

**SCHNEIDER ELECTRIC SE**  
**INTERNAL REGULATIONS**  
**OF THE BOARD OF DIRECTORS**

The Board Internal Regulations describe the rights and obligations of Board members, the composition, role and operating procedures of the Board of Directors and its committees; and the roles and powers of the Chairman and the Chief Executive Officer. They have been drawn up in application of Article 13.7 of the Company's Articles of Association and are prepared in accordance with the French Commercial Code and the AFEP/MEDEF Corporate Governance Code which Schneider Electric refers to. The present Internal Regulations shall be binding on all members of the Board of Directors who shall be deemed to adhere to them on assuming office and shall comply with them in full. These Internal Regulations were adopted by the Board of Directors on April 25, 2013 and last amended on February 15, 2023 with an effective date on May 4, 2023.

**1. Method of exercising General management – Chairpersonship and Vice-Chairpersonship of the Board of Directors**

**1.1. Method of exercising General management**

- 1.1.1. General management of the Company is under the responsibility of either the Chairperson of the Board of Directors, who will then go by the title of Chairman/Chairwoman and Chief Executive Officer, or of another natural person appointed by the Board of Directors going by the title of Chief Executive Officer.
- 1.1.2. The Board of Directors decides between these two methods of exercising General management at the time when the Chairperson of the Board of Directors or the Chief Executive Officer is appointed or when renewing their terms of office. If the Board of Directors has decided to combine the functions of Chairman/Chairwoman and Chief Executive Officer, it will deliberate on this choice every year.
- 1.1.3. In order to maintain continuity in the Company's operation if the Chairperson serving as Chief Executive Officer leaves his/her role or is prevented from doing so, the Deputy Chief Executive Officer(s), if any, shall take the interim responsibility for General management functions in the Company, unless otherwise decided by the Board, until such time as a new Chief Executive Officer is appointed. The Vice-Chairperson shall temporarily take the Chair of the Board of Directors.

**1.2. Chairperson of the Board of Directors**

- 1.2.1 The Board of Directors shall elect a Chairperson amongst its members ("Chairman/Chairwoman"). The Chairperson shall be appointed for a period that can be no longer than his/her term of office as a Director. The Board shall deliberate once a year on the opportunity for the Chairperson to pursue his/her functions. The Chairperson is eligible for re-election. He/she may be removed from office by the Board of Directors at any time.
- 1.2.2 The statutory missions of the Chairperson of the Board of Directors are:
- to organize and direct the work of the Board;
  - to convene the Board meetings, determine the agenda and preside over the meetings;
  - to request any document or information necessary to help the Board of Directors for the preparation of its meetings and verify the quality of the information provided;
  - to oversee the proper functioning of the Company's bodies and makes sure, in particular, that (i) the Directors are able to carry out their assignments, (ii) the Board of Directors is well organized, in a manner conducive to constructive discussion and decision-making and (iii) the Board of Directors devotes an appropriate amount of time to issues relating to the future of the Company and particularly its strategy;
  - to preside over general shareholders meetings and report on the Board work to the annual general shareholders' meeting.

- 1.2.3 The Chairperson of the Board is entrusted with the following additional powers and missions for which he/she shall organize his/her activities so as to ensure his/her availability and put his/her experience at the Company's service:
- to be kept regularly informed by the Chief Executive Officer of significant events and situations relating to the business of the Group (including the Company's strategy, major acquisition or divestment projects, significant financial transactions, risks, major community projects and the appointment of the most senior executives of the Group) and to be consulted by him on these matters;
  - to assist and advise the Chief Executive Officer on strategic, technological, leadership and human capital matters;
  - to support, in coordination with the Chief Executive Officer, the representation of the Company in high-level relations with selected stakeholders (customers and institutions);
  - to represent the Company with selected Asian Partners and Asian government bodies in coordination with the Chief Executive Officer;
  - to be involved in dialogue with shareholders in cooperation with the initiatives taken in this respect by the Chief Executive Officer;
  - to promote the Company's values and culture in particular in relation to Environmental, Social and Governance;
  - to meet with Company's leaders and managers;
  - to hear the statutory auditors and the heads of the control functions in order to ensure that the Board and its committees are in a position to carry out of their duties;
  - to convene the members of the Board without Executive Directors being present, in particular to allow debates on the performance and compensation of the Executive Management and succession planning;
  - to participate to the recruitment process for new directors and the development of the succession plan;
  - to work with the Board on the preparation and implementation of succession plan(s) for the corporate officer(s).

The Chairperson of the Board strives to develop and maintain a trustful and regular relationship between the Board and the General Management, in order to guarantee continuous, ongoing implementation by the General Management of the strategies defined by the Board. In all his/her assignments other than those conferred by law, the Chairperson of the Board of Directors acts in close conjunction with the Chief Executive Officer, who has sole responsibility for the general and operational management of the Company.

- 1.2.4 The Chairperson of the Board of Directors is the only person authorized to speak on behalf of the Board, with the exception of any specific assignment entrusted to the Vice-Chairperson & Lead Independent Director pursuant to the dialogue with shareholders.

### **1.3. Vice-Chairperson of the Board of Directors – Lead Independent Director**

- 1.3.1 The Board of Directors may appoint a Vice-Chairperson. If the roles of Chairperson and Chief Executive Officer are combined or if the Chairperson is not considered as independent according to the AFEP/MEDEF Corporate Governance Code, the appointment of a Vice-Chairperson is compulsory. The Vice-Chairperson shall be appointed for a period that may not be any longer than his/her term of office as a Director. The Vice-Chairperson is eligible for re-election. The Vice-Chairperson may be removed from office by the Board of Directors at any time.

- 1.3.2 The Vice-Chairperson shall preside over Board meetings in the absence of the Chairperson.

The Vice-Chairperson shall be called upon to replace the Chairperson of the Board of Directors in the event of any temporary inability of the latter to fulfill his/her functions or in the event of death. In the event of the Chairperson's inability to fulfill his/her functions, he/she will be replaced by the Vice-Chairperson as long as his/her inability may last and, in the case of death, until the election of a new Chairperson.

- 1.3.3 The Vice-Chairperson also takes on the role of Lead Independent Director. In this respect, the powers and missions of the Vice-Chairperson are:
- to be kept informed of major events in Group life through regular contacts and meetings with the Chairperson and the Chief Executive Officer;
  - to be consulted by the Chairperson on the agenda and the sequence of events for every Board meeting as well as on the schedule for Board meetings;
  - to request that the Chairperson of the Board of Directors include additional items on the agenda of any meeting of the Board of Directors;
  - to request that the Chairperson of the Board of Directors call a meeting of the Board of Directors to discuss a given agenda;

- to convene – whenever he/she deems appropriate - an executive session with non-executive members of the Board of Directors and without the Chairperson attending, over which he/she will preside. It is the Vice-Chairperson's responsibility to appreciate for each topic discussed whether the employee Directors should leave the meeting until the topic is closed. In addition, the Vice-Chairperson may convene an executive session between two Board meetings;
- to promptly report to the Chairperson on the conclusions of executive sessions held without the Chairperson attending;
- to draw the attention of the Chairperson and of the Board of Directors to any possible conflicts of interest that he/she may have identified or which may be reported to him/her;
- to meet if he so wishes the Group's leading managers and visit Company sites in order to complement his/her knowledge;
- to carry out annual assessments of the Board of Directors and, in this context, assess the actual contribution of every member of the Board to the Board's activities;
- to report on his/her actions at annual general shareholders' meetings;
- to engage with shareholders on governance matters and inform the Board of their concerns.

1.3.4 The Vice-Chairperson & Lead Independent Director must be an independent member of the Board, as defined in accordance with the criteria published by the Company.

## **2. Roles and powers of the Board of Directors**

2.1. The Board of Directors shall determine the business strategy of the Company and monitors its implementation, in accordance with its corporate interest and while considering its social and environmental aspects. Subject to the powers expressly conferred to annual general shareholders' meetings and within the limit of the corporate purpose, it shall deal with all matters regarding the smooth running of the Company and settles issues concerning the Company. At any time in the year, the Board carries out the controls and verifications it deems appropriate.

2.2. In accordance with legal or statutory provisions, it is the Board of Directors' responsibility:

- to determine the method of exercising General management of the Company;
- to appoint Executive Corporate Officers, remove them from office and to set their remuneration and the benefits granted to them;
- to co-opt Directors whenever necessary;
- to distribute Directors' remuneration allocated at the annual general shareholders' meeting amongst members of the Board of Directors.
- to convene general shareholders meetings;
- to approve statutory and consolidated financial statements;
- to decide on the dates for the payment of dividends and any possible down-payments on dividends;
- to draw up management reports and reports for annual general shareholders' meetings;
- to draw up management planning documents and the corresponding reports;
- to draw up the corporate governance report as provided for in Article L.225-37 of the French Commercial Code;
- to decide on the use of the delegations of authority granted at annual general shareholders' meetings, more particularly for increasing Company capital, redeeming the Company's own shares, carrying out employee shareholding operations and cancelling shares;
- to grant options or restricted/performance shares within the limits of authorizations given at annual general shareholders' meetings;
- to authorize the issue of bonds;
- to authorize the issue of sureties, endorsements and guarantees;
- to authorize regulated agreements (agreements covered by Article L.225-38 and following of the Commercial Code);
- to implement a process to regularly assess that the rules used to qualify a related party transaction as regulated agreement or not, are relevant and effective;

2.3. To enable the Board to exercise its duties as defined in 2.1. and beyond its specific powers summarized in 2.2., the Board of Directors' remits include:

- to give prior authorization for:
  - (i) all disposals or acquisitions of holdings or assets by the Company or by a Group company for a sum of more than 250 million euros;
  - (ii) significant changes to the scope and portfolio of activities outside of the strategy shared with the Board of Directors;
  - (iii) establishment of significant strategic alliances;
  - (iv) any settlement for a sum of more than 125 million euros;
  - (v) any off-balance sheet commitment in excess of 125 million euros other than those relating to a guarantee given to an entity of the Group;
  - (vi) major and very significant changes to the Group internal organization;

- to be informed by its Chairperson or by its committees of any significant event concerning the Company's efficient operation;
- to be informed about market developments, competitive environment and the most important challenges the Company has to face, including in the area of social and environmental responsibility;
- to review, in relation to the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social and environmental risks, as well as the measures taken accordingly and to that end receive all information necessary to fulfil its remit, especially from the Chief Executive Officer;
- to seek assurance that the cyber risk management program is adequate and reduces the risk of attacks and, when necessary, will respond and recover from any attack that may happen;
- to ensure that a process to prevent and detect bribery and influence peddling is in place;
- to exercise control over management and oversee the quality of information provided to shareholders and to the markets, in particular *via* the financial statements or on the occasion of major corporate transactions;
- to review every year its composition, its organization and its mode of operation;
- to set up an Audit & Risks Committee on the terms specified by law and any other committees (i) which do not have decision-making powers but have the task of providing all useful information for the discussions and decisions which the Board is called upon to make, (ii) which composition and rules with regard to their *modus operandi* is determined by the Board;
- to be consulted prior to acceptance by the Chief Executive Officer or Deputy Chief Executive Officer(s), if any, of any corporate appointment in a listed company outside the Group;
- to appoint a Vice-Chairperson if the Board is compelled or wishes to do so;
- to appoint up to three Board Observers if the Board wishes to do so;
- to determine targets in terms of gender balance within the executive bodies and ensure that the Executive Corporate Officers implement a policy of non-discrimination and diversity, notably with regard to the balanced gender representation on the executive bodies.

2.4. The activities of the Board of Directors and its committees shall be described in the corporate governance report.

### **3. Membership of the Board of Directors**

In the proposals it makes and the decisions it takes, the Board of Directors shall ensure that:

- it reflects the international nature of the Group's activities and of its shareholders by having a significant number of members of non-French nationals;
- it protects the independence of the Board through the competence, availability and courage of its members;
- it pursues its objective of diversifying the Board of Directors in compliance with the legal principle of attaining balanced gender representation on the Board;
- it appoints persons with the expertise required for developing and implementing the Group strategy while considering the objectives of diversity based on criteria such as age, professional skills and experiences;
- employee shareholders and employees shall continue to be represented on the Board in compliance with the provisions set forth in Articles 11.3 and 11.4 of the Articles of Association;
- it preserves the continuity of the Board by changing some of its members at regular intervals, if necessary by anticipating the expiry of members' terms of office.

### **4. Meetings of the Board of Directors**

4.1. The Board of Directors shall meet whenever the interests of the Company so require and at least six times a year, including one meeting for examining strategy in detail.

Notices to attend shall be issued by all means, including verbally. They shall be sent *via* the Secretary of the Board.

4.2. Board meetings shall be convened by the Chairperson or by the Vice-Chairperson in accordance with Article 1.3.3.

Moreover, if no Board meeting takes place for over two months, the Chairperson shall convene a meeting of the Board at a date no later than fifteen days after at least one-third of the members of the Board have made a justified request for this purpose. If the request goes unheeded, the person or persons requesting the meeting may convene a meeting himself/herself or themselves, stating the agenda of the proposed meeting.

Similarly, the Chief Executive Officer, if he/she is not Chairperson of the Board of Directors may also address a request to the Chairperson to convene a meeting on any given agenda.

The person responsible for convening the meeting shall set its agenda. The agenda may be modified or completed at the time of the meeting.

Board meetings shall be held at the Company's registered offices or at any other place specified in the notice of the meeting, whether in France or abroad.

- 4.3. Any member of the Board may appoint another member to represent him/her at a Board meeting by means of a proxy form.

During the same meeting, each member of the Board may only use one proxy form that he/she has received further to the foregoing paragraph.

Members of the Board may attend Board meetings by videoconference or telecommunication links, which allow them to be identified and which guarantee their effective participation. In such a case, they are counted among the members present to the meeting. However, in accordance with applicable laws, for the purposes of checking and controlling statutory and consolidated financial statements and the management report, the members of the Board of Directors who attend the meeting by videoconference or telecommunication links shall not be taken into account for the purposes of determining the quorum or the majority.

Deliberations of the Board of Directors shall only be valid if at least half of the Directors are present. However, in application of Article 15 of the Articles of Association, the Board of Directors may only deliberate validly on the methods for exercising General management if two-thirds of the Directors are present or represented.

Decisions shall be taken on a majority vote by the Directors present or represented. In the event of equality of votes, the Chairperson of the meeting shall have the casting vote.

- 4.4. The Secretary of the Board shall attend Board meetings.

The Board of Directors shall hear operational managers concerned by major issues submitted to examination by the Board.

The Board of Directors may authorize persons who are not members of the Board to attend Board meetings including by videoconference or by telecommunication links.

- 4.5. An attendance register shall be kept at the registered office.

The proceedings of the Board of Directors shall be recorded in minutes.

The Secretary of the Board shall be authorized to certify copies or excerpts from the minutes of the Board's proceedings.

## **5. Information of the Board of Directors**

Members of the Board of Directors shall be provided with all the information necessary to enable them to carry out their duties and this within time limits that enable them to familiarize themselves with this information in a meaningful way. They may procure any documents they require for this purpose prior to meetings.

Any request for information made by members of the Board on specific subjects shall be addressed to the Chairperson of the Board or to the Chief Executive Officer, who will reply thereto as promptly as possible.

In order to provide members of the Board of Directors with complete information, visits to sites and customers shall be organized for them. Members of the Board of Directors shall have the right to meet the main Company executives. They shall inform the Chairperson (or, if appropriate, the Chief Executive Officer) thereof.

The Chairperson and / or Vice Chairperson shall meet each member of the Board individually once a year.

## 6. Status of members of the Board of Directors

6.1. Members of the Board of Directors shall represent all the shareholders and shall act in the interests of the Company in all circumstances.

6.2. Members of the Board of Directors shall attend Board meetings and meetings of the committees of which they are members.

Any member, who has not attended at least half of the meetings held during the year, unless there are exceptional reasons, shall be deemed to wish to terminate his/her term of office and shall be invited to resign from the Board of Directors or the committee concerned, as appropriate.

6.3. Members of the Board of Directors shall be bound by a general confidentiality obligation with respect to the deliberations of the Board and the committees and with respect to information which is not in the public domain, which they receive further to performing their duties.

6.4. Directors may not exercise more than four other terms of office in listed companies outside the Group.

6.5. Members of the Board of Directors shall have a duty to inform the Board of Directors of any office they may hold or no longer hold in other companies.

6.6. Members of the Board of Directors have a permanent duty to ensure that their personal situation shall not give rise to a conflict of interest with the Company. In this respect, they shall disclose:

- the existence of any conflict of interest, even a potential one, upon assuming their duties and then each year in response to a request made by the Company at the time of preparation of its Universal Registration Document;
- any event – open occurrence during the course of the year - which would render the statement above mentioned totally or partially inaccurate.

Any member of the Board of Directors having a conflict of interest, even a potential one, has a duty to notify it to the Vice-Chairperson & Lead Independent Director who shall in turn inform the Board of Directors. The Board of Directors shall rule upon the conflict of interest and may request to the member(s) of the Board of Directors concerned to correct his/her situation. The member of the Board of Directors having a conflict of interest, even a potential one, shall not take part in the discussions or to the vote of the corresponding decision and shall leave the meeting of the Board of Directors while the decision is being debated and voted.

6.7. Within eighteen months of their appointment, members of the Board of Directors, to the exclusion of the Directors representing employees, shall own at least 1,000 Schneider Electric SE to be held during their term of office. To fulfill this obligation, putting aside the 250 shares which must be held to comply with Article 11.1 of the Articles of Association, shares held via a company mutual fund essentially invested in the Company shares can be taken into account. The Schneider Electric SE shares that they hold shall either be in purely registered (*nominatif pur*) or in managed registered (*administré*) form.

6.8. Members of the Board of Directors shall inform the French Financial Market Authority (*Autorité des Marchés Financiers*) within three business days from the completion of the operation, by e-mail at the following address: <https://onde.amf-france.org/RemiseInformationEmetteur/Client/PTRemiseInformationEmetteur.aspx>, as well as the Secretary of the Board, of any acquisition, sale, subscription or exchange concerning shares issued by Schneider Electric SE or any operation on financial instruments linked thereto, conducted on their own account or on their behalf.

6.9. Members of the Board of Directors shall provide the Secretary of the Board with the list of the persons closely associated with them as defined by the European Regulation n°596/2014 ("Market Abuse Regulation"), whom they shall notify of their individual duties to inform the French Financial Market Authority and Schneider Electric SE (to the attention of the Secretary of the Board), similar to those applicable to themselves pursuant to paragraph 6.8. above.

6.10. Members of the Board of Directors undertake to abide by the compliance code governing stock-market ethics, of which they have received a copy, with respect to their personal financial transactions.

Members of the Board of Directors shall refrain from carrying out any transaction involving Company's listed shares during the 31 days before the day following publication of annual or half-yearly accounts, and during the 16-day period before the day following publication of quarterly information. The same principle applies when they hold insider information, *i.e.* precise information concerning the Company, which has not been made public and which, if it were made public, could have a marked impact on share price or on any financial instrument related to them.

- 6.11. Members of the Board of Directors are invited to attend the annual general shareholders' meetings.
- 6.12. Members of the Board of Directors shall be remunerated by the payment of an annual amount determined by the Board of Directors. The Board of Directors may grant exceptional remuneration for assignments or offices conferred upon Directors.
- 6.13. Travelling expenses, notably including hotel and restaurant expenses, incurred by the members of the Board of Directors in relation to the performance of their duties, shall be borne by the Company on presentation of supporting documents.
- 6.14. Members of the Board of Directors shall complete the on-boarding program offered to them at the beginning of their first term.

## **7. Observers**

The Board of Directors may appoint a maximum of three Observers.

The Observers shall attend Board meetings in a consultative capacity.

They shall receive the same information as the other members of the Board. They may be appointed as members of committees, except for the Audit & Risks Committee.

They shall act in the interest of the Company under all circumstances.

They shall be bound by the same general confidentiality obligation as the members of the Board of Directors and shall be subject to the same limitations regarding transactions involving the Company's shares. Their remuneration shall be determined by the Board of Directors.

## **8. Committees of the Board of Directors**

- 8.1. The committees created by the Board of Directors shall be as follows:

- Audit & Risks Committee;
- Governance, Nominations & Sustainability Committee;
- Human Capital & Remunerations Committee;
- Investment Committee;
- Digital Committee.

- 8.2. The role of these committees shall be to research and prepare certain matters to be considered by the Board of Directors. They shall make proposals, give recommendations and issue opinions, as appropriate, in their area of competence.

Created by virtue of Article 13 of the Articles of Association, they shall only have a consultative role and shall act under the authority of the Board of Directors.

- 8.3. The Chairpersons and members of the committees shall be appointed by the Board of Directors. They shall be appointed in a personal capacity and may not be represented.

The terms of office of committee members shall coincide with their terms of office as members of the Board of Directors. The terms of office of committee members may be renewed.

As a matter of good governance, committee Chairpersons should be rotated and not exceed four years for a given committee. The Board of Directors shall deliberate annually on the Chairpersonship of the concerned committee whenever such four-year limit is reached or exceeded.

- 8.4. Committees shall meet on the initiative of their Chairperson or on request from the Chairperson of the Board of Directors or the Chief Executive Officer.

- 8.5. The Chairperson and the Chief Executive Officer shall be kept informed of committee meetings. They shall be in regular contact with committee chairpersons.
- 8.6. Committee meetings shall be held at the Company's registered office or any other place decided upon by the Chairperson of the committee with an agenda prepared by the latter. If necessary, they may be held by audio or video conference.

Members of the Board of Directors may attend meetings of committees of which they are not a member. Only the members of the committee shall take part in the committee's recommendations.

A secretary will prepare the minutes of the meetings.

A report on each committee's activities shall be given by the committee's chairperson or one of its members at the next Board meeting. Minutes of committee meetings shall be provided to the members of the Board of Directors.

After referring the matter to the Chairperson of the Board, every committee may request studies from external consultants. Every committee may invite any person of its choice to its meetings, as and when required.

- 8.7. Other than the permanent specialist committees that it has created, the Board of Directors may also decide to set up any *ad hoc* committees for specific operations or assignments.

## **9. The Audit & Risks Committee**

### **9.1. Membership and operation of the Audit & Risks Committee**

The Committee shall be comprised of at least three members, two-thirds of whom must be independent members of the Board of Directors. At least one of the members must possess special skills concerning matters of finance and accountancy and be independent with regard to specified, published criteria.

The head of Internal Audit shall act as Secretary to the Audit & Risks Committee.

The Committee shall meet at least five times a year. The Chairperson of the Committee shall draw up agendas for meetings.

The meetings shall be attended by members of the finance department and of the Company's Internal Audit department and, with respect to meetings devoted to examining financial statements, by the statutory auditors. The Committee may invite any person it wishes to hear at its meetings. It may also require the Chief Executive Officer to provide any documents it deems to be useful.

Outside the presence of Company representatives, the Committee shall regularly hear the statutory auditors and the head of the Internal Audit.

### **9.2. Duties of the Audit & Risks Committee**

The Audit & Risks Committee monitors questions on drawing up and controlling accounting, financial and extra-financial information. It prepares the Board of Directors' decisions in these domains. It issues recommendations to the Board for the purpose of ensuring the integrity of the financial and extra-financial information and gives advices. For this purpose, the Audit & Risks Committee's missions include:

- to prepare for annual and half-yearly financial statements to be approved by the Board and therefore, more particularly:
  - (i) checks the appropriateness and consistency of the accounting methods used for drawing up consolidated and statutory financial statements, as well as checking that significant operations on Group level have been dealt with appropriately and that rules relating to the consolidation perimeter have been complied with;
  - (ii) examines off-balance-sheet risks, including those of a social and environmental nature, and commitments as well as the cash situation;
  - (iii) examines the process for drawing up financial and extra-financial information;
- to examine the draft annual report, which bears the status of Universal Registration Document and contains the information on internal control, the draft half-yearly report and, where applicable, any remarks made by the French Financial Market Authority (AMF) concerning these reports, as well as the other key financial information documents;
- to handle follow-up on legal control of annual and consolidated accounts made by statutory auditors, notably by examining the external audit plan and results of controls made by statutory auditors;



- to suggest reappointing the existing statutory auditors or appointing new statutory auditors, after a consultation process;
- to check the independence of statutory auditors, especially at the time of examining fees paid by the Group to their firm or their network, and by giving prior approval to any missions that are not strictly included in the scope of the statutory audit;
- to monitor the efficiency of internal control and risk management systems and therefore, more particularly:
  - (i) to examine the organization and resources used for internal audit, as well as its annual work program (the Committee shall receive summaries of reports produced on audits on a quarterly basis and the Chairperson of the Committee shall receive these reports in full);
  - (ii) to review Enterprise Risk Management reports including operational risk-mapping and to make sure that measures exist for preventing or minimizing risks;
  - (iii) to examine how to optimize risk coverage on the basis of reports requested from internal audit or risk management functions;
  - (iv) to examine Group internal control measures and look into the results of entities' self-assessments with respect to internal control; to ensure that a relevant process exists for identifying and processing incidents and anomalies;
  - (v) to ascertain the existence of Group compliance policies notably concerning competition, anti-bribery, ethics and data protection and the measures implemented to ensure that these policies are circulated and applied;
  - (vi) to assess Cyber Risks and the Group's Cyber Security posture (jointly with the Digital Committee)

The Audit & Risks Committee shall examine proposals for distribution as well as the amount of financial authorizations submitted for approval at annual general shareholders' meetings.

The Audit & Risks Committee reports to the Board on the implementation of Schneider Electric SE's Charter on the related party transactions and on the relevance of the criteria to qualify related party transactions as regulated agreements or not.

The Audit & Risks Committee shall examine all financial and accounting questions and questions related to risk management submitted to it by the Board of Directors.

The Audit & Risks Committee reports to the Board on the findings of its works and how they contributed to the integrity of the financial and extra-financial information. It informs the Board of the follow-up actions that it proposes to take. The Chairperson of the Audit & Risks Committee shall keep the Chairperson and the Vice-Chairperson & Lead Independent Director promptly informed of any difficulties encountered by the Committee.

## **10. Governance, Nominations & Sustainability Committee**

### **10.1. Membership and operation of the Governance, Nominations & Sustainability Committee**

The Committee shall be comprised of at least three members.

The Secretary of the Board shall be the secretary of the Governance, Nominations & Sustainability Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

### **10.2. Duties of the Governance, Nominations & Sustainability Committee**

The Governance, Nominations & Sustainability Committee monitors questions related to the governance of the Company and its sustainability strategy. It issues recommendations and prepares the Board of Directors' decisions in these domains. For this purpose, the Governance, Nominations & Sustainability Committee's missions include:

- to formulate proposals to the Board of Directors in view of any appointment made to the Board of Directors: Directors or Observers, Chairperson of the Board of Directors, Vice-Chairperson & Lead Independent Director, Chairpersons and members of committees;
- to formulate proposals to the Board of Directors in view of any appointment of Executive Corporate Officers: Chief Executive Officer and / or Deputy Chief Executive Officer;
- to ensure the implementation of a procedure for the preparation of succession plans for the Directors and Corporate Officers in the event of an unforeseen vacancy;

- to examine succession plans for key Group executives;
- to be informed of any nomination of members of the Executive Committee and of the main Group executives;
- to ensure that the AFEP-MEDEF Corporate Governance Code to which the Company refers is applied;
- to discuss governance issues related to the functioning and organization of the Board and its committees;
- to propose on the conditions in which the regular evaluation of the Board is carried out;
- to discuss the qualification of Directors as independent, which is reviewed by the Board every year prior to publication of the annual report;
- to conduct a review of the committees that are in charge of preparing the Board's work;
- to review the implementation of the assessment process relating to the qualification of the related-party agreements as 'current' or 'regulated';
- to prepare the decisions by the Board with regard to the update of its Internal Regulations;
- to prepare the draft corporate governance report of the Board of Directors;
- to ensure that the long-term commitments in term of Sustainability undertaken by the Company are implemented;
- to review the Group sustainability strategy including the Climate strategy and follow up on the progress made on a regular basis;
- to review the non-financial reporting and control systems as well as the main results of the non-financial information disclosed by the Company;
- to work with the Stakeholder Committee and set its workplan each year.

## **11. Human Capital & Remunerations Committee**

### **11.1. Membership and operation of the Human Capital & Remunerations Committee**

The Committee shall be comprised of at least three members.

The Chief Human Resources Officer of the Group shall be the secretary of the Human Capital & Remunerations Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

### **11.2. Duties of the Human Capital & Remunerations Committee**

The Human Capital & Remunerations Committee monitors questions related to the human resources of the Company and compensation. It issues recommendations and prepares the Board of Directors' decisions in these domains. For this purpose, the Human Capital & Remunerations Committee's missions include:

- to formulate proposals to the Board of Directors on the compensation policy of the Executive Corporate Officers (Chairperson of the Board of Directors and/or Chief Executive Officer, and/or Deputy Chief Executive Officer, if any), ensuring in particular its alignment with the corporate interest. The Committee shall prepare annual assessments of the persons concerned and make recommendations to the Board of Directors concerning the determination of the components of the compensation due to Executive Corporate Officers in accordance with the compensation policy;
- to review the compensation of the members of the Executive Committee;
- to propose an amount of the remuneration package for Directors to be submitted to the annual general shareholders' meeting and the method of distribution;
- to formulate proposals to the Board of Directors on setting up the long-term incentive plans such as, for example, grant of stock options or performance/restricted shares;
- to prepare the Board of Directors' deliberations on employee shareholding;
- to review the social impact of major re-organization projects and major human resource policies;
- to review risk management in relation to human resources.

The Committee considers questions relating to the remuneration of Corporate Officers outside their presence.

## **12. Investment Committee**

### **12.1. Membership and operation of the Investment Committee**

The Committee shall be comprised of at least three members.

The Chief Strategy & Sustainability Officer shall be the secretary of the Investment Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes and call upon the Group M&A director.

### **12.2. Duties of the Investment Committee**

The Committee prepares the Board of Directors' deliberations on investment policy.

To this purpose, the Committee:

- shall elaborate recommendations to the Board on major capital deployment decisions;
- shall advise the management team on capital deployment strategies;
- may launch, at the Board's request, or suggest research projects leading to material investments for the Company, typically for capital deployment decisions of 250 million euros or above;
- may investigate matters of smaller scale, if the strategic significance warrants it or the Board/Chairperson of the Board specifically requires it;
- shall provide recommendations on major merger, alliances and acquisition projects;
- shall pay special attention to reconfiguration or consolidation scenarios happening in the sectors the Company is operating in or likely to operate in;
- shall examine portfolio optimizations and divestment projects of financial or strategic significance;
- shall support the management in the elaboration of investment policies linked to the long-term positioning of Schneider Electric, such as innovation and R&D strategies or any major organic growth investments;
- shall present to the Board social and environmental aspects of the strategic projects submitted to it such as M&A projects.

## **13. Digital Committee**

### **13.1. Membership and operation of the Digital Committee**

The Committee shall be comprised of at least three members.

The Chief Digital Officer or the Chief Information Officer shall be the secretary of the Digital Committee.

The Committee shall meet at the initiative of its Chairperson. The agenda shall be drawn up by the Chairperson of the Committee after consultation with the Chairperson of the Board of Directors. The Committee shall meet at least three times a year.

In order to carry out its assignments, the Committee may hear any person it wishes.

### **13.2. Duties of the Digital Committee**

The purpose of the Digital Committee is to assist the Board in digital matters in order to guide, support and control the Group in its digitization efforts. The Digital Committee prepares the Board of Directors' deliberations on digital matters.

For this purpose, the Digital Committee will review, appraise and follow-up on projects and, generally, advise, *inter alia* on seven areas:

- development and growth of the EcoStruxure digital business, including (i) enhancing Core Businesses with Connectivity & Analytics, (ii) building new digital offers and business models, (iii) establishing its contribution to and consistence with the overall strategy;
- assessment of the contribution of potential M&A operations to the Group's Digital strategy;
- monitoring and analysis of the Digital landscape (competitors and disrupters, threats and opportunities);
- improvement and transformation of the Group's Digital Customers & Partners Experience;

- improvement of Schneider Electric's Operational Efficiency through the effective use of Information Technology and digital automation capabilities;
- checking that the Company is equipped with the right pool of talents for digital transformation;
- assessment of Cyber Risks and enhancement of the Group's Cyber Security posture (jointly with the Audit & Risks Committee).

#### **14. Perimeter of Internal regulations**

The present Internal regulations have been unanimously approved by the Board of Directors. A purely internal act, their objective is to complete the Articles of Association by stipulating the main conditions of organization and operation of the Board of Directors. Their purpose is not to replace the Articles of Association. They may not be relied upon by shareholders or third parties for use against members of the Board of Directors, the Company, or any company in Schneider Electric Group. They may be modified at any time solely by deliberation of the Board of Directors.