1. Report of the board of directors to the Combined Annual and Extraordinary Shareholders’ Meeting 320
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1. Report of the board of directors to the Combined Annual and Extraordinary Shareholders’ Meeting

1.1 Ordinary Meeting

Approval of corporate financial statements – First Resolution

We request you to approve the transactions and financial statements for the year 2016, as presented, which show a net loss of EUR99.7 million. This loss is a result of the policy implemented by the company since 2013 to strengthen the company’s equity of its wholly-owned subsidiary Schneider Electric Industries SAS. In effect, the company, which has EUR8.7 billion in equity, opts to leave at the level of Schneider Electric Industries SAS, which owns all of the entities which form the Group, any dividends and financial income that the latter receives from its own subsidiaries in order to allow it to have an appropriate level of equity.

Approval of consolidated financial statements – Second Resolution

We request that you approve the transactions and consolidated financial statements for the year 2016, as presented, which show net income for the Group of EUR1,750 million and an adjusted net income from non-recurring items (asset impairment, restructuring costs, gains and losses linked to business disposals…) of EUR2,117 million.

Distribution: appropriation of income, withholding on share premiums and setting of a coupon of EUR2.04 per share - Third Resolution

We recommend offsetting the loss from the financial year and the losses carried forward on issue premiums relating to the contribution of Legrand shares.

We also recommend a distribution of EUR2.04 per EUR4 par nominal value share, which represents a distribution rate 57.1% of the Group’s net adjusted income. It will be paid on May 10, 2017 on the 992,498,759 shares with dividend rights on January 1, 2017 that made up the capital on December 31, 2016. No dividend will be paid on shares held in treasury by the company on the payment date.

This distribution which amounts to EUR1,208,697,468.36 shall be withheld on issue premiums relating to the contribution of Legrand shares.

The distribution will be paid on May 10, 2017, according to the following schedule:

| Coupon ex-date | Monday, May 08, 2017 |
| Record date | Tuesday, May 09, 2017 |
| Coupon payment date | Wednesday, May 10, 2017 |

For individual shareholders resident for tax purposes in France, the distribution of EUR2.04 per share constitutes contribution repayment. On this basis, it is not subject to income tax, in pursuance of article 112-1° of the French Tax Code, as all earnings and reserves other than the legal reserve have been allocated.

Shareholders are invited to consult their usual advisors for any further precision regarding the applicable tax regime.

Agreements regulated by articles L.225-38 and L.225-42-1 – Fourth Resolution

We request you to approve and take note of the regulated agreements and commitments presented in the Statutory auditors’ special report prepared in accordance with article L.225-40 of the French Commercial Code.

Under the Fourth Resolution, we request you to approve the agreement setting at EUR250,000, excluding tax and expenses reimbursed at actuals, the annual compensation of Mr. Léo Apotheker for his duties as Vice-Chairman lead independent director, being specified that as a director Mr. Apotheker also receives attendance fees which amounted to EUR130,000 in 2016. The board of directors considered this compensation as appropriate given the assignments performed towards the senior management and the shareholders.

In relation to the above resolution, we also request you to take note of the statutory auditor’s special report on regulated agreements and commitments prepared in accordance with article L.225-40 of the French Commercial Code regarding the implementation during the financial year of agreements and commitments already approved by the Annual Shareholders’ Meeting. These agreements and commitments mainly concern the status of Messrs. Jean-Pascal Tricoire and Emmanuel Babeau.

Agreements regulated by articles L.225-38 and L.225-42-1 – Fourth Resolution

| 2013 | 2014 | 2015 |
| Net dividend paid per share in EUR | 1.87 | 1.92 | 2.00 |
Consultation of shareholders on individual Group compensation of corporate officers – Fifth and Sixth Resolutions

In accordance with the recommendations of the AFEP/MEDEF corporate governance guidelines, you are requested to give a favorable opinion on the compensation elements due or awarded to your company’s corporate officers for the 2016 FY. These elements are presented in the tables below. For further details, notably on the comments on the achievement rates, you are invited to refer to Section 3.7 of the registration document.

By the Fifth Resolution you are requested to give a favorable opinion on the elements of Mr. Jean-Pascal Tricoire’s 2016 compensation and by the Sixth Resolution on those of Mr. Emmanuel Babeau.

The annual recurrent compensation and payments for retirement for Jean-Pascal Tricoire and Emmanuel Babeau are detailed in the tables below.

Annual fixed and variable compensation plus long-term incentives for Mr. Tricoire (in thousands of euros) for the years 2013 to 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Base salary</th>
<th>Annual incentive</th>
<th>Long-term incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,339</td>
<td>1,443</td>
<td>950</td>
</tr>
<tr>
<td>2014</td>
<td>3,170</td>
<td>1,500</td>
<td>950</td>
</tr>
<tr>
<td>2015</td>
<td>3,567</td>
<td>1,213</td>
<td>950</td>
</tr>
<tr>
<td>2016</td>
<td>2,576</td>
<td>1,598</td>
<td>950</td>
</tr>
</tbody>
</table>

Complementary payments (fixed and variable parts) for retirement to Mr. Tricoire (in thousands of euros) for the years 2015 and 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed part</th>
<th>Variable part</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>232</td>
<td>182</td>
</tr>
<tr>
<td>2016</td>
<td>306</td>
<td>182</td>
</tr>
</tbody>
</table>

Annual fixed and variable compensation plus long-term incentives for Mr. Babeau (in thousands of euros) for the years 2013 to 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Base salary</th>
<th>Annual incentive</th>
<th>Long-term incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,184</td>
<td>1,448</td>
<td>550</td>
</tr>
<tr>
<td>2014</td>
<td>1,546</td>
<td>726</td>
<td>550</td>
</tr>
<tr>
<td>2015</td>
<td>1,116</td>
<td>542</td>
<td>550</td>
</tr>
<tr>
<td>2016</td>
<td>1,116</td>
<td>783</td>
<td>605</td>
</tr>
</tbody>
</table>

Complementary payments (fixed and variable parts) for retirement for Mr. Babeau (in thousands of euros) for the years 2015 and 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed part</th>
<th>Variable part</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>122</td>
<td>124</td>
</tr>
<tr>
<td>2016</td>
<td>176</td>
<td>136</td>
</tr>
</tbody>
</table>
Mr. Jean Pascal Tricoire, Chairman and CEO

I – Elements of compensation due or awarded for the past FY

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Base salary EUR950,000</td>
<td>Gross annual fixed compensation of EUR950,000 from January 1, 2016 to December 31, 2016 set by the board of directors on February 16, 2016. This compensation has remained unchanged since 2013.</td>
</tr>
<tr>
<td>2) Annual incentive EUR1,598,090</td>
<td>The annual incentive portion amounts to 130% of fixed compensation. The annual incentive may vary from 0 to 260% depending on achievement of objectives. It is unchanged since 2015. At the board meeting held on February 15, 2017, annual incentives for 2016 paid in March 2017 were set at 168.22% of the fixed portion, which represents an achievement rate of 129.4% on a base 100. This calculation is broken down as follows:</td>
</tr>
<tr>
<td>3) Complementary payments for retirement</td>
<td>Complementary payments intended to take account of the fact that, following the decision of the board of directors on February 18, 2015 to remove the benefit of the defined-benefit pension scheme (article 39) for corporate executive officers, Mr. Tricoire is personally responsible for building up his additional pension. To determine this authorized complementary compensation, the board of directors sought the recommendation of an independent expert, namely the firm WILLIS TOWERS WATSON. The board of directors ensured that the mechanism implemented therefore, was in line with shareholders’ interests. Accordingly, Mr. Tricoire receives annually a complementary component, split into a fixed part and a variable part dependent on performance criteria. This variable part is aligned in terms of criteria and rate (target rate of 130% of the fixed complementary part and variable part varying from 0 to 260%) of the annual incentive (see above). At the meeting held on February 15, 2017 the annual complementary variable portion for 2016 paid in March 2017 was set by the board of directors at 168.22% of the annual complementary fixed portion, i.e. an achievement rate of 129.4% on a base 100. The calculation was broken down in the same way as that of the annual incentive presented in 2) above. These complementary payments are intended to enable Mr. Tricoire to build up his pension. He undertook to redirect these complementary payments, net of taxes, to investment vehicles devoted to financing his additional pension.</td>
</tr>
</tbody>
</table>

| 3) Complementary payments for retirement |
| Annual complementary fixed portion EUR182,000 |
| Annual complementary variable portion EUR306,160 |
4) Long-term incentive (Performance shares)

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR761,400 for 18,000 performance shares according to IFRS valuation</td>
<td>18,000 performance shares were granted under plan no. 25 to Mr. Tricoire in his capacity as Chairman and CEO of Schneider Electric SE</td>
</tr>
<tr>
<td>EUR1,814,400 for 42,000 performance shares according to IFRS valuation</td>
<td>42,000 performance shares were granted under plan no. 26 to Mr. Tricoire in his capacity as Schneider Electric Asia Pacific CEO.</td>
</tr>
</tbody>
</table>

100% of these 60,000 performance shares are subject to performance criteria measured over a period of 3 years:

- 40% of the shares are contingent on the level of achievement of an adjusted EBITA operating margin objective for 2016 to 2018 FY as follows: the Adjusted operational margin criterion is defined as the average of the annual rates of achievement of Adjusted EBITA margin for financial years 2016 to 2018 set by the board of directors of Schneider Electric SE, and is in line with the objectives announced to investors at the beginning of the year. For 2016, the board had decided that, if the Adjusted EBITA margin decreased by at least -10 basis points before foreign exchange impact compared with 2015, the achievement rate for the year would be 0% and if it increased by at least +40 basis points before foreign exchange impact, then the achievement rate for this criterion for 2016 would be 100% with a linear distribution between the 2 points;
- 25% of the shares are conditional on Group Cash conversion rate for 2016 to 2018 FY. The target average rate ranges between 80% and 100% according to following scale: 0% if the average rate is below or equal to 80%, 100% if the average rate is equal to or higher than 100% with a linear distribution between the 2 points;
- 20% of the shares are contingent on the progress of the Planet & Society Barometer index at the end of vesting period as follows: If this index is lower than or equal to 8, no shares will vest. If this index is equal to or higher than 9, 100% of the shares will vest. Distribution is linear between the 2 points;
- 15% of the shares are conditional to Total Shareholder Return (TSR) objectives from 2016 to end of vesting period. The TSR objective is set based on Schneider Electric’s TSR ranking within the following panel of companies: ABB, Legrand, Siemens, Schneider Electric, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric and Yokogawa, according to following scale: A ranking in first quartile (1st, 2nd, 3rd place) enables an achievement rate of up to 150%, with an average rate of 135% (this achievement rate will, on the one hand, enable 100% achievement of the TSR criterion and, on the other hand, can offset non-achievement of the Adjusted EBITA target on rate of cash conversion target over the three-year period. However, final acquisition of shares at the end of the three-year period will nevertheless be capped at 100% of number of shares originally subject to Adjusted EBITA margin and rate of cash conversion criteria; in second quartile (4th, 5th, 6th place), an average achievement of 87% of the criterion, in the third quarter (7th, 8th, 9th place), an average achievement rate of 13% of the criterion; in last quartile (10th, 11th, 12th place), a zero achievement rate). However, in the event that the gap between the Schneider Electric TSR and that of the peers above is less than 3% in TSR value, Schneider Electric will be deemed to have the same ranking as the latter;

25% of the shares vested are subject to a holding requirement until such time as Mr. Tricoire ceases his duties. Furthermore, in the event of vested shares being sold, Mr. Tricoire is required to reinvest 10% of the price of sale in Schneider Electric shares (net of taxes and contributions).

These obligations are suspended insofar as Mr. Tricoire holds Schneider Electric shares with a value representing 3 times his annual fixed compensation.

The percentage of capital represented by Mr. Tricoire’s share allocation is 0.01%.

Date of authorization by the Annual Shareholders’ Meeting: April 25, 2013
Resolution number: Sixteenth
Date of the award decision by the board of directors: March 23, 2016.

5) Attendance fees EUR0

Mr. Tricoire has waived his attendance fees.

6) Other benefits EUR2,204

This concerns:
- the employer matching contribution paid to subscribers to the capital increase reserved for employees, in an amount of EUR1,404.
- Date of approval by the board: February 16, 2016.
- the employer matching contribution paid to subscribers to the collective saving pension fund (PERCO) in France, in an amount of EUR800.
- Date of approval by the board: February 18, 2015.

EUR8,388

Mr. Tricoire benefited from profit-sharing
Date of approval by the board: February 16, 2016.
### II – Other elements of compensation, which were or are subject to the approval of the Annual Shareholders’ Meeting pursuant to regulated agreements

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 13,408</td>
<td>Mr. Tricoire benefited from company car</td>
</tr>
</tbody>
</table>

**Date of approval by the board:** February 16, 2016.

---

#### II.1. Other elements of compensation, which were or are subject to the approval of the Annual Shareholders’ Meeting pursuant to regulated agreements

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination benefit EUR 0</td>
<td>Mr. Tricoire is entitled to involuntary termination benefits in case of change of control or strategy and taking into account the non-compete compensation described below, capped at twice the arithmetical average of his annual fixed and variable compensation (i.e. inclusive of compensation and complementary payments) paid over the last 3 years. (See Section 3-7 of the 2016 registration document). Board decision of June 18-19, 2013. Date of approval by the Annual Shareholders’ Meeting: May 6, 2014 (Fifth Resolution)</td>
</tr>
<tr>
<td>Non-compete compensation EUR 0</td>
<td>Mr. Tricoire may receive non-compete compensation for a period of one year capped at 6/10th of his average gross compensation – i.e. including annual complementary payments – fixed and target variable – over the last 12 months of service. (See Section 3-7 of the 2016 registration document). Board decisions of 2009, 2012, and June 18-19, 2013, amended on October 24, 2013. Dates of approval by the Annual Shareholders’ Meeting: 2009, 2012 and May 6, 2014</td>
</tr>
<tr>
<td>Supplementary pension scheme N/A</td>
<td>(For the record) By decision of the board of directors’ meeting of February 18, 2015, Mr. Tricoire has lost the benefits of the defined-benefit pension scheme of 1995 and 2012 (article 39) for corporate executive officers, from which he previously benefited. (See Section 3-7 of the 2016 registration document). Board decision of February 18, 2015. Date of approval by the Annual Shareholders’ Meeting: April 21, 2015 (Fifth Resolution)</td>
</tr>
<tr>
<td>Supplementary Life &amp; Disability scheme EUR 0</td>
<td>Mr. Tricoire benefits from rights to (i) a life-time annuity to the benefit of his surviving spouse in the event of his death before retirement or if he leaves the company after the age of 55 without taking up any other employment. This life-time annuity shall be equal to 60% of 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years preceding the date of his death, less any theoretical income that may have been obtained under insurance conditions as a result of complementary payments already made (see above) (ii) a disability pension, payable to the surviving spouse at a rate of 60%, in cases of disability leading to the cessation of any professional activity as from the date of his retirement, equal to 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years prior to his disability, minus 1.25% per missing quarter required for obtaining a full-rate pension and less the theoretical income that may have been obtained through insurance schemes at the time of disability resulting from any complementary payments already made. (See Section 3-7 of the 2016 registration document). Board decision of February 18, 2015. Date of approval by the Annual Shareholders’ Meeting: April 21, 2015 (Fifth Resolution) Moreover, in addition to the benefits of the collective welfare scheme applicable to Schneider Electric SE and Schneider Electric Industries SAS employees covering risks of illness, incapacity, disability and death, Mr. Tricoire also benefits from the complementary cover granted to French executives in the Group against risks of illness, incapacity, disability, death and accident. Welfare compensation and complementary cover are subject to performance conditions. Board decisions of 2009, 2012, and June 18-19, 2013 and February 18, 2015. Dates of approval by the Annual Shareholders’ Meeting: 2009, 2012, 2013 and April 21, 2015 (Fifth Resolution)</td>
</tr>
</tbody>
</table>
Mr. Emmanuel BABEAU, Deputy CEO

I – Elements of compensation due or awarded for the past FY

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Base salary EUR605,000</td>
<td>Gross annual fixed compensation of EUR605,000 from January 1, 2016 to December 31, 2016 set by the board of directors on February 16, 2016. The fixed part, which had been unchanged since 2013, has been increased in 2016 to account for the Group’s evolution and development and, Mr. Babeau’s expanded responsibility over the period.</td>
</tr>
<tr>
<td>2) Annual incentive EUR782,870</td>
<td>The target annual incentive amounts to 100% of fixed compensation. The annual incentive may vary from 0 to 200% depending on achievement of objectives. In 2015 the target annual incentive amounted to 100%. At the board meeting held on February 15, 2017, annual incentives for 2016 paid in March 2017 were set at 129.4% of the fixed portion, i.e. an achievement rate of 129.4% on a base 100. This calculation was broken down as follows:</td>
</tr>
<tr>
<td>3) Complementary payments for retirement</td>
<td>Complementary payments intended to take account of the fact that, following the decision of the board of directors on February 18, 2015 to remove the benefit of the defined-benefit pension scheme (article 39) for corporate executive officers, Mr. Babeau is personally responsible for building up his additional pension. To determine the amount of this authorized complementary compensation, the board of directors relied on the work of an independent expert, namely the firm WILLIS TOWERS WATSON.</td>
</tr>
</tbody>
</table>

Annual complementary fixed portion EUR136,400

The board of directors ensured that the mechanism implemented was in line with shareholders’ interests. Accordingly, he receives annually a complementary component, split into a fixed part and a variable part dependent on performance criteria. This variable part is aligned in terms of criteria and of rate (target rate of 100% of the fixed complementary part and variable part varying from 0 to 200%) of the annual variable part (see above).

