Notice of meeting
Ordinary and Extraordinary Shareholders’ Meeting
of April 24, 2018 to be held at 3:00 p.m. at
Espace Grande Arche – Parvis de La Défense,
92004 Paris-La Défense

SUSTAINABILITY
A clear vision for the future.

Sustainability is driving growth in
Shenzhen, China’s greenest city.
schneider-electric.com
How to reach?

**BY CAR**
- Porte Maillot exit, head for La Défense
- At Neuilly, take Avenue Charles de Gaulle, cross Neuilly bridge, then take Boulevard Circulaire
- Exit at la Défense 7, then follow signs for Parking Cnit (recommended), Parking Valmy or Parking Les Quatre Temps

**BY PUBLIC TRANSPORT**
- La Défense Grande Arche station
- Metro Line 1 (Château de Vincennes / La Défense Grande Arche)
- RER A (Boissy-St-Léger / Marne-La-Vallée – Poissy/ Cergy)
- Tramway T2 (Porte de Versailles – Parc des expositions / La Défense)
- SNCF mainline train (line L: Saint-Lazare / Saint-Nom-la-Bretèche ou Versailles-RD)
- On foot: follow Grande Arche exit

FROM PARIS - CHARLES-DE-GAULLE AIRPORT
- RER B direction Saint-Rémy-lès-Chevreuse until Châtelet-les-Halles station
From Châtelet-les-Halles:
- Metro line 1 direction La Défense until La Défense Grande Arche station

FROM PARIS-ORLY AIRPORT
Orlyval until Antony station
- RER B direction Mitry-Claye or Aéroport Paris - Charles-de-Gaulle until Châtelet-les-Halles
From Châtelet-les-Halles:
- Metro line 1 direction La Défense until La Défense Grande Arche station

NB: The request of the admission card is on the attached form.
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2017: exceptional results, and a return to growth

Schneider Electric’s revenues rose to EUR24.7 billion in 2017, representing an organic growth of +3.2% overall, comprising +5.9% in our Industrial Automation business and +2.3% in Energy Management.

All our geographical zones grew: +6% in Asia Pacific (driven by China and India), +2% in Western Europe and North America, and +3% in the rest of the world.

In our Industrial Automation business, growth accelerated on the machine segment as well as in our discrete and hybrid plant systems. Energy Management grew on the back of an expanding residential and commercial building sector, our growing data center solution sales and synergies with automation in industry and infrastructure. Both benefitted from the growing adoption of EcoStruxure, our IoT-enabled architecture and platform. Cross-selling between our Energy Management and Industrial Automation businesses grew to new levels, as we systematically propose integrated solutions for energy and operations optimization to our customers.

We drove our adjusted EBITA to an organic growth of +9%, resulting in a record high value and a margin of 14.8%, an organic improvement of 90 basis points.

We also continued to work on our company portfolio, strengthening our focus on core businesses, with the acquisition of ASCO Power Technologies, AVEVA and IGE+XAO, and the disposal of non-core assets, such as Telvent DTN.

As a result, the Group’s full-year net profit reached an all-time high of EUR2.15 billion (up 23% on 2016), yielding record earnings per share (EPS) at EUR3.85. This translated in a record high free cash flow, standing at EUR2.25 billion, confirming our progress in free cash flow conversion, once again above 100%.

We continue to return cash to our shareholders by investing c.EUR1bn through mid-2019 in share buybacks and proposing a progressive dividend of EUR2.20 per share (+6%), representing more than 50% of our net.

We are bringing our customers integrated and digitized solutions, based on EcoStruxure, to help them navigate 2 growing trends: “energy transition” – the shift towards more sustainable and more efficient power; and “digital transformation” – the adoption of increasingly automated and data-driven technologies.

Schneider Is On: more benefits for customers and all our stakeholders

2017 was the third year of our “Schneider Is On” program, which focuses on 5 key objectives – Do More, Simplify, Digitize, Innovate and Step Up – to better serve our customers and our partners.

