1. Report of the board of directors to the ordinary 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 2018, as presented, which show a net profit of EUR4,457,993,619.34.

**Approval of consolidated financial statements – Second resolution**
We request that you approve the transactions and consolidated financial statements for the year 2018, as presented, which show net income for the Group of EUR2,334 million and an adjusted net income from non-recurring items (impact of business disposals, main integration and acquisition costs net of tax, restructuring charges net of tax, impact of tax reforms) of EUR2,560 million.

**Distribution: appropriation of profit and setting of a dividend of EUR2.35 per share – Third resolution**
We also recommend a distribution of EUR2.35 per EUR4 par nominal value share, which represents a distribution rate 53.2% of the Group's net adjusted income. It will be paid on May 3, 2019 on the 579,168,769 shares with dividend rights on January 1, 2019 that made up the capital on December 31, 2018. No dividend will be paid on shares held in treasury by the Company on the payment date.

This distribution will be paid out of distributable earnings consisting of:
(i) retained earnings of EUR84,171,289.40;
(ii) the net profit for the year amounting to EUR4,457,993,619.34;

Amounting to EUR4,542,164,908.74.

The total distribution will amount to EUR1,361,046,607.15 and the remaining profit available for distribution will be allocated to profit earnings.

The distribution will be paid on May 3, 2019, according to the following schedule:

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend ex-date</td>
<td>Tuesday, April 30, 2019</td>
</tr>
<tr>
<td>Record date</td>
<td>Thursday, May 02, 2019</td>
</tr>
<tr>
<td>Dividend payment date</td>
<td>Friday, May 03, 2019</td>
</tr>
</tbody>
</table>

For individual shareholders resident for tax purposes in France, the distribution of EUR2.35 per share constitutes distributed income. As such, a social security tax of 17.2% will be charged on the gross amount when paid. The gross amount of French-source dividends received by resident individuals will also be subject to a mandatory non-definitive withholding tax of 12.8%.

Nevertheless, individuals belonging to a tax household whose taxable income for the penultimate year is less than EUR50,000 with the status of single, divorced or widowed taxpayer, and EUR75,000 for couples who file a joint tax return, can request exemption from this withholding tax. To this end, under their responsibility, they should submit their application for exemption to the paying entity, in the form of a sworn statement indicating that their reference taxable income listed on their tax form established under income for the penultimate year preceding the payment of the income, shows income lower than the thresholds indicated above. This application must be filed no later than November 30 of the year preceding that of the payment.

In 2020, dividends will in principle be subject to a flat tax (“Prélèvement Forfaitaire Unique” – “PFU”) at the rate of 12.8%. However, taxpayers may opt for dividends to be subject to income tax at ordinary progressive rates. In such case, after applying a 40% (uncapped) allowance, only 60% of the dividends will be included in the taxable income, less any deductible charges and expenses. The option for taxation at the ordinary progressive tax rates is irrevocable and applies to all investment income received by the taxpayer. It is made in the income tax return filed every year following the one when the dividends are received.

The above-mentioned levy at source of 12.8% will be offset against the income tax that will be due in 2020 for income earned in 2019. If it exceeds the income tax due, the surplus will be paid back.

Shareholders are invited to contact their usual advisors for further information about the applicable tax regime.
Dividends/coupons paid by Schneider Electric SE in respect of the 3 most recent financial years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Net dividend paid per share in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.00</td>
</tr>
<tr>
<td>2016</td>
<td>2.04</td>
</tr>
<tr>
<td>2017</td>
<td>2.20</td>
</tr>
</tbody>
</table>

**Agreements regulated by Articles L.225-38 and L.225-42-1 – Fourth resolution**

Under the **fourth resolution** regarding the implementation during the financial year of agreements and commitments already approved by the Annual Shareholders’ Meeting, we request that you take note of the Statutory Auditors’ special report on regulated agreements and commitments prepared in accordance with Article L.225-40 of the French Commercial Code. These agreements and commitments concern the status of Messrs. Jean-Pascal Tricoire and Emmanuel Babeau.

**Approval on components of the compensation and benefits of all types paid, due or awarded in respect of the 2018 financial year to Messrs. Jean-Pascal Tricoire and Emmanuel Babeau – Fifth and sixth resolutions**

In pursuance of articles L.225-37-2 and L.225-100 of the French commercial code, you are requested to approve fixed, variable and exceptional components of the total compensation and benefits of all types due or granted in respect of the past financial year to the corporate officers of your Company as summarized in the following tables.

These components are presented, detailed and quantified in section 4.7 of the registration document. This section dedicated to the compensation of the group senior managers is part of the corporate governance report prescribed by Article L.225-37 of the French Commercial Code.

For easy reference, you will find in this section a reminder of the principles and criteria governing the allocation of the corporate officers’ compensation that you approved at the Shareholders’ Meeting of April 24, 2018 and pursuant to which the compensation and benefits of all types due for 2018 to the Chairman and CEO, Mr. Tricoire, and to the Deputy CEO, Mr. Babeau, were calculated and set by the board of directors at its meeting of February 13, 2019.

The achievement rates of the performance conditions are presented and commented therein.

A reminder is also given that cash variable components (annual incentive and complementary variable portion for building pensions) will be only paid subject to approval of the compensation of the concerned corporate officer by a majority of the shareholders.

By the **fifth resolution** you are requested to approve the elements of Mr. Jean-Pascal Tricoire’s 2018 compensation and by the **sixth resolution** that of Mr. Emmanuel Babeau.
The evolution of the annual compensation and additional payments for pension building for Jean-Pascal Tricoire and Emmanuel Babeau are summarized in the graphs below.

### Annual fixed and variable compensation plus long-term incentives of Mr. Tricoire (in thousands of euros) for the years 2014 to 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed part</th>
<th>Variable part</th>
<th>Long-term incentives (performance shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,000</td>
<td>1,490</td>
<td>3,281</td>
</tr>
<tr>
<td>2017</td>
<td>950</td>
<td>1,882</td>
<td>3,219</td>
</tr>
<tr>
<td>2016</td>
<td>950</td>
<td>1,588</td>
<td>2,576</td>
</tr>
<tr>
<td>2015</td>
<td>950</td>
<td>1,213</td>
<td>3,567</td>
</tr>
<tr>
<td>2014</td>
<td>950</td>
<td>1,500</td>
<td>3,170</td>
</tr>
</tbody>
</table>

### Complementary payments (fixed and variable parts) for retirement of Mr. Tricoire (in thousands of euros) for the years 2016 to 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed part</th>
<th>Variable part</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>192</td>
<td>285</td>
</tr>
<tr>
<td>2017</td>
<td>182</td>
<td>361</td>
</tr>
<tr>
<td>2016</td>
<td>182</td>
<td>306</td>
</tr>
</tbody>
</table>

### Annual fixed and variable compensation plus long-term incentives of Mr. Babeau (in thousands of euros) for the years 2014 to 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed part</th>
<th>Variable part</th>
<th>Long-term incentives (performance shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>680</td>
<td>779</td>
<td>1,422</td>
</tr>
<tr>
<td>2017</td>
<td>605</td>
<td>922</td>
<td>1,395</td>
</tr>
<tr>
<td>2016</td>
<td>605</td>
<td>783</td>
<td>1,116</td>
</tr>
<tr>
<td>2015</td>
<td>550</td>
<td>542</td>
<td>1,546</td>
</tr>
<tr>
<td>2014</td>
<td>550</td>
<td>726</td>
<td>1,448</td>
</tr>
</tbody>
</table>

### Complementary payments (fixed and variable parts) for retirement of Mr. Babeau (in thousands of euros) for the years 2016 to 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed part</th>
<th>Variable part</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>153</td>
<td>176</td>
</tr>
<tr>
<td>2017</td>
<td>136</td>
<td>208</td>
</tr>
<tr>
<td>2016</td>
<td>136</td>
<td>177</td>
</tr>
</tbody>
</table>
Mr. Jean Pascal Tricoire, Chairman and CEO

I – Elements of compensation paid, 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 EUR1,000,000</td>
<td>Gross annual fixed compensation of EUR1,000,000 from January 1, 2018 to December 31, 2018 approved by the shareholders’ meeting of April 24, 2018.</td>
</tr>
</tbody>
</table>
| 2) Annual incentive EUR1,489,800 | The annual incentive portion amounts to 130% of fixed compensation. The annual incentive may vary from 0 to 260% depending on the level of achievement of pre-set objectives. Its structure is unchanged since 2015. At the board meeting held on February 13, 2019, annual incentives for 2018 due to be paid after the annual shareholders’ meeting if the latter approves it, were set at 149% of the fixed portion, which represents an achievement rate of 114.6% on a base 100. This calculation is broken down as follows:

1) Economic criteria component (84%) based on:
   - Group financial indicators (60%), which are organic sales growth (30%), adjusted EBITA margin (org.) improvement (20%) and cash generation targets (10%),
   - Company program economic priorities (24%), which are the growth of field services sales-process automation excluded – (8%) and systems commercial margin improvement (projects and equipment) (8%) as well as a criterion measuring the digital performance as per parameters non disclosed due to business secrecy (8%).

The achievement rate in connection with these criteria was 133.6% (base 100).

2) Company program non-economic component (6%) based on the indicator Schneider Sustainability Impact (6%), for which achievement rate was set at 173.3% (base 100).

3) Individual objectives (10%), which are specific objectives and, wherever possible, quantified, for which the board set the achievement rate at 100% (base 100).

4) Board reduction: The Board has considered the objectives communicated to investors in the course of the year and the business environment, and decided to decrease the formulaic outcome for the achievement rate on Group criteria by 20 pts, representing a 18 pts reduction on the total achievement rate, from 132.6% to 114.6%.

The achievement rates for each objective are detailed in the section of the Corporate Governance report dedicated to the compensation of the Corporate Officer.

3) Complementary payments for retirement

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 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 13, 2019 the annual complementary variable portion for 2018 due to be paid after the annual shareholders’ meeting if the latter approves it, was set by the board of directors at 149% of the annual complementary fixed portion, i.e. an achievement rate of 114.6% 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.
4) Long-term incentive (Performance shares)

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR982,620 for 18,000 performance shares</td>
<td>18,000 performance shares were granted under plan no. 30 to Mr. Tricoire in his capacity as Chairman and CEO of Schneider Electric SE.</td>
</tr>
<tr>
<td>EUR2,298,660 for 42,000 performance shares</td>
<td>42,000 performance shares were granted under plan no. 31 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 2018 to 2020 FY as follows: the Adjusted operational margin criterion is defined as the average of the annual rates of achievement under the criterion of Adjusted EBITA margin for financial years 2018 to 2020 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 2018, the board had decided that, if the Adjusted EBITA margin (organic) increased by at least +10 basis points before foreign exchange impact compared with 2017, 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 2018 would be 100% with a linear distribution between the 2 points;
- 25% of the shares are conditional on Group Cash conversion rate for 2018 to 2020 FY. The target average rate ranges between 80% and 100% according to the 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 average of the performance rate of the new Schneider Sustainability Impact (2018-2020) against predefined targets at the end of each of the three years. For 2018, if this index is lower than or equal to 3.5, no shares will vest. If this index is equal to or higher than 5, 100% of the shares will vest. Distribution is linear between the 2 points;
- 15% of the shares are conditional to relative Total Shareholder Return (TSR) objectives from 01.01.18 to 31.12.20. 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, within the limit of 50% of the TSR criterion, 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, 2016
Resolution number: 19th.
Date of the award decision by the board of directors: March 26, 2018.

30% of Mr. Tricoire’s compensation described above (items 1) to 4)) is granted to him in consideration for his duties as a Corporate Officer (Chairman and CEO) of Schneider Electric SE.

5) Attendance fees

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR0</td>
<td>Mr. Tricoire has waived his attendance fees.</td>
</tr>
</tbody>
</table>
III – Other elements of compensation, which were subject to the approval of the annual shareholders’ meeting pursuant to regulated agreements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts submitted to the vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>6) Other benefits</td>
<td>EUR2,204</td>
</tr>
<tr>
<td>This concerns:</td>
<td></td>
</tr>
<tr>
<td>• 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 14, 2018.</td>
<td></td>
</tr>
<tr>
<td>• 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 14, 2018.</td>
<td></td>
</tr>
<tr>
<td>EUR8,815 Mr. Tricoire benefited from profit-sharing. Date of approval by the board: February 14, 2018.</td>
<td></td>
</tr>
<tr>
<td>EUR11,772 Mr. Tricoire benefited from company car. Date of approval by the board: February 14, 2018.</td>
<td></td>
</tr>
</tbody>
</table>