Annual complementary variable portion EUR176,502

At the meeting held on February 15, 2017 the annual complementary variable portion for 2016 paid in March 2017 was set by the board of directors at 129.4% of the annual complementary fixed portion, i.e. an achievement rate of 129.4% on a base 100. This calculation was broken down in the same way as that of the annual incentive presented in 2) above.

These complementary payments are intended to enable Mr. Babeau to build up his pension. He undertook to redirect these complementary payments, net of taxes, to investment vehicles devoted to financing his additional pension.
### Amounts submitted to the vote

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>4) Long-term incentive (Performance shares)</td>
<td></td>
</tr>
<tr>
<td>EUR329,940 for 7,800 performance shares according to IFRS valuation</td>
<td>7,800 performance shares were granted under plan no.25 to Mr. Babeau in his capacity as Deputy CEO of Schneider Electric SE.</td>
</tr>
<tr>
<td>EUR786,240 for 18,200 performance shares according to IFRS valuation</td>
<td>18,200 performance shares were granted under plan no.26 to Mr. Babeau in his capacity as CEO of Invensys Ltd. 100% of these 26,000 performance shares are subject to performance criteria measured over a period of 3 years:  40% of the shares are contingent on the level of achievement of an adjusted EBITA operating margin objective for 2016 to 2018 FY as follows: the Adjusted operational margin criterion is defined as the average of the annual rates of achievement of Adjusted EBITA margin for financial years 2016 to 2018, set by the board of directors of Schneider Electric SE in line with the objectives usually announced to investors at the beginning of the year. For 2016, the board has decided that, if the Adjusted EBITA margin decreased by at least 10 basis points before foreign exchange impact compared with 2015, the achievement rate for the year would be 0% and if it increased by at least +40 basis points before foreign exchange impact, then the achievement rate for this criteria for 2016 would be 100% with a linear distribution between the 2 points;  25% of the shares are conditional on Group Cash conversion rate for 2016 to 2018 FY. The target average rate ranges between 80% and 100% according to following scale: 0% if the average rate is below or equal to 80%, 100% if the average rate is equal to or higher than 100% with a linear distribution between the 2 points;  20% of the shares are contingent on the progress of the Planet &amp; Society Barometer index at the end of 2018 as follows: If this index is lower than or equal to 8, no shares will vest. If this index is equal to or higher than 9, 100% of the shares will vest. Distribution is linear between the 2 points.  15% of the shares are conditional to Total Shareholder Return (TSR) objectives from 2016 to end of vesting period. The TSR objective is set based on Schneider Electric’s TSR ranking within the following panel of companies: ABB, Legrand, Siemens, Schneider Electric, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric and Yokogawa, according to following scale: A ranking in first quartile (1st, 2nd, 3rd place) enables an achievement rate of up to 150%, with an average rate of 135% (this achievement rate will, on the one hand, enable 100 % achievement of the TSR criterion and, on the other hand, can offset non-achievement of the Adjusted EBITA target on rate of cash conversion target over the three-year period. However, final acquisition of shares at the end of the three-year period will nevertheless be capped at 100% of number of shares originally subject to Adjusted EBITA margin and rate of cash conversion criteria; in second quartile (4th, 5th, 6th place), an average achievement of 87% of the criterion; in the third quarter (7th, 8th, 9th place), an average achievement rate of 3% of the criterion; and in last quartile (10th, 11th, 12th place), zero achievement rate. However, in the event that the gap between the Schneider Electric TSR and that of the peers above is less than 3% in TSR value, Schneider Electric will be deemed to have the same ranking as the latter.</td>
</tr>
<tr>
<td>5) Attendance fees</td>
<td>N/A</td>
</tr>
<tr>
<td>6) Other benefits</td>
<td>EUR7,246</td>
</tr>
<tr>
<td></td>
<td>EUR700</td>
</tr>
<tr>
<td></td>
<td>EUR13,197</td>
</tr>
</tbody>
</table>
II – Other elements of compensation, which were or are subject to the approval of the Annual Shareholders’ Meeting pursuant to regulated agreements

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination benefit</td>
<td>EUR0 Mr. Babeau is entitled to involuntary termination benefits in case of change of control or strategy and taking into account the non-compete compensation described below, amounting to twice the arithmetical average of his annual fixed and annual incentives (i.e. inclusive of compensation and complementary payments) paid over the last 3 years and authorized by the board of directors. <em>(See Section 3-7 of the 2016 registration document).</em> Board decision of June 18-19, 2013 and February 18, 2015. Dates of approval by the Annual Shareholders’ Meeting: May 6, 2014 and April 21, 2015 (Sixth Resolution).</td>
</tr>
<tr>
<td>Non-compete compensation</td>
<td>EUR0 Mr. Babeau may receive non-compete compensation for a period of one year capped at 6/10 of his average gross compensation (monthly average of total gross compensation, i.e. including annual complementary payments – fixed and target variable – over the last 12 months of service). <em>(See Section 3-7 of the 2016 registration document).</em> Board decisions of June 18-19, 2013 amended in October 24, 2013, and February 18, 2015. Dates of approval by the Annual Shareholders’ Meeting: May 6, 2014 and April 21, 2015.</td>
</tr>
<tr>
<td>Supplementary pension scheme</td>
<td>N/A *(For the record) Mr. Babeau has lost the benefits of the defined-benefit pension scheme of 1995 and 2012 (article 39) for corporate executive officers, as well as those from defined-contribution pension plan (article 83) for French executives of the Group, due to giving up his employment contract with Schneider Electric Industries SAS, on February 18, 2015. <em>(See Section 3-7 of the 2016 registration document).</em> Application of the board’s February 18, 2015 decision relating to the cancelation of the benefit from an article 39 supplementary pension scheme for corporate executive officers.</td>
</tr>
<tr>
<td>Supplementary Life &amp; Disability scheme</td>
<td>EUR0 Mr. Babeau benefits from rights to (i) a life-time annuity to the benefit of his surviving spouse in the event of his death before retirement or if he has left the company after the age of 55 without taking up any other employment. This life-time annuity shall be equal to 60% of 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years preceding the date of his death, less any theoretical income that may have been obtained under insurance conditions as a result of complementary payments already made (see above) ii) a disability pension, payable to the surviving spouse, at a rate of 60%, in cases of disability leading to the cessation of any professional activity as from the date of his retirement, equal to 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years prior to his disability; minus 1.25% per missing quarter required for obtaining a full-rate pension and less the theoretical income that may have been obtained through insurance schemes at the time of disability resulting from any complementary payments already made. <em>(See Section 3-7 of the 2016 registration document).</em> Board decision of February 18, 2015. Date of approval by the Annual Shareholders’ Meeting: April 21, 2015 (Sixth Resolution) Moreover, in addition to the benefits of the collective welfare scheme applicable to Schneider Electric SE and Schneider Electric Industries SAS employees covering risks of illness, incapacity, disability and decease, Mr. Babeau also benefits from the complementary cover granted to French executives in the Group against risks of illness, incapacity, disability, decease and accident. Welfare compensation and complementary cover are subject to performance conditions. Board decisions of 2009, 2012, 2013 and February 18, 2015. Dates of approval by the Annual Shareholders’ Meeting: 2009, 2012, 2013 and April 21, 2015 (Sixth Resolution).</td>
</tr>
</tbody>
</table>
Approval of principles and criteria for determining, allocating or granting the components of the compensation and benefits of all types that may be granted to the Chairman and CEO and to the Deputy-CEO for the year 2017 – Seventh and Eighth Resolutions

In pursuance of the new article L.225-37-2 of the French Commercial Code introduced by the “Sapin-2 law” on December 9, 2016, you are requested to approve the principles and criteria governing the determination and allocation of the remuneration and benefits of all types that may be granted to the corporate officers of the company on account of their mandates, i.e. the Chairman and CEO – currently Mr. Jean-Pascal Tricoire – and Deputy-CEO – currently Mr. Emmanuel Babeau – for the year 2017.

The scope of the approval covers all components of remuneration in cash, fixed and variable, benefits of all types, including the long-term incentive in the form of performance shares, fringe benefits, the pension cash allowance and other components subject to approval of the shareholders as part of regulated agreements.

In the second half of 2016, the Governance and remunerations Committee deemed that the new legal regime was the opportunity to conduct a study of the methodology adopted by the board to determine the compensation granted to its corporate officers in the past 10 years (see registration document 2015, p. 151 and previous years) and issued a report in the form of a White Paper that was circulated to the board members.

It examined in particular:

- **a) Whether the compensation package was competitive as compared to selected peers**, comparable to Schneider Electric or that represent a potential source for recruitment or attrition. The proposed compensation peer group is composed of relevant the relative TSR criteria applicable to:
  - international business competitors – in particular those identified in the Long-Term Incentive Plan,
  - talent competitors,
  - “acceptance” peers, i.e. groups of a similar size, business or structure.

The detailed peer group reviewed by the board and updated from the 2012 review, is as follows:

- **Group 1: European peers - capital goods**
  
<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABB</td>
<td>Legrand</td>
</tr>
<tr>
<td>Philips</td>
<td>Siemens</td>
</tr>
<tr>
<td>Atlas Copco</td>
<td></td>
</tr>
</tbody>
</table>
  
- **Group 2: European construction companies**
  
<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vinci</td>
<td>Saint Gobain</td>
</tr>
<tr>
<td>ACS</td>
<td>Lafarge Holcim</td>
</tr>
</tbody>
</table>
  
- **Group 3: European software companies**
  
<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAP</td>
<td>Dassault Systemes</td>
</tr>
<tr>
<td>Hexagon</td>
<td></td>
</tr>
</tbody>
</table>
  
- **Group 4: Various industrial B to B companies, possible competitors for talent and part of the same European indices for companies the size of Schneider Electric (Stoxx Europe 50)**
  
<table>
<thead>
<tr>
<th>Company</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bayer</td>
<td>Syngenta</td>
</tr>
<tr>
<td>Air Liquide</td>
<td>Airbus</td>
</tr>
<tr>
<td>Thyssen Krupp</td>
<td></td>
</tr>
</tbody>
</table>
  
- **Group 5: US Peers**
  - **a) Capital goods**
    - Eaton
    - Emerson
    - JCI (Johnson Controls)
    - Honeywell
    - Rockwell Automation
  - **b) Software companies**
    - PTC
    - Autodesk

The results of the benchmarking with the peer group applicable for the relevant years are presented in the graphs below:

**Finding**: The benchmarking study concluded that the compensation awarded to the Chairman-CEO and to the Deputy-CEO is consistently aligned to the median of the peer group, in line with the objective set by the board.
Positioning of CEO compensation vs. benchmark (as % of benchmark)

Positioning of deputy CEO compensation vs. benchmark (as % of benchmark)

Notes:
1. Compensation includes base salary, short-term incentive and long-term incentive (performance shares) on target
2. For all panels the latest available data is extracted from 2015 Annual Reports

b) Whether the compensation package was positioned within the range of the upper quartile of the CAC 40 and the median of the Stoxx Europe 50 indices.

The benchmarking study concluded that the compensation granted to the CEO and Deputy-CEO was positioned within an acceptable range the upper quartile of the CAC 40 and the median of the Stoxx Europe 50.

Finding: The study concluded that the compensation awarded to the Chairman-CEO and to the Deputy-CEO are within range set by the board for the relevant indices.
Positioning of CEO compensation vs. indices reference (as % of index)

Positioning of deputy CEO compensation vs. indices reference (as % of index)

Notes: 1- Compensation includes base salary, short-term incentive and long-term incentive (performance shares) on target
2- For all panels the latest available data is extracted from 2015 Annual Reports

c) Whether the compensation package was designed to pay for performance:

* by giving a prominent place to variable elements which make up around to 80% of the total compensation of the corporate officers, cash and benefits included;
* by determining the performance of the corporate officers based on criteria that are mainly economic (not less than 60% of the variable cash compensation and 80% of the long-term benefits in the form of performance shares) and measurable (not less than 80% of the variable cash compensation and 100% of the long-term benefits in the form of performance shares);
* by ensuring that Financial and Sustainability & Transformation objectives are fairly balanced and distributed between short-term (STIP) and medium-term (LTIP) components, in such manner that the orientations adopted by the corporate officers take into consideration both dimensions.
Findings: The study highlighted that the compensation awarded to the Chairman-CEO and to the Deputy-CEO was designed to reward their individual and collective performance and in particular:

- that the corporate officers’ pay mix was heavily weighted towards the variable performance criteria, in a proportion significantly higher than the average of the market, whilst the fixed portion was on average 6 points less than the average of the international peer group;
- that the determination of their compensation by the board based on the application of the performance criteria defined at the beginning of the year left little or no scope for subjectivity, whilst ensuring that the board could evaluate the personal contribution of the Corporate Officers;
- that the nature of the performance criteria and required performance reflected the short- and medium-term ambition conveyed to shareholders;
- that they incorporated performance factors that enable the Group to offer a lasting and satisfactory outlook for all the stakeholders in the company’s success.

The graphs below illustrate these findings.
### Criteria applicable to the Annual Incentive

<table>
<thead>
<tr>
<th>Economic Criteria</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Organic Growth of the Group</td>
<td>30%</td>
<td>13.33%</td>
</tr>
<tr>
<td>Adjusted EBITA</td>
<td>20%</td>
<td>13.33%</td>
</tr>
<tr>
<td>Group cash conversion rate</td>
<td>10%</td>
<td>13.33%</td>
</tr>
<tr>
<td>Company program priorities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services sales growth</td>
<td>5%</td>
<td>6.66%</td>
</tr>
<tr>
<td>Systems gross margin</td>
<td>5%</td>
<td>6.66%</td>
</tr>
<tr>
<td>Digital offer index*</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Transactional sales growth</td>
<td></td>
<td>6.66%</td>
</tr>
<tr>
<td>Non-economic measurable criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planet &amp; Society Barometer</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Overall assessment by the board among which:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual goals determined by the board based on the company's strategic plan</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*The detailed nature of this criteria shall be kept confidential for business secret reasons.*

#### Weight of economic criteria

- 2015: 50% Economic, 40% Sustainability & transformation, 25%
- 2016: 50% Economic, 60% Sustainability & transformation, 75%
- 2017: 50% Economic, 75% Sustainability & transformation, 75%

#### Weight of measure criteria

- 2015: 35% Measurable, 65% Qualitative
- 2016: 20% Measurable, 80% Qualitative
- 2017: 20% Measurable, 80% Qualitative
Criteria applicable to the Long-Term Incentive (Performance shares subject to a 3-year performance period)

<table>
<thead>
<tr>
<th>Criteria (weight)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITA (yearly achievement rate)</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Group Cash conversion rate (achievement rate over 3 years)</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Planet &amp; Society Barometer (yearly measure of achievement for 2017 Plans)</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Relative TSR ranking (achievement rate over 3 years)</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Weight of economic criteria

- 15% Economic
- 20% Sustainability & transformation
- 20% Economic

Weight of measure criteria

- 100% Measurable
- 100% Qualitative
- 100% Measurable

Finding: The compensation package of the corporate officer was designed to align shareholder’s interest and group performance as measured by the market. This proves that the objectives set are truly challenging and aligned to the expectations of the stakeholders.

d) Whether the methodology used to determine the corporate officers’ compensation was appropriately designed to align compensation with the interests of shareholders, with share-based benefits representing half of the total compensation or more.

The evolution of the compensation of the corporate officers after reduction of the number of shares eventually acquired on account of performance was compared to the evolution of the stock price and enterprise value. The graphs shown below show their alignment.
Pay–for performance: analysis for the CEO

CEO compensation vs shareholder returns (Base 100)

Note: the ‘compensation after reduction’ includes:
- The base salary
- The short term incentive earned for the year in reference
- The value at grant (IFRS) of the long term incentive (performance shares/stock options) granted on the year in reference, multiplied by the actual achievement rate.

Pay–for performance: analysis for the deputy CEO

Deputy-CEO compensation vs shareholder returns (Base 100)

Note: the ‘compensation after reduction’ includes:
- The base salary
- The short term incentive earned for the year in reference
- The value at grant (IFRS) of the long term incentive (performance shares/stock options) granted on the year in reference, multiplied by the actual achievement rate.
Based on the conclusions of this study and on the recommendation of the Governance and remuneration committee, 75% of whose members are independent under the definition given by the AFEP-Medef Code, the board of directors decided at its meeting of February 15, 2017, to pursue the compensation policy applied to the Group’s corporate officers, by maintaining the compensation structure applied in 2016, whilst introducing the following positive changes:

- increasing the weighting of economic criteria from 60% to 75% in the annual incentive;
- non-renewal of the multiple;
- maintaining the three-year performance period for the acquisition of performance shares, along with the creation of the separate plan reserved for the corporate officers with an additional holding period of one year.

The board also decided that the compensation level of the corporate officers would be maintained at the same level as 2016, both in amount (fixed and variable, target and cap) and in volume as far as performance shares are concerned.

The board further decided to increase its disclosure and transparency with respect to such compensation, within limits safeguarding the interests of the company with respect to business secrets and confidentiality of certain aspects of its strategy.

The board reflected upon the principle of keeping the compensation proposed for the roles of CEO and Deputy CEO in the event of a change and their replacement by a candidate not promoted within the Group. Whilst acknowledging that the proposed compensation structure is market competitive and in line with the principles set forth by the board, the board may have to review the criteria for evaluation of the new corporate officer’s performance, depending upon his/her profile, or to consider an exceptional allowance in cash or in shares in order to compensate for loss of benefits that a candidate may experience.

The principles and criteria for determining, allocating or granting the components of all types of compensation and benefits that may be awarded to the Chairman and CEO and to the Deputy-CEO deriving from this policy and submitted to your approval are detailed further in Section 3.7 of the registration document 2016.

In accordance with applicable law, the payment of any variable or exceptional cash component in relation to the year 2017 will be subject to your approval at the Annual Shareholders’ Meeting following year-end 2017.

Under the Seventh Resolution you are requested to approve these principles and criteria for 2017 with respect to the Chairman and CEO, and under the Eighth Resolution those with respect to the Deputy-CEO.

### Composition of the board of directors – Ninth to Fourteenth Resolutions

We remind you that the terms of office of Ms. Magali Herbaut, Messrs. Gérard de La Martinière and Jean-Pascal Tricoire are due to expire after the 2017 Annual Shareholders’ Meeting.

The board of directors has unanimously decided to recommend the renewal of the term of office of Mr. Jean-Pascal Tricoire for a period of 4 years to allow him to continue, in his capacity as Chairman and CEO, to execute the strategy established by the board of directors.

Mr. Jean-Pascal Tricoire’s biography and his terms of office are provided on page 138.

At its meeting of February 15, 2017, the board of directors took note of Mr. Gérard de la Martinière’s term of office.

The board of directors was keen to highlight all the recognition that the company owes this individual who has supported the Group through different steps of its strong development, and the great quality of his contributions, notably as Chairman of the Audit Committee.

At its meeting of February 15, 2017, the board of directors took note of Ms. Magali Herbaut’s decision not to be present herself as a candidate for another term.

As Ms. Magali Herbaut was appointed to represent employee shareholders pursuant to article 11-3 of the articles of association, her successor must be appointed according to the procedure provided in this article which stipulates that when employee shareholders hold more than 3% of the capital at the close of a given financial year, their representative must be elected by the Annual Shareholders’ Meeting from the candidates appointed by the supervisory boards of the FCPEs invested in company shares or by the employee shareholders when their shares are held directly and not via FCPEs.

The candidates designated by this procedure are Ms. Nadine Bourquin, Mr. Claude Briquet, Ms. Xiaoyun Ma, Mr. François Martin-Festa and Mr. Jean-Michel Vedrine whose biographies are provided below.

The board of directors, upon the report from the governance and remunerations committee, has approved the Twelfth Resolution providing for the appointment of Ms. Xiaoyun Ma as member of the board of directors representing employee shareholders. Ms. Xiaoyun Ma’s profile fits in with the Group’s objectives in terms of feminization and rejuvenation and, given her experience within the Group, internationalization, as set by the board of directors in relation to its composition.

As a result, the board of directors invites you to vote in favor of the Twelfth Resolution and to abstain from voting on the Tenth, Eleventh, Thirteenth and Fourteenth Resolutions.
Ms. Nadine Bourquin, 56 years old, graduated from the Joseph Fourier University of Grenoble, where she obtained a Master of Computer Science and Advanced Programming. She started her work in Merlin Gerin in the field of Industrial Automation, then in APRIL company successively as PLC Software Project leader and SCADA Offer Manager. In the early 1990s, Nadine joined the Telemecanique Company in Rueil Malmaison, as Software & Connectivity Product Manager in the variable speed drives department. From 2003, she contributed actively to the R&D transformation of Industry Business with primary role of defining and implementing the development of technological platforms. Three years ago, she was appointed VP R&D Governance and joined the Technology corporate team to lead the Group’s Offer Creation Process transformation. Innovation to develop new values and efficiency in development are her favorite topics.

Mr. Briquet Claude, 57 years old, graduated from the Tarbes school of engineering and ENSEEIHT. He started his career in 1985 with Schneider Electric. He occupied different jobs, such as plant manager in Normandy or general manager of subsidiaries. He currently manages European industrial trading for imported or resale products. Elected for more than 20 years as employee representative in the FCPE supervisory board, he currently chairs 2 of the main funds. He represented employee shareholders in the Schneider Electric management board from 2008 to 2012.

Ms. Xiaoyun Ma, 53 years old, graduated from top Chinese universities, and started her career as a finance professional at an Audit firm (PWC). She joined Schneider Electric in 1997 as the controller of Medium Voltage company in Beijing China. Since then, Ma Xiaoyun has worked in many different controller and CFO positions, covering manufacturing, supply chain and front office, in the China and Asia Pacific zone, while getting a MBA the New York city university in 2004. She is currently the CFO for Schneider’s “Great China” zone, in charge of China daily finance operations, organization simplification and internal digital transformation. She has also been a director of about 40 Chinese companies and Asia Pacific entities within the Group in the past 10 years.

Mr. François Martin-Festa, 49 years old, is Offer Data & Digital Order manager within corporate Customer Experience. These initiatives aim at improving our digital Offer presentation and boosting adoption of our customer e-ordering platforms. Prior to this position, François led Supply Chain Planning & Logistics for the Group, Supply Chain Fulfillment Operations in Eastern and Central Europe (located in Hungary and Germany), Products and Equipment Manufacturing Operations and managed IT transformation projects in Turkey, South Africa and France, with a strong focus on client satisfaction.

Mr. Jean-Michel Vedrine, 55 years old, graduated from Clermont-Ferrand University and has a medal from the French National Defense. He started his career in 1983 within the Roanne Arsenal, but quickly joined Schneider Electric in Nanterre in its R&D center. In 1991, he moved to Angoulême, in charge of testing the new Industrial Control products, where Schneider had undisputed worldwide leadership. He contributed to the development of products outside France, and put the client at the heart of the testing process by going beyond the normative requirements. He has also promoted the local sales of Schneider products to employees.

If you approve the Twelfth resolution, the board of directors will comprise 41.7% of women, 58.3% of foreign directors and 75% of independent directors.

Indeed, the board of directors considers that in addition to Mr. Jean-Pascal Tricoire and the director representing employees, Mr Willy Kissling does not have the status of independent director. Under AFEP/MEDEF guidelines, he has lost that status due to his long years of service on the board. The other directors are independent.

**Review of attendance fees – Fifteenth Resolution**

In the Fifteenth Resolution, the board recommends increasing the maximum budget of attendance fees allocated to members of the board from EUR1,500,000 to EUR2,000,000, the net residual increase (EUR 250,000).

Firstly, starting 2017, in accordance with most common practices, it is intended to include in this budget the amount of Mr. Apotheker’s compensation on account of his role as Vice-Chairman Lead Independent Director for which the proposed amount for 2016 is EUR250,000.

The net residual increase (EUR250,000) is made with a view to taking into account the directors’ increasing workload. On this subject, the board held 8 meetings in 2016 lasting 6 hours on average (coming from 3 hours 50 minutes in 2013). The work of the committees has also significantly increased. Moreover, with the exception of the Chairman and CEO, the members of the board are all members of at least one committee, and almost 50% of them are members of 2 committees.

Furthermore, the board of directors also considers that a revaluation of the attendance fees allocated to directors is really necessary in order to attract the best international skills and to help the board expand into new economies and digital expertise. In this respect, it is worthwhile to note that the median compensation of S&P 500 US companies’ non-executive directors was USD 285,065 in 2015. More specifically, in the sector in which Schneider Electric operates, the average compensation allocated to directors of companies which are international competitors of Schneider Electric selected to calculate the criteria of TSR of the long-term incentive plan was EUR229,302 (excluding Japanese companies – see page 326 for details of the panel).

The increase that is proposed to you helps to bridge the gap between Schneider Electric and its competitors and to become more competitive by attracting international talent. In addition, the new distribution rules of attendance fees applied by the board of directors increase the difference between French residents and foreigners in order to be as close as possible to their respective markets and thus to boost this competitiveness without excessively burdening the company with the associated expenses.
Share buybacks – Sixteenth Resolution

We request that you renew the authorization given to the company by the Annual Shareholders’ Meeting of April 25, 2016, to buy back its shares by any appropriate method, pursuant to the provisions of article L. 225-209 of the French Commercial Code and European Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse (regulation concerning market abuse) which came into force on July 3, 2016.

The company buyback programs may have various objectives: to reduce share capital, cover stock purchase option plans or other share allocations to employees or corporate officers, fulfill obligations related to convertible bonds, and engage in market making as part of a liquidity contract, as well as engage in external acquisitions, in accordance with the regulations in force.

Shares bought back may be canceled under the authorization adopted by this Annual Shareholders’ Meeting (Twenty-seventh Resolution).

We remind you that Schneider Electric, in accordance with the announcement made in 2015 and restated in 2016, targeted a cumulative buyback amount of around EUR1.5 billion for the 2015-2016. These buybacks were part of a policy to neutralize the dilution resulting from capital increases linked to the acquisition of Invensys or reserved for employees, or resulting from performance action plans and the exercise of options.

As part of the authorization granted at the Annual Shareholders’ Meeting on April 21, 2015, and through implementation of the announced projects, Schneider Electric proceeded in 2015 and 2016 to a buy back of 25.5 million shares, for a total sum of EUR1.5 billion.

Further information on the company's share buyback programs can be found on page 302.

In the Sixteenth Resolution, you are requested to authorize the company to buy back shares representing a maximum of 10% of the issued capital as of the date of the Meeting (for reference purposes, based on the issued capital on December 31, 2016: 59,249,875 shares). The maximum purchase price is set at EUR90. We remind you that this authorization may not be used during public offer periods.

1.2 Extraordinary Meeting

Amendment of the articles of association – Seventeenth and Eighteenth Resolutions

The board of directors recommends you to amend article 11 of the articles of association pursuant to article L.225-27-1 of the French Commercial Code, which requires entry in the articles of association of the procedure for appointing directors representing employees.

After assessing the various options, at its meeting on December 15, 2016 the board of directors issued its decision on the appointment of director(s) representing employees by the trade union organization or, in the case of 2 directors representing employees, by each of the 2 trade union organizations which have obtained the highest number of votes during the first round of the elections mentioned in articles L.2122-1 and L.2122-4 of the French Labor Code in the company and its direct or indirect subsidiaries, having their registered office in France.

Under the amendment to the articles of association proposed to you, provision is made for establishing the principle based on which the board of directors includes one or 2 directors representing employees, depending on whether the number of directors is lower than or equal to 12, being specified that the director representing employee shareholders appointed in accordance with article L.225-23 of the French Commercial Code is not taken into account when calculating the number of directors.

When a single director representing employees should be appointed, this director will be designated by the trade union organization which has obtained the highest number of votes during the first round of the elections mentioned in articles L.2122-1 and L.2122-4 of the French Labor Code in the company and its direct or indirect subsidiaries, having their registered office in France. When 2 administrators representing the employees should be appointed, they are nominated by each of the 2 trade union organizations which have obtained the highest number of votes during the first round of these elections.

We submit to you the resolutions regarding the renewal of the existing delegations to increase the capital.

We remind you that Schneider Electric, in accordance with the Law of June 2017, has extended the authorization to the board of directors to increase the capital with or without shareholders’ preferential subscription rights – Nineteenth to Twenty-fourth Resolutions.

The term of office of directors representing employees is a renewable term of 4 years. Directors representing employees are not required to hold a minimum number of shares. Subject to the provisions of this article or of the law, they have the same status, the same rights and the same responsibilities as the other directors.

Such is the purpose of the Seventeenth Resolution.

Under the Eighteenth Resolution, we present 2 other amendments to the articles of association concerning article 19 to make it consistent with the amended laws.

Delegations of authority to the board of directors to increase the capital with or without shareholders’ preferential subscription rights

We submit to you the resolutions regarding the renewal of the existing delegations to increase the capital.

We remind you that the board of directors has been granted delegations of authority to issue, with or without shareholders’ preferential subscription rights, shares and securities granting access to the capital, in other words shares with subscription warrants, convertible bonds, share subscription warrants, etc.

The board of directors has not made use of these delegations which expire in June 2017 irrespective of the capital increases arising from use of the delegations relating to capital increases reserved for employees. The board of directors also recommends you, in accordance with the provisions of the French Commercial Code (article L. 225-129-2), to renew these delegations to increase the capital, with or without preferential subscription rights, for the same amounts and duration of 26 months. The total amount of the issues authorized remains unchanged, at EUR200 million shares, i.e. 33.75% of the capital.

The board of directors may not, without the prior authorization of the Annual Shareholders’ Meeting, make use of any of these delegations during a public offer period.
Under the Nineteenth Resolution, you are requested to delegate to the board of directors the authority to issue, in France and abroad, with or without shareholders’ preferential subscription rights, ordinary shares, and all other securities granting access to the capital, such as convertible bonds or those reimbursable in shares, bonds with share subscription warrants, etc. Under the Twentieth Resolution, you are also requested to grant the board of directors authorization to increase the capital by capitalizing reserves, earnings or additional issue premiums.

The maximum par value of capital increases with preferential subscription rights is limited, excluding capitalization of reserves, earnings or additional issue premiums, to EUR800 million, i.e. 200 million shares or, for indicative purposes, 33.75% of the capital. This amount is set, where applicable, subject to the rights of certain holders of equity securities in the case of issuance of new securities. The maximum par value of the capital increases arising from the capitalization of reserves, earnings or additional issue premiums shall be deducted from the overall capital increase ceiling of EUR800 million.

Under the Twenty-first Resolution, you are requested to authorize the board of directors to issue, on both the French and international markets, and without preferential subscription rights, the same securities as those referred to in the Nineteenth Resolution. In addition, pursuant to the Nineteenth and Twenty-first Resolutions, the board of directors may issue shares entitling the holder to securities which may grant access to the capital which would be issued, in agreement with the board of directors, by direct or indirect subsidiaries of Schneider Electric SE.

The maximum par value of capital increases without preferential subscription rights is limited to EUR230 million, i.e. 57.5 million shares or, for indicative purposes, 9.7% of the capital. This amount is deducted from the ceiling with a par value of EUR800 million established in the Nineteenth Resolution. However, it is set, where applicable, subject to the rights of certain holders of equity securities in the case of issuance of new securities.

The authority to issue without preferential subscription rights will therefore offer the board of directors the option of carrying out operations in which speed is a key success factor and which have the added benefit of applying for new public savings by issuing on foreign or international financial markets.

However, in such operations, shareholders’ rights will be maintained by:

- establishment of a mandatory priority subscription right for shareholders of 3 days minimum;
- the fact that the share issue price must be, pursuant to the provisions of the French Commercial Code, at least equal to the weighted average share price for the last 3 trading sessions prior to the day on which this price is set, potentially less a maximum discount of 5%.

The board of directors may also use this delegation for the purposes of paying for securities tendered in a public exchange offer initiated by the company, within the limits and under the conditions provided for in article L.225-148 of the French Commercial Code.

The Twenty-second Resolution is intended to enable the board of directors to increase, where applicable, the size of an issue which it has resolved to undertake under the Nineteenth or Twenty-first resolutions in the case of oversubscription. The additional capital increase, which may be undertaken within 30 days of closure of the initial subscription, may not exceed 15% of the initial issue and must be performed at the same price. However, it may not cause the maximum ceilings in place for capital increases to be exceeded.

The Twenty-third Resolution authorizes the board of directors to issue ordinary shares or securities granting access to the capital, up to the limit of 9.7% of the share capital, i.e. 57.5 million shares set in the Twenty-first resolution, to pay for contributions in kind consisting of equity securities or securities granting access to the capital of third-party companies when the provisions of article L.225-148 of the French Commercial Code are not applicable.

The Twenty-fourth Resolution gives the board of directors the option, up to a limit with a par value of EUR115 million, i.e. 28.75 million shares with a par value of EUR4, or, for indicative purposes, 4.85% of the capital, to undertake issues without preferential subscription rights on the markets in France and/or abroad of shares and/or securities granting access to the company’s capital or that of one of its subsidiaries, through private placement. We remind you that to enable companies to optimize their access to capital markets and to enjoy the best market conditions, the French Monetary and Financial Code offers this option to undertake capital increases through private placement. Private placements are operations without preferential subscription rights, which are intended exclusively for (i) individuals providing a portfolio management investment service on behalf of third parties or (ii) qualified investors or a limited group of investors, provided that they are acting on their own behalf. Under the terms of the Twenty-fourth Resolution, it is provided that in the case of issue through private placement, the issue price of new shares must be at least equal, at the discretion of the board of directors, to:

(i) the weighted average share price on the regulated Euronext Paris market of the share over a maximum period of 6 months prior to the date on which the issue price is set; or

(ii) the volume-weighted average price on the Euronext Paris regulated market prior to the setting of the issue price, potentially less, in both cases, a maximum discount of 5%.

This derogation from the provisions of article R. 225-19 of the French Commercial Code allows the board of directors to set the share price according to a minimum stock-exchange price representative of the intrinsic value as assessed by the board of directors and to neutralize, during the period of setting the share price, effects of speculation or excessive price volatility.

Operations carried out under this delegation shall be deducted from the maximum budget of EUR230 million set in the Twenty-first Resolution.

With all of these financial authorizations, the board of directors shall have the required flexibility in its selection of possible issues and may adapt the type of the securities to be issued based on demand and the conditions of French, foreign or international financial markets.
Capital increases reserved for employees with cancelation of preferential subscription rights of shareholders – Twenty-fifth and Twenty-sixth Resolutions

Schneider Electric is convinced of the importance of developing the company’s employee shareholding base and issues new shares to employees each year. As of December 31, 2016, employees were holding 4.46% of the capital.

We remind you that the Twenty-first and the Twenty-second Resolutions of the Annual Shareholders’ Meeting of April 25, 2016, authorized the board of directors to issue shares reserved for employees participating in the Employee Stock Purchase Plan within the limit of 2% of the share capital, and to issue shares reserved for employees of foreign Group companies or entities set up on their behalf, within the limit of 1% of the share capital.

As part of these authorizations, at its meetings of December 15, 2016 and February 15, 2017, the board of directors decided to renew the annual employee shareholder plan in 2017 within a limit of 3.7 million shares (approximately 0.62% of the capital). This plan, which will not include a leveraged offer, will be offered in 32 countries representing more than 80% of the Group’s employees. The shares will be offered with a discount on the share price of 15% (i.e. within the prescribed limit of 20%) to all subscribers and a maximum employer contribution of EUR1,400.

The company carried out capital increases reserved for Group employees in 2016 (WESOP 2016). These transactions are presented on page 304 of this registration document.

To allow for the implementation of a new global employee share ownership plan in 2017, you are requested to renew these authorizations under the same conditions.

Such is the purpose of the Twenty-fifth and Twenty-sixth Resolutions.

Under the Twenty-fifth Resolution, you are requested to grant the board of directors the authority to carry out capital increases reserved for employees members of the Employee Stock Purchase Plan within the limit of 2% of the company’s capital, with the provision, that the maximum discount at which the shares could be offered is set at 20%.

This authority requires shareholders to waive their preferential subscription right in favor of members of the Employee Stock Purchase Plan. It is valid for a period of 26 months; the authority in force as voted by the Annual Shareholders’ Meeting of April 25, 2016 in its Twenty-first Resolution shall cease to be effective as from June 30, 2017.

The maximum nominal amount of capital increases carried out on the basis of the Twenty-fifth Resolution will be deducted from the ceilings outlined in the Nineteenth and Twenty-first Resolutions of the Annual Shareholders’ Meeting.

Under the Twenty-sixth Resolution, we request you to renew the authorization to carry out capital increases reserved for employees of non-French Group companies or to entities set up on their behalf. We remind you that the authorization will not exceed 1% of the capital. The issues to be carried out will be deducted from the ceiling of 2% of the capital set for the issuance of shares to employees who are members of the Employee Stock Purchase Plan. At the discretion of the board of directors, the issue price will be based on either (i) the opening or closing price of the company’s shares quoted on the trading day on which the decision of the board or its delegate setting the issue price is made, or (ii) the average of the opening or closing prices quoted for the company’s shares over the 20 trading days preceding the decision of the board or its delegate setting the issue price under the Twenty-fifth Resolution of this Annual Shareholders’ Meeting. A maximum discount of 20% may be applied in relation to the benchmark stock price. The application of such a discount will be assessed by the board of directors in consideration, in particular, of the legal, regulatory and tax regulations of the foreign legal system applicable to beneficiaries of the issue. Issues performed will be deducted from the ceiling of 2% provided for by the Twenty-fifth resolution.

This authorization is valid for a period of 18 months and may only be used on or after August 1, 2017. As from August 1, 2017, it shall supersede the existing authorization granted in the Twenty-second resolution adopted by the Annual Shareholders’ Meeting of April 25, 2016 for the amounts remaining unused at July 31, 2017.

Authorization granted to the board of directors to cancel, as required, company shares purchased under conditions established by the Annual Shareholders’ Meeting, up to a maximum equal to 10% of the share capital – Twenty-seventh Resolution

Under the Twenty-seventh Resolution, we request you to grant the board of directors authority to undertake share cancellations up to a limit of 10% of the capital, over a period of 24 months from the date of the Annual Shareholders’ Meeting, to reduce the dilutive effect of capital increases undertaken or to be undertaken due mainly to the exercise of subscription options or capital increases reserved for employees, and to put in place, where applicable, share buyback programs for own shares with the aim of reducing the capital.

We remind you that the authorization granted by the Annual Shareholders’ Meeting of April 25, 2015, which is due for expiry on April 24, 2017, has not been used.

Finally, under the Twenty-eighth Resolution we request you to grant us the powers necessary to carry out the formalities.
2. Report of the Vice-Chairman independent lead director of the board of directors (for the period January-December 2016)

Mr. Leo Apotheker hereby reports on the work he carried out in 2016 as part of his administrative functions as Vice-Chairman independent lead director.

At the Annual Shareholders’ Meeting of April 25, 2016 where Mr. Leo Apotheker was re-elected as director, the board of directors appointed him as Vice-Chairman independent lead director for the term of his office.

1. Powers of the Vice-Chairman independent lead director

The Vice-Chairman independent lead director is appointed by the board of directors in pursuance of article 12 of the by-laws, which provide for the appointment of a Vice-Chairman with the function of a Senior Independent Director if the roles of Chairman and CEO are combined.

In compliance with article 12 of the by-laws, the duties of the Vice-Chairman lead director are defined by the internal regulations of the board of directors. Those internal regulations and the charter for the Vice-Chairman lead director can be found on pages 341 to 347. They are also published on the Company’s website, www.schneider-electric.com.

2. Activities of the Vice-Chairman independent lead director

Information of the Vice-Chairman independent lead director

To be able to carry out his duties, the Vice-Chairman lead director must have excellent knowledge of the Group and be particularly well informed about its business performance.

As such, the Vice-Chairman is kept informed of current events and the performance of the Group through weekly exchanges with the Chairman and CEO. He has met all members of the Group Executive Committee.

The Vice-Chairman has pursued his regular interactions with managers and other employees of the Group as well as visits to various entities. He is kept informed of the evolution of the competitive environment, technological breakthroughs and business opportunities. Besides being the Chairman of the Governance and Remunerations Committee, he is also participating to the Strategy Committee.

Participation in the preparation of the meetings of the board

The Vice-Chairman lead director participated in the preparation for meetings of the board of directors. As a result, he has participated in all the “pre-Board” meetings. Each meeting of the board of directors is preceded by two pre-Board meetings, in which the Chairman, the Vice-Chairman lead director, the Deputy Chief Executive Officer and the Secretary of the board of directors review the topics and issues addressed by the committees, and establish the agenda prepared by the Chairman and the content of the meeting file.

Executive sessions

The Vice-Chairman lead director presides over the executive sessions. He makes the decision on holding them after consultation with the members of the board of directors. The item shall be included on the agenda of every meeting of the board of directors.

The board of directors held three executive sessions during which its members expressed their views and observations on the organisation and composition of the senior management and the functioning of the board and its committees. They also exchanged views about various aspects of the Group’s strategy, and about the succession plan of the Chairman.

The Vice-Chairman lead director returned the conclusions to the Chairman that same day.

Interaction with shareholders

The Vice-Chairman lead director has met with individual shareholders and the Shareholders’ Advisory Committee. He has also met with several institutional investors to present to their governance analysts Schneider Electric’s governance principles. The conclusions of these meetings have been reported to the Governance and Remunerations Committee and to the board.

Other duties

The Vice-Chairman lead director conducted the annual discussion on the functioning of the board of directors with the assistance of the secretary of the board of directors. He notably followed-up on the areas for improvement identified by the board in the course of its self-assessment conducted in 2015. The conclusions of this discussion are presented on page 136 of the registration document.

The Vice-Chairman lead director has also had frequent contacts with each of the directors.

He ensured that there was no conflict of interest within the board of directors, which he would have been responsible for bringing to the attention of the Chairman.

(1) However in pursuance of the amended AFEP-MEDEF Code of November 2016, Mr. Apotheker will lose his independent status at the 2019 Shareholders’ Meeting.
3. Exhibits to the board of directors’ report: internal regulations of the board and charter of the Vice-Chairman independent lead director

3.1 Internal regulations of the board of directors of Schneider Electric SE

Schneider Electric refers to the AFEP/MEDEF Corporate Governance Code.

The present internal regulations have been drawn up in application of article 13.7 of the company’s articles of association.

The board of directors adopted these regulations on April 25, 2013 and amended them on February 15, 2017.

ARTICLE 1 – Method of exercising general management – Chairmanship and Vice-Chairmanship of the board of directors

A. Method of exercising general management

1. General management of the company is under the responsibility of either the Chairman of the board of directors, who will then go by the title of Chairman and Chief Executive Officer, or of another physical person appointed by the board of directors going by the title of Chief Executive Officer.

2. The board of directors decides between these 2 methods of exercising general management at the time when the Chairman 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 and Chief Executive Officer, it will deliberate this choice every year.

3. In order to maintain continuity in the company’s operation if the Chairman serving as CEO leaves his role or is prevented from doing so, the Deputy CEO(s) shall take the interim responsibility for general management functions in the company, unless otherwise decided by the board, until such time as a new CEO is appointed. The Vice-Chairman shall temporarily take the presidency of the board of directors.

B. Chairman of the board of directors

1. The board of directors shall elect a Chairman amongst its members. The Chairman shall be appointed for a period that can be no longer than his term of office as a director. The Chairman is eligible for re-election. He may be removed from office by the board of directors at any time.

2. The Chairman of the board of directors organizes and manages the board’s works, and reports on these works at the Annual General Shareholders’ Meeting.

3. The Chairman of the board of directors sets the agenda and the schedule for Board meetings with assistance from the Vice-Chairman lead director.

4. The Chairman of the board of directors ensures that the different corporate bodies operate correctly and especially that the directors are in a position to fulfill their mission. The Chairman may request any document or item of information useful to enlighten the board of directors when preparing its meetings.

C. Vice-Chairman of the board of directors – lead independent director

1. The board of directors may appoint a Vice-Chairman. The Vice-Chairman shall be appointed for a period that may not be any longer than his term of office as a director. The Vice-Chairman is eligible for re-election. The Vice-Chairman may be removed from office by the board of directors at any time.

2. The Vice-Chairman shall preside over Board meetings in the absence of the Chairman.

The Vice-Chairman shall be called upon to replace the Chairman of the board of directors in the event of any temporary inability of the latter to fulfill his functions or his death. In the event of the Chairman’s inability to fulfill his functions, he will be replaced by the Vice-Chairman as long as his inability may last and, in the case of his death, until the election of a new Chairman.

3. In exception to 1 above, and in compliance with article 12.2 of the articles of association, the appointment of a Vice-Chairman is compulsory if the roles of Chairman and CEO are combined. In this case, the Vice-Chairman also takes on the role of lead independent director. In this respect:

- the Vice-Chairman is kept informed of major events in Group life through regular contacts and monthly meetings with the Chairman serving as CEO;

- the Vice-Chairman is consulted by the Chairman serving as CEO on the agenda and the sequence of events for every board meeting as well as on the schedule for board meetings;

- the Vice-Chairman may convene executive sessions with non-executive members of the board of directors, over which he will preside. An executive session shall be included on the agenda of every board meeting. It is the Vice-Chairman’s responsibility to decide whether it should be held or not. It is therefore held as decided by the Vice-Chairman, either directly before or after each board meeting. In addition, the Vice-Chairman may convene an executive session between 2 board meetings. Any director may ask the Vice-Chairman to convene an executive session;

- the Vice-Chairman shall promptly report to the Chairman serving as CEO on the conclusions of executive sessions;
ARTICLE 2 – Roles and powers of the board of directors

1. The board of directors shall determine Company business policies and ensure that they are implemented. Subject to the powers expressly conferred to Annual General Shareholders’ Meetings and within the limit of the corporate purpose, it shall deal with any issue affecting the Company’s efficient operation and take business decisions within its remit.

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;
   ✦ appoint executive corporate officers and also remove them from office (Chief Executive Officer, deputy Chief Executive Officers) as well as to set their remuneration and the benefits granted to them;
   ✦ co-opt directors whenever necessary;
   ✦ convene Annual General Shareholders’ Meetings;
   ✦ approve corporate and consolidated accounts;
   ✦ draw up management reports and reports for Annual General Shareholders’ Meetings;
   ✦ draw up management planning documents and the corresponding reports;
   ✦ approve the report drawn up by the Chairman of the board of directors as provided for in article L.225-37 of the French Commercial Code;
   ✦ 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;
   ✦ authorize the issue of bonds;
   ✦ decide on the handing out of options or restricted/ performance shares within the limits of authorizations given at Annual General Shareholders’ Meetings;
   ✦ authorize statutory conventions (conventions covered by article L.225-38 and following of the Commercial Code);
   ✦ authorize the issue of sureties, endorsements and guarantees;
   ✦ decide on the constitution of study committees and name their members;
   ✦ decide on the dates for the payment of dividends and any possible down-payments on dividends;
   ✦ distribute directors’ fees allocated at the Annual General Shareholders’ Meeting amongst members of the board of directors.

In compliance with the provisions set forth in the Commercial Code, the board of directors delegates all powers to the Chairman serving as CEO (or the CEO if appropriate):
   ✦ for issuing, with the possibility of sub-delegating, sureties endorsements or guarantees within a maximum annual sum of EUR500 million, limited per surety, endorsement or guarantee to:
      (i) EUR150 million for commitment guarantees made by Group subsidiaries for Group financial optimization operations,
      (ii) EUR250 million for commitment guarantees made by Group subsidiaries, for taking over the company’s commitments whenever acquisition operations are made on companies or business activities,
      (iii) EUR100 million for other guarantees.

The above limits are not applicable to any sureties, endorsements and guarantees that may be issued with regard to tax or customs authorities;
   ✦ for formally noting any increases in capital following conversions of convertible bonds, exercising warrants and stock options, as well as subscribing to capital securities or shares giving access to company capital in the context of increases in capital reserved for employees and carrying out all prior and subsequent formalities related to any such changes in capital and to any modifications to the articles of association.

3. To enable the board to exercise its duties as defined in 1 and beyond its specific powers summarized in 2, the board of directors:
   ✦ shall be informed by its Chairman or by its committees of any significant event concerning the company’s efficient operation as well as the successful conclusions of any significant projects;
   ✦ shall give prior authorization for:
      ✦ all disposals or acquisitions of holdings or assets by the company or by a company in the Group for a sum of more than EUR250 million,
      ✦ concluding any strategic partnership agreement;
   ✦ shall make an annual review of its composition, its organization and its operation;
shall be consulted for its opinion prior to acceptance by the Chief Executive Officer or deputy executive officers of any corporate appointment in a listed company outside the Group.

4. The works of the board of directors and its committees shall be included in the annual report.

ARTICLE 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 nationality;
- that it protects the independence of the board through the competence, availability and courage of its members;
- that it pursues its objective of feminizing the board of directors in compliance with the legal principle of attaining balanced representation between men and women on the board;
- that it appoints persons with the expertise required for developing and implementing Group strategy;
- that 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;
- that 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.

ARTICLE 4 – Meetings of the board of directors

1. The board of directors shall meet whenever the interests of the company so require and at the least 6 times per year, including one meeting for examining strategy in detail. Notices to attend shall be issued by all means, including orally. They shall be sent via the secretary of the board.

2. Board meetings shall be convened by the Chairman or, if such person is unable to do so, by the Vice-Chairman. Moreover, if no Board meeting takes place for over 2 months, the Chairman must 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 or themselves, stating the agenda of the proposed meeting. Similarly, the Chief Executive Officer, if he is not Chairman of the board of directors may also address a request to the Chairman 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.

3. Any member of the board may appoint another member to represent him 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 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. However, in accordance with applicable laws, for the purposes of checking and controlling annual accounts, consolidated accounts 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 accordance with applicable laws, for the purposes of checking and controlling annual accounts, consolidated accounts 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.

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

4. Besides the secretary of the board, the Deputy CEO in charge of finance 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.

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.

ARTICLE 5 – Information for 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 Chairman serving as CEO (and, if appropriate, to the CEO), 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 main company executives. They shall inform the Chairman serving as CEO (and, if appropriate, the CEO) thereof. The Chairman serving as CEO shall meet each member of the board individually once a year.
ARTICLE 6 – The status of members of the board of directors

1. Members of the board of directors shall represent all the shareholders and shall act in the interests of the company in all circumstances.

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 term of office and shall be invited to resign from the board of directors or the committee concerned, as appropriate.

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.

4. Directors may not exercise more than 4 other terms of office in listed companies outside the Group.

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. 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 registration document;

✦ upon occurrence of any event 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-Chairman lead 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 to the discussions nor to the vote of the corresponding decision and may be invited to leave the meeting of the board of directors when the decision is debated.

7. During their term of office, members of the board of directors, to the exclusion of the directors representing employees, shall possess at least 1,000 shares in Schneider Electric SE. For applying this obligation, except for 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 Company shares can be taken into account. The Schneider Electric shares that they hold shall either be in purely registered (nominatif pur) or in managed registered (administré) form.

8. Members of the board of directors shall inform the financial market authority within 3 business days from the completion of the operation, by 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.

8A. 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”), to whom they shall notify their individual duties to inform the 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 8 above.

9. Members of the board of directors undertake to comply with the internal rules of conduct governing the Group’s stock-market code of ethics, of which they have received a copy, with respect to their personal financial transactions. In consequence, members of the board of directors may not acquire or dispose of options or any other derivative relating to Schneider Electric SE shares, except authorized hedging of stock-options plans in order to hedge stock option plans (eg: hedging of shares subscribed upon exercise of options).

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 privileged 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.

10. Members of the board of directors shall attend Annual General Shareholders’ Meetings.

11. Members of the board of directors shall be remunerated by the payment of directors’ fees allocated at Annual General Shareholders’ Meetings. The said amount will be divided by the board of directors amongst its members.

Missions entrusted to the Vice-Chairmen Lead director shall give rise to exceptional remuneration covered by the statutory conventions regime.

12. Travelling expenses, notably including hotel and restaurant expenses, incurred by the members of the board of directors further to the performance of their duties, shall be borne by the company on production of supporting documents.

ARTICLE 7 – Non-voting directors

The non-voting directors 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 committee.

They shall act in the interests 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.
ARTICLE 8 – The committees of the board of directors

1. The committees created by the board of directors shall be as follows:
   - Governance and remunerations committee;
   - Audit and risks committee;
   - Human Resources and Social Responsibility committee;
   - Strategy Committee.

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.

3. The Chairmen and members of the committees shall be appointed by the board of directors. However, the Vice-Chairman lead director shall preside over the Governance and remuneration committee. They shall be appointed in a personal capacity and may not be represented. Every 4 years, the board reviews the Chairmanship of the committees.

4. 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.

5. Committees shall meet on the initiative of their Chairman or on request from the Chairman of the board of directors or the CEO.

6. Committee meetings shall be held at the company’s registered offices or any other place decided upon by the Chairman of the committee with an agenda prepared by the latter. If necessary they may be held by audio or video conference.

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.

ARTICLE 9 – The Audit and risks committee

1. Membership and operation of the Audit committee:

The committee shall be comprised of at least 3 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 Deputy CEO in charge of finance shall act as the Audit committee’s contact.

The secretary of the board shall act as secretary to the Audit committee.

The committee shall meet at least 5 times a year. The Chairman 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 accounts, by the statutory auditors. The committee may invite any person it wishes to hear to its meetings. It may also require the CEO to provide any documents it deems to be useful.

Outside the presence of company representatives, the committee shall regularly hear the statutory auditors and its Chairman the Internal Audit Director.

2. The duties of the Audit committee:

The Audit committee monitors questions on drawing up and controlling accounting and financial information. It prepares the board of directors’ decisions in these domains. It makes recommendations to the board and gives its opinions. For this purpose:

- it shall prepare for annual and half-yearly accounts to be approved by the board and therefore, more particularly:
  - checks the appropriateness and consistency of the accounting methods used for drawing up consolidated and corporate accounts, 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;
  - examines off-balance-sheet risks and commitments as well as the cash situation;
  - examines the process for drawing up financial information;
  - it acquaints itself with the annual report, which has reference document status, the 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;
  - it handles 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;
  - after a consultation process, it shall suggest reappointing the existing statutory auditors or appointing new statutory auditors;
  - it shall 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 legal control of accounts;
it monitors the efficiency of internal control and risk management systems. For this purpose:

-it shall examine the organization and resources used for internal audit, as well as its annual work program. It shall receive summaries of reports produced on audits on a quarterly basis. However, the Chairman of the committee shall receive these reports in full,

-the committee shall examine operational risk-mapping and make sure that measures exist for preventing or minimizing risks,

-it shall examine how to optimize risk coverage on the basis of reports requested from Internal Audit,

-it shall examine Group internal control measures and look into the results of entities' self-assessments with regard to internal control. It shall ensure that a relevant process exists for identifying and processing incidents and anomalies,

-it shall acquaint itself with the draft report on internal control drawn up by the Chairman of the board of directors,

-it shall examine rules of good conduct notably concerning competition and ethics and the measures implemented to ensure that these rules are circulated and applied.

The Audit committee shall examine proposals for distribution as well as the amount of financial authorizations submitted for approval at Annual General Shareholders’ Meetings.

The Audit committee shall examine all financial and accounting questions and questions related to risk-management submitted to it by the board of directors.

The Audit committee shall present the results of its duties to the board together with any follow-up actions that it proposes to take. The Chairman of the Audit committee shall keep the Chairman and the Vice-Chairman lead director promptly informed of any difficulties encountered by the committee.

ARTICLE 10 – Governance and remuneration committee

1. Membership and operation of the Governance and remuneration committee

The committee shall be comprised of at least 3 members.

The Governance and remuneration committee shall be presided by the Vice-Chairman lead director. Failing this, the board shall appoint the Chairman of the committee.

The secretary of the board shall be the secretary of the Governance and remuneration committee.

The committee shall meet at the initiative of its Chairman. The agenda shall be drawn up by the Chairman of the committee after consultation with the Chairman of the board of directors. The committee shall meet at least 3 times a year.

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

2. The Governance and remuneration committee’s duties

The committee will formulate proposals to the board of directors in view of any appointment made:

(i) To the board of directors:

- Directors or non-voting directors,

Chairman of the board of directors, Vice-Chairman and Vice-Chairman lead director,

Chairmen and members of committees;

(ii) For general management of the company. The committee will also give its opinion to the board on nominations for any Deputy CEO.

The committee shall formulate proposals to the board of directors on remuneration of executive corporate officers (Chairman of the board of directors and/or CEO, Deputy CEO) on the value of handing out any options or shares to executive corporate officers, and any forms of benefit granted to them. In this respect, it shall prepare annual assessments of the persons concerned.

The committee shall propose measures to the board of directors that will reassure both shareholders and the market that the board of directors carries out its duties with all necessary independence and objectivity. For this purpose, it will organize for yearly assessments to be made of the board of directors. It shall make proposals to the board of directors on:

-determining and reviewing directors’ independence criteria and directors’ qualifications with regard to criteria,

-missions carried out by the committees of the board of directors;

-the evolution, organization and operation of the board of directors;

-the Company’s use of national and international corporate governance practices;

-the total value of directors’ fees proposed at Annual General Shareholders’ Meetings together with their allocation amongst members of the board of directors.

ARTICLE 11 – Human Resources and Social Responsibility committee

1. Membership and operation of the Human Resources and Social Responsibility Committee

The committee shall be comprised of at least 3 members.

The director of Group Human Resources shall be secretary to the Human Resources and Social Responsibility committee.

The committee shall meet at the initiative of its Chairman. The agenda shall be drawn up by the Chairman of the committee after consultation with the Chairman serving as CEO. The committee shall meet at least 3 times a year.

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

2. The committee’s duties

The committee shall formulate proposals to the board of directors on setting up plans for share subscription or purchase options and the handing out of restricted shares.

The committee shall formulate projects on proposals made by general management on:

-remuneration for members of the Executive Committee;

-principles and conditions for determining the remuneration of Group executives.

The committee shall be informed of any nomination of members of the Executive Committee and of main Group executives.

It shall examine succession plans for key Group executives.
The committee shall prepare the board of directors’ deliberations on (i) employee shareholder development, (ii) reviews made by the board on social and financial impacts of major re-organization projects and major human resource policies, (iii) monitoring management of risks related to Human Resources and (iv) examining the different aspects of the Group “CSR” policy.

ARTICLE 12 – Strategy Committee

1. Membership and operation of the Strategy Committee

The committee shall be comprised of at least 3 members.

The director of Group Strategy will be secretary to the Strategy Committee.

The committee shall meet at the initiative of its Chairman. The agenda shall be drawn up by the Chairman of the committee after consultation with the Chairman serving as CEO. The committee shall meet at least 3 times a year.

In order to carry out its assignments, the committee may hear any person it wishes and call upon the Strategy Director.

2. The Strategy Committee’s duties

The committee prepares the board of directors’ deliberations on strategic matters. For this purpose:

- it gives its opinion to the board of directors on the major acquisition, joint-venture and disposal projects that are presented to the board for authorization, for which it may have to conduct narrow studies;
- it prepares the agenda of the annual off-site strategy session;
- it looks in detail at certain strategic matters on behalf of the board;
- it gives the board its view and understanding of major tendencies that are relevant to Group business activities.

ARTICLE 13 – 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 the Schneider Electric Group. They may be modified at any time solely by deliberation of the board of directors.

3.2 Charter of the Vice-Chairman independent lead director

1. The board of directors may appoint a Vice-Chairman. The Vice-Chairman shall be appointed for a period that may not be any longer than his term of office as a director. The Vice-Chairman is eligible for re-election. The Vice-Chairman may be removed from office by the board of directors at any time.

2. The Vice-Chairman shall preside over Board meetings in the absence of the Chairman.

The Vice-Chairman shall be called upon to replace the Chairman of the board of directors in the event of any temporary inability of the latter to fulfill his functions or his death. In the event of the Chairman’s inability to fulfill his functions, he will be replaced by the Vice-Chairman as long as his inability may last and, in the case of his death, until the election of a new Chairman.

3. In exception to 1 above, and in compliance with article 12.2 of the articles of association, the appointment of a Vice-Chairman is compulsory if the roles of Chairman and CEO are combined. In this case, the Vice-Chairman also takes on the role of independent lead director. In this respect:

- the Vice-Chairman is kept informed of major events in Group life through regular contacts and monthly meetings with the Chairman serving as CEO;
- the Vice-Chairman is consulted by the Chairman serving as CEO on the agenda and the sequence of events for every Board meeting as well as on the schedule for Board meetings;
- the Vice-Chairman may convene executive sessions with non-executive members of the board of directors, over which he will preside. An executive session shall be included on the agenda of every Board meeting. It is the Vice-Chairman’s responsibility to decide whether it should be held or not. It is therefore held as decided by the Vice-Chairman, either directly before or after each Board meeting. In addition, the Vice-Chairman may convene an executive session between 2 Board meetings. Any director may ask the Vice-Chairman to convene an executive session;
- the Vice-Chairman shall promptly report to the Chairman serving as CEO on the conclusions of executive sessions;
- the Vice-Chairman shall draw the attention of the Chairman and of the board of directors to any possible conflicts of interest that he may have identified;
- the Vice-Chairman is Chairman of the Governance committee;
- like any other member of the board, the Vice-Chairman may attend any meetings of committees of which he is not a member;
- in order to complement his knowledge, the Vice-Chairman may meet the Group’s leading managers and visit company sites;
- the Vice-Chairman carries out annual and biennial assessments of the board of directors and, in this context, assesses the actual contribution of every member of the board to the board’s works;
- the Vice-Chairman shall report on his actions at Annual General Shareholders’ Meetings;
- the Vice-Chairman shall meet any shareholder who wishes so and inform the board of their concerns on governance matters.

4. The Vice-Chairman lead director must be an independent member of the board, as defined in the criteria published by the company.

As a transitional measure, article 12.2 of the articles of association provides for the first Vice-Chairman lead director to be the former Chairman of the supervisory board for the remaining duration of his term of office.
4. Special reports from the statutory auditors

4.1 Statutory Auditors’ special report on regulated agreements and commitments

To the Shareholders,

In our capacity as Statutory Auditors of your company, we present our report on regulated agreements and commitments.

Our responsibility is to report to you, based on the information provided, on the main terms, conditions and the reasons for the interest of the company of agreements that have been disclosed to us or that we would have discovered at the time of our work, without commenting on their relevance or substance or researching the existence of other agreements. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Furthermore, it is our responsibility, if appropriate, to inform you of the information set forth in the provisions of article R. 225-31 of the French Commercial Code pertaining to the signing during the past year of agreements already approved by the shareholders at the Shareholders’ Meeting.

We have performed the procedures we deemed necessary in accordance with the professional guidelines of the Compagnie nationale des commissaires aux comptes («CNCC» or French Institute of Statutory Auditors) relevant to our task. Those standards require that we perform procedures to verify that the information given to us agrees with the underlying documents.

Agreements and commitments submitted to the shareholders for approval at the Shareholders’ Meeting

Pursuant to the provisions of article L. 225-40 of the French Commercial Code, we were informed of the following agreement, which was approved by your Board of Directors.

With Mr. Leo APOTHEKER (Vice-Chairman Independent Lead Director)

Mr. Leo APOTHEKER was reelected by the Shareholders’ Meeting of April 25, 2016 as Vice-Chairman Independent Lead Director for four years, until the Shareholders’ Meeting in 2020.

Mr. Leo APOTHEKER benefits from a remuneration of 250,000 euros per annum payable biannually, for his first year assignment as Vice-Chairman Independent Lead Director, pursuant to the statutes and internal guidelines of the Board of Directors.

The Board of Directors has justified this agreement as follows: it is in the company’s interest that Mr. Leo APOTHEKER continues the assigned work as Vice-Chairman Independent Lead Director, with the same dedication and expertise.

This agreement, which was signed on January 25, 2017, took effect on April 26, 2016, for one year.

Agreements and commitments previously approved by the Shareholders’ Meeting

Pursuant to the provisions of article R. 225-30 of the French Commercial Code, we were informed of the status of the following agreements and commitments already approved by the shareholders at the Shareholders’ Meetings in prior years, which were continued during the past financial year.

With Mr. Jean-Pascal TRICOIRE (Chairman & Chief Executive Officer)

Your Board of Directors, in its meetings of April 25, 2013, June 18/19, 2013, October 24, 2013 and February 18, 2015, authorized the commitments and agreements in favor of Mr. Jean-Pascal TRICOIRE as described hereunder:

Contingency and supplementary cover or insurance compensation plans

Mr. Jean-Pascal TRICOIRE benefits from the collective pension plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the supplementary sickness, incapacity, disability and death.

Mr. Jean-Pascal TRICOIRE benefits from the supplementary health, incapacity, disability and death cover available to the Group’s French senior executives as well as from coverage under the Group personal accident insurance policies.

Mr. Jean-Pascal TRICOIRE benefits from a spouse’s pension in the event that he should die before his retirement or before the end of his term of office, after 55 years of age without restarting work, following dismissal, or for reasons of a disability. The pension will equal 60 percent of 25 percent of average salaries paid over the three years preceding the date of death (or the date of departure if death should occur once he has left Schneider Electric) minus the amount of additional remuneration authorized by the Board of Directors, converted into a theoretical annuity equivalent that may be purchased upon death in conformity with insurance conditions (technical rate, mortality rate).

(1) The Board of Directors in its meeting of February 18, 2015, taking into consideration the fact that the corporate officers of the company are personally responsible for their top-hat pension plan, authorized the supplementary remuneration comprising an annual component and an exceptional component the aim of which is to create seed capital for the establishment of an additional pension benefit.
Mr. Jean-Pascal TRICOIRE benefits in the event of disability giving rise to the termination of all professional activity, the right to pension payments (payable to the surviving spouse at a rate of 60 percent) beginning from retirement equal to 25 percent of average salaries paid over the three years preceding the date of disability minus 1.25 percent per quarter of absence so as to obtain a full rate of pension and minus the amount of additional remuneration authorized by the Board of Directors, converted into a theoretical annuity equivalent that may be purchased upon disability in conformity with insurance conditions (technical rate, mortality rate).

Additionally, contingency and supplementary cover compensation for health, incapacity, disability and death inuring to the benefit of Mr. Jean-Pascal TRICOIRE shall be calculated on the basis of his overall remuneration (fixed/variable bonus and annual bonus).

In conformity with the French Commercial Code, these rights relating to contingency, supplementary cover or insurance compensation are conditioned on one of the following two criteria being present:

- Positive average net profit for the five years preceding the event, or
- Positive average free cash flow for the five years preceding the event.

**Involuntary Severance Pay Scheme**

Mr. Jean-Pascal TRICOIRE benefits from an Involuntary Severance Pay scheme (hereinafter “Compensation”). Compensation is capped, taking into account the non-compete compensation stipulated below, at twice the mathematical average of the effective annual remuneration for the last three years as authorized by the Board of Directors (hereinafter “Maximum Amount”). The right to Compensation shall be granted in the following cases:

- Dismissal, non-renewal or resignation as Chief Executive Officer in the six months following a material change in Schneider Electric’s shareholder structure that could change the membership of the Board of Directors;
- Dismissal, non-renewal or resignation as Chief Executive Officer in the event of a reorientation of the strategy pursued and promoted by him until that time, whether or not in connection with a change in shareholder structure as described above;
- Requested dismissal, non-renewal or resignation as Chief Executive Officer when the average rate of achievement of performance objectives used to calculate the variable bonus in the four full financial years preceding his departure was 66 percent.

The right to Compensation is subject to and shall depend on the rate of achievement of Group performance objectives used to determine part of the variable portion of Mr. TRICOIRE’s compensation for the three financial years preceding the date of the Board meeting at which the decision is made.

Hence, if the Group’s performance rate is:

- Less than two-third; no Compensation shall be awarded;
- Two-third; the interested party shall receive 75 percent of the Maximum Amount;
- Between two-third and 100 percent; he shall receive Compensation calculated on a straight-line basis at a rate of 75 to 100 percent of the Maximum Amount;
- At least 100 percent; he shall receive 100 percent of the Maximum Amount.

It is hereby stipulated that compensation of any kind whatsoever which should be awarded by companies of the Group in which Mr. Jean-Pascal TRICOIRE exercises duties and responsibilities shall be deducted from the amount due by Schneider Electric, it being expressly specified that i) such compensation shall be recognized exclusively as Involuntary Severance Pay due to Mr. Jean-Pascal TRICOIRE and that ii) in each and every case, such compensation may not exceed the amount of Involuntary Severance Pay defined above.

Involuntary Severance Pay shall not be due in the event that termination occurs as a result of serious or gross misconduct.

**Non-Compete Agreement**

Mr. Jean-Pascal TRICOIRE benefits from the non-compete agreement which shall not exceed one year and shall be remunerated in an amount not exceeding 60 percent of authorized target gross remuneration.

Should Mr. TRICOIRE leave involuntarily, the Board of Directors shall rule on the application or the non-application of the agreement, within a period not to exceed eight days from the date of departure.

Should his departure be voluntary, the non-compete agreement shall be binding and Mr. TRICOIRE will benefit from the remuneration if:

- He satisfies the conditions criteria regulating the payment of Involuntary Severance Pay, and;
- If he is not nor shall not be entitled to accumulate his non-compete compensation with payments from a pension plan.

**Stock Options, Free Shares or Performance Shares**

Mr. Jean-Pascal TRICOIRE retains forthwith, subject to performance criteria and only in the event of his Involuntary Departure, the benefit of all his stock options, free shares or performance shares or any other shares attributed to him.

The performance criterion depends on the mathematical average of the rate of achievement of Group performance objectives, used to determine Mr. Jean-Pascal TRICOIRE’s bonus for the three completed financial years preceding his departure and shall be equal to at least 66.67 percent of the target on the condition that Mr. Jean-Pascal TRICOIRE’s termination does not occur as a result of serious or gross misconduct.

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(1) The Board of Directors in its meeting of February 18, 2015, taking into consideration the fact that the corporate officers of the company are personally responsible for their top-hat pension plan, authorized the supplementary remuneration comprising: an annual component and an exceptional component the aim of which is to create seed capital for the establishment of an additional pension benefit.
With Mr. Emmanuel BABEAU (Deputy Chief Executive Officer)

Your Board of Directors, in its meetings of June 18/19, 2013, October 24, 2013 and February 18, 2015, authorized the commitments and agreements in favor of Mr. Emmanuel BABEAU as described hereunder:

Contingency and supplementary cover or insurance compensation plans

Mr. Emmanuel BABEAU benefits from the collective pension plan applicable to employees of Schneider Electric SE and Schneider Electric Industries SAS covering the supplementary sickness, incapacity, disability and death.

Mr. Emmanuel BABEAU benefits from the supplementary health, incapacity, disability and death cover available to the Group’s French senior executives as well as from coverage under the Group personal accident insurance policies.

Mr. Emmanuel BABEAU benefits from a spouse’s pension in the event that he should die before his retirement or before the end of his term of office, after 55 years of age without restarting work, following dismissal, or for reasons of a disability. The pension will equal 60 percent of 25 percent of average salaries paid over the three years preceding the date of death (or the date of departure if death should occur once he has left Schneider Electric) minus the amount of additional remuneration authorized by the Board of Directors\(^2\), converted into a theoretical annuity equivalent that may be purchased upon death in conformity with insurance conditions (technical rate, mortality rate).

Mr. Emmanuel BABEAU benefits, in the event of disability giving rise to the termination of all professional activity, the right to pension payments (payable to the surviving spouse at a rate of 60 percent) beginning from retirement equal to 25 percent of average salaries paid over the three years preceding the date of disability minus 1.25 percent per quarter of absence so as to obtain a full rate of pension and minus the amount of additional remuneration authorized by the Board of Directors\(^2\), converted into a theoretical annuity equivalent that may be purchased upon disability in conformity with insurance conditions (technical rate, mortality rate).

Additionally, contingency and supplementary cover compensation for health, incapacity, disability and death inuring to the benefit of Mr. Emmanuel BABEAU shall be calculated on the basis of his overall remuneration (fixed/variable bonus and annual bonus\(^3\)).

In conformity with the French Commercial Code, these rights relating to contingency, supplementary cover or insurance compensation are conditioned on one of the following two criteria being present:

- Positive average net profit for the five years preceding the event, or
- Positive average free cash flow for the five years preceding the event.

Involuntary Severance Pay Scheme

Mr. Emmanuel BABEAU benefits from an Involuntary Severance Pay scheme (hereinafter “Compensation”). Compensation is capped, taking into account the non-compete compensation stipulated below, at twice the mathematical average of the effective annual remuneration for the last three years as authorized by the Board of Directors (hereinafter “Maximum Amount”). The right to Compensation shall be granted in the following cases:

- Dismissal, non-renewal or resignation as Deputy Chief Executive Officer in the six months following a material change in Schneider Electric’s shareholder structure that could change the membership of the Board of Directors;
- Dismissal, non-renewal or resignation as Deputy Chief Executive Officer in the event of a reorientation of the strategy pursued and promoted by him until that time, whether or not in connection with a change in shareholder structure as described above;
- Requested dismissal, non-renewal or resignation as Deputy Chief Executive Officer when the average rate of achievement of performance objectives used to calculate the variable bonus in the four full financial years preceding his departure was 66 percent (including financial years during which he fulfilled responsibilities as a member of the Management Board).

The right to Compensation is subject to and shall depend on the rate of achievement of Group performance objectives used to determine part of the variable portion of Mr. BABEAU’s compensation for the three financial years preceding the date of the Board meeting at which the decision is made.

Hence, if the Group’s performance rate is:

- Less than two-third; no Compensation shall be awarded;
- Two-third; the interested party shall receive 75 percent of the Maximum Amount;
- Between two-third and 100 percent; he shall receive Compensation calculated on a straight-line basis at a rate of 75 to 100 percent of the Maximum Amount;
- At least 100 percent; he shall receive 100 percent of the Maximum Amount.

It is hereby stipulated that compensation of any kind whatsoever which should be awarded by companies of the Group in which Mr. Emmanuel BABEAU exercises duties and responsibilities shall be deducted from the amount due by Schneider Electric, it being expressly specified that i) such compensation shall be recognized exclusively as Involuntary Severance Pay due to Mr. Emmanuel BABEAU and that ii) in each and every case, such compensation may not exceed the amount of Involuntary Severance Pay defined above.

Involuntary Severance Pay shall not be due in the event that termination occurs as a result of serious or gross misconduct.

\(^{1}\) The Board of Directors in its meeting of February 18, 2015, taking into consideration the fact that the corporate officers of the company are personally responsible for their top-hat pension plan, authorized the supplementary remuneration comprising an annual component and an exceptional component the aim of which is to create seed capital for the establishment of an additional pension benefit.
Non-Compete Agreement

Mr. Emmanuel BABEAU benefits from the non-compete agreement which shall not exceed one year and shall be remunerated in an amount not exceeding 60 percent of authorized target gross remuneration.

Should Mr. BABEAU leave involuntarily, the Board of Directors shall rule on the application or the non-application of the agreement, within a period to not exceed eight days from the date of departure.

Should his departure be voluntary, the non-compete agreement shall be binding and Mr. TRICOIRE will benefit from the remuneration if:

- He satisfies the conditions criteria regulating the payment of Involuntary Severance Pay, and;
- If he is not nor shall not be entitled to accumulate his non-compete compensation with payments from a pension plan.

Stock Options, Free Shares or Performance Shares

Mr. Emmanuel BABEAU retains forthwith, subject to performance criteria and only in the event of his Involuntary Departure, the benefit of all his stock options, free shares or performance shares or any other shares attributed to him. The performance criterion depends on the mathematical average of the rate of achievement of Group performance objectives, used to determine Mr. Emmanuel BABEAU's bonus for the three completed financial years preceding his departure and shall be equal to at least 66.67 percent of the target on the condition that Mr. Emmanuel BABEAU’s termination does not occur as a result of serious or gross misconduct.

With Mr. Leo APOTHEKER (Vice-Chairman Independent Lead Director)

Your Board of Directors, in its meeting of May 6, 2014, authorized the remuneration of Mr. Leo APOTHEKER with regard to his assignments as Vice-Chairman Independent Lead Director pursuant to the statutes and internal guidelines of the Board of Directors, in the amount of 250,000 euros per annum payable biannually.

The agreement was approved by the Shareholders’ Meeting of April 21, 2015.

With Mr. Henri LACHMANN (Director until April 25, 2016)

Your Supervisory Board, in its meeting of May 3, 2012, authorized the signature on the same day of an insurance contract for defined benefit company pensions (Article L.137-11 of the Social Security Code) with AXA France Vie, in order to outsource commitments under the 1995 Senior Executive Plan (closed article 39 plan), from which the former Chairman of the Supervisory Board - retired - benefits.

The principle of this outsourcing was authorized by the Supervisory Board meeting of December 15, 2010.

The nature of the contract’s guarantees and the implementation and operation methods were defined in accordance with legislative and regulatory provisions. The contract was agreed with normal insurance contract conditions, under which implementation depends on duration of human life.

It aims to guarantee payment of annuity arrears due under the rules of the different plans for contracting companies. It took effect on April 30, 2012 and can be terminated each year by the parties provided notice is given before October 31 that will take effect on December 31 of the same year.

The amount of the premiums for pre-financing of possible liabilities related to past services is determined by considering the periodic actuarial analyses. The financing of benefits for which payment is transferred to the insurer is calculated by the latter, on the basis of the regulatory tables.

Schneider Electric did not pay any premium in 2016.

Mr. Henri LACHMANN is no longer concerned by this regulated agreement since the Shareholders’ Meeting of April 25, 2016.

Signed in Paris-La Défense and in Courbevoie, on March 15, 2017

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves Jégourel

MAZARS
Loic Wallaert

4.2 Statutory auditors’ report on the issuance of shares and/or various securities with or without preferential subscription rights

To the Shareholders,

In our capacity as Statutory Auditors of your company and in compliance with articles L.228-92 and L.225-135 et seq. of the French Commercial Code (Code de commerce), we hereby present our report on the proposals for delegation to the board of directors of various issues of ordinary shares and/or securities upon which you are called to vote.
On the basis of its report, your board of directors proposes:

- To delegate to the board, with the right of subdelegation, for a period of 26 months from the date of this shareholders’ meeting, the competence to decide on the following transactions and to set the definitive terms and conditions for these issues and proposes, where relevant, to cancel your preferential subscription right:
  - an issue of ordinary shares and/or securities giving access to the ordinary shares of the company or, in accordance with article L.228-93 of the French Commercial Code, of any company in which it owns directly or indirectly more than half the share capital, with preferential subscription rights (19th resolution).
  - an issue of ordinary shares and/or securities giving access to the ordinary shares of the company or, in accordance with article L.228-93 of the French Commercial Code, of any company in which it owns directly or indirectly more than half the share capital, without preferential subscription rights by means of a public offering (21st resolution); it being specified that these securities may be issued as payment for securities tendered to the company in the context of a takeover bid for securities meeting the conditions laid down by article L.225-148 of the French Commercial Code and that, moreover, in accordance with article L.228-93 of the French Commercial Code, the shares may be issued as a result of the issuance, by companies in which it owns directly or indirectly more than half the share capital, of securities giving access to the company’s ordinary shares,
  - an issue of ordinary shares and/or securities giving access to the ordinary shares of the company or, in accordance with article L.228-93 of the French Commercial Code, of any company in which it owns directly or indirectly more than half the share capital, of securities giving access to the company's ordinary shares,
- to authorize the board, within the framework of the implementation of the delegation referred to in the 24th resolution, to fix the issue price within the annual legal limit of 10 percent of share capital,
- to delegate to the board, with the right of subdelegation, for a period of 26 months from the date of this shareholders’ meeting, the authority to carry out one or several capital increases, in order to remunerate contributions in kind granted to the company in the form of shares or securities giving access to capital (23rd resolution), within the limit of 9.7 percent of the share capital.

The total nominal amount of the increases in capital likely to be carried out immediately or in the future may not exceed EUR800 million by virtue of the 19th resolution, EUR230 million by virtue of the 21st resolution and EUR115 million by virtue of the 24th resolution, it being specified that the limits for the 20th, 21st, 22nd, 23rd, 24th and 25th resolutions of the current Shareholders’ Meeting and for the 21st resolution of the Shareholders’ meeting of April 25, 2016 will be deducted from the total ceiling of EUR 800 million provided for in the 19th resolution.

These ceilings take into account the additional number of shares to be created within the framework of the implementation of the delegations referred to in the 19th and 21st resolutions, in accordance with article L.225-135-1 of the French Commercial Code, if you adopt the 22nd resolution.

It is the responsibility of the board of directors to prepare a report in accordance with articles R.225-116 et seq. of the French Commercial Code. It is our responsibility to give our opinion on the accuracy of the numerical information taken from the financial statements, on the proposed cancellation of preferential subscription rights, and on certain other information concerning these transactions, presented in this report. We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the contents of the board of directors’ report on these transactions and the method of determining the issue price of the equity securities to be issued.

Subject to further examination of the terms and conditions of the issues that may be decided, we have no observation to make on the method of determining the issue price of the securities to be issued, set out in the board’s report by virtue of the 21st resolution.

In addition, we have the following observation to make on the board’s report. It justifies the first dispensation for determining the price of the equity securities to be issued, referred to in the 24th resolution and corresponding to the weighted average of the share price on the Euronext Paris stock exchange over a maximum 6-month period prior to determining the issue price, as a way to neutralize speculation or excessive volatility. We are not able to give our opinion on the computation of this issue price.

Furthermore, since this report does not specify the method of determining the issue price of the equity securities to be issued as part of the implementation of the 19th and 23rd resolutions, we are not able to give our opinion on the choice of computational elements of this issue price.

Since the definitive terms and conditions under which the issues may be made have not been set, we do not express an opinion on them nor, consequently, on the cancellation of the preferential subscription right which is proposed to you in the 21st and 24th resolutions.

In accordance with article R.225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, on the use of these delegations by the board of directors in the case of issues of securities giving access to other securities, in the case of issues of securities giving access to securities to be issued and in the case of issues of shares without preferential subscription rights.

Signed in Paris-La Défense and in Courbevoie, on March 15, 2017

Signed in Paris-La Défense and in Courbevoie, on March 15, 2017

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves Jégourel

MAZARS
Loïc Wallaert
4.3 Statutory auditors’ report on the issuance of shares and/or securities giving access to capital reserved for members of the Company Savings Plan

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code (Code de commerce), and we hereby report on the proposal to authorize your board of directors to decide whether to proceed with an issue of ordinary shares and/or securities giving access to the share capital of the company with cancellation of preferential subscription rights, reserved for members of the company’s Company Savings Plan and of the French or foreign companies related to the company in accordance with article L. 225-180 of the French Commercial code and article L. 3344-1 of the Labor code (Code du travail), upon which you are called to vote.

The maximum nominal amount of the increase in capital that may result from this issue is 2 percent of the share capital on the date of implementation of this act of delegation, it being specified that this amount shall be deducted from the ceilings referred to in the 19th and 21st articles of this shareholders’ meeting.

This issue is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial code and L. 3332-18 of the French Labor code (Code du travail).

Your board of directors proposes that, on the basis of its report, it be authorized, with the right of sub-delegation, for a period of twenty-six months from the date of this shareholders’ meeting, to decide on whether to proceed with an issue and proposes to cancel your preferential subscription rights. If applicable, it shall determine the final conditions of this operation. This delegation may only be used from June 30, 2017.

It is the responsibility of the board of directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial code. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights, and on other information relating to the share issue provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the board of director’s report relating to this operation and the method used to determine the issue price of the share or of the equity securities to be issued.

Subject to subsequent examination of the conditions for the issue that would be decided, we have no matters to report as to the methods used to determine the issue price for the shares or the equity securities to be issued provided in the board of director’s report.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of the preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, when your board of directors has exercised this authorisation.

Signed in Paris-La-Défense and in Courbevoie, on March 15, 2017

The statutory auditors

ERNST & YOUNG et Autres
Jean-Yves Jégourel

MAZARS
Loic Wallaert
4.4 Statutory auditors’ report on the issuance of shares and/or securities giving access to capital reserved for a category of beneficiaries

To the Shareholders,

In our capacity as Statutory auditors of your company and in compliance with articles L. 228-92 and 225-135 et seq. of the French Commercial Code (Code de commerce), we hereby report on the proposal to issue ordinary shares and/or securities giving access to the share capital of the company, with cancellation of preferential subscription right reserved for: (i) employees and corporate officers of the Schneider Electric Group related to the company under the terms of article L. 225-180 of the French Commercial code and article L. 3344-1 of the Labor code (Code du travail) and having their registered office outside France; (ii) and/or UCITS or other collective investment entities, whether or not they are bodies corporate, with employee shareholdings invested in the securities of the company whose unit holders or shareholders are the persons mentioned in point (i) of this paragraph; (iii) and/or any bank, or subsidiary of such an institution, acting at the request of the Company for the purposes of establishing a shareholding or savings plan for the benefit of the persons referred to in point (i) of this paragraph, upon which you are called to vote.

The maximum nominal amount of the increase in capital that may result from this issue is 1 percent of the share capital on the date of this shareholders’ meeting, it being specified that this amount shall be deducted from the ceiling of 2 percent referred to in the 25th resolution of this Shareholders’ meeting, but is autonomous and distinct from the ceiling referred to in the 19th and 21st resolutions of this Shareholder’s meeting.

Your board of directors proposes that, on the basis of its report, it be authorized, with the right of sub-delegation, for a period of eighteen months from the date of this shareholders’ meeting, to decide on whether to proceed with an issue and proposes to cancel your preferential subscription rights. This delegation may only be used from August 1, 2017.

It is the responsibility of the board of directors to prepare a report in accordance with articles R. 225-113 et seq. of the French Commercial code. Our role is to report on the fairness of the financial information taken from the accounts, on the proposed cancellation of preferential subscription rights, and on other information relating to the share issue provided in this report.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying the information provided in the board of director’s report relating to this operation and the method used to determine the issue price of the share or of the equity securities to be issued.

Subject to subsequent examination of the conditions for the issue that would be decided, we have no matters to report as to the methods used to determine the issue price for the equity securities to be issued provided in the board of director’s report.

As the final conditions for the issue have not yet been determined, we cannot report on these conditions and, consequently, on the proposed cancellation of the preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will issue a supplementary report, if necessary, when your board of directors has exercised this authorization.

Signed in Paris-La-Défense and in Courbevoie, on March 15, 2017

The statutory auditors

ERNST & YOUNG et Autres
Jean-Yves Jégourel

MAZARS
Loïc Wallaert
4.5 Statutory auditors’ report on the reduction of capital

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with article L. 225-209 of the French Commercial Code (Code de commerce) in the event of a capital reduction by cancellation of acquired shares, we have prepared this report in order to inform you of our opinion on the causes for and the terms and conditions of the proposed capital reduction.

Your board of directors proposes that you delegate to the board, for a period of 24 months from the date of this shareholders’ meeting, all powers to cancel, up to 10% of company capital per 24-month period, the shares purchased under the implementation of an authorization of purchase by your company of its own shares under the provisions of the aforesaid article.

We have performed those procedures which we considered necessary to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in examining whether the causes for and the terms and conditions of the proposed capital reduction, which is not likely adversely to affect the equality of shareholders, are in order.

We have no comment to make on the causes for and the terms and conditions of the proposed capital reduction.

Signed in Paris-La-Défense and in Courbevoie, on March 15, 2017

The statutory auditors

ERNST & YOUNG et Autres
Jean-Yves Jégourel

MAZARS
Loic Wallaert
Ordinary Meeting

FIRST RESOLUTION
(Approval of corporate financial statements for the 2016 financial year)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report on the Company financial statements and the statutory auditors’ report, approves the corporate financial statements for the 2016 financial year as presented, as well as the transactions reflected in these statements or summarized in such reports showing a loss of EUR99,729,913.92.

SECOND RESOLUTION
(Approval of consolidated financial statements for the 2016 financial year)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report on the Company consolidated statements and the statutory auditors’ report, approves the corporate consolidated statements for the 2016 financial year as presented, as well as the transactions reflected in these statements or summarized in such reports.

THIRD RESOLUTION
(Appropriation of income for the financial year, setting the coupon and withholding on issue premiums)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, at the proposal of the board of directors:

(i) after having noted the negative impact on retained earnings of EUR18,692.00 and the fact that income for the financial year shows a loss of EUR99,729,913.92, decides to allocate the amount of retained earnings and the loss for the financial year to issue premiums relating to the contribution of Legrand shares;

(ii) decides on the distribution to the 592,498,759 shares with a par value of EUR4 comprising the share capital at December 31, 2016, and a dividend payment as of January 1, 2017, at EUR2.04 per share, and as a result sets at EUR1,208,697,468.36 the amount to withhold on issue premiums relating to the contribution of Legrand shares which, after allocation of retained earnings and the financial year loss amount to EUR110,098,335.72, to carry out this distribution.

FOURTH RESOLUTION
(Approval of the regulated agreements entered into in 2016 - remuneration of the Vice-Chairman independent lead director- and information regarding agreements and regulated commitments undertaken during previous financial years)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report and the statutory auditors’ special report presented in accordance with the provisions of article L.225-40 of the French Commercial Code on the agreements covered by article L.225-38 of said Code, approves the agreement, presented in these reports, relating to compensation of the Vice-Chairman for his duties as Vice-Chairman independent lead director, and takes due note of the information relating to the agreements and the commitments undertaken in previous financial years and approved by the Annual Shareholders’ Meeting.
TENTH RESOLUTION
(Opinion on elements of the compensation due or awarded in respect of the 2016 financial year to Mr. Jean-Pascal Tricoire)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, consulted pursuant to the recommendation of paragraph 26.2 of the AFEP/MEDEF corporate governance guidelines amended in November 2016, which constitutes the Company’s code of reference in accordance with article L.225-37 of the French Commercial Code, hereby issues a favorable opinion on the components of the compensation due or awarded for the 2016 financial year to Mr. Jean-Pascal Tricoire as presented in the board of directors’ report to the Annual Shareholders’ Meeting.

ELEVENTH RESOLUTION
(Appointment of the director representing the employee shareholders)

The Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, hereby appoints Ms. Nadine Bouquin as director representing employee shareholders for a four-year term expiring at the close of the Annual Shareholders’ Meeting to be held in 2021 to approve the financial statements for the financial year ending December 31, 2020.

(1) Tenth to Fourteenth Resolutions: in accordance with article 11-3 of the company’s by-laws, as there will be only one position as director representing employee shareholders to be filled, only the candidate who obtains the highest number of votes by the shareholders present and represented will be appointed. The board of directors has approved the Twelfth Resolution and, as a result, invites you to vote in favor of this Resolution and to abstain from voting on the 10th, 11th, 13th and 14th resolutions.
TWELFTH RESOLUTION
(Appointment of the director representing the employee shareholders)
The Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, hereby appoints Ms. Xiaoyun Ma as director representing the employee shareholders for a four-year term expiring at the close of the Shareholders’ Meeting to be held in 2021 to approve the financial statements for the financial year ending December 31, 2020.

THIRTEENTH RESOLUTION
(Appointment of the director representing the employee shareholders)
The Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, hereby appoints Mr. François Martin-Festa as director representing the employee shareholders for a four-year term expiring at the close of the Shareholders’ Meeting to be held in 2021 to approve the financial statements for the financial year ending December 31, 2020.

FOURTEENTH RESOLUTION
(Appointment of the director representing the employee shareholders)
The Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, hereby appoints Mr. Jean-Michel Vedarre as director representing the employee shareholders for a four-year term expiring at the close of the Shareholders’ Meeting to be held in 2021 to approve the financial statements for the financial year ending December 31, 2020.

FIFTEEN RESOLUTION
(Determination of the amount of attendance fees)
The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, hereby resolves to set at EUR2,000,000 the maximum annual amount of attendance fees to be paid to the board of directors.

SIXTEENTH RESOLUTION
(Authority granted to the board of directors to buy back company shares – maximum purchase price per share EUR90)
The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, hereby authorizes the board of directors, pursuant to the provisions of article L.225-209 of the French Commercial Code and of Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse (market abuse regulation), to acquire or have acquired the company’s shares for the purpose of:
- reducing the share capital within the maximum legal limit;
- meeting obligations relating to option plans or other plans involving awards of shares to employees or officers of the company or an associated company;
- meeting obligations arising under, or in connection with, debt securities convertible into shares of the company;
- undertaking (for exchange, payment or other purposes) external growth transactions, mergers, spin-offs or contributions (up to a limit of 5% of the share capital);
- stimulating the market for the company’s shares under and pursuant to a liquidity agreement consistent with the Autorité des Marchés Financiers accepted market practices, or
- implementing and carrying out any other market practice that may be recognized by law or the AMF.

The maximum number of shares that may be acquired under and pursuant to this authority shall not exceed 10% of the aggregate number of shares constituting the share capital on the date of the Annual Shareholders’ Meeting (i.e. for information purposes, 59,249,875 shares on the basis of the share capital as of December 31, 2016).

The maximum share purchase price is set at EUR90 per share without exceeding the maximum price set by applicable laws and regulations. However, if all or some of the shares acquired pursuant to these conditions are intended to grant stock options, pursuant to 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 legal provisions governing stock purchase options.

As a result of the aforesaid limits, the maximum aggregate amount of share buy-backs shall not exceed EUR5,332,488,750.

The acquisition, sale or transfer of such shares may be made on one or more occasions by any means, in the market, on a multilateral trading facility (MTF), via a systemic internalizer, or by individual, person-to-person (over-the-counter) trade in compliance with applicable law and regulations. Such means and methods may include acquisition or sale of blocks on a regulated exchange or directly between individuals (over-the-counter), to the extent compliant with applicable law and regulations.

These transactions may be carried out at any time, in accordance with current regulations, except during public offerings on the company’s share capital.

Shares acquired 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 Twenty-seventh Resolution adopted by this Annual Shareholders’ Meeting.

The board of directors may adjust the prices set forth above in the event of the capitalization of reserves or earnings giving rise either to an increase in the par value of the shares, or to the issuance and free awards of shares, in the event of a division of the par value of the shares (stock split) or amalgamation of shares.

(1) Tenth to Fourteenth Resolutions: in accordance with article 11-3 of the company’s by-laws, as there will be only one position as director representing employee shareholders to be filled, only the candidate who obtains the highest number of votes by the shareholders present and represented will be appointed. The board of directors has approved the Twelfth Resolution and, as a result, invites you to vote in favor of this Resolution and to abstain from voting on the 10th, 11th, 13th and 14th resolutions.
Any and all authority is hereby granted to the board of directors with power to grant delegations of authority to implement and carry out this Resolution.

This authority shall be valid for a maximum of 18 months from the date of this Annual Shareholders’ Meeting.

### SEVENTEENTH RESOLUTION
*(Amendment to article 11 of the Company’s by-laws to provide for the appointment of directors representing employees in accordance with article L.225-27-1 of the French Commercial Code)*

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, resolves to amend article 11 of the by-laws in order to insert the legal provisions concerning directors representing employees. The following provisions are added to article 11:

‘4. The board of directors also includes, in accordance with the provisions of article L.225-27-1 of the French Commercial Code, directors representing employees, the arrangements for whom are subject to the legal and regulatory provisions in force and these by-laws.

The number of directors representing employees is equal to one if the number of directors provided for in articles L.225-17 and L.225-18 of the French Commercial Code is lower than or equal to twelve at the time of the appointment of said director and to 2 if this number exceeds twelve. The director representing employee shareholders appointed under article L.225-23 of the French Commercial Code is not taken into account when determining the number of directors referred to in article L.225-17 of the French Commercial Code.

When a single director representing the employees must be appointed, this director will be appointed by the trade union organization which has received the highest number of votes in the first round of the elections cited in articles L.2122-1 and L.2122-4 of the French Labor Code in the company and its direct or indirect subsidiaries whose head offices are in France. When 2 directors representing employees must be appointed, they are nominated by each of the 2 trade union organizations which have received the highest number of votes in the first round of these elections.

The term of office of directors representing employees is a renewable four-year term. Their responsibilities shall expire at the end of the Ordinary Shareholders’ Meeting called to approve the financial statements for the year ended and held in the year in which their term of office expires. Further, their office expires automatically in case of termination of their employment agreement or in case of dismissal in pursuance of article L.225-32 of the French Commercial Code or in case of any incompatibility under article L.225-30 of the said Code.

In the event that the position of director representing employees should become vacant for any reason, this position will be filled under the terms and conditions set forth in article L.225-34 of the French Commercial Code.

### EIGHTEENTH RESOLUTION
*(Amendment to article 19 of the Company’s by-laws to comply with amended laws)*

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, resolves to amend article 19 of the by-laws as follows, in order to bring them in conformity with amended legal provisions:

- in the 6th paragraph, the reference to article 1316-4 of the French Civil Code is replaced by the reference to “1367”;
- in the 7th paragraph, the word “three” is replaced by “two”.

The other provisions of article 19 of the Company’s by-laws remain unchanged.

A copy of the by-laws of Schneider Electric SE is attached to the minutes of this meeting.

### NINETEENTH RESOLUTION
*(Delegation of authority to the board of directors to increase the nominal share capital within the limit of EUR800 million, i.e. approximately 33.75% of the capital on December 31, 2016, by issuing ordinary shares or securities giving access to share capital of the Company or any of its subsidiaries with shareholders’ preferential subscription right)*

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Shareholders’ Meetings, having heard the board of directors’ report and the statutory auditors’ special report, and in accordance with the provisions of articles L.225-129 to L.225-129-6, L.225-132, L.225-134 and L.228-91 to L.228-93 of the French Commercial Code.
delegates to the board of directors the authority, with the right to subdelegate in accordance with applicable law and regulations, to decide on one or several capital increases through the issue, in the proportions and at the times it deems appropriate, in France and/or abroad, of ordinary company shares and of all other securities issued in return for payment or free of charge granting access by any means, immediately and/or in the future, to ordinary shares of the company, or of a company in which it directly or indirectly owns more than half the capital. These securities may also be denominated in Euros or any other currency or unit of account determined by reference to several currencies, it being specified that (i) the subscription of shares and other securities may be performed, either in cash, or by offsetting receivables, and (ii) the shares to be issued shall grant the same rights as the old shares subject to their dividend date;

resolves that the full amount of the capital increases which may be undertaken immediately and/or in the future on the basis of this Resolution may not exceed a par value of EUR800 million (i.e. for information purposes, 33.75% of the capital at December 31, 2016). Added to this amount, as applicable, will be the additional amount of shares to be issued to preserve, in accordance with the law and, where applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of securities granting access to the share capital, share subscription or purchase options or those relating to bonus or performance shares. Capital increases undertaken on the basis of the Twentieth, Twenty-first, Twenty-second and Twenty-fourth Resolutions adopted by the Annual Shareholders’ Meeting, in addition to those undertaken, as applicable, on the basis of the Twenty-first Resolution of the Extraordinary Shareholders’ Meeting of April 25, 2016, will be deducted from this amount, without taking account of the necessary adjustments to preserve, in accordance with the law and, as applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of securities granting access to the company’s capital, share subscription or purchase options, or those relating to free or performance shares. This limit with a par value of EUR800 million shall not apply to capital increases relating to free or performance shares. This limit with a par value of EUR800 million shall not apply to capital increases relating to free or performance shares.

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, and in accordance with articles L.225-134 of the French Commercial Code and in particular place all or part of the unsubscribed shares under public offerings;

hereby takes note that this authorization shall constitute automatically and by law a waiver by the shareholders, in favor of the holders of securities that might be issued and granting access to the company capital, of their preferential right to subscribe for ordinary shares of the company which such securities carry the right to acquire;

hereby resolves that the amount due, or that may later become due, to the company for each of the shares to be issued under the aforementioned authorization shall be at least equal to the par value of the share on the date of issue of said securities;

hereby resolves that the board of directors may not, except with the prior authorization of the Annual Shareholders’ Meeting, make use of this delegation of authority from the time of the submission by a third party of a public offering concerning company shares, up to the end of the offer period;

hereby resolves that this delegation invalidates the Fourteenth Resolution of the Extraordinary Shareholders’ Meeting of April 21, 2015, in terms of the amounts not used by the board of directors;

sets the validity period of this delegation at 26 months from this Annual Shareholders’ Meeting.

TWENTIETH RESOLUTION
(Delegation of authority to the board of directors to increase the share capital by capitalizing reserves, earnings, premiums or other amounts for which capitalization may be allowed)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Meetings, having heard the board of directors’ report, and in accordance with articles L.225-192-2 and L.225-130 of the French Commercial Code:

hereby delegates to the board of directors, with the power to subdelegate, the authority to decide, as and when it deems fit, on one or several capital increases by capitalizing, consecutively or simultaneously, reserves, earnings, additional issue premiums or other sums for which capitalization is permitted according to the legal and statutory provisions, in the form of the issue and allocation of free shares or increase of the par value of existing shares or the combined application of these 2 procedures;

resolves that the maximum par value of the capital increases which may be carried out under this delegation shall be deducted from the overall capital increase ceiling of EUR800 million set by the Nineteenth Resolution of the Annual Shareholders’ Meeting;

hereby resolves that fractional rights will not be negotiable or transferable and that the corresponding shares will be sold. The sums generated by the sale will be allocated to rights holders no later than 30 days after the record date in their account of the full number of shares awarded;

hereby takes note that the board of directors has all the necessary powers to implement this delegation of authority;

hereby resolves that the board of directors may not, except with the prior authorization of the Annual Shareholders’ Meeting, make use of this delegation of authority from the time of the submission by a third party of a public offering concerning company shares, up to the end of the offer period.
hereby resolves that this delegation invalidates the Fifteenth Resolution of the Extraordinary Shareholders’ Meeting of April 21, 2015, in terms of the amounts not used by the board of directors;

sets the validity period of this delegation at 26 months from this Annual Shareholders’ Meeting.

TWENTY-FIRST RESOLUTION
(Delegation of authority to the board of directors to increase the nominal share capital within the limit of EUR230 million, i.e. 9.7% of the share capital on December 31, 2016, by issuing ordinary shares or securities giving access to the share capital of the Company or any of its subsidiaries without shareholders’ preferential subscription right through a public offering. This delegation may be used to pay for contributions of securities in connection with a public exchange offer initiated by the company)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Shareholders’ Meetings, having heard the board of directors’ report and the statutory auditors’ special report, and in accordance with the provisions of articles L.225-129 to L.225-129-6, L.225-135, L.225-136, L.225-148 and L.228-91 to L.228-93 of the French Commercial Code:

hereby delegates to the board of directors the authority, with the right to subdelegate, in compliance with applicable laws and regulations, to decide, by public offer, on one or several capital increases through the issue, in the proportions and at the times it deems appropriate, in France and/or abroad, of ordinary company shares or any securities granting access to the share capital of the company, or of a company in which it directly or indirectly owns more than half the capital. These securities may also be denominated in Euros or any other currency or unit of account determined by reference to several currencies, specifying that (i) the subscription of shares and other securities may be performed, either in cash, or by offsetting receivables, and (ii) the new shares will grant the same rights as the old shares subject to their dividend date;

hereby resolves that the issue of shares by the company may result, in accordance with article L.228-93 of the French Commercial Code, in the exercising of the rights attached to securities issued by companies in which it directly or indirectly owns more than half the share capital and which will give access by any means to ordinary shares of the company;

hereby resolves that the total amount of the capital increases which may be undertaken immediately and/or in the future on the basis of this Resolution may not exceed a par value of EUR230 million (i.e., for information purposes, 9.7% of the capital at December 31, 2016). Added to this amount, where applicable, will be the additional amount of shares to be issued to preserve, in accordance with the law and, where applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of securities granting access to the share capital, share subscription or purchase options, or those relating to bonus or performance shares, it being specified that the amount of EUR230 million shall be deducted from the overall capital increase ceiling of EUR800 million set in the Nineteenth Resolution adopted by this Annual Shareholders’ Meeting;

hereby resolves that securities granting access to the company’s shares may, in particular, consist of debt securities or be associated with the issuance of such securities, enable their issuance as securities held with an intermediary or even take the form of fixed-term or perpetual subordinated or unsubordinated notes;

hereby resolves to cancel the preferential subscription right granted to shareholders for securities issued in accordance with the legislation, it being specified that shareholders will be granted a priority entitlement to subscribe for new and/or excess securities in accordance with the provisions of article L.225-135 of the French Commercial Code;

hereby resolves that the amount payable to the Company for each of the shares to be issued, or liable to be issued, after taking into account, in the case of detachable share subscription or allotment warrants, the issue price of said warrants, shall be at least equal to the minimum price provided for in the legal and/or regulatory provisions applicable on the issue date, which is currently the weighted average of the prices for the last 3 trading sessions prior to the setting of the issue price, potentially, less a maximum discount of 5%, after correction, as applicable, of this amount to take account of the difference in the dividend date;

hereby takes note that this authorization shall constitute automatically and by law a waiver by the shareholders, in favor of the holders of securities that grant access to company capital, of their preferential right to subscribe for ordinary shares of the company which such securities carry the right to acquire;

hereby resolves that this delegation may be used for the purposes of paying for securities tendered in a public exchange offer initiated by the company, within the limits and under the conditions provided for in article L.225-148 of the French Commercial Code;

hereby resolves that the board of directors may not, except with the prior authorization of the Annual Shareholders’ Meeting, make use of this delegation of authority from the time of the submission by a third party of a public offering concerning company shares, up to the end of the offer period;

hereby resolves that this delegation invalidates the Sixteenth Resolution of the Extraordinary Shareholders’ Meeting of April 21, 2015, in terms of the amounts not used by the board of directors;

sets the validity period of this delegation at 26 months from this Annual Shareholders’ Meeting.
TWENTY-SECOND RESOLUTION
(Delegation of authority to the board of directors to increase the amount of an initial issue, as approved pursuant to the nineteenth or twenty-first resolutions, with or without shareholders’ preferential subscription right)
The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Meetings, having heard the board of directors’ report and the statutory auditors’ special report, and acting in accordance with article L.225-135-1 of the French Commercial Code:

- hereby delegates to the board of directors the authority, for a period of 26 months from this Annual Shareholders’ Meeting, with the power to subdelegate, in compliance with applicable laws and regulations, to decide for each of the issues decided on in accordance with the Nineteenth and Twenty-first Resolutions adopted by this Annual Shareholders’ Meeting, that the number of ordinary shares and securities to be issued may be increased by the board of directors under the legal and regulatory conditions and within the limit of the ceilings provided for respectively by the Nineteenth and Twenty-first Resolutions adopted by this Annual Shareholders’ Meeting;
- hereby resolves that the board of directors may not, except with the prior authorization of the Annual Shareholders’ Meeting, make use of this delegation of authority from the time of the submission by a third party of a public offering concerning company shares, up to the end of the offer period;
- hereby takes note that the board of directors has all the necessary powers to implement this delegation;
- hereby resolves that this delegation invalidates the Seventeenth Resolution of the Extraordinary Shareholders’ Meeting of April 21, 2015, in terms of the amounts not used by the board of directors.

TWENTY-THIRD RESOLUTION
(Delegation of powers to the board of directors to increase the share capital within the limit of 9.7% of the share capital for the purpose of paying for contributions in kind)
The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Meetings, having heard the board of directors’ report and the statutory auditors’ special report, and acting in accordance with article L.225-147 of the French Commercial Code:

- hereby delegates to the board of directors the necessary powers to, on the basis of the report of the statutory auditor for contributions, to carry out one or several capital increases, up to the limit of 9.7% of the share capital, in order to pay for contributions in kind granted to the company and consisting of capital securities or securities granting access to the capital, where the provisions of article L.225-148 are not applicable;
- hereby resolves that, in any case, the amount of the capital increases undertaken pursuant to this Resolution shall be deducted from the capital increase ceiling of EUR230 million provided for in the Twenty-first Resolution of this Annual Shareholders’ Meeting.
- hereby resolves that the board of directors shall have full powers, with the power to subdelegate, to implement this delegation, in particular to:
  - approve all the terms and conditions of authorized operations and, above all, assess the contributions and the granting, as applicable, of specific benefits,
  - establish the number of securities to be issued in payment for contributions and the dividend date for the securities to be issued,
  - perform, as applicable, any deductions from the acquisition premiums, and in particular those for costs incurred through issues,
  - record the resulting capital increases and amend the by-laws accordingly,
  - as a general rule, take all appropriate steps, enter into all agreements, take all the necessary formalities for admission to trading of the shares issued and perform all necessary disclosure formalities;
- hereby resolves that the board of directors may not, except with the prior authorization of the Annual Shareholders’ Meeting, make use of this delegation from the time of the submission by a third party of a public offering concerning the company’s shares, up to the end of the offer period;
- hereby resolves that this delegation invalidates the Eighteenth Resolution of the Extraordinary Shareholders’ Meeting of April 21, 2015, in terms of the amounts not used by the board of directors;
- sets the validity period of this delegation at 26 months from this Annual Shareholders’ Meeting.

TWENTY-FOURTH RESOLUTION
(Delegation of authority to the board of directors to undertake, through an offering as set forth in Paragraph II of article L.411-2 of the French Monetary and Financial Code, without shareholders’ preferential subscription right, a capital increase up to a nominal amount of EUR115 million, i.e. 4.85% of share capital, by issuing ordinary shares or securities giving access to the share capital of the Company or any of its subsidiaries, the issue price of which shall be decided by the board of directors in accordance with the terms and conditions determined by the Annual Shareholders’ Meeting)
The Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Shareholder Meetings, having heard the board of directors’ report and the statutory auditors’ special report, and in accordance with the provisions of the French Commercial Code, in particular in articles L.225-129 to L.225-129-6, L.225-135, L.225-136 and L.228-91 to L.228-93, and in Paragraph II of article L.411-2 of the French Monetary and Financial Code:

- hereby delegates to the board of directors, with the power to subdelegate, in compliance with applicable laws and regulations, the authority to decide without the shareholders’ preferential subscription right through an offer referred to in Paragraph II of article L.411-2 of the French Monetary and Financial Code, on one or several occasions, in the proportion and at the times it deems appropriate, in France and/or abroad, in Euros or in any other currency or unit of account set by reference to several currencies, the capital increase
hereby resolves that the total amount of the capital increases which might be carried out immediately and/or in the future on the basis of this Resolution may not exceed a par value of EUR115 millions (i.e., for information purposes, 4.85% of the capital at December 31, 2016). Added to this amount will be the additional amount of shares to issue to preserve, in accordance with the law and, as applicable, the contractual stipulations providing for other adjustment cases, the rights of holders of securities granting access to the share capital, share subscription or purchase options, or those relating to free shares or performance shares, it being specified that the amount of EUR115 million shall be deducted from the capital increase ceiling of EUR230 million provided for in the Twenty-first Resolution and to the capital increase ceiling of EUR800 million provided for in the Nineteenth Resolution adopted by the Annual Shareholders’ Meeting;

hereby resolves to cancel the shareholders’ preferential subscription right for securities concerned by this Resolution;

hereby takes note that this authorization shall constitute automatically and by law a waiver by the shareholders, in favor of the holders of securities granting access to the company’s capital, of their preferential right to subscribe for ordinary shares of the company which such securities carry the right to acquire;

authorizes, in accordance with article L.225-136 of the French Commercial Code, the board of directors to waive the price-setting conditions provided for by the laws and regulations in force at the time of use of this Resolution and to freely set the issue price of ordinary shares or of any securities granting access to the capital, it nonetheless being specified that the issue price must, at the board of directors’ discretion, be at least equal to:

(i) the weighted average of the prices listed on the Euronext Paris regulated market for the share over a maximum period of 6 months prior to the date on which the issue price is set, or

(ii) to the volume-weighted average price on the Euronext Paris regulated market on the trading day prior to the setting of the issue price, potentially less, in both cases, a maximum discount of 5%;

hereby resolves that if the subscriptions have not fully absorbed an issue of shares or securities, the board of directors may limit the issue to the amount of subscriptions under the conditions provided for by the legislation in force at the time of use of this delegation;

hereby resolves that the board of directors may not, except with the prior authorization of the Annual Shareholders’ Meeting, make use of this delegation of authority from the time of the submission by a third party of a public offering concerning company shares, up to the end of the offer period;

hereby resolves that this delegation invalidates the Nineteenth Resolution of the Extraordinary Shareholders’ Meeting of April 21, 2015, in terms of the amounts not used by the board of directors;

sets the validity period of this delegation at 26 months from this Annual Shareholders’ Meeting.

TWENTY-FIFTH RESOLUTION
(Delegation of authority to the board of directors to undertake capital increases reserved for participants in a Company saving Plan up to a limit of 2% of share capital, without shareholders’ preferential subscription right)

The Annual Shareholders’ Meeting, having fulfilled the quorum and majority requirements required for Extraordinary Meetings, having heard the report of the board of directors and the special report of the statutory auditors, pursuant to the provisions of articles L.3332-1 et seq. of the French Labor Code and articles L.225-129-2, L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and in accordance with the provisions of that code:

delegates to the board of directors the authority, with the power to subdelegate, for a period of 26 months from the date of the Annual Shareholders’ Meeting, to undertake a capital increase on one or more occasions at its discretion by issuing shares or securities carrying the right to acquire shares of the company, under the terms and conditions set forth in article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor code, reserved for participants in a company savings Plan and French or non-French companies affiliated with the company in a maximum par value, or paid-in capital, amount of 2% of the share capital on the date this authorization is implemented and given effect, with the possibility to issue shares against cash or by capitalizing reserves, profits or premium in case of grants of free shares or of securities granting access to share capital on account for the discount or the matching contribution, it being specified that (i) such limit shall be charged against the limits set forth in the Nineteenth and Twenty-first Resolutions approved at this Annual Shareholders’ Meeting, and (ii) this authorization may be used only from and after June 30, 2017;

hereby resolves to set a maximum discount to be offered in connection with company savings Plan at 20% of an average of the trading price of the Company's shares on Euronext Paris during the 20 trading sessions preceding the date of the decision of the board of directors or of its authorized representative setting the date to begin taking subscriptions. The Annual Shareholders’ Meeting, however, hereby resolves expressly to authorize the board of directors to reduce the aforementioned discount within applicable legal and regulatory requirements, or not to grant one, in particular so as to take into account the laws and regulations applicable in countries where such offering may be implemented;

hereby authorizes the board of directors to make grants of free ordinary shares or other securities granting immediate or deferred access to ordinary share capital, in total or partial substitution for the discount and/or, as the case may be, for the matching contribution, provided that the value of the benefit resulting from this grant on account for the discount or the matching contribution, shall not exceed the limits imposed by applicable law and regulations;
hereby resolves that the characteristics of the other securities granting access to company capital shall be decided and determined by the board of directors under the terms and conditions set by applicable law and regulations;

hereby resolves to waive in favor of the participants in a company savings Plan the shareholders’ preferential right to subscribe for the shares and securities granting access to capital to be issued under and pursuant to this Resolution;

acknowledges that this authorization entails an automatic waiver to preferential subscription rights to shares of which the securities issued on the basis of this Resolution may carry the right to acquire;

hereby resolves that this authorization cancels, effective June 30, 2017, the authorization given by the Annual Shareholders’ Meeting of April 25, 2016, in its Twenty-first Resolution, for its amounts unused by the board of directors;

the shareholders hereby take note that the board of directors has all authority, with the power to subdelegate authority, to undertake the transactions set forth in this Resolution and to record and complete the capital increases resulting therefrom.

TWENTY-SIXTH RESOLUTION
(Delegation of powers to the board of directors to undertake capital increases reserved for a category of beneficiaries: in favor of employees of foreign companies of the Group, either directly or via entities acting on their behalf thereof to offer to employees of foreign companies of the Group benefits comparable to those offered to participants in the Company savings Plan up to 1% of share capital, without shareholders’ preferential subscription right)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Shareholder Meetings, having heard the board of directors’ report and the statutory Auditors’ special report, and in accordance with articles L.225-129-1, L.225-138 et L.228-92 et seq. of the French Commercial Code:

hereby delegates to the board of directors the authority, with the power to grant subdelegations of authority, necessary to undertake increases in the share capital on one or more occasions, at the times and in the proportions it deems appropriate up to a maximum of 1% of the share capital on the date of this Shareholders’ Meeting, by issuing shares or securities providing access to the capital of the company, granting the same rights as previously issued shares, such issue to be reserved for persons meeting the characteristics of the class defined below, provided, however, that (i) the 1% limit set forth above shall be charged against the 2% limit set forth in the Twenty-fifth Resolution of the Annual Shareholders’ Meeting, by, which, on the other hand, is separate and apart from the limits set forth in the Nineteenth and Twenty-first Resolutions of this the Annual Shareholders’ Meeting, and (ii) this authorization may be used only from and after August 1, 2017;

hereby resolves to waive the shareholders’ preferential right to subscribe for shares or other securities granting access to the share capital pursuant to this Resolution and to reserve the right to subscribe to one and/or another class of beneficiaries or recipients having the following characteristics: (i) employees and officers of companies of Schneider Electric Group affiliated with the company under the terms and conditions set forth in article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor Code and the head office of which is located outside France; (ii) and/or OPCVM mutual investment funds or other entities, with or without legal personality, of employee shareholders invested in equity securities of the company, the unit holders or shareholders of which consist of persons described in (i) of this paragraph; (iii) and/or any banking institution or affiliate or subsidiary of such institution acting at the company’s request for purposes of implementing and giving effect to a shareholder incentive or investment or savings plan for the benefit of the persons described in (i) of this paragraph, to the extent that subscription of the person authorized in accordance with this Resolution would make it possible for employees of subsidiaries located outside France to benefit from and take advantage of forms of shareholder incentive or investment or savings plans equivalent in terms of economic benefit to those from which the other employees of the Group benefit;

hereby takes note that this authorization shall constitute automatically and by law an express waiver by the shareholders, in favor of the holders of securities granting access to company capital, of their preferential right to subscribe for ordinary shares of the Company which such securities carry the right to acquire;

hereby resolves that the amount payable to the Company for all shares issued, or to be issued, and pursuant to this resolution shall be set by the board of directors on the basis of the trading price of the company’s shares on Euronext Paris; the issue conditions shall be determined at the discretion of the board of directors on the basis of either (i) the first or last quoted trading price of the company’s shares at the trading session on the date of the decision by the board of directors or the authorized representative thereof setting the issue conditions, or (ii) of an average of the quoted prices for the company’s shares during the 20 trading sessions preceding the date of the decision by the board of directors or the authorized representative thereof setting the issue conditions under and this Resolution or setting the issue price under the Twenty-fifth Resolution approved by this Annual Shareholders’ Meeting; the board of directors may set the issue price by applying a maximum discount of 20% of the trading price of the company’s shares determined in accordance with either of the 2 methods set forth in clauses (i) and (ii) of this paragraph; the percentage of such discount applied to the trading price of the company’s shares shall be determined by the board of directors taking into consideration, among other things, legal, tax, and regulatory provisions of foreign law applicable, as the case may be, to the persons benefiting from the issue;

hereby resolves that the board of directors shall have full authority, on the terms and conditions provided by law and within the limits set forth hereinabove, to implement and give effect to this authorization and determine the list of the beneficiaries and recipients within the classes described in this Resolution and the number of securities to be offered to each thereof, provided that the board of directors may decide that the capital increase shall be completed for the amounts subscribed, on the condition that a minimum of 75% of the shares or other offered securities providing access to capital have been subscribed, as well as, among other things:
TWENTY-SEVENTH RESOLUTION
(Authorization to the board of directors to cancel shares of the company, if any, bought back on the terms and conditions approved at the Annual Shareholders’ Meeting, up to a maximum of 10% of the share capital)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Extraordinary Meetings, having heard the board of directors’ report and the statutory auditors’ special report, authorizes the board of directors, in accordance with article L.225-209 of the French Commercial Code, to cancel the company’s own shares acquired by virtue of the authorizations granted by the Annual Shareholders’ Meeting, in accordance with article L.225-209 of the French Commercial Code, under the following conditions:

- the board of directors is authorized to cancel, at its sole discretion, on one or several occasions, all or part of the shares acquired by virtue of the share buyback authorizations for the company’s own shares up to the limit of 10% of the capital over a period of 24 months from this Annual Shareholders’ Meeting, and to apply the corresponding reductions to the share capital;
- the difference between the purchase price for the canceled shares and their par value shall be deducted from the issue premiums and, where applicable, from the legal reserve for up to 10% of the canceled capital;
- the board of directors shall have the necessary authority, with the power to subdelegate, to establish the terms and conditions for this or these cancelations, to undertake all actions, formalities, and declarations with a view to canceling the shares and to complete the capital reductions, and to amend the by-laws accordingly.

This authorization shall remain valid for a period of 24 months from the date of this Annual Shareholders’ Meeting.

Ordinary Meeting

TWENTY-EIGHTH RESOLUTION
(Powers for formalities)

The Annual Shareholders’ Meeting confers full powers upon the bearer of a copy or excerpts of the minutes confirming these resolutions for the purposes of carrying out all legal and administrative formalities.