Jerusalem. He then held management and executive responsibilities in several IT firms including SAP France & Belgium, where he was President and CEO between 1988 and 1991. Mr Apotheker was founding president and COO of ECsoft. In 1995, he came back to SAP as President of SAP France. After serving in various capacities within SAP as president of regional operations, he became a member of the SAP AG Executive Committee and President of Global Customer Solutions & Operations in 2002. In 2007, Mr Apotheker was appointed President CSO and Deputy CEO of SAP AG.

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*Note: boldface type indicates companies whose shares trade on a regulated market.*

*\*Independent Supervisory Board member according to the AFEP-MEDEF code for governing companies listed on the stock exchange.*

## Claude BRIQUET

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Age: 48

Business address: Schneider Electric Industries SAS, Boulevard Salvador-Allende - Zone Industrielle - BP 660 - 16340 L'Isle d'Espagnac, France

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617 Schneider Electric SA shares (1)

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First elected: 2008 / Term ends: 2012

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Boards of **Schneider Electric SA** and the "Schneider Actionnariat" corporate mutual fund; Director of Negoce Europe.
- Previous directorships and functions held in the past five years: General Manager of Alombard.

### *Expertise and experience*

An engineering graduate of Ecole Nationale d'Ingénieurs in Tarbes and ENSEEIHT in Toulouse, Claude Briquet joined Schneider Electric in 1985. He began his career in development, quality and production. Mr Briquet managed the Pacy I plant from 1992 to 1996 and the Vaudreuil plant from 1996 to 1999. He was appointed General Manager of Mafelec in 1999 and of Alombard in 2001. Mr Briquet is currently responsible for trading in Europe within the Industry department of Schneider Electric's European Operating Division.

## Gérard de La MARTINIÈRE\*

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Age: 65

Business address: 18, allée du Cloître - 78170 La Celle Saint-Cloud, France

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3,176 Schneider Electric SA shares

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First elected: 1998 / Term ends: 2010

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Director of **Air Liquide** and of Banque d'Orsay, Member of the Supervisory Board of EFRAG.
- Previous directorships and functions held in the past five years: Chairman of Fédération Française des Sociétés d'Assurances (F.F.S.A.) and of the European Insurance Committee (CEA), Member of the Management Board of **AXA**; Director of **Schneider Electric SA**; Director of **Crédit Lyonnais**; Chairman of the Board of Directors of LCH Clearent Group Ltd., London; Member of the Supervisory Boards of **Air Liquide** and European Financial Reporting Advisory Group (EFRAG).

### *Expertise and experience*

A graduate of Ecole Polytechnique and Ecole Nationale d'Administration, Gérard de La Martinière held several positions in the French Finance Ministry before serving as General Secretary of Commission des Opérations de Bourse and General Manager of Société des Bourses Françaises. In 1989, he joined AXA, where he was appointed Executive Vice-President, Holding Companies and Corporate Functions in 1993, member of the Management Board in 1997 and Executive Vice-President, Finance, Control and Strategy in 2000. He left AXA in 2003 to become Chairman of Fédération Française des Sociétés d'Assurances (F.F.S.A.) until October 2008.

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(1): held directly or through a corporate mutual fund

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\*Independent Supervisory Board member according to the AFEP-MEDEF code for governing companies listed on the stock exchange.

## Noël FORGEARD\*

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Age: 62

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Business address: 85, Avenue de Wagram, 75017 Paris, France

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250 Schneider Electric SA shares

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First elected: 2005 / Term ends: 2010

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Member of the Committee of France Galop.
- Previous directorships and functions held in the past five years: Chairman and Chief Executive Officer of Airbus SAS; Chairman of the Board of Directors of Airbus France; Chairman or Director of various Airbus subsidiaries; Director of **EADS (Netherlands)**, **Schneider Electric SA**, **Arcelor**, IMS S.A. and Ecole Polytechnique; Chief Executive Officer of EADS.

### *Expertise and experience*

A graduate of Ecole Polytechnique and Ecole des Mines, Noël Forgeard began his career in the French civil service before joining Usinor subsidiary Compagnie Française des Aciers Spéciaux. In 1986, he served as an advisor on industrial issues in Prime Minister Jacques Chirac's office. In 1987, he joined Lagardère, where he headed Matra's defense and space divisions. Five years later, he became Chairman and Chief Executive Officer of Matra Haute Technologie and joint Chief Executive Officer of the Lagardère Group. In 1998, he was appointed Director and General Manager of GIE Airbus-Industrie, and in 2000, CEO of Airbus S.A.S. From July 1<sup>st</sup>, 2005 to July 1<sup>st</sup>, 2006 he was co-Executive Chairman of EADS.

## Jérôme GALLOT\*

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Age: 49

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Business address: CDC Entreprises, 137, Rue de l'Université - 75007 Paris, France

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250 Schneider Electric SA shares

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First elected: 2005 / Term ends: 2012

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Chairman of CDC Entreprises; Director of **Nexans SA**, **ICADE sa**, Caixa Seguros SA (Brazilian subsidiary of CNP), **Plastic Omnium** and Caisse Nationale de Prévoyance (**CNP Assurances SA**); Non-voting director of OSEO, Non-voting director of **NRJ Group SA**.
- Previous directorships and functions held in the past five years: Senior Executive Vice President, Caisse des Dépôts et Consignations; Director of **Schneider Electric SA**, Crédit Foncier de France, Galaxy Fund and Galaxy Management Services; Chairman of Sicav Austral; Member of the Supervisory Board of Compagnie Nationale de Rhône (CNR).

### *Expertise and experience*

Jérôme Gallot is a graduate of Institut d'Etudes Politiques de Paris and Ecole Nationale d'Administration. After three years with the Cour des Comptes, he served as an advisor to the General Secretary of the interministerial committee for European economic cooperation, from 1989 to 1992, and then moved to the Budget department. He was then Chief of Staff in a number of French ministries, from 1993 to 1997. In 1997, he was appointed Director of the Competition, Consumer Affairs and Anti-Fraud Division of the Ministry of the Economy and Finance. He left this position in January 2003 to become Senior Executive Vice President at Caisse des Dépôts et Consignations. He was appointed Chairman of CDC Entreprises in September 2006 and member of the Executive Committee of the Caisse des Dépôts.

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*Note: boldface type indicates companies whose shares trade on a regulated market.*

*\*Independent Supervisory Board member according to the AFEP-MEDEF code for governing companies listed on the stock exchange.*

## Willy R. KISSLING\*

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Age: 64

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Business address: Poststrasse n° 4 - BP 8808 Pfaeffikon, Switzerland

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724 Schneider Electric SA shares

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First elected: 2001 / Term ends: 2012

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Director of **Kühne + Nagel International AG** (logistics); Chairman of the Board of Directors of Grand Resort Bad Ragaz AG; Member of the European Advisory Board of Co.
- Previous directorships and functions held in the past five years: Director of **Schneider Electric SA**; Director of **Holcim Ltd** (cement), Chairman of the Board of Directors of **Unaxis Corporation** (renamed **OC Oerlikon Corp.**); Vice Chairman and later Chairman of **Forbo Holding AG** and **SIG Holding Ltd**.

### *Expertise and experience*

Willy Kissling, a Swiss citizen, holds diplomas from the University of Bern and Harvard University. He began his career at Amiantus Corporation and then joined Rigips, a plasterboard manufacturer, in 1978. He was appointed to the Rigips Executive Committee in 1981 and subsequently became Chairman. From 1987 to 1996, Mr Kissling served as Chairman and Chief Executive Officer of Landis & Gyr Corporation, a provider of services, systems and equipment for building technology, electrical contracting and pay phones. From 1998 to 2005, he was Chairman of Unaxis Corporation (since renamed OC Oerlikon Corp.), also serving as Chairman and Chief Executive Officer from 1998 to 2005.

## Cathy KOPP\*

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Age: 59

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Business address: Accor, Immeuble Odyssey - 110 avenue de France - 75210 Paris cedex 13, France

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250 Schneider Electric SA shares

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First elected: 2005 / Term ends: 2010

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Director of **Dexia** (as from February 2008); Executive Vice President, Human Resources and Sustainable Development of **Accor**; Member of the Board of Ecole Normale Supérieure (Paris); Member of the Board of Fondation SNCF.
- Previous directorships and functions held in the past five years: Non-voting Director of **Schneider Electric SA**; Vice-President, Corporate Human Resources and member of the Executive Committee of **LVMH**, Member of the College of the High Authority of Fight against Discriminations (Halde).

### *Expertise and experience*

After earning a degree in mathematics, Cathy Kopp joined IBM France in 1973. In 1992, she became Human Resources Director at IBM France. In 1996, she was appointed Vice-President Human Resources at IBM Corp.'s Storage Systems Division. In 2000, Cathy Kopp became Chairman and CEO of IBM France. She joined Accor in 2002 as Human Resources General Manager. She is Chairman of the employee relations commission of the Service Industry Group of the French employers' federation (Medef). She led the Medef's inter-industry negotiations on diversity in 2006 and on modernizing the labor market in 2007.

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*Note: boldface type indicates companies whose shares trade on a regulated market.*

*\*Independent Supervisory Board member according to the AFEP-MEDEF code for governing companies listed on the stock exchange.*

## James ROSS\*

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Age: 70

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Business address: Flat 4, 55 Onslow Square - London SW7 3LR, England

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300 Schneider Electric SA shares

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First elected: 1997 / Term ends: 2010

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Director of **McGraw-Hill Inc** and **Prudential plc**; Chairman of Leadership Foundation for Higher Education; Chairman of Liverpool School of Tropical Medicine.
- Previous directorships and functions held in the past five years: Director of **Schneider Electric SA** and of Datacard Inc.; Chairman of Littlewoods plc; Chairman of **National Grid**; Vice-Chairman of **National Grid Transco**.

### *Expertise and experience*

James Ross, a British subject, is a graduate of Oxford University. In 1959 he joined BP, where he held several positions before becoming one of the Managing Directors in 1991. He was appointed Chief Executive Officer of Cable & Wireless plc in 1992, Chairman of Littlewoods plc in 1996 and Chairman of National Grid plc in 1999.

## G. Richard THOMAN\*

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Age : 64 ans

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Business address : Corporate Perse professionnelle : Corporate Perspectives, LLC - 126 East 56th Street, 9th Floor - New-York NY 10022, USA

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250 shares Schneider Electric SA

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First electer : 2007 / Term ends : 2012

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Managing Partner of Corporate Perspectives (US consulting company); Member of the International Board of INSEAD, the French American Foundation, the Americas Society, the Council of the Americas, McGill University School of Management and the Fletcher School; Associate Professor of Columbia University and Fletcher School, Member of the Trilateral Commission, Council on Foreign Relations.
- Previous directorships and functions held in the past five years: Member of the Supervisory Board of Daimler-Chrysler; Member of the Board of Directors of Union Bancaire Privée (Geneva); Senior Advisor of Evercore Patners; Member of the Advisory Board of Deutsche Bank Capital Partners.

### *Expertise and experience*

G. Richard Thoman has a unique background as one of the top five CEOs of four Fortune 75 companies in three different industries: financial services, food and beverages and technology.

Mr Thoman began his career at Citibank after receiving his BA from McGill University in Montreal and MA, MALD and PhD from Fletcher School of Law and Diplomacy. After working with Exxon Finance and McKinsey, he became Chairman and co-CEO of American Express Travel Related Services. In 1992, he was appointed President and CEO of Nabisco International. In 1993, he joined IBM as Senior Vice President, Personal Systems Group, later becoming CFO. He joined Xerox in 1997, where he served as President and CEO from April 1999 to May 2000. Mr Thoman is currently Managing Partner of Corporate Perspectives and teaches in several US universities.

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*Note: boldface type indicates companies whose shares trade on a regulated market.*

*\*Independent Supervisory Board member according to the AFEP-MEDEF code for governing companies listed on the stock exchange.*

## Piero SIERRA\*

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Age: 74

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Business address: Pirelli SpA, Viale Sarca 222 - 20126 Milan, Italy

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1,000 Schneider Electric SA shares

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First elected: 1997 / Term ends: 2009

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### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Supervisory Board of **Schneider Electric SA**; Director of various international Pirelli Group companies: Alexandria Tire Corp., Pirelli Deutschland AG, Pirelli UK Tyres and Turk Pirelli Lastikleri AS.
- Previous directorships and functions held in the past five years: Director of **Schneider Electric SA**, Pirelli Cables et Systemes SA, Pirelli Armstrong Tire Corp, Pirelli Cable Corporation, Pirelli Cables Ltd, Pirelli Cables Saic, Pirelli Cabos SA, Pirelli Canada Inc, Pirelli Tyre Holding NV, Pirelli UK Tyres and Turk Pirelli Lastikleri AS.

### *Expertise and experience*

Piero Sierra, an Italian citizen with a degree in humanities from the University of Lyon, joined the Pirelli Group in 1962. He held management positions in Italy and abroad before becoming Director and Chief Executive Officer of Pirelli SpA from 1991 to 1995. Since then he has served as a Director for Pirelli's international companies. Mr Sierra is also Chairman of A.I.R.C. (Italian Association for Cancer Research) and F.I.R.C. (Italian Foundation for Cancer Research).

## Non-voting Member of the Supervisory Board

### Claude BÉBÉAR

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Age: 73

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Business address: AXA, 25 Avenue Matignon, 75008 Paris, France

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264 Schneider Electric SA shares

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First elected: 2004 / Term ends: 2010

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### *Other directorships and functions in French or foreign companies*

- Currently: Non-voting Director of **Schneider Electric SA**; Chairman of the Supervisory Board of **AXA**; Director of various **AXA** subsidiaries and **BNP-Paribas**; Member of the Supervisory Board of **Vivendi**.
- Previous directorships and functions held in the past five years: Chairman and Director of various **AXA** subsidiaries, including AXA Financial; Chairman and Chief Executive Officer of **Finaxa**; Director of **Schneider Electric SA** and **Vivendi Universal**.

### *Expertise and experience*

A graduate of Ecole Polytechnique, Claude Bébéar joined in 1958 the mutual insurance company that would become AXA in 1985. He was appointed Chairman and Chief Executive Officer of the company in 1975.

From late 1996, when AXA merged with UAP, until 2000, when he was appointed Chairman of the Supervisory Board, Mr Bébéar served as Chairman of **AXA's** Management Board and Chairman of its Executive Committee.

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*Note: boldface type indicates companies whose shares trade on a regulated market.*

*\*Independent Supervisory Board member according to the AFEP-MEDEF code for governing companies listed on the stock exchange.*

## Management Board (as of December 31, 2008)

### Chairman of the Management Board

#### Jean-Pascal TRICOIRE

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Age: 45

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Business address: Schneider Electric, 35 rue Joseph-Monier - 92500 Rueil-Malmaison, France

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6,656 Schneider Electric SA shares (1)

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First elected: 2006 / Term ends: 2009

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#### *Other directorships and functions in French or foreign companies*

- Currently: Chairman of the Management Board of **Schneider Electric SA**, Chairman and Chief Executive Officer of Schneider Electric Industries SAS., Director of Square D (USA).
- Previous directorships and functions held in the past five years: Director of Clipsal Asia Holding Limited, Digital Electronics Corporation, Schneider Electric (Australia) Pty Limited, Schneider Electric New Zealand Holdings Limited, PT Schneider Indonesia, Schneider Electric Japan Ltd, Schneider Electric Japan Holding Ltd, Schneider Electric Venezuela SA, Schneider Toshiba Inverter S.A.S. and PDL Holding Ltd.

#### *Expertise and experience*

After graduating from ESEO Angers and obtaining an MBA from EM Lyon, Jean-Pascal Tricoire spent his early career with Alcatel, Schlumberger and Saint Gobain. He joined the Schneider Electric Group (Merlin Gerin) in 1986. Between 1988 and 1999, he held a variety of positions with international subsidiaries in Italy (five years), China (five years) and South Africa (one year). On his return to France, he joined the headquarters team, serving from 1999 to 2001 as Vice President, Strategic Global Accounts with specific responsibility for the Schneider 2000+ company program. From January 2002 to the end of 2003, he was Executive Vice-President of Schneider Electric's International Division. In October 2003, he was appointed Chief Operating Officer, before becoming Chairman of the Schneider Electric Management Board on May 3, 2006.

### Member of the Management Board

#### Pierre BOUCHUT

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Age: 54

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Business address: Schneider Electric, 35 rue Joseph Monier - 92500 Rueil Malmaison, France

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42,586 Schneider Electric SA shares (1)

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First elected: 2006 / Term ends: 2009

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#### *Other directorships and functions in French or foreign companies*

- Currently: Member of the Management Board of **Schneider Electric SA** ; Chairman of the Board of Directors of Schneider Electric Services International; Director of Schneider Electric Industries SAS, Schneider Electric France, Square D France Transfo, **Du Pareil Au Même**, and **Magnit**.
- Previous directorships and functions held in the past five years: Director of **Havas, Casino** (and various other functions within the Group), Laurus (Netherlands), Smart & Final (USA), CBD (Brazil) and Big C (Thailand).

#### *Expertise and experience*

A graduate of Hautes Etudes Commerciales and holder of a masters degree in applied economics from Paris Dauphine University, Pierre Bouchut began his career in 1979 with Citibank Paris, before moving to Bankers Trust France S.A. in 1987 as Vice President, Finance. In 1988, he joined McKinsey & Company as a consultant. In 1990, he became Chief Financial Officer of the Casino Group, subsequently becoming the Group's Chief Executive Officer. In May 2005, he joined Schneider Electric as Executive Vice-President Finance - Control - Legal Affairs. He has been a member of the Management Board since May 3, 2006.

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(1): held directly or through a corporate mutual fund

Note: boldface type indicates companies whose shares trade on a regulated market.

# Summary Overview of the Company's Financial Situation and Business Activity in 2008

## • SALES

Full year **2008 sales** reached **€ 18,311 million**, up **6.6%** on a constant structure and exchange rate basis. Average organic growth rate reached 10% per year under the new<sup>2</sup> program for the period 2005 - 2008.

Acquisitions contributed € 538 million, or 3.1% of sales growth, including APC for € 191 million (1.5 months), Pelco for € 293 million (9.5 months) and Xantrex for € 36 million (3 months). The divestment of MGE small systems business reduced sales by € 155 million (10 months).

The currency effect was significantly negative at € 623 million or -3.9%, primarily due to the US Dollar's and the British Pound's depreciation against the Euro.

On a current structure and exchange rate basis, sales rose **+5.8%**.

€ million	Sales Full year 2008	% change Full year constant
Europe	8,101	+ 6.0%
North America	5,053	+ 1.5%
Asia-Pacific	3,395	+ 9.6%
Rest of the World	1,762	+ 19.2%
<b>Total</b>	<b>18,311</b>	<b>+ 6.6%</b>

## • OPERATING INCOME

**EBITA** had its fifth consecutive year of increase, with **+8%** in 2008 to **€ 2,754 million**. The following factors contributed to the increase:

- Organic growth led to a volume effect of **€ 244 million**. Mix was less favorable with a **-€ 145 million** impact, reflecting stronger growth in less profitable product lines.
- Pricing was strong across all regions, at **€ 375 million** or **2.2%** of sales. This performance allowed to offset not only the **-€ 149 million** inflation in raw material costs but also the **-€ 106 million** coming from other production costs, mainly labour. In some countries, higher prices

also came to offset the depreciation of the domestic currency to protect margins.

- Industrial productivity continued at a high pace with gains of **€ 331 million**, representing **3.6%** of the products' cost of sales. Savings from purchasing increased, notably thanks to purchase globalization, while they remained at a high level for rebalancing and lean manufacturing.

The currency fluctuations also impacted EBITA, by a negative **€ 159 million**, including a transaction impact of € -70 million, as a result of the strong volatility of many currencies in the second semester, including the British Pound, the Australian Dollar and currencies of some new economies, partly offset by higher prices in some of those countries.

Lastly, EBITA includes **€ 34 million** from Pelco acquisition, the global leader in video security. Other acquisitions, net from divestments, contributed an additional **€ 11 million**.

## • OPERATING MARGIN

**EBITA margin** increased by **0.2 point** in 2008 to a record level of **15.0%**, at the higher end of the new<sup>2</sup> target range. This profitability improvement was led by the Asia-Pacific region, the margin of which gained 2.3 points, but also by Europe and the Rest of the World. North America margin edged down by 0.2 point. All businesses (Electrical Distribution, Automation & Control, Critical Power) improved their margins.

## • NET INCOME

**Net income** rose to **€ 1,682 million** up **6%**.

The net income includes impairments of intangible assets relating to acquisitions for € 81 million (€ 6 million in 2007), of which € 70 million related to the customized sensors business unit.

Financial expenses increased to € 314 million. The reduction in the effective tax rate by 2.6 points to 24.5% led to a lower income tax at € 555 million (€ 600 million in 2007). The debt-to-equity ratio stood at 41% as of December 31, 2008 down 7 points compared to the previous year.

- **NET EARNINGS PER SHARE**

**Net earnings per share** rose **4%** to **€ 7.02**. The increase is slightly smaller than for net income, partly due to the effect of the April 2007 share issue to finance part of the APC acquisition.

- **OPERATING CASH FLOW**

**Operating cash flow** in 2008 totaled **€ 2,500 million**, up 13%. Working capital requirements increased by a limited € 72 million despite the challenging environment at year-end, while net investment was € 693 million. **Free cash flow** increased by 13% to **€ 1,735 million**, reflecting a healthy cash conversion of 103% of net income.

- **FINANCIAL STANDING AND OF TREASURY**

After the payment of the 2007 dividend and of acquisitions (including IMS, ECP, Marisio, Wessen, RAM and Xantrex), net debt decreased to € 4,553 million (€ 4,936 at end 2007).

Schneider Electric's strong cash generation contributed to further improve its **credit ratios** with 41% of net debt to equity (down from 48% at the end of 2007) and a **FFO / net debt** ratio of **42%**, supporting its A- / A3 long-term credit ratings.

**Liquidity** was strengthened throughout the year, despite the difficult credit market conditions. Schneider Electric secured cash & cash

equivalents of € 1.7 billion as of December 31, 2008 and, as of January 31, 2009 following its bond issue, had only 10% of its gross debt maturing within one year.

- **ROCE**

**Return On Capital Employed (ROCE)** was up **1.0 point** to **12.0%**.

- **Outlook**

The management is putting clear priority on driving efficiency to meet challenging market conditions, by generating structural savings of support functions costs of € 600 million per annum by 2011 and cumulative savings on gross industrial productivity of € 600 - 800 million over 3 years.

Low near term visibility resulting from the global economic downturn reduces considerably the Group's ability to provide reliable forecast on growth. Schneider Electric will manage this uncertain environment by maximizing flexibility in its cost structure and, if need be, by implementing additional support function cost reduction up to € 400 million per annum by 2011. It aims to demonstrate its resilience and deliver a minimum EBITA margin of 12% before restructuring costs under the worst case of the range of scenarios of -5% to -15% organic growth in 2009.

## FIVE-YEAR FINANCIAL SUMMARY

	2004	2005	2006	2007	2008
<b>CAPITAL AND POTENTIAL CAPITAL AT DECEMBER 31</b>					
Capital stock (in thousands of Euros) .....	1 809 553	1 812 954	1 821 587	1 962 395	1 979 405
Shares in issue.....	226 194 177	226 619 227	227 698 348	245 299 366	247 425 629
Convertible bonds in issue (in thousands) .....	-	-	-	-	-
Maximum number of shares to be created (in thousands)					
• through conversion of bonds.....	-	-	-	-	-
• through exercise of rights.....	7 140	10 126	10 174	9 382	9 183
<b>RESULTAT OF OPERATIONS</b>					
<b>(in thousands of Euros)</b>					
Sales net of VAT.....	1 208	2 868	1 735	946	1 906
Investment revenue, interest income and other revenue .....	627 389	507 001	812 373	747 914	1 623 715
Income before tax, depreciation, amortization and provisions .....	547 381	411 950	683 335	136 259	1 087 409
Income tax.....	4 156	278	4 304	11 099	10 883
Net income .....	558 768	450 793	887 825	226 643	1 147 592
Dividends paid <sup>(1)</sup> excluding <i>précompte</i> equalization tax and tax credit .....	(2) 407 150	509 893	683 095	809 488	(3) 853 618
<b>PER SHARE DATA</b>					
<b>(in Euros)</b>					
Net income before depreciation, amortization and provisions .....	2,51	2,12	3,92	0,51	4,72
Earnings per share .....	2,47	1,99	3,90	0,92	4,64
Dividend per share, net of tax credit .....	1,80	2,25	3,00	3,30	(3) 3,45
<b>EMPLOYEES</b>					
Average number of employees during the year.....	3	3	2	2	1
Total payroll for the year (in thousands of Euros) .....	2 443	4 446	3 648	4 291	4 376
Total employee benefits paid over the year (payroll taxes, other benefits) (in thousands of Euros) .....	534	690	1 194	2 606	1 374

(1) Dividends paid to shares held in treasury on the dividend payment date and the associated *précompte* tax are credited to retained earnings.

(2) Due to the abolition of both *précompte* equalization tax and tax credit, a one-off tax of 2.5% of the net amount of distributions made in 2005 is introduced as a substitute. This tax is creditable against the corporate income tax (one third for each of the 3 following years). The excess credit for each year is refunded.

(3) Subject to the shareholders' approval.

# Presentation of the agenda for the Annual General Meeting

The Management Board has decided to convene a Mixed General Meeting to have the following matters approved:

- (I) Annual accounts and regulated agreements, determining amounts to be distributed,
- (II) For renewing financial authorisations concerning purchase and cancellation by the Company of its own shares and increases in capital maintaining or eliminating pre-emptive rights, together with financial authorisations in favour of employees (attribution of options and bonus or performance shares, increases in capital reserved for employees),
- (III) Also, the meeting is invited to ratify the change of the registered office and to modify the articles of association in order to adapt the company object to the Group's developments in energy management and to reinforce transparency when any statutory threshold limits are overrun.

## **I. Approval of annual accounts and regulated agreements or commitments, setting the dividend** (resolutions 1 to 5)

The first two resolutions respectively cover approval of the Company's corporate financial statements and consolidated accounts. Schneider Electric SA's corporate income amounts to 1,147.6 million euros. The Group share of net consolidated income amounts to 1,682 million euros, an increase of +6.3% compared with results for the 2007 financial year.

The purpose of the third resolution is to allocate distributable income and to decide to distribute a dividend of **3.45 Euros** per share. When beneficiaries are physical persons domiciled in France, this dividend gives rights:

- On the one hand, to tax credit of 40% (in compliance with article 158-3-2° of the French General Tax Code);
- And, on the other hand, to a fixed annual tax abatement of 1,525 Euros for tax-payers who are unmarried, divorced, widowed or married under separate taxation conditions and of 3,050 Euros for married tax-payers subject to taxation in common or tax-payers bound together by a civil solidarity pact (Pacs) and subject to taxation in common (in application of the new measures contained in article 158-3-5° of the French General Tax Code).

If the General Meeting decides to approve what has been proposed to it, the dividend may be paid in cash or in shares as the shareholder so wishes, for a value of 3.45 euros. **Rights to the dividend will then be detached from the share on May 4th 2009.**

For this purpose, during the period beginning on May 4th 2009 and finishing on **May 19th 2009 inclusive**, every shareholder may **opt for payment in the form of shares** by making a request to the entities responsible for payment.

Payment of the dividend will be made on **May 29th 2009**, either in cash or by issuing shares as per the option retained.

In accordance with the law, the price of the share purchased by reinvesting of the dividend will be equal to 90% of the average opening prices quoted on Euronext Paris stock exchange over the twenty trading sessions preceding the date of the General Meeting, less the net value of the dividend.

If the amount of the reinvesting dividend does not correspond to a whole number of shares, the shareholder may:

- Obtain the number of shares directly above the amount represented by his or her dividends, by paying the difference in cash on the date on which he or she exercises his or her option;
- Or receive the number of shares directly below the amount represented by his or her dividends completed by a cash payment of the outstanding balance.

Shares issued in this way in payment of dividends will bear dividends as of January 1st 2009.

In the fourth resolution, you are requested to take cognizance of the report on regulated conventions and commitments concluded during previous financial years. These concern:

- The shareholders' convention signed with the AXA Group concerning reciprocal participation between AXA and Schneider Electric authorised by the board of directors on January 6th 2006,
- Measures decided upon by the supervisory board on May 3rd 2006, intended to guarantee that Mr Jean-Pascal TRICOIRE, whose contract of employment with Schneider Electric Industries SAS was suspended on his appointment as chairman of the Management Board, maintains the benefits he possessed under the terms of this contract of employment concerning pension and providence schemes,
- The amendment to Mr Jean-Pascal TRICOIRE's suspended contract of employment with Schneider Electric Industries SAS, referred to above, intended to set conditions in the event of his return and severance (compensation for dismissal or in the event of his resignation),
- A new amendment to Mr Jean-Pascal TRICOIRE's suspended contract of employment intended to reiterate his rights to compensation in the event of termination of his contract of employment by subordinating them to conditions of performance as required by the TEPA law.

The fifth resolution concerns approval of the regulated commitments and conventions presented in the Statutory Auditors' special report drawn up in application of article L.225-88 of the French Commercial Code in compliance with articles L.225-86 *et seq.* of the said code. They concern measures defining the new status of Mr Jean-Pascal Tricoire, who, in compliance with the AFEP/MEDEF recommendations of October 6th 2008 has agreed to hand in his resignation for his contract of employment in the Schneider Electric Group (in which he has 22 years' service), on renewal of his office as chairman of the Management Board, which comes to an end on May 2nd 2009. This status defined by the supervisory board in agreement with the person concerned provides for him:

- To continue to benefit from the Schneider Group Executives Supplementary Retirement Scheme, from the providence scheme applicable to employees of Schneider Electric SA (and Schneider Electric Industries SAS) and from complementary cover for risks of illness, incapacity, invalidity and death applicable to Schneider Electric executives;
- To be bound by a non-compete commitment lasting one year and to be remunerated, if his office is terminated, by a sum amounting to 60% of his target remuneration;
- To benefit from separation pay in the context of his corporate office, limited to two years' target remuneration (after deduction of the no-compete compensation referred to above) and subject to the fact that this departure takes place notably on account of a significant capital change or a modification in the strategy he has upheld and announced. Moreover, the benefit of this compensation will be dependent on, and its amount be modulated by, the arithmetical average of ratios for attaining Group objectives that determine a part of the variable part of Mr Jean-Pascal Tricoire's remuneration over the last three financial years completed on the date the board makes its ruling. Therefore, if the arithmetical average of ratios for attaining Group objectives for the last three financial years is:
  - < to 50% of the target: no compensation will be paid;
  - = to 50% of the target: he will receive 75% of the Maximum Sum;
  - $\geq$  to 100% of the target: he will receive 100% of the Maximum Sum;
  - between 50% and 100%: he will receive between 75% and 100% of the Maximum Sum calculated in a linear form pro rata to the attainment ratio;
- To keep the benefit of his share options and bonus or performance shares not yet definitively acquired in the event of his departure from the Company. However, this right is dependent on the condition that the arithmetical average of ratios for attaining Group objectives that determine a part of the variable part of the Mr Jean-Pascal Tricoire's remuneration over the last three financial years completed at the time of his departure is at least equal to 50% of the target.

## II. Renewal of financial authorisations (resolutions 6 and 10 to 18)

### a) Buying back and cancelling shares

The purpose of the sixth resolution is to renew the authorisation given to the Company to buy back its own shares in compliance with measures laid down in articles L.225-209 and following of the French Commercial Code. Purchases may enable capital to be reduced, plans to be covered concerning share purchase options, attribution of bonus shares or debt securities that are convertible into shares, external growth operations to be carried out and, in the context of a liquidity contract, the company's share market to be stimulated. The maximum purchase price is set at 90 € per share. On the basis of the authorisation given by the General Meeting in 2008, the Company has purchased 877,586 shares at an average price of 69.18 euros, which have been allocated for covering stock and share option plans. It has also maintained a liquidity contract in the context of which the financial intermediary in charge of the contract has purchased 4,535,099 shares and sold 4,085,099 shares during 2008.

The purpose of the eighteenth resolution is to renew the powers entrusted to the Management Board for cancelling shares purchased by the Company in the context of its share redemption programmes. This authorisation, which remains valid for a period of 24 months, concerns 10% of capital. The Management Board has not made use of the authorisation given by the General Meeting on April 21st 2008.

### b) Increase in capital with or without pre-emptive rights

The purpose of the eleventh, twelfth and thirteenth resolutions is to renew the delegations of authority which have been given to the Management Board for making increases in capital and which are expiring at present.

It is therefore proposed to you, in compliance with the measures laid down in the French Commercial Code, that you delegate authority to the Management Board for increasing statutory capital by issuing capital securities or by giving access to capital with and without pre-emptive rights. It is planned to set the maximum value of increases in capital to 1,160 million euros at par value, limited to:

- **800 million euros** or **100 million shares** or **40% of capital** for operations carried out where pre-emptive rights are maintained (tenth resolution),
- **360 million euros**, or **45 million shares** or **18% of capital**, for operations carried out where pre-emptive rights are eliminated (eleventh resolution) or which are intended to remunerate contributions in the form of securities in the event of an exchange offer (thirteenth resolution),
- **197 million euros in nominal value**, or **24.6 million shares**, deducted from the above ceiling for operations intended to remunerate contributions in kind concerning securities issued by third-party companies (thirteenth resolution).

You are also requested to authorise the Management Board, within the limits set by the above ceilings, to increase the size of any issue it has decided to make in the event of an oversubscription. This increase in extra capital, that may take place within 30 days of closing the initial subscription, may not be over 15% of the initial issue and must be made at the same price (twelfth resolution).

The Management Board may also decide to increase capital by incorporating reserves or share premiums within limits of 800 million euros in nominal value (tenth resolution).

Authorisations for making increases in capital reserved for employees (fifteenth and sixteenth resolutions) will be deducted from the above ceilings of 1,160 million euros and 300 million euros.

### **c) Renewing authorisations in favour of employees**

#### **Share subscription or purchase option plans and bonus or performance share attribution plans**

The purpose of the fourteenth resolution is to renew the authorisation for granting share subscription or purchase options to corporate officers and employees of Schneider Electric and companies related to it in the sense of article L. 225-180 of the French Commercial Code.

On the basis of the authorisation given on May 3rd 2006, your Management Board has attributed 2.9 million share subscriptions or purchase options (under annual plans for 2007, 2008 and 2009) representing 1.2 % of capital. Exercising 50 % of the options (100% concerning options attributed to members of the Management Board in 2009, in compliance with AFEP/MEDEF recommendations dated October 6th 2008) is subject to meeting performance objectives (turnover, operating margin, etc.). For this reason, a part of the options may be cancelled.

The new authorisation is granted to the Management Board for a period of 38 months. The value of options attributed and not yet raised is limited to 3% of capital, taking account of bonus or performance shares that may be attributed in virtue of the fifteenth resolution. Options will be attributed without any below par rating, the share subscription or purchase price may not be lower than the average opening price at the stock exchange trading sessions preceding the day on which the options are to be granted. The maximum validity time for options is set at 10 years.

Due to its nature, this authorisation implies elimination of shareholders' pre-emptive rights.

The purpose of the fifteenth resolution is to attribute bonus shares subject, where appropriate, to performance conditions.

On the basis of the authorisation in force, the Management Board has attributed 479,000 shares, half of which are dependent on meeting performance objectives. However, all the shares attributed to members of the Management Board in 2009 are subject to meeting performance objectives in compliance with AFEP/MEDEF recommendations made on October 6th 2008.

Subject to meeting performance objectives, these shares will be definitively acquired by beneficiaries who are French tax-paying residents after a period of three years and may not be transferred for a period of two years. For non-residents the acquisition period is four years and no obligatory period exists during which shares may not be transferred.

You are requested to renew the authorisation given in 2007 under identical conditions. However, the total number of shares attributed may not represent over 1% of company capital and the number of shares to which share subscription or purchase options attributed in the context of the present meeting's fourteenth resolution give rights, together with shares attributed in the context of the present resolution, may not represent more than 3% of capital.

The Supervisory Board applies the APEF/MEDEF code for governing companies listed on the stock-exchange, which notably provides for the totality of options and shares attributed to members of the Management Board being subject to conditions of performance, and attribution of performance shares to members of the Management Board requires that these shares be purchased when they are made available.

#### **Increases in capital reserved for employees**

The purpose of the sixteenth resolution is to grant the Management Board the powers required for making increases in capital reserved for employees who participate in the Company Savings Plan, within a limit amounting to 2.5% of total capital. This authorisation, which is valid for 26 months, sets a maximum below-par rating of 20% on the subscription price for shares proposed to employees participating in a company savings plan.

The seventeenth resolution is intended to enable employee shareholding operations to be extended to certain foreign countries where it is difficult to make local legislation or practises compatible with

company savings plan regulations. In this context, the resolution plans for authorising the Management Board to make increases in capital reserved for certain categories of beneficiary, in this case employees of foreign companies within the Group. This authorisation covers 0.5 % of capital. The share issues made will be deducted from the ceiling of 2.5% on the value of increases in capital reserved for employees participating in the company savings plan. Shares may be issued with a maximum below par rating of 20% compared with the reference market price. This authorisation will remain valid for a period of 18 months.

These authorisations cancel and replace those given by the general meeting held on April 21st 2008 as far as non-used sums are concerned. The Supervisory Board has authorised the Management Board to make increases in capital in favour of employees within a maximum limit representing 1.2% of capital. These increases in capital must take place by the end of May 2009.

### **III. Statutory modifications**

In the context of the policy for optimising the use of Group establishments, the Supervisory Board has decided, on request from the Management Board, to transfer the company's registered office to 35 Rue Joseph Monier, Rueil Malmaison, 92500. This new site hosts ten Group sites located in the Paris area. You are requested to ratify this decision (seventh resolution).

We propose to you that the corporate object be modified in order to adapt it to the Group's positioning in energy management (eighth resolution).

The decree of January 30th 2009 concerning overrunning thresholds has more particularly increased the amount of complementary information to be provided by shareholders whenever they overrun legal thresholds. This new information not only concerns shares and voting rights that they may obtain by means of financial agreements or instruments whose physical conclusion does not depend on their sole initiative, but also on shares or voting rights concerned by any financial agreement or instrument that is exclusively concluded in cash and possessing for the declaring shareholder the same economic effect as their possession. It is proposed that this new obligation to provide complementary information be transposed to shareholders who have just overrun statutory thresholds (ninth resolution).

# RESOLUTIONS

## RESOLUTIONS TO BE VOTED ON IN ANNUAL MEETING

### ■ FIRST RESOLUTION

*(2008 statutory financial statements)*

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having heard the reports of the Management Board and the Auditors, and noting the Supervisory Board's comments on the Management Board's report and on the statutory financial statements, approves the statutory financial statements for the year ended December 31, 2008, as presented by the Management Board. These financial statements show a net profit for the year of € 1,147,591,627.57.

### ■ SECOND RESOLUTION

*(2008 consolidated financial statements)*

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having heard the reports of the Management Board and the Auditors, and noting the Supervisory Board's comments on the Management Board's report and on the consolidated financial statements, approves the transactions and consolidated financial statements for the year ended December 31, 2008, as presented by the Management Board.

### ■ THIRD RESOLUTION

*(Appropriation of profit for the year, dividend and dividend reinvestment option)*

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, approves the Management Board's recommendations and accordingly resolves to appropriate as set out below income available for distribution, consisting of:

- (I) Retained earnings of € 13,567,319.70
- (II) Net income for the year of € 1,147,591,627.57
- (III) Less the statutory allocation to the legal reserve of € 1,701,010.20  
representing a total amount to be appropriated of € 1,159,457,937.07

To the payment of a dividend	€ 853,618,420.05
To retained earnings	€ 305,839,517.02
Total	€ 1,159,457,937.07

The dividend will amount to € 3.45 for each of the 247,425,629 € 8 par value shares carrying rights to the 2008 dividend that were outstanding at December 31, 2008.

The full dividend will be eligible for the 40% deduction for individuals resident in France provided for in article 158-3-2° of the French General Tax Code. This deduction will not apply if the shareholder has chosen to pay the flat-rate withholding tax on his or her dividends.

The General Meeting notes that the unpaid dividends on shares held in treasury as of the date of detachment will be allocated to retained earnings.

Apart from the dividend described above, no other amounts eligible or not eligible for the 40% deduction provided for in article 158-3-2° of the French General Tax Code will be distributed.

Dividend payments for the last three financial years were as follows:

	2005	2006	2007
Dividend (1)	2.25	3.00	3.30

(1) Full dividend eligible for a 40% deduction for individuals resident in France as of January 1st, of the financial year. No non-eligible amounts have been distributed.

Shareholders shall be given the option of reinvesting their dividend in Schneider Electric shares, on the basis of € 3.45-worth of new shares for each share owned, by requesting reinvestment from their stockbroker or bank at any time between May 4<sup>th</sup>, 2009 (the ex-dividend date) and the close of business on May 19<sup>th</sup>, 2009.

Shareholders who elect to receive their dividend in cash will be paid in euros on May 29<sup>th</sup>, 2009, after the close of the dividend reinvestment period.

In accordance with the law, the price of the shares purchased by reinvesting the dividend will be equal to 90% of the average opening price quoted on the Euronext Paris stock exchange over the twenty trading sessions preceding the date of this Meeting, less the net value of the dividend.

If the amount of the reinvested dividend does not correspond to a whole number of shares, the shareholder may:

- Purchase the next higher whole number of shares by paying the difference in cash when the reinvestment option is exercised, or
- Purchase the next lower whole number of shares and receive the difference in cash.

Shares purchased under the reinvestment option will be settled on May 29<sup>th</sup> and carry dividend rights from January 1<sup>st</sup>, 2009.

The Management Board shall have full powers to implement this resolution, to place the resulting capital increase on record and to amend the Company's articles of association to reflect the new capital.

#### ■ FOURTH RESOLUTION

*(Approval of the report on regulated agreements signed in 2008 and previous years)*

The General Meeting, acting with the quorum and majority required for ordinary General Meetings and having heard the Auditors' Special Report on agreements governed by articles L.225-38, L.225-86, L.225-90-1 and L.225-79-1 of the French Commercial Code, presented in accordance with article L.225-40 of said code, notes the agreements signed and commitments made in 2008 and previous years, as presented in this report.

#### ■ FIFTH RESOLUTION

*(Approval of regulated agreements and commitments concerning benefits payable to Mr Jean-Pascal Tricoire)*

The General Meeting, acting with the quorum and majority required for ordinary General Meetings and having heard the Auditors' Special Report on agreements governed by articles L.225-86, L.225-90-1 and L.225-79-1 of the French Commercial Code, presented in accordance with article L.225-88 of said code, approves the agreements and commitments presented in this report concerning the pension and death and disability benefits provided to Mr Jean-Pascal Tricoire, as well as the termination benefits to which he would be entitled on leaving his current position.

## ■ SIXTH RESOLUTION

*(Authorization to trade in the Company's shares - **maximum purchase price: € 90**)*

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, having heard the report of the Management Board prepared in accordance with article L.225-209 of the French Commercial Code, authorizes the Management Board, in accordance with said article, to buy back Company shares for cancellation, or for allotment upon exercise of stock options or share grants or upon conversion of convertible debt securities, or for delivery in exchange for shares in another company as part of an external growth transaction, or for the purpose of market stimulation under a liquidity agreement.

- The maximum number of shares that may be acquired pursuant to this authorization shall not exceed 10 percent of the issued share capital as of the date of this Meeting (representing 24,742,562 shares on the basis of the number of shares outstanding at the last official count on December 31<sup>st</sup>, 2008).
- The maximum purchase price is set at € 90. However, if all or some of the shares acquired pursuant to this authorization are intended to be allotted upon exercise of stock options, in application of articles L.225-177 *et seq.* of the French Commercial Code, the selling price of the shares in question will be determined in accordance with the provisions of the law governing stock options.
- The total amount invested in share buybacks shall not exceed € 2,226,830,580.
- The shares may be acquired, sold or otherwise transferred by any appropriate method on the market or over the counter, in compliance with current legislation, including through block purchases or sales, the use of all forms of derivatives traded on a regulated market or over the counter, or the use of put or call options including combined puts and calls.
- Shares acquired pursuant to this authorization may also be canceled, subject to compliance with the provisions of articles L.225-204 and L.225-205 of the French Commercial Code and in accordance with the eighteenth resolution of this Annual Meeting.
- The Management Board may adjust the price(s) set above to take into account the effect of any of the following: (i) an issue of bonus shares or increase in the par value of existing shares paid up by capitalizing reserves or earnings, (ii) a stock-split or reverse stock-split, or (iii) more generally, any transaction affecting equity, to account for the impact of such transactions on the share price. Said adjustment will be determined by multiplying the price by the ratio between the number of shares outstanding before and after the transaction.
- The Management Board shall have full powers to implement this resolution, directly or through a representative.
- This authorization will expire at the end of a period of eighteen months from the date of this Meeting.

## ■ SEVENTH RESOLUTION

*(Ratification of the decision to transfer the registered office)*

The General Meeting, acting with the quorum and majority required for ordinary General Meetings, ratifies the Supervisory Board's decision of October 21, 2008 to transfer the Company's registered office, effective December 1, 2008, from 43-45 boulevard Franklin Roosevelt, 92500 Rueil Malmaison to 35 rue Joseph Monier, 92500 Rueil Malmaison and to amend the first paragraph of article 5 of the articles of association as follows:

*"The registered office of the Company is at 35 rue Joseph Monier, 92500 Rueil Malmaison."*

## RESOLUTIONS TO BE VOTED ON IN EXTRAORDINARY MEETING

### ■ EIGHTH RESOLUTION

*(Amendment to the articles of association to update the corporate purpose)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having heard the report of the Management Board, resolves to amend article 2 of the articles of association concerning the corporate purpose to reflect the Group's development in the area of energy management.

Article 2 of the articles of association currently reads as follows:

*"The Company has the following objectives, directly or indirectly, in any form, in France and elsewhere: the direct or indirect pursuance, whether by creating, acquiring or otherwise, of all activities related to electrical construction and distribution, industrial control (electromechanical goods), industrial construction and undertakings (construction, building, civil engineering, electrical undertakings, public works, etc.); all activities relative to the production and application of energy in all its forms, including the running of any industry related thereto, the granting or acquisition of any franchise or the acceptance on lease or as public service concessions any undertakings that fall within the scope of the company's objectives.*

*"The acquisition, purchase sale and use of any patents relative to the said industries.*

*"Involvement in any way in any enterprise or company, whatever the type, undertaking activities related to the Company's business or such as to encourage its industry and commerce, and, more generally, all industrial, commercial and financial, real estate and assets operations related directly or indirectly in any way to the above objective.*

*"The Company may perform any operations that fall within the scope of its objectives either alone for its own benefit or on behalf of third parties, either by having an interest in, or by the purchase, subscription, contribution or exchange of company shares, partnership share and the purchase of any company, irrespective of their type, in pursuance of a similar or related objective."*

The General Meeting resolves to amend article 2 to read as follows:

*"The Company has the following objectives, directly or indirectly, in any form, in France and elsewhere: (I) the design, development and sale of products, equipment and solutions related to the metering, management and use of energy in all its forms and delivering reliability, efficiency and productivity, in particular through the pursuance, whether by creating, acquiring or otherwise, of all activities related to:*

- *Electrical equipment manufacturing, electrical distribution and secured power supply.*
- *Building control, automation and safety.*
- *Industrial control and automation, including software.*
- *Management of all types of data centers, networks, equipment and other infrastructure.*

*(II) The acquisition, purchase, sale and use of any intellectual or industrial property rights relating to these industries.*

*(III) Involvement in any way in any enterprise, company or consortium, whatever the type, undertaking activities related to the Company's business or such as to encourage its industry and commerce, and, more generally, all industrial, commercial and financial, real estate and assets operations related directly or indirectly in any way to the above objective.*

*The Company may perform any operations that fall within the scope of its objectives either alone for its own benefit or on behalf of third parties, either by having an interest in, or by the purchase, subscription, contribution or exchange of company shares, partnership share and the purchase of any company, irrespective of their type, in pursuance of a similar or related objective, or such as to encourage its extension or development."*

## ■ NINTH RESOLUTION

*(Amendments to the articles of association: notification after disclosure thresholds are overrun)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having heard the report of the Management Board, resolves to amend article 7 of the articles of association concerning disclosure threshold notifications.

Accordingly, the following sentence shall be inserted between the first and second sentences of the second paragraph of article 7 of the articles of association.

*"In addition, effective November 1, 2009, the shareholder shall notify the Company, in the disclosure letter, of the number of existing shares it is entitled to acquire by virtue of agreements or financial instruments referred to in point b) of the third paragraph of article L.233-7 of the French Commercial Code and of the number of existing shares covered by any agreement or financial instrument referred to in point c) of said paragraph."*

## ■ TENTH RESOLUTION

*(Authorization to increase the capital by up to € 800 million by issuing common shares or any form of share equivalent, in all cases with pre-emptive subscription rights)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings and having heard the report of the Management Board and the Auditors' special report, resolves, in accordance with articles L.225-129-2, L.225-130, L.225-134 and L.228-92 of the French Commercial Code:

- To authorize the Management Board, directly or through a representative, to increase the Company's issued share capital on one or several occasions by issuing, in France or abroad, in Euros, common shares or any form of security that is convertible, redeemable, exchangeable or otherwise exercisable for common shares, at any time or on fixed dates. The securities may be denominated in euros or in any other currency or any monetary unit determined by reference to a basket of currencies. This authorization is given for a period of twenty-six months from the date of this Meeting.
- That:
  - (I) The issued share capital may be increased during the period by up to a maximum aggregate amount of € 800 million. The € 800 million ceiling shall not include the par value of any shares to be issued to prevent dilution of the rights of holders of share equivalents, in accordance with the law.
  - (II) The aggregate par value of the shares issued pursuant to this resolution and those issued pursuant to the eleventh, twelfth, thirteenth, sixteenth and seventeenth resolutions may not exceed € 1.16 billion. This ceiling shall not include the par value of any shares to be issued to prevent dilution of the rights of holders of share equivalents in accordance with the law.
- That the share equivalents may consist of or be attached to debt securities and may be issued as intermediate securities.
- That holders of existing shares shall have a pre-emptive right to subscribe securities issued pursuant to this resolution, pro rata to their existing holdings, and that the Management Board shall have the possibility of offering them a pre-emptive right to subscribe any securities not taken up by other shareholders.
- That if all the common shares or securities offered are not taken up by shareholders exercising their pre-emptive rights, as provided for above, the Management Board may offer all or some of the remaining securities for subscription by the public, in accordance with article L.225-134 of the French Commercial Code.
- That this authorization shall automatically entail the waiver by shareholders of their pre-emptive right to subscribe any common shares issued on redemption, conversion, exchange or exercise of share equivalents issued in application of this resolution.
- To authorize the Management Board to increase the Company's issued share capital on one or several occasions over a period of twenty-six months by issuing bonus shares or raising the par value of

existing shares to be paid up by capitalizing reserves, earnings, additional paid-in capital or other legally acceptable items in accordance with the articles of association.

- That the aggregate capital increases that may be carried out by issuing bonus shares or raising the par value of existing shares, combined with any additional increases to protect the rights of holders of share equivalents in accordance with the law, may not exceed the sum of retained earnings, additional paid-in capital and earnings before the capital increase.
- That the Management Board has full powers to implement this authorization.
- That this authorization cancels and replaces the unused portion of all similar authorizations given at previous General Meetings.

#### ■ ELEVENTH RESOLUTION

*(Authorization to increase the capital by a maximum of € 360 million by issuing common shares or securities convertible, redeemable, exchangeable or otherwise exercisable for common shares of the Company or one of its subsidiaries, in all cases without pre-emptive subscription rights)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings and having heard the report of the Management Board and the Auditors' special report, resolves, in accordance with articles L.225-129-2, L.225-135, L.225-136, L.228-92 and L.228-93 of the French Commercial Code:

- To authorize the Management Board, directly or through a representative, to increase the Company's issued share capital on one or several occasions by issuing, in France or abroad, in Euros, common shares or securities convertible, redeemable, exchangeable or otherwise exercisable for common shares in the Company or in any other company in which it holds more than half of the issued capital either directly or indirectly, at any time or on fixed dates. The securities may be denominated in Euros or in any other currency or any monetary unit determined by reference to a basket of currencies. In accordance with article L.228-93 of the French Commercial Code, this authorization may be used to issue shares of the Company on conversion, redemption, exchange or exercise of securities issued by companies in which the Company holds more than half of the issued capital either directly or indirectly.

This authorization is given for a period of twenty-six months from the date of this Meeting.

- That the issued share capital may be increased during the period by a maximum aggregate amount of € 360 million, taking into account the increase authorized in point (ii) of the tenth resolution. The € 360 million ceiling will not include the par value of any shares to be issued to prevent dilution of the rights of holders of share equivalents in accordance with the law.
- That the share equivalents may consist of or be attached to debt securities and may be issued as intermediate securities.
- That holders of existing shares shall not have a pre-emptive right to subscribe any securities issued, as allowed under current legislation; however, the Management Board may grant shareholders a non-transferable priority subscription right in accordance with article L.225-135 of the French Commercial Code.
- That the amount received by the Company for each share issued - including, where applicable, the issue price of any stand-alone warrants - shall be at least equal to the minimum price specified in the laws and/or regulations applicable on the date of issue, regardless of whether the shares or share equivalents rank *pari passu* with existing shares or share equivalents.
- That this authorization entails the waiver by shareholders of their pre-emptive right to subscribe any common shares issued on redemption, conversion, exchange or exercise of share equivalents issued in application of this resolution.

- That the Management Board shall have full powers to implement this authorization.
- That, effective June 30<sup>th</sup>, 2009, this authorization shall cancel and replace the unused portion of the authorization given in the tenth resolution of the General Meeting of April 26<sup>th</sup>, 2007.

#### ■ TWELFTH RESOLUTION

*(Authorization to increase the number of shares to be issued, with or without pre-emptive subscription rights, if any issue decided in application of the tenth or eleventh resolutions is oversubscribed)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings and having heard the report of the Management Board and the Auditors' special report, resolves, in accordance with article L.225-135-1 of the French Commercial Code:

- To authorize the Management Board, directly or through a representative, to increase, for each issue, the number of common shares or securities to be issued in application of the tenth and eleventh resolutions as provided for by law and within the ceilings set out in the tenth resolution (point (I) of the second point) and the eleventh resolution. This authorization is given for a period of 26 months.
- That the Management Board shall have full powers to implement this authorization, which cancels and replaces all earlier authorizations to the same effect.

#### ■ THIRTEENTH RESOLUTION

*(Authorization to issue shares without pre-emptive subscription rights in payment for shares tendered to a public exchange offer or for contributed assets)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings and having heard the report of the Management Board and the Auditors' special report, resolves that the authorization given in the eleventh resolution may be used to issue shares in payment for shares of another company tendered to a public exchange offer governed by article L.225-148 of the French Commercial Code.

The General Meeting also gives the Management Board a 26-month authorization to use the authorization given in the eleventh resolution to carry out one or several share issues representing, in the aggregate, a maximum of 10% of the Company's issued capital, in payment for shares or share equivalents contributed to the Company in transactions not governed by article L.225-148, based on the values specified in the contribution auditors' report.

In all cases, the amounts of any capital increases carried out pursuant to this resolution and the ceiling set in the eleventh resolution are not cumulative.

The General Meeting resolves to cancel existing shareholders' pre-emptive right to subscribe the common shares or share equivalents issued pursuant to this resolution, in favor of the holders of the target company's shares or share equivalents tendered to the Company.

The General Meeting notes that the Management Board, directly or through a representative, has full powers to carry out the transactions described in this resolution and, in consequence, to increase the capital and place the increase on record.

#### ■ FOURTEENTH RESOLUTION

*(Authorization given to the Management Board to grant stock options to officers and employees of the Company and its subsidiaries and affiliates)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, and having heard the report of the Management Board and the Auditors' special report, resolves:

- To authorize the Management Board to grant to selected employees and officers of the Company and its subsidiaries and affiliates, on one or several occasions in accordance with article L.225-180 of the French Commercial Code, options exercisable for new Schneider Electric SA shares or existing Schneider Electric SA shares bought back in accordance with the law.

- That the option exercise price shall not be less than the average of the prices quoted over the twenty trading sessions preceding the grant date, and, in the case of options exercisable for existing shares, the average price paid for the Schneider Electric SA shares held in accordance with articles L.225-208 and L.225-209 of the French Commercial Code.
- That the total number of options granted pursuant to this authorization that have not been exercised or cancelled shall not be exercisable for a number of shares representing more than 3% of the issued share capital as of the date of this Meeting and that the options shall have a life of between five and ten years.
- That this authorization shall entail the waiver by shareholders of their pre-emptive right to subscribe the shares issued upon exercise of the stock options.  
The General Meeting gives full powers to the Management Board to use this authorization within the above limits and to:
  - Set all the terms and conditions of the plans, the conditions governing the option grants and draw up the list of grantees,
  - Set the life of the options and the exercise date(s) or period(s),
  - Decide the circumstances in which the option exercise price and the number of shares that may be subscribed or purchased will be adjusted in the case of any financial transactions carried out by the Company,
  - Carry out, directly or through a representative, any and all formalities required to complete the capital increase(s) effected pursuant to this authorization, amend the articles of association to reflect the new issued capital and generally do everything necessary, in all cases in compliance with the laws and regulations applicable when the options are granted.

The General Meeting notes that the Supervisory Board will set the terms of exercise of any stock options granted to members of the Management Board in accordance with article L.225-185 of the French Commercial Code.

The Management Board shall report to the Annual General Meeting on all transactions carried out during the previous year under this authorization.

This authorization will expire at the end of a period of thirty-eight months from the date of this Meeting. It cancels and replaces the unused portion of the authorization given in the twenty-fourth resolution of the General Meeting of May 3<sup>rd</sup>, 2006.

#### ■ FIFTEENTH RESOLUTION

*(Authorization to grant existing or new shares to officers and employees of the Company and its subsidiaries and affiliates, subject to performance criteria, if appropriate.)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, and having heard the report of the Management Board and the Auditors' special report, resolves, in accordance with articles L.225-197-1 *et seq.* of the French Commercial Code:

- To authorize the Management Board to grant to employees or to certain categories of officers and employees of the Company and its subsidiaries and affiliates, as defined in article L.225-197-2 of the French Commercial Code, who meet the requirements of article L.225-197-1 of said code,, on one or several occasions, existing or new shares of the Company.
- That the Management Board shall draw up the list of grantees, as well as the conditions and, if appropriate, the performance criteria on which the grants will be based.
- That (I) the total number of shares granted under this resolution shall not represent more than 1% of the Company's issued capital as of the date of this Meeting and (II) the sum of the shares that may be subscribed or purchased on exercise of options granted under the fourteenth resolution of this Meeting and the shares that may be granted under this resolution shall not represent more than 3% of the Company's capital.

- That rights to said shares shall vest after a period set by the Management Board, conditional on the achievement of the performance or any other criteria set by the Management Board. The Management Board shall set the vesting and lock-up periods for the shares grants in accordance with article L.225-197-1 of the French Commercial Code. This may include, for all or some of the shares granted, a vesting period of no less than four years with no lock-up period, and/or a vesting period of no less than two years with a lock-up period of no less than two years.
- That notwithstanding the foregoing, the said shares shall vest and be available for sale immediately if the grantee is declared disabled, as defined in article L.225-197-1 of the French Commercial Code.
- To authorize the Management Board to adjust the number of shares in the case of any corporate actions, in order to prevent any dilution of grantees' rights.
- That this authorization shall entail the waiver by shareholders of their pre-emptive right to subscribe the shares issued when the shares that are the subject of the grants vest.
- That this authorization is given for a period of thirty-eight months from the date of this Meeting and that it cancels and replaces the unused portion of the authorization given in the thirteenth resolution at the General Meeting of April 26<sup>th</sup>, 2007.

The Management Board shall have full powers to carry out, directly or through a representative, any and all formalities required to use this authorization, and, where necessary, to adjust the number of shares to take into account the effects of any corporate actions, to place on record the capital increase or increases effected pursuant to this authorization, amend the articles of association to reflect the new capital and generally do everything necessary.

The Supervisory Board shall set the lock-up terms for shares granted to members of the Management Board, in accordance with the provisions of article L.285-197-1 II of the French Commercial Code.

#### ■ SIXTEENTH RESOLUTION

*(Authorization to issue shares to employees who are members of the Employee Stock Purchase Plan)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, having considered the report of the Management Board and the Auditors' special report, resolves, pursuant to articles L.3332-1 *et seq.* of the French Labor Code and L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code, and in accordance with said code:

1. To give the Management Board a 26-month authorization from the date of this Meeting to increase the share capital, directly or through a representative, on one or several occasions at its discretion, by issuing shares and share equivalents to the members of an Employee Stock Purchase Plan set up by the Company and by French or foreign subsidiaries or affiliates in accordance with article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code. The maximum nominal amount by which the capital may be increased shall not exceed 2.5% of the issued capital as of the date on which this authorization is used. The amount of any capital increase carried out under this authorization shall be deducted from the aggregate amount by which the capital may be increased under the tenth and eleventh resolutions of this Meeting.
2. To set the maximum discount at which shares may be offered under the Employee Stock Purchase Plan at 20% of the average of the opening prices quoted for Schneider Electric shares on the Euronext Paris stock exchange over the twenty trading sessions preceding the date on which the decision is made to launch the employee share issue. However, the General Meeting specifically authorizes the Management Board to reduce the above discount, within legal and regulatory limits, or not to grant any discount, in particular to comply with local legislation in the countries where the shares will be offered.
3. That, in application of article L.3332-21-3 of the French Labor Code, the Management Board may offer share equivalents to plan participants, as a substitute for the discount.

4. That in the case of an issue of share equivalents, the characteristics of these securities will be determined in accordance with the applicable regulations by the Management Board.
5. That shareholders shall waive their pre-emptive right to subscribe the shares and share equivalents to be issued under this authorization.
6. That shareholders shall waive their pre-emptive right to subscribe the shares issued on redemption, conversion, exchange or exercise of share equivalents attributed in application of this resolution.
7. That, effective June 30<sup>th</sup>, 2009, this authorization shall cancel and replace the unused portion of the authorization given in the twentieth resolution of the General Meeting of April 21<sup>st</sup>, 2008.
8. That the Management Board shall have full powers, directly or through a representative, to carry out the transactions described in this resolution, to increase the capital and place the increase on record.

#### ■ SEVENTEENTH RESOLUTION

*(Authorization to carry out a share issue restricted to employees of the foreign companies of the Group)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings and having heard the report of the Management Board and the Auditors' special report, resolves, in accordance with articles L.225-129 to L. 225-129-2 and L. 225-138-1 of the French Commercial Code:

1. To authorize the Management Board, directly or through a representative, to increase the share capital on one or several occasions, at its discretion, by issuing shares or share equivalents to the persons falling into the category defined below. Said shares or share equivalents will rank *pari passu* with existing shares. The maximum nominal amount by which the capital may be increased shall not exceed 0.5% of the issued capital as of the date of this Meeting. The amount of any capital increase carried out under this authorization shall be deducted from the aggregate amount by which the capital may be increased under the eleventh and sixteenth resolutions tabled at this Meeting.
2. That shareholders shall waive their pre-emptive right to subscribe the shares and share equivalents issued under this resolution and that said shares and share equivalents shall be offered exclusively to persons in one or the other of the following categories:
  - (I) employees and officers of Schneider Electric Group companies that qualify as related companies under article L.225-180 of the French Commercial Code and article L.3444-1 of the French Labor Code that have their registered office outside France;
  - (II) and/or corporate mutual funds or other employee stock ownership vehicles, which may or may not be legal entities, whose assets are invested in Schneider Electric SA shares and whose units or shares are held by the persons defined in (I) above;
  - (III) and/or any bank or bank subsidiary retained by the Company to set up an employee stock ownership or stock purchase plan for the persons defined in (I) above where this enables employees of foreign subsidiaries to benefit from employee stock ownership or stock purchase formulas that are equivalent, in terms of economic benefits, as those available to other Group employees.
3. That the issue price of shares issued under this resolution will be set by the Management Board based on the price quoted for the Company's shares on the Euronext Paris stock exchange. At the discretion of the Management Board, said price will be equal to either (I) the opening or closing price of the Company's shares quoted on the trading day preceding the decision of the Management Board setting the issue price, or (II) the average of the opening or closing prices quoted for the Company's shares over the twenty trading sessions preceding the decision of the Management Board setting the issue price under this resolution or under the sixteenth resolution. When setting the issue price for these shares, the Management Board may apply a maximum discount of 20% to the quoted price of Schneider Electric SA shares as determined in accordance with either (I) or (II) above. The discount will be determined by the Management Board taking into consideration any specific foreign legal, regulatory or tax provisions that may apply to any beneficiaries governed by foreign law.

4. That the Management Board shall have full powers to use this authorization as provided for by law, including the powers of delegation, subject to the limits and conditions described above. The Management Board shall draw up the list of beneficiaries within the categories defined in this resolution and set the number of shares or share equivalents to be offered to each beneficiary. It may decide to limit the issue to the number of shares subscribed, providing that no less than 75% of the shares or share equivalents offered have been subscribed. In particular, the Management Board shall have full powers to:
- Decide the characteristics of the securities to be issued, the issue price, the subscription date or period, the terms and conditions of subscription, payment and delivery of the securities, as well as the cum-dividend or cum-interest date, subject to compliance with the applicable laws and regulations.
  - Place the share issue on record, issue shares and share equivalents and amend the articles of association to reflect the new capital.
  - Generally, enter into any and all underwriting or other agreements, take any and all measures and perform any and all formalities related to the issue, quotation and servicing of the securities issued under this authorization and the exercise of the related rights.
5. That, effective June 30<sup>th</sup>, 2009, this authorization shall cancel and replace the unused portion of the authorization given in the twenty-first resolution of the General Meeting of April 21<sup>st</sup>, 2008.

This authorization is given for a period of eighteen months from the date of this Meeting.

#### ■ EIGHTEENTH RESOLUTION

*(Authorization to cancel shares purchased under the shareholder-approved buyback program, within the limit of 10% of the capital)*

The General Meeting, acting with the quorum and majority required for extraordinary General Meetings, and having heard the report of the Management Board and the Auditors' special report, resolves, in accordance with article L.225-209 of the French Commercial Code, to authorize the Management Board to cancel the shares of the Company acquired under the shareholder-approved buyback program, as provided for in article L.225-209 of the French Commercial Code, as follows:

- The Management Board shall have full discretionary authority to cancel, on one or several occasions, all or some of the shares purchased under the shareholder approved buyback program, provided that the total number of shares canceled in the 24 months following the date of this Meeting does not exceed 10% of the total number of shares outstanding, and to reduce the Company's capital accordingly.
- The difference between the purchase price of the shares and their par value will be charged against additional paid-in capital and, if appropriate, against the legal reserve for the portion of the difference representing 10% of the capital reduction.

This authorization is given for a period of 24 months from the date of this Meeting. It cancels and replaces the authorization given by the General Meeting of April 21<sup>st</sup>, 2008. The Management Board shall have full powers to carry out any and all actions, formalities and filings required to cancel the shares, reduce the capital and amend the articles of association to reflect the new capital, either directly or through a duly authorized representative.

#### ■ NINETEENTH RESOLUTION

*(Powers)*

The General Meeting gives full powers to the bearer of a copy or extract of the minutes of the meeting to carry out all legal filing and other formalities.



# Request for information

## Ordinary and extraordinary Meeting of April 23<sup>rd</sup>, 2009 SCHNEIDER ELECTRIC SA

I, the undersigned:

Surname (or company name): \_\_\_\_\_

Forename: \_\_\_\_\_

Address: \_\_\_\_\_

Town / City: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Country: \_\_\_\_\_

Owner of \_\_\_\_\_ Schneider Electric SA registered shares

Owner of \_\_\_\_\_ Schneider Electric SA bearer shares,  
attached a copy of the shareholding certificate ("attestation de participation") issued by your  
intermediary

Hereby request that that I be sent the documents and information relating to the Ordinary and  
Extraordinary General Meeting to be held on april 23<sup>rd</sup>, 2009,

as specified in article R.225-83 of the French Commercial Code

Place of signature \_\_\_\_\_ date of signature \_\_\_\_\_ 2009

Signature

Notice: In accordance with article R.225-83 of French Commercial Code, owners of shares may, by a  
single request, have the Company send them the documents and information specified in articles  
R.225-81 and R.225-83 of the French Commercial Code in advance of all subsequent general meetings.

Shareholders wishing to take advantage of this option must indicate on this request form that they wish  
to do so.