II – Other elements of compensation, which were subject to the approval of the annual shareholders’ meeting pursuant to regulated agreements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts submitted to the vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination benefit</td>
<td>EUR0</td>
</tr>
<tr>
<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 4-7 of the 2018 Registration Document). Board decision of June 18-19, 2013, reiterated on April 25, 2017 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
<td></td>
</tr>
<tr>
<td>Non-compete compensation</td>
<td>EUR0</td>
</tr>
<tr>
<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 4-7 of the 2018 Registration Document). Board decisions of 2009, 2012, and 2013, reiterated and amended on April 25, 2015 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
<td></td>
</tr>
<tr>
<td>Supplementary pension scheme</td>
<td>N/A</td>
</tr>
<tr>
<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 4-7 of the 2018 Registration Document). Board decision of February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
<td></td>
</tr>
<tr>
<td>Supplementary Life &amp; Disability scheme</td>
<td>EUR0</td>
</tr>
<tr>
<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 4-7 of the 2018 Registration Document). Board decision of February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
<td></td>
</tr>
</tbody>
</table>
1. Report of the board of directors to the ordinary and extraordinary shareholders' meeting

Mr. Emmanuel BABEAU, Deputy CEO
I – Elements of compensation paid, 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 EUR680,000</td>
<td>Gross annual fixed compensation of EUR680,000 from January 1, 2018 to December 31, 2018 approved by the shareholders’ meeting of April 24, 2018.</td>
</tr>
</tbody>
</table>
| 2) Annual incentive EUR779,280 | The annual incentive portion amounts to 100% of fixed compensation. The annual incentive may vary from 0 to 200% depending on the level of achievement of pre-set objectives. Its structure has been unchanged since 2015. At the board meeting held on February 13, 2019, annual incentives for 2018 due to be paid after the annual shareholders’ meeting if the latter approves it, were set at 114.6% of the fixed portion, which represents an achievement rate of 114.6% on a base 100. This calculation is broken down as follows:
   1) Economic criteria component (84%) based on:
      • Group financial indicators (60%), which are organic sales growth (30%), adjusted EBITA margin (org.) improvement (20%) and cash generation targets (10%),
      • Company program economic priorities (24%), which are the growth of field services sales – process automation excluded – (8%) and systems commercial margin improvement (projects and equipment) (8%) as well as a criterion measuring the digital performance as per parameters non disclosed due to business secrecy (8%). The achievement rate in connection with these criteria was 133.6% (base 100).
   2) Company program non-economic component (6%) based on the indicator Schneider Sustainability Impact (6%), for which achievement rate was set at 173.3% (base 100).
   3) Individual objectives (10%), which are specific objectives and, wherever possible, quantified, for which the board set the achievement rate at 100% (base 100).
   4) Board reduction: The Board has considered the objectives communicated to investors in the course of the year and the business environment, and decided to decrease the formulaic outcome for the achievement rate on Group criteria by 20 pts, representing a 18 pts reduction on the total achievement rate, from 132.6% to 114.6%.
   The achievement rates for each objective are detailed in the section of the Corporate Governance report dedicated to the compensation of the Corporate Officer. |
| 3) Complementary payments for retirement | 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. The board of directors ensured that the mechanism implemented was in line with shareholders’ interests. Accordingly, Mr. Babeau 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 fixed portion EUR153,300 | At the meeting held on February 13, 2019 the annual complementary variable portion for 2018 due to be paid after the shareholders’ meeting if the latter approves it, was set by the board of directors at 114.6% of the annual complementary fixed portion, i.e. an achievement rate of 114.6% 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. |
| Annual complementary variable portion EUR175,682 | |
| 4) Long-term incentive (Performance shares) EUR425,802 for 7,800 performance shares according to IFRS valuation | 7,800 performance shares were granted under plan no. 30 to Mr. Babeau in his capacity as Deputy CEO of Schneider Electric SE. |
Amounts submitted to the vote  Description

| EUR996,086 for 18,200 performance shares according to IFRS valuation | 18,200 performance shares were granted under plan no.31 to Mr. Babeau consideration for his specific technical and operational functions as head of the Group’s Finance & Legal Affairs.

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 2018 to 2020 FY as follows: the Adjusted operational margin criterion is defined as the average of the annual rates of achievement under the criterion of Adjusted EBITA margin for financial years 2018 to 2020 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 2018, the board had decided that, if the Adjusted EBITA margin (organic) increased by at least +10 basis points before foreign exchange impact compared with 2017, 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 2018 would be 100% with a linear distribution between the 2 points;
  • 25% of the shares are conditional on Group Cash conversion rate for 2018 to 2020 FY. The target average rate ranges between 80% and 100% according to the 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 average of the performance rate of the new Schneider Sustainability Impact (2018-2020) against predefined targets at the end of each of the three years. For 2018, if this index is lower than or equal to 3.5, no shares will vest. If this index is equal to or higher than 5, 100% of the shares will vest. Distribution is linear between the 2 points;
  • 15% of the shares are conditional to relative Total Shareholder Return (TSR) objectives between 01.01.18 to 31.12.20. 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, within the limit of 50% of the TSR criterion, 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.

15% of the shares vested are subject to a holding requirement until such time as Mr. Babeau ceases his duties. Furthermore, in the event of vested shares being sold, Mr. Babeau 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. Babeau holds Schneider Electric shares with a value representing twice his annual fixed compensation.

The percentage of capital represented by Mr. Babeau’s share allocation is 0.004%.

Date of authorization by the Annual Shareholders’ Meeting: April 25, 2016.
Resolution number: 19th.
Date of the award decision by the board of directors: March 26, 2018.

5) Attendance fees EUR0 Mr. Babeau has waived the attendance fees he would have been entitled to receive from directorships held in Group companies.

6) Other benefits EUR8,815 Mr. Babeau benefited from profit-sharing.
Board authorization: February 14, 2018

EUR1,404 Mr. Babeau benefited from the employer matching contribution paid to subscribers to the Group collective saving plan (PEG) in France. Date of approval by the board: February 14, 2018.

EUR8,598 Mr. Babeau benefited from a company car.
Board authorization: February 14, 2018
1. Report of the board of directors to the ordinary and extraordinary shareholders’ meeting

II – Other elements of compensation, which were 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 EUR0</td>
<td>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 variable compensation (i.e. inclusive of compensation and complementary payments) paid over the last 3 years and authorized by the board of directors. (See Section 4-7 of the 2018 Registration Document). Board decisions of June 18-19, 2013 and February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (5th resolution).</td>
</tr>
<tr>
<td>Non-compete compensation EUR0</td>
<td>Mr. Babeau may receive non-compete compensation for a period of one year capped at 6/10th 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). (See Section 4-7 of the 2018 Registration Document). Board decisions of June 18-19, 2013 amended in October 24, 2013 and February 18, 2015, reiterated and amended on April 25, 2017 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (5th resolution).</td>
</tr>
<tr>
<td>Supplementary pension scheme N/A</td>
<td>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. (See Section 4-7 of the 2018 Registration Document). Board decision of February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (5th 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 2015, reiterated on April 25, 2017 and February 14, 2018. Date of approval by the Annual Shareholders’ Meeting: April 24, 2018 (5th 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 2019 – Seventh and eighth resolutions

In pursuance of article L.225-37-2 of the French Commercial Code, you are requested to approve the principles and criteria governing the determination, allocation and granting 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 2019.

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 benefits forming part of the status of the Corporate Officers and separately approved under the regime of the regulated agreements.

In this respect, the remuneration submitted to your approval covers all the payments and benefits granted to corporate officers on account of their mandates in the company as well as of the other functions they may perform within the Group.

These components are presented, detailed and quantified in section 4.7 of the registration document. This section dedicated to the compensation of the group senior managers is part of the corporate governance report prescribed by article L. 225-37 of the French commercial code.

Based on the principles and criteria for determining, allocating and granting the components of the compensation and benefits of all types that may be awarded to the Chairman and CEO and to the Deputy-CEO for 2018 approved by the shareholders at the 2018 annual general meeting with more than 70% support, the board of directors decided on February 13, 2019, based on the works and recommendations of the Governance and remuneration committee, which as a reminder is composed of 80% of independent members as per AFEF/MEDEF Code:

- to continue to apply in 2019 the fundamental pillars which command the principles governing the compensation of the corporate officers. These pillars are: pay-for-performance, alignment with shareholders’ interests, and competitiveness. The structure of the corporate officers’ compensation results from these pillars, notably the overweight of variable components (75 to 80% of the total target compensation) and the proportion of approximately 50% of the target compensation granted in the form of performance shares;
- to maintain the base salaries of Messrs. Tricoire and Babeau at the levels set and approved for 2018;
- to maintain the maximum payable Annual Incentive in proportion of the base salary at, respectively, 260% for Mr. Tricoire and 200% for Mr. Babeau;
- to reduce from 8 to 4 the number of performance criteria which determine the amount of Annual Cash Incentive, out of which 80% are Financial and 20% Sustainability based, and exclusively use Group criteria (to the exclusion of individual criteria) that are measurable and communicated to the market, namely: Adj. EBITA margin (organic) improvement, Group Cash Conversion rate, Group Organic Sales Growth, Schneider Sustainability Impact;
- to maintain the conditions, modalities and volume of the performance share grants with no change, while amending the acquisition scale for shares based on the achievement of the Relative TSR performance in a manner that disallows acquisition of shares in case Schneider Electric is ranked 8th or below;
- to maintain the rule according to which no compensation which is not provided by the compensation policy already approved by the shareholders be paid to corporate officers.

The board also intends to remain transparent 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 Depute 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 to drive 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.

In accordance with applicable law, the payment of any variable or exceptional cash component in relation to the exercise of their office by the Corporate Officers year in 2019 will be subject to your approval at the Annual Shareholders’ Meeting following year-end 2019.

Under the seventh resolution you are requested to approve these principles and criteria for 2019 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 twelfth resolutions

We remind you that the terms of office of Ms. Betsy Atkins and Mr. Greg Spierkel are due to expire after the 2019 Annual Shareholders’ Meeting.

At its meeting of February 13, 2019, the board of directors took note of the decision of:

- Ms. Betsy Atkins’s decision not to present herself as a candidate for the renewal of her term of office,
- Mr. Antoine Gossel-Grainville’s wish to put an end to his role as a director at the end of the next Annual Shareholders’ Meeting.

The board of directors was keen to highlight the thanks that the Company owes these individuals who have actively contributed to the quality of the discussions held by the board during a period of strong development.
1. Report of the board of directors to the ordinary and extraordinary shareholders' meeting

The board of directors has unanimously decided, upon recommendation of its Governance and remunerations committee, to propose:

- the renewal of Mr. Greg Sperkel; and
- the appointments of Ms. Carolina Dybeck Happe, Ms. Xuezheng Ma and and Mr. Lip-Bu Tan.

These recommendations are in line with the on-going refreshment plan of the board which aims at reinforcing the geographical diversity of its members, adding strong skills in the field of strategic challenges such as digital and at strengthening the deep knowledge of the Group's key markets.

Ms. Carolina Dybeck Happe, 46 years old, a Swedish citizen, joined A.P. Moller-Maersk A/S in January 2019 as Chief Financial Officer and Executive committee member. She has previously been pursuing her career with Assa Abloy AB, a company listed in Sweden, where she was appointed Executive Vice-president and Chief Financial Officer in 2012 after holding several positions as Chief Financial Officer of various geographical zones including Germany and the United Kingdom. Ms. Dybeck Happe has also served as a member of the supervisory board of E.ON since June 2016. She will bring to the board her finance and industry skills in sectors adjacent to that of Schneider Electric and her deep knowledge of the constraints and specificities of listed companies.

Ms. Xuezheng Ma, also known as Mary, 66 years old, a Hong Kong Chinese citizen, co-founded Boyu Capital Advisory Co. Ltd. in 2011 and has been its Managing Partner since then. Prior to Boyu Capital, she was a Partner of TPG Capital and Co-Chairman of TPG China, a global private equity investment firm. She joined Lenovo Group in 1990 and was appointed Chief Financial Officer, Senior Vice President and Executive Director of the board, positions that she held from 1997 to 2007 before serving as non-Executive Vice-Chairman until 2013. She has been re-designated to be an Independent Non-Executive Director since 2013. Prior to Lenovo, she was Department Director of the Chinese Academy of Sciences for 12 years. She will bring to the board her extremely rich experience in digital and executive management, strong skills in the field of digital and an acute sense of how to tackle opportunities in Asian markets. Her presence will also contribute to the geographical diversity of the board.

Mr. Lip-Bu Tan joined the Schneider Electric board of directors as a non-voting member on October 24, 2018. Mr. Tan is currently CEO and board member of Cadence Design Systems, as well as Chairman of Walden International, a venture capital firm he founded in 1987. Prior to founding Walden, he was Vice-president of Chappell & Co. and held management positions at EDS Nuclear and ECHO Energy. He is bringing to the board a valuable contribution in terms of IT/Software and Technology expertise, notably in the field of energy, as well as strong venture capital & investment experience and a deep knowledge of Asian and US markets. In order to give to his new mandate as a board member of Schneider Electric the appropriate amount of time, Mr. Lip-Bu Tan decided to put an end to his board membership with Aquantia as of May 2019.

If you approve the proposals made in ninth to twelfth resolutions, the board of directors will comprise 14 members, 46% of women (directors representing employees excluded pursuant to the provisions of the French Commercial Code), 71.5% of foreign directors and 83% of independent directors (in accordance with AFEP/MEDEF corporate governance Code).

If you approve the proposals made in ninth to twelfth resolutions, the board recommends increasing the maximum budget of directors’ fee allocated to members of the board from EUR2,000,000 to EUR2,500,000.

This proposal to increase the amount of directors’ fee aims at maintaining the compensation granted to board members at the current level, with no change in the allocation rules.

The increase of the number of meetings (board and committees) per person that resulted from the creation of one additional committee (i.e. the Digital committee), added to the fact that each member of the board (excluding the Chairman and CEO) is member of at least one committee, that almost 67% of them are members of 2 committees and that nearly one third are member of 3 committees, and also given that one additional board meeting was held in 2018, i.e. 9 meetings (vs. 8 in 2017), has led to a total paid directors’ fee close to the maximum amount approved by the 2017 Annual General Meeting even though the amount paid by committee meeting had been reduced.

The current level of attendance fees cannot be reduced as long as Schneider Electric wishes to secure board members recognized for their most relevant and cutting-edge expertise worldwide.
The increase of the number of members in 2019 with one additional member should the proposals made in ninth to twelfth resolutions be approved, as well as the reinforcement of the geographic diversity leading to an increase of the compensation for intra-continental or inter-continental travel, make it necessary to increase the global authorization.

The proposed increase would allow the coverage of these factors and the potential appointment of a second director representing employees, with no modification of the allocation rules applicable to directors’ fees.

Share buybacks – Fourteenth resolution
We request that you renew the authorization given to the Company by the Annual Shareholders’ Meeting of April 24, 2018, 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, as may be permitted under the regulations in force.

Shares bought back may be canceled under the authorization adopted by this Annual Shareholders’ Meeting (twenty-fourth resolution).

We remind you that Schneider Electric, in accordance with the announcement made in 2017, targeted a cumulative buyback amount of EUR1 billion for the June 2017 – June 2019 period. These buybacks were part of a policy to neutralize the dilution resulting from capital increases 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 24, 2018, and through implementation of the announced projects, Schneider Electric proceeded from April 25, 2018 to February 13, 2019 to a buyback of 10.7 million shares, for a total sum of EUR712.8 million. Since the beginning of the program, June 1, 2017, the Company bought back 14.8 million shares for Euro 1 billion and has completed the program.

Further information on the Company’s share buyback programs can be found on page 361.

In the fourteenth 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 shareholders’ meeting (for reference purposes, based on the issued capital on December 31, 2018: 57,916,876 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
Delegations of authority to the board of directors to increase the capital with or without shareholders’ preferential subscription rights – Fifteenth to twentieth resolutions
We submit to you the resolutions regarding the renewal of the existing delegations to increase 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 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 2019 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 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. 34.53% of 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 fifteenth resolution, you are requested to delegate to the board of directors the authority to issue, in France and abroad, with shareholders’ preferential subscription rights, ordinary shares, and all other securities granting access to capital, such as convertible bonds or those reimbursable in shares, bonds with share subscription warrants, etc. Under the sixteenth resolution, you are also requested to grant the board of directors authorization to increase 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, 34.53% 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 seventeenth 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 fifteenth resolution. In addition, pursuant to the fifteenth and seventeenth resolutions, the board of directors may issue shares entitling the holder to securities which may grant access to capital which would be issued, in agreement with the board of directors, by direct or indirect subsidiaries of Schneider Electric SE.
1. Report of the board of directors to the ordinary and extraordinary shareholders' meeting

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, 9.93% of capital. This amount is deducted from the ceiling with a par value of EUR800 million established in the fifteenth 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 eighteenth 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 fifteenth and seventeenth 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 nineteenth authorizes the board of directors to issue ordinary shares or securities granting access to capital, up to the limit of 9.93% of the share capital, i.e. 57.5 million shares set in the seventeenth 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 twentieth 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, 4.96% of 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 benefit from 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 twentieth 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 on the trading day 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.225-119 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 seventeenth 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.

Authorization to the board of directors to allocate free shares (issued or to be issued) to corporate officers and employees of the Company or of companies affiliated therewith, subject to performance conditions, as applicable, within the limit of 2% of the share capital, with waiver by shareholders of their subscription rights – Twenty-first resolution

Background to the authorization:

The authorization to allocate free/performance shares was granted by the Combined Annual and Extraordinary Shareholders’ Meeting of April 25, 2016 for a period of 38 months. It expires on June 24, 2019. This authorization enabled the free allocation, to date, of a total of 7.2 million shares (including the 2019 LTIP yet to be issued), representing potentially 1.2% of the share capital at December 31, 2018. Detailed information on the plans for free/performance shares allocated to date under this authorization can be found on pages 371 et seq of this registration document.

Given the importance of this deferred compensation mechanism (see page 249), you are requested to renew this authorization.
Structure of the authorization:

(i) Dilution
- the total amount of shares allocated may not represent more than 2% of capital over three years, subject to potential adjustments which may be applied in the event of a transaction involving the Company’s share capital;
- the annual number of shares granted to the Company’s corporate officers (the Chairman and CEO and the Deputy CEO) pursuant to this authorization may not exceed 0.03% of capital per year.

(ii) Characteristics
- beneficiaries: shares may be allocated to senior corporate officers, members of the Executive Committee, key managers of the Group in all countries, and to high-potential employees or to those whose performance is deemed remarkable;
- vesting/holding period: under long-term incentive plans, the vesting period may be no shorter than three years. It may be accompanied, or not, by a holding period;
- under long-term incentive plans, all shares allocated annually to corporate officers of the Company and to members of the Executive Committee will be subject to performance conditions. For other beneficiaries, the performance criteria will be applied to at least 70% of the shares granted. Due to the performance conditions, all or part of the performance shares granted may be canceled. For instance, 29% of shares subject to performance criteria of the 2015 long-term incentive plan were canceled due to the failure to meet these conditions and 8.54% for the 2016 long term incentive plan (see below).

Under the previous authorization approved by the shareholders on April 25, 2016 and currently in force, the performance criteria governing the benefit of shares subject to performance conditions are as follows:

- for 40% of the shares, a criterion depending upon the level of adjusted EBITA margin;
- for 25% of the shares, a criterion based upon the level of cash conversion by the Group;
- for 15% of the shares, a criterion measuring the relative performance of Schneider Electric in terms of TSR, based on Schneider Electric ranking within a panel composed of eleven peers from the same industry (ABB, Legrand and Siemens for Europe, Eaton, Emerson, Honeywell, Johnson Controls and Rockwell Automation for the United States and Fuji Electric, Mitsubishi Electric and Yokogawa for Asia);
- for 20%, an objective of increasing the “Planet & Society barometer” (now, the Schneider Sustainability Impact) which measures the progress of the Group with regard to environmental sustainability and social responsibility.

Since 2016, performance conditions are assessed over a period of three years instead of two years.

Detailed information on the plans for free/performance shares allocated to date under this authorization can be found on pages 371 et seq of this registration document.

New performance criteria

Based on the report of the Human Resources & CSR and Governance & remunerations Committees, the board of directors decided to review the assessment of the long-term performance and to further strengthen the alignment with shareholders’ long term interests. Accordingly, if you approve this resolution, the board will introduce six major changes:

- For all plans to be launched under this authorization, there shall be no overlapping with the criteria already used for the determination of the Annual Cash Incentive. As a result, the criteria based on Adjusted EBITA margin, cash conversion and Planet and Society barometer (now Schneider Sustainability Impact), would be replaced with new criteria;
- Among these new criteria, the board decided to introduce the use of the Adjusted EPS as performance indicator. The Adjusted EPS is already one of the KPIs communicated to the market and reflects the focus made on the creation of shareholder value;
- The number of criteria shall be reduced to 3;
- The weight of the shares allocated under the criterion of Relative TSR shall be multiplied by two and the TSR acquisition scale be made more stringent, with no vesting at ranks 8 and below in the bespoke peer group (with an anticipated application of this change in the 2019 LTIP to be issued);
- The TSR relative performance of Schneider Electric shall also be measured as compared to the performance of the companies in its own national reference index – the CAC40 – to reflect the macro-economic and stock-market specific trends which influence the performance of the share and in turn, the return to the shareholders;
- The long-term sustainability performance of the Group shall also be measured in terms of relative performance, through a combination of external indices which cover a range of environmental, social and governance indicators wider than and different from the Schneider Sustainability Impact. Using external indices will also ensure that the sustainability priorities governing the assessment of the long-term sustainability performance of the Group are at all times those which matter the most to the stakeholders.

The board will select 4 external indices, all widely recognized as objective, challenging, trustworthy and meaningful, such as DJSI World, Euronext Vigeo, FTSE4GOOD and CDP Carbon List. This combination is referred to herein as Relative Sustainability Index and shall determine 30% of the acquisition of the shares subject to performance conditions.
1. Report of the board of directors to the ordinary and extraordinary shareholders’ meeting

As a result, if you support this resolution, the structure of the future long-term incentive plans issued under this authorization will be as follows:

- **Structure and weighting of the performance criteria:**
  - for 40%, the Adjusted EPS improvement, based on the Adjusted EPS communicated to the market;
  - for 30%, Relative TSR, split equally in two lots corresponding to two panels, both subject to stringent acquisition scales:
    1. 15% based on Schneider Electric’s ranking compared to the bespoke competitors’ peer group (ABB, Legrand, Siemens and Schneider Electric for Europe, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation for the United States and Fuji Electric, Mitsubishi Electric and Yokogawa for Asia), with an acquisition scale as follows: 150% for ranks 1 to 3, 100% at rank 4, 0% at rank 8 and below, linear between ranks 4 to 8. In order to limit impacts of short-term price volatility, TSR will be measured in euros for all companies in the panel;
    2. 15% based on Schneider Electric’s ranking compared to CAC-40 companies, with an acquisition scale disallowing acquisition of shares below median: 0% below median, 50% at median (rank 20), 100% at rank 10, 120% in ranks 1 to 4, linear between these two points;
  - for 30%, the Relative Sustainability Index. Only leadership positions in the selected indices will entitle to 100% acquisition of shares.
- **Offsetting for extra-performance; exceptional performance under the Relative TSR criteria may compensate for under-performance under the Adjusted EPS criterion up to the same number of shares.** Cases of exceptional performance occur when Schneider Electric is ranked in the first quartile of the bespoke peer group (ranks 1 to 3) or the Top 10% of the CAC-40 (ranks 1 to 4). This mechanism is used as a driver to deliver more long-term performance and returns to the shareholders;
- **Target setting:** whenever applicable, the targets will be in line with the objectives communicated at the beginning of the year to the market.
- **Acquisition period:** Performance will be measured over three years and shares will be acquired definitely at the end of a three-year period starting from the date of allocation (usually end of March). Shares won’t be subject to an additional holding period, except for the plan reserved to the shares granted to the Corporate officers in consideration for their corporate office.

(iii) **Other characteristics**
- The corporate officers are bound by obligations to retain their shares, which are presented on pages 365 et seq.
- In accordance with the provisions of the French Commercial Code, it is the responsibility of the board of directors to determine the identity of beneficiaries of the allocations, as well as the conditions and, where appropriate, the criteria for allocation of shares.
- Since the shares that may be so allocated may be shares to be issued, the authorization involves the waiver by shareholders of their preferential subscription right to free shares to be issued.
- All other modalities relating to the acquisition and keeping of the performance shares shall be defined by the board and reported in the Rules of the plans.
- Authorization is granted for a period of 38 months.

**Capital increases reserved for employees with cancellation of preferential subscription rights of shareholders – Twenty-second and twenty-third resolutions**

Schneider Electric is convinced of the importance of developing the Company’s employee shareholder base and issues new shares to employees each year. As of December 31, 2018, employees were holding 4.3% of the capital.

We remind you that the sixteenth and the seventeenth resolutions of the Annual Shareholders’ Meeting of April 24, 2018, authorized the board of directors to issue shares reserved for employees participating in the Company Savings 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 12, 2018, the board of directors decided to renew the annual employee shareholder plan in 2019, within a limit of 3.7 million shares (approximately 0.64% of the capital). This plan, which will not include a leveraged offer, will be offered in 39 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% or 30% if permitted by law) to all subscribers and a maximum employer contribution of EUR1,400.

The Company carried out capital increases reserved for Group employees in 2018 (WESOP 2018). These transactions are presented on page 363 of this registration document.

To allow for the implementation of a new global employee share ownership plan in 2020, you are requested to renew these authorizations under the same conditions.

Such is the purpose of the twenty-second and twenty-third resolutions.

Under the **twenty-second resolution**, you are requested to grant the board of directors the authority to carry out capital increases reserved for employees participating in the Company Savings 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% (or 30% if permitted by law).
This authority requires shareholders to waive their preferential subscription right in favor of members of the Company Savings Plan. It is valid for a period of 26 months; the authority in force as voted by the Annual Shareholders’ Meeting of April 24, 2018 in its sixteenth resolution shall cease to be effective as from June 30, 2019.

The maximum nominal amount of capital increases carried out on the basis of the twenty-second resolution will be deducted from the ceilings outlined in the fifteenth and seventeenth resolutions of this Annual Shareholders’ Meeting.

Under the twenty-third resolution, we request that you renew the authorization to carry out capital increases reserved for employees and Corporate Officers 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 Company Savings 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-second resolution of this Annual Shareholders’ Meeting. A maximum discount of 20% (or 30% if permitted by a change in law as part of the twenty-second resolution of this Annual Shareholding Meeting) 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-second resolution.

This authorization is valid for a period of 18 months and may only be used on or after August 1, 2019. As from August 1, 2019, it shall supersede the existing authorization granted in the seventeenth resolution adopted by the Annual Shareholders’ Meeting of April 24, 2018 for the amounts remaining unused at July 31, 2019.

**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-fourth resolution**

Under the twenty-fourth resolution, we request that you 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 this authorization, which is to expire on April 24, 2019, has been used by the board of directors, at its meeting of February 14, 2018, to proceed with the cancellation of 22,000,000 treasury shares, representing 3.69% of the share capital as of December 31, 2017. Further to this cancellation, the Company held 17,349,507 of treasury shares, representing 3.02% of the share capital as of December 31, 2017 after capital reduction.

Finally, under the twenty-fifth resolution we request that you grant us the powers necessary to carry out the formalities.
4. Special reports from the Statutory Auditors

4.1: Statutory Auditors’ report on regulated agreements and commitments

To the Shareholders of Schneider Electric SE,

In our capacity as your company’s statutory auditors, we hereby report to you on regulated agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying your company’s interest of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R. 225-31 of the French commercial code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French commercial code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders’ Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors (Compagnie nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted to the approval of the shareholders’ meeting

Agreements and commitments authorized and concluded during the financial year

We have been informed of no agreements and commitments authorized during the last year and requiring the approval of the Shareholders’ Meeting by virtue of article L. 225-38 of the French commercial code.

Agreements and commitments previously approved by the shareholders’ meeting

We have been informed of the implementation, during the last year, of the following agreements and commitments, previously approved by the Shareholders’ Meeting of April 24, 2018, as indicated in the statutory auditors’ special report of March 12, 2018.

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

Your Board of Directors, pursuant to the renewal of Mr. Jean-Pascal TRICOIRE’s position of director and his reappointment as Chairman & Chief Executive Officer, both approved by the shareholders at the Shareholders’ Meeting on April 25, 2017, authorized the renewal of the commitments, as described hereunder, in his favor, on February 14, 2018 and approved by the shareholders’ meeting on April 24, 2018. These commitments had been previously authorized by your Board of Directors on February 18, 2015 and approved by your Shareholders’ Meeting on April 21, 2015:

1) 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, death and dependence.

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

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

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 of Group net profit for the five years preceding the event; or
• Positive average free cash flow for the five years preceding the event.

2) 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-competitive 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:

(i) Dismissal, non-renewal or resignation as Chairman & 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;
(ii) Dismissal, non-renewal or resignation as Chairman & Chief Executive Officer in the event of a reorientation of the strategy pursued and promoted by him until his departure, whether or not in connection with a change in shareholder structure as described above;
(iii) Requested dismissal, non-renewal or resignation as Chairman & 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:

(i) Less than 66 percent; no Compensation shall be awarded;

(ii) 66 percent; the interested party shall receive 75 percent of the Maximum Amount;

(iii) Between 66 percent 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;

(iv) 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.

3) 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 (fixed and targeted variable, including additional payments for retirement).

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

4) 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:

• Mr. TRICOIRE will retain the benefit all his stock options, free shares or performance shares or any other shares attributed to him on February 14, 2018, subject to the mathematical average of the rate of achievement of Group performance objectives, used to determine part of Mr. Jean-Pascal TRICOIRE’s bonus, equaling at least two thirds of the target of the three completed financial years preceding his departure.

• Mr. TRICOIRE will retain the benefit all his stock options, free shares or performance shares or any other shares attributed to him after February 14, 2018, based on the prorata temporis of his time of presence within the Group, regardless of his position, unless the Board, in a justified decision and only in the case of an involuntary severance, grants the benefit of all stock options, free shares or performance shares, under the same conditions as those applied for stock options, free shares or performance shares attributed before February 14, 2018. These conditions include the changes decided by your Board of Directors on February 14, 2018, to align with best practices in terms of governance and to offer the necessary flexibility to retain high performing managers, and hence have been considered to be in your company’s interest.

5) Surviving spouse’s pension

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).

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).

With Mr. Emmanuel BABEAU (Deputy Chief Executive Officer)

Your Board of Directors, pursuant to the reappointment of Mr. Emmanuel BABEAU as Deputy Chief Executive Officer approved by the shareholders at the Shareholders’ Meeting on April 25, 2017, authorized the renewal of the commitments, as described hereunder, in his favor, on February 14, 2018 and approved by the shareholders’ meeting on April 24, 2018. These commitments had been previously authorized by your Board of Directors on February 14, 2018 and approved by your Shareholders’ Meeting on April 21, 2015:

1) 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, death and dependence.

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

Additionally, contingency and supplementary cover compensation for health, incapacity, disability, death and dependence inuring to the benefit of Mr. Emmanuel BABEAU shall be calculated on the basis of his overall remuneration (fixed/variable and additional payments for retirement).

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 of Group net profit for the five years preceding the event; or

• Positive average free cash flow for the five years preceding the event.
4. Special reports from the Statutory Auditors

2) 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:

(i) 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;
(ii) 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 his departure, whether or not in connection with a change in shareholder structure as described above;
(iii) 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.

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:

(i) Less than 66 percent; no Compensation shall be awarded;
(ii) 66 percent; the interested party shall receive 75 percent of the Maximum Amount;
(iii) Between 66 percent 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;
(iv) 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.

3) 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 (fixed and targeted variable, including additional payments for retirement).

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 fifteen days from the date of departure.

4) 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:

- Mr. Emmanuel BABEAU will retain the benefit all his stock options, free shares or performance shares or any other shares attributed to him on February 14, 2018, subject to the mathematical average of the rate of achievement of Group performance objectives, used to determine part of Mr. Jean-Pascal TRICOIRE’s bonus, equaling at least two thirds of the target of the three completed financial years preceding his departure.
- Mr. Emmanuel BABEAU will retain the benefit all his stock options, free shares or performance shares or any other shares attributed to him after February 14, 2018, based on the prorata temporis of his time of presence within the Group, regardless of his position, unless the Board, in a justified decision and only in the case of an involuntary severance, grants the benefit of all stock options, free shares or performance shares, under the same conditions as those applied for stock options, free shares or performance shares attributed before February 14, 2018. These conditions include the changes decided by your Board of Directors on February 14, 2018, to align with best practices in terms of governance and to offer the necessary flexibility to retain high performing managers, and hence have been considered to be in your company’s interest.

5) Surviving spouse’s pension
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, 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, converted into a theoretical annuity equivalent that may be purchased upon disability in conformity with insurance conditions (technical rate, mortality rate).

Signed in Paris-La Défense and in Courbevoie, on March 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOUREL    Loïc WALLAERT
Alexandre RESTEN

MAZARS

Signed in Paris-La Défense and in Courbevoie, on March 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOUREL    Loïc WALLAERT
Alexandre RESTEN

MAZARS

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4.2: Statutory Auditors’ report on the issuance of shares and 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, of any company in which it owns directly or indirectly more than half the share capital, with preferential subscription rights (15th resolution);
  – an issue of ordinary shares or securities giving access to the ordinary shares of the company or, 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 (17th 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 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 way of tenders referred to in Section II of article L. 411-2 of the French Monetary and Financial Code (Code monétaire et financier) and within the annual limit of 20 percent of the share capital (20th resolution);
  – to authorize the board, within the framework of the implementation of the delegation referred to in the 20th 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 (19th resolution), within the limit of 9.93 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 EUR 800 million by virtue of the 15th, 16th, 17th, 19th and 20th resolutions, of the current Shareholders’ Meeting and for the 16th resolution of the Shareholders’ Meeting of April 24, 2018, it being specified that:

  – the total nominal amount of the increase in capital may not exceed EUR 230 million by virtue of 17th, 19th and 20th resolutions;
  – the total nominal amount of the increase in capital may not exceed EUR 155 million by virtue of 20th 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 15th and 17th resolutions, in accordance with article L. 225-135-1 of the French Commercial Code, if you adopt the 18th resolution.

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. It is our responsibility to give our opinion on the computation of this issue price.

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 17th 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 20th 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 15th and 19th 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 17th and 20th 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 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOUREL
Alexandre RESTEN

MAZARS
Loïc WALLAERT

Signed in Paris-La Défense and in Courbevoie, on March 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOUREL
Alexandre RESTEN

MAZARS
Loïc WALLAERT

Signed in Paris-La Défense and in Courbevoie, on March 8, 2019
4. Special reports from the Statutory Auditors

4.3: Statutory Auditors’ report on the authorization to make grants of free shares, existing or to be issued

To the Shareholders,

In our capacity as statutory auditors of your company and in compliance with Articles L. 225-197-1 of the French Commercial Code (Code de commerce), we hereby report on the proposed authorization to make grants of free shares, existing or to be issued, to members of the staff or certain categories determined from among the employees of the Company or of companies affiliated therewith for purposes of Article L. 225-197-2, as well as to officers who meet the conditions set forth in Article L. 225-197-1 of the French Commercial Code, upon which you are called to vote.

In its report, the Board of Directors states that in the context of the annual long-term incentive plans, all the shares allocated to the company’s executive officers and members of the Executive Committee will be subject to performance conditions. For other beneficiaries, the performance conditions will cover at least 70% of the awarded shares. Due to the performance conditions, all or part of the performance shares may be canceled.

The aggregate number of shares that may thus be granted shall not amount to more than 2% of the Company’s share capital at the date of this Shareholders’ Meeting, it being specified that the number of shares that may be granted annually to corporate officers of the Company under and pursuant to this authorization shall not account for a percentage greater than 0.03% of the Company’s share capital at the date of this Shareholders’ Meeting.

Your board of directors proposes that, on the basis of its report, it be authorized, for a period of 38 months from the date of this Shareholders’ Meeting, to make grants of free shares, existing or to be issued.

It is the responsibility of the board of directors to prepare a report on these transactions with which it wishes to proceed. It is our responsibility to give you our comments, if we have any, on the information that you have thus been given about the proposed transactions.

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 particular, in verifying that the methods planned and set out in the board of directors’ report comply with the provisions of the law.

We have no comments to make on the information set out in the board of director’s report on the proposed authorization to make grants of free shares.

Signed in Paris-La-Défense and in Courbevoie, on March 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOUREL
Alexandre RESTEN

MAZARS
Loic WALLAERT
4.4: Statutory Auditors’ report on the issuance of shares or securities giving access to capital reserved for members of a 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), we hereby report on the proposal to authorize your board of directors to decide whether to proceed with an issue of shares or securities giving access to the share capital of the company with cancellation of preferential subscription rights, reserved for participants in a Company Savings Plan of the company and of the French or non-French companies affiliated with the company in accordance with article L. 225-180 of the French Commercial code (Code de commerce) and article L. 3344-1 of the French Labor code (Code du travail), an operation 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 delegation, it being specified that this amount shall be deducted from the ceilings referred to in the 15th and 17th resolutions of this shareholders’ meeting.

This operation is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial code (Code de commerce) and L. 3332-18 et seq. 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 to the equity securities to be issued. If applicable, it shall determine the final conditions of this operation. This delegation may only be used from June 30, 2019.

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 (Code de commerce). 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 methods used to determine the issue price of the equity securities to be issued.

Subject to a 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 of 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 preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (Code de commerce), 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 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOURÈL
Alexandre RESTEN

MAZARS
Loic WALLAERT
4.5: Statutory Auditors’ report on the issuance of shares or securities 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 or securities giving access to the share capital of the company, with cancellation of preferential subscription right reserved for (i) employees and officers of companies of the 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 (Code du travail) 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, an operation 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 22nd resolution of this shareholders’ meeting, but is autonomous and distinct from the ceiling referred to in the 15th and 17th resolutions of this shareholders’ 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 to the equity securities to be issued. This delegation may only be used from August 1, 2019.

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 (Code de commerce). 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 methods used to determine the issue price of the equity securities to be issued.

Subject to a 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 of the equity securities to be issued 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 preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (Code de commerce), 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 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOUREL
Alexandre RESTEN

MAZARS
Loïc WALLAERT
4.6: 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 8, 2019

The Statutory Auditors

ERNST & YOUNG et Autres
Jean-Yves JEGOUREL
Alexandre RESTEN

MAZARS
Loic WALLAERT