Our ambition is to ensure that «LIFE IS ON» for everyone, everywhere and at all times.

We certainly continued to “Do More,” with more than 100 new products launched in 2017, and in the process, we earned numerous international design awards. We kept developing our field and digital services and scored mid-single digit growth in both product and service orders. Product revenues were up +4.3% organically in 2017. We incorporated more software into our EcoStruxure architecture and platform and accelerated our development in this field with the acquisition of IGE+XAO (a leader in design software for electrical installations), and the combination of our industrial software business and AVEVA (an
2017 was a great year for Schneider Electric, with a return to growth in all our businesses, and in every geography. Net income, adjusted EBITA and cash flow all rose to record levels as we pursued our strategic priorities.

As President of the United Nations Global Compact France, I want to reaffirm my support for the Ten Principles of the UN Global Compact, the Sustainable Development Goals and important initiatives such as the #HeForShe movement for gender equality. We will continue to promote business ethics, environmental progress, innovation and empowerment among all populations, from women and young talents working with us in the corporate world, to underprivileged communities and citizens everywhere, whose lives can be improved by our smart, energy-efficient solutions.

2018 outlook: transformation means opportunities

Looking ahead to 2018, Schneider Electric is uniquely placed to help customers meet their challenges of transformation and digitize their management of energy and automation. The world is accelerating its transition to sustainable and efficient electricity. A shining example is electric vehicles, which in the space of a year have become a focus for the entire automotive industry. The question is no longer if, but when, electric and self-driving vehicles will become the norm.

In a global economy marked by ongoing political uncertainty, innovation continues to drive society forward. Whether by ensuring universal access to energy, limiting our environmental footprint or bringing artificial intelligence in our customer’s applications, Schneider Electric will pursue its path to inventing technologies that reshape industries, transform cities and enrich lives.

We will continue developing more products, services and software to offer integrated efficiency solutions to our customers. Ultimately, we must remember that all progress is led by people – our employees, partners, customers and communities where we operate. Together, we pursue our transformation and development.
What were the main performance highlights for Schneider Electric in 2017?

We delivered a strong operational performance in 2017 with good progress on our strategic initiatives and strong execution, enabling us to reach record levels of adjusted EBITA, Net income and Free-cash-flow. Our revenues increased organically +3.2%, accelerating to +4.6% in Q4, as we delivered on our strategic initiatives to sell more products, services and software and being more selective in systems (equipment & projects). We recorded +90bps of organic improvement in our adj. EBITA margin, close to twice the initial target and our adj. EBITA margin improved to 14.8%. This performance highlighted the quality of our execution in 2017 on many levels: strong generation of industrial productivity, rapid implementation of pricing increase in an inflationary environment for raw materials, good improvement in the margin of systems and efficient cost control. This operational performance translated, despite currency headwinds, into our earnings per share growing by +24% on a reported basis and by +12% adjusted for exceptional items. Our FCF was at record level of €2.25bn and our ROCE improved by 1.2pt to 12%, benefi ting from increased operational profi t and improved capital effi ciency.

In addition to a strong operational performance, we continued to optimize our portfolio. We completed the divestment of DTN and fi nalized the acquisition of Asco Power in our core Low Voltage division, a leading company of Automatic Transfer Switches. We also signed the agreement to combine our activities of Industrial Software with AVEVA, taking a majority stake in a global leader in engineering and industrial software.

What were the highlights of the performance for your offers in Energy Management and Automation?

Both our core technologies performed well in 2017 with Energy Management technologies (1) growing organically by c. +4% (2) and Industrial Automation by c. +6%. Low Voltage, our largest division in term of revenues, delivered +4.4% organic growth and improved adj. EBITA margin by c. +80bps organic. Medium Voltage division’s focus was on margin improvement in 2017 and it delivered a strong c. +130bps organic improvement in adj. EBITA, which reached 10%. The division also grew revenues by c.+2% excluding the impact of selectivity initiatives. Secure Power grew by +2.1% organically and maintained its margin at good level. Industrial Automation posted a strong +5.9% organic growth and improved adjusted EBITA margin by c.+90bps organically. The performance in the second half of 2017 was notably strong with all businesses accelerating in organic topline growth and improving adj. EBITA margin by at least 1pt organically.

The Group targets an organic growth in operating profit in 2018, what are the key levers?

We recorded strong organic growth in our adj. EBITA in 2017 at +9.2%. Our priority for 2018 is to continue to deliver profi table growth as we are targeting for the year to deliver organic growth in our adj. EBITA around the high-end of the +4% to +7% bracket communicated as the average yearly objective for 2017-2019. To deliver this strong performance, the Group will use 2 levers: firstly, organic topline growth where the Group targets an organic growth between +3% and +5% and secondly, adj. EBITA margin expansion towards the upper end of the +20bps to +50bps range targeted as yearly improvement for 2017-2019.

How do you intend to drive shareholder value in the next years?

We have consistently delivered on the profi table growth and shareholder value creation roadmap we presented to investors in our investor day in late 2016. Our objective is to continue to generate a strong earnings growth through a combination of top line growth and margin expansion. With its leading position in energy management and automation, our company is well positioned to benefi t in the coming years from two major global investment drivers which are energy transition and the industry of the future, using our global reach and the complementarity of our offers. Furthermore, our digital platform, EcoStruxure™, offers promising opportunities for growth, notably through the development of new applications and digital services. In addition to growth, we continue to focus on operational effi ciency notably through industrial productivity, simplifi cation and cost-effi ciencies initiatives as well as continuing to improve the margin of our systems. Combined with the strong FCF generation and our solid balance sheet, this allows us to off er an attractive return to shareholder through a progressive dividend policy with no year-on-year decline, and through potential further share buybacks/ special dividend.

(1) Encompassing our low voltage, medium voltage and secure power technologies (2) Outside selectivity initiatives and with Delixi
The board of directors has decided to convene the Schneider Electric SE’s Shareholders Ordinary and Extraordinary Meeting on

April 24, 2018

At 3:00 p.m.

At Espace Grande Arche – Parvis de La Défense, 92004 Paris-La Défense

The board of directors has set the following agenda

Agenda

Draft resolutions are set forth in pages 38 to 42.

Within the material jurisdiction of the ORDINARY meeting:

- Reports issued by the board of directors and the statutory auditors on accounts for the financial year ending on December 31, 2017;
- Approval of corporate financial statements for the 2017 financial year;
- Approval of consolidated financial statements for the 2017 financial year;
- Appropriation of profit for the financial year, setting the dividend and withholding on share premiums;
- Approval of the regulated agreements and commitments relating to Mr. Jean-Pascal Tricoire’s status;
- Approval of the regulated agreements and commitments relating to Mr. Emmanuel Babeau’s status;
- Information regarding regulated agreements and commitments undertaken during previous financial years;
- Approval of elements of the compensation paid, due or awarded in respect of the 2017 financial year to Mr. Jean-Pascal Tricoire;
- Approval of elements of the compensation paid, due or awarded in respect of the 2017 financial year to Mr. Emmanuel Babeau;
- Approval of principles and criteria for determining, allocating and granting the elements of the compensation and benefits of all types that may be granted to the Chairman and Chief Executive Officer in respect of 2018 financial year;
- Approval of principles and criteria for determining, allocating and granting the elements of the compensation and benefits of all types that may be granted to the Deputy Chief Executive Officer in respect of 2018 financial year;
- Renewal of directorships: Mr. Willy Kissling and Ms. Linda Knoll;
- Appointment of two new directors: Ms. Fleur Pellerin and Mr. Anders Runevad;
- Authority granted to the board of directors to buy back company shares – maximum purchase price per share EUR90;

Within the material jurisdiction of the EXTRAORDINARY meeting:

- Delegation of authority to the board of directors to undertake capital increases reserved for participants in a Company savings Plan up to a limit of 2% of share capital, without shareholders’ preferential subscription right;
- Delegation of powers to the board of directors to undertake capital increases reserved for a category of beneficiaries: in favor of employees of foreign companies of the Group, either directly or via entities acting on their behalf thereof to offer to employees of foreign companies of the Group benefits comparable to those offered to participants in the Company savings Plan up to 1% of share capital, without shareholders’ preferential subscription right;
- Powers for formalities.
Corporate governance

Composition of the board of directors (February 14, 2018)

Chairman of the board of directors and Chief Executive Officer

M. Jean-Pascal Tricoire

Age: 54 years
Nationality: French
Business address: Schneider Electric, 35, rue Joseph-Monier, 92500 Rueil-Malmaison

442,568 Schneider Electric SE shares
First appointed: 2013/Term ends: 2021

Directorships and other functions

Chairman and CEO of Schneider Electric SE, Chairman and CEO of Schneider Electric Industries SAS, Director of DELIXI Electric Ltd, Director of Schneider Electric USA, Inc., Director and Chairman of the board of directors of Schneider Electric Asia Pacific Ltd, Chairman of the board of directors of Schneider Electric Holdings Inc., Chairman of the France-China Committee.

Previous directorships and functions held in the past five years:
Chairman of the management board of Schneider Electric SA, Director of NINGBO Schneider Power Distribution Apparatus Manufacturing Co. Ltd.

Experience and qualifications

After graduating from ESEO Angers and obtaining an MBA from EM Lyon, Jean-Pascal Tricoire spent his early career with Alcatel, Schlumberger and Saint-Gobain and joined the Schneider Electric Group (Merlin Gerin) in 1986. From 1988 to 1999 he occupied operational functions within Schneider Electric abroad, in Italy (5 years), China (5 years) and South Africa (1 year). He held corporate positions from 1999 to 2001: Director in charge of Strategic Global Accounts and the “Schneider 2000 +” strategic plan. From January 2002 to the end of 2003, he was Executive Vice-President of Schneider Electric’s International Division. In October 2003, he was appointed Deputy CEO, before becoming Chairman of the management board of Schneider Electric SA on May 3, 2006. On April 25, 2013, following the change in mode of governance of the Company, he was appointed Chairman and CEO, and then re-elected on April 25, 2017.

Vice-chairman independent lead director

M. Léo Apotheker*

Age: 64 years
Nationality: French/German
Business address: Flat A, 15 Eaton Square London SW1W 9DD, England

3,088 Schneider Electric SE shares
First appointed: 2007/Term ends: 2020

Directorships and other functions

Currently:
Vice-chairman independent lead director of Schneider Electric SE, Chairman of the Governance and remunerations committee and member of the Strategy Committee.

Other directorships in listed companies:
Director of NICE-Systems Ltd (Israel).

Other directorships or functions:
Chairman of the board of directors of Unit 4 NV (Netherlands), Chairman of the Supervisory board of Signavio GmbH (Germany), Director of KMD A.S. (Denmark), Director of P2 Energy Solutions (United States), Director of Taulia (United States).

Previous directorships and functions held in the past 5 years:
Manager of “Efficiency Capital” fund, Vice-Chairman of the supervisory board of Schneider Electric SA, member of the supervisory board of Steria, Chairman and CEO of Hewlett-Packard, member of the board of directors of Hewlett-Packard, Director of GTNexus (United States), member of the board of directors and the Strategy Committee of Planet Finance, Chairman of the board of KMD A.S. (Denmark).

Experience and qualifications

Léo Apotheker began his career in 1978 in management control after graduating with a degree in international relations and economics from the Hebrew University in Jerusalem. He then held management and executive responsibilities in several firms specializing in information systems including SAP France & Belgium, where he was Chairman and CEO between 1988 and 1991. Mr. Apotheker was founding Chairman and CEO of ECsoft. In 1995, he returned to SAP as Chairman of SAP France. After various appointments within SAP as regional director, in 2002 he was appointed as a member of the Executive Committee and Chairman of Customer Solutions & Operations, then in 2007 as Chairman CSO and Deputy CEO of SAP AG and in 2008 CEO of SAP AG. In 2010, he became CFO and Chairman of Hewlett-Packard, a position he held until the fall of 2011. Member of the Schneider Electric SA board of directors since 2007, Léo Apotheker was appointed Vice-chairman independent lead director in May 2014.

Note: bold indicates the names of companies whose securities are listed on a regulated market.
(1) Held directly or through the FCPE.
* An independent director within the meaning of the AFEP/MEDEF Corporate Governance Code.
Directors

Ms. Betsy Atkins*

**Age:** 64 years  
**Nationality:** American  
**Business address:** BAJACORP 10 Edgewater Drive Ste 10A Coral Gables, FL 33133, United States  
**1,000 Schneider Electric SE shares**  
**First appointed:** 2011/**Term ends:** 2019

**Directorships and other functions**

- Currently:
  - Director of Schneider Electric SE and member of the Strategy Committee.
- Other directorships or functions in listed companies:
  - Member of the board of directors of HD Supply Holdings, Inc. (United States); member of the Audit Committee and member of the board of directors of SL GREEN REALTY Corp. (United States), member of the Financial Policy & Compensation Committee of Cognizant Inc. (United States).
- Other directorships or functions:
  - Member of the board of directors of Volvo Cars AB (Sweden); Chairman and CEO of Baja LLC.
- Previous directorships and functions held in the past 5 years:
  - Member of the supervisory board of Schneider Electric SA, Chairperson of the Compensation Committee and member of the board of directors of Polycop Inc. (United States), member of the board of directors of Chico’s FAS Inc. (United States), of Wix (Israel) and of Ciber (United States), Chairman and CEO of Clear Standards, Inc. (United States), Chairperson of the Governance Committee and member of the board of directors of Darden (United States), Chairperson of the advisory board of SAP, member of ZocDoc advisory board.

**Experience and qualifications**

After graduating from the University of Massachusetts, Betsy Atkins began her career co-founding several successful high-tech and consumer companies, including Ascend Communications. In addition, she served as Chairman and CEO of Clear Standards from 2008-2009, Chairman and CEO of NCI from 1991 to 1993 and as CEO of Key Supercomputer from 1987 to 1989.

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Ms. Cécile Cabanis*

**Age:** 46 years  
**Nationality:** French  
**Business address:** Danone 17 boulevard Haussmann 75009 Paris, France  
**1,000 Schneider Electric SE shares**  
**First appointed:** 2016/**Term ends:** 2020

**Directorships and other functions**

- Currently:
  - Director of Schneider Electric SE and Chairperson of the Audit and risks committee.
- Other directorships or functions in listed companies:
  - Chief financial officer, IS/IT, Cycles and Purchases and member of the Executive Committee of Danone, member of the Supervisory board of Mediawan (France).
- Other directorships or functions:
  - Director of Danone CIS Holdings B.V., Danone Industria LLC and Danone Russia, Director of Danonewave (Public Benefit Corporation – United States), Director of Michel et Augustin SAS (France), member of the supervisory board of Société éditrice du Monde (France).
- Previous directorships and functions held in the past 5 years:
  - Non voting director of Schneider Electric SE, Director of Danone Djdurdra, Danone fund for Ecosystem, Director of Produits Laitiers Frais Iberia, Danone SA, Danone Chiquita Fruits, Compagnie Gervais Danone, Dan Trade, Danone Sp. z.o.o., member of the supervisory board of Toeca International Company B.V.

**Experience and qualifications**

With a degree in Engineering from Agro Paris Grignon, Cécile Cabanis started her career in 1995 at L’Oréal in South Africa, where she occupied the positions of Logistics Manager and Internal Control Manager, before moving to France where she worked as an Internal Auditor. In 2000, she then became Deputy Director of the France Télécom group’s Mergers and Acquisitions Department. In 2004, she joined Danone as Corporate Finance Director. In 2005, she was appointed Business Development Director at Danone, and in 2008 became Financial Director for Fresh Dairy Produce in the Western Europe region. In September 2010, Cécile Cabanis was appointed Financial Director for Fresh Dairy Produce. Since January 2015, she is Chief financial officer and member of the Executive Committee of Danone.

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* An independent director within the meaning of the AFEP/MEDEF Corporate Governance Code.
Mr. Xavier Fontanet*

**Age:** 69 years  
**Nationality:** French  
**Business address:**  
3, rue Charles-Lamoureux  
75016 Paris, France  

1,000 Schneider Electric SE shares  
First appointed: 2011/Term ends: 2018

**Directorships and other functions**

- Currently:  
  Director of **Schneider Electric SE** and Chairman of the Strategy Committee.
- **Other directorships or functions in listed companies:**  
  Director of **L’Oréal**.

- **Other directorships or functions:**  
  Associate professor at HEC, member of the board of directors of Rexel, member of the board of directors of ANSA (French National Association of Joint-Stock Companies), member of the board of the Carrefour Foundation, member of the board of directors of the Centre des Professions Financières.

- **Previous directorships and functions held in the past 5 years:**  
  Director of **Essilor**, member of the supervisory board of **Schneider Electric SA** and CEO of **Essilor International**, Chairman and CEO of **Essilor International**, Director of **Crédit Agricole SA** and of the Fonds stratégique d’Investissement (FSI), Chairman of EOA Holding Co. Inc. (USA), Nikon and Essilor Joint Research Center Co Ltd (Japan), Director of Nikon-Essilor Co. Ltd (Japan), Nikko and Essilor Joint Research Center Co Ltd Japan), Essilor of America, Inc. (USA), Transitions Optical Inc. (USA), EOA Holding Co., Inc. (USA), Shanghai Essilor Optical Company Ltd (China), Transitions Optical Holdings B.V. (Netherlands), Essilor Manufacturing India Private Ltd (India), Essilor India Pvt Ltd (India), Essilor Amico LLC (United Arab Emirates), Permanent representative of Essilor International on the board of directors of the Association Nationale des Sociétés par Actions (ANSA).

**Experience and qualifications**

A graduate of the École nationale des Ponts et Chaussées and Massachusetts Institute of Technology, Xavier Fontanet began his career as a Vice-President at the Boston Consulting Group. He was CEO for Bénéteau beginning in 1981. Between 1986 and 1991, he was in charge of central management of catering for the Wagons-Lits group. In 1991, he joined Essilor as Executive Vice-President and then served as Chairman and CEO from 1996 to 2009 and Chairperson of the board of directors until the beginning of 2012.

Mr. Antoine Gosset-Grainville*

**Age:** 51 years  
**Nationality:** French  
**Business address:**  
BDGS Associés  
51 rue François 1er  
75008 Paris, France  

1,000 Schneider Electric SE shares  
First appointed: 2012/Term ends: 2020

**Directorships and other functions**

- **Currently:**  
  Director of **Schneider Electric SE** and member of the Audit and risks committee.
- **Other directorships or functions in listed companies:**  
  Director of the **FNAC Group**, Director and Chairperson of the Audit Committee of **Compagnie des Alpes**.

- **Other directorships or functions:**  
  Partner at BDGS Associés law firm.

- **Previous directorships and functions held in the past 5 years:**  
  Member of the supervisory board of **Schneider Electric SA**, Director of **CNP Assurances** and **Icade**, Deputy Managing Director of the Caisse des Dépôts et Consignations, Director of the Fonds Stratégique d'Investissement, La Poste and Véolia-Transdev, Director of **Dexia**.

**Experience and qualifications**

Antoine Gosset-Grainville is a graduate of the Institut d’études politiques in Paris and holds a DESS post-graduate degree in banking and finance from University Paris IX Dauphine. After graduating from France’s École nationale d’administration, he began his career at the Inspection Générale des Finances (1994-1997). Then, he became Deputy General Secretary of the European Monetary Committee and later of the Economic and Financial Committee of the European Union (1997-1999). He was appointed Adviser for Economic and Monetary Affairs in the office of the European Commissioner in charge of Trade (1999-2002). He is a member of the Paris and Brussels Bars, and was a partner at the Brussels office of the Gide Loyrette Nouel law firm (2002-2007) before becoming Deputy Director in the office of Prime Minister François Fillon (2007-2010). From May 2010 to May 2013, he was Deputy Managing Director of the Caisse des Dépôts et Consignations. In June 2013, he became a partner at BDGS Associés law firm.
### Mr. Fred Kindle*

**Age:** 58 years  
**Nationality:** Swiss  
**Business address:** Vaistligasse 1  
9490 Vaduz, Liechtenstein  
**40,000 Schneider Electric SE shares**  
First appointed: 2016/Term ends: 2020

**Directorships and other functions**

- **Currently:** Director of Schneider Electric SE, member of the Audit and risks committee and member of the Strategy Committee.
- **Other directorships or functions in listed companies:**
  - Vice-Chairman of Zurich Insurance Group Ltd (Switzerland), member of the Governance and Appointments Committee and member of the remuneration committee, Chairperson of the board of directors of VZ Holding AG (Switzerland) and Chairperson of the Compensation Committee, Director of Stadler Bussnang AG (Switzerland) and Chairperson of the Strategy Committee, Chief Executive Officer of Kinon AG (Switzerland).
- **Previous directorships and functions held in the past 5 years:**
  - Director of Exova Plc (United Kingdom) and member of the Appointments Committee, Partner of Clayton Dubilier & Rice LLC (USA), Chairperson of the board of directors and Chairperson of the Compensation Committee of Exova Group PLC (United Kingdom), Chairperson of the board of directors of BCA Marketplace Plc (United Kingdom), Director of Rexel SA (France); Lead Director of VZ Holding Ltd (Switzerland), member of the Development Committee of the Royal Academy of Engineering (London).

**Experience and qualifications**

Fred Kindle graduated from the Swiss Federal Institute of Technology (ETH) in Zurich and holds an MBA from Northwestern University, Evanston, USA. He began his career in the Marketing Department of Hilti AG in Liechtenstein from 1984 to 1986. From 1988 to 1992, he worked as a consultant at McKinsey & Company in New York and Zurich. He then joined Sulzer AG in Switzerland, where he held various management positions. In 1999, he was appointed Chief Executive Officer of Sulzer Industries and in 2001, he became CEO of Sulzer AG.

After joining ABB Ltd in 2004, Fred Kindle was appointed Chief Executive Officer of the ABB group, a position which he held until 2008. He then became a partner at Clayton, Dubilier & Rice LLP, a private equity fund based in London and New York. He is now an independent consultant and director at several companies.

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### Mr. Willy R. Kissling

**Age:** 73 years  
**Nationality:** Swiss  
**Business address:** Poststrasse n° 4 BP  
8808 Pfäffikon, Switzerland  
**1,000 Schneider Electric SE shares**  
First appointed: 2001/Term ends: 2018

**Directorships and other functions**

- **Currently:** Director of Schneider Electric SE, member of the Governance and remunerations committee and member of the Human Resources and CSR committee.
- **Previous directorships and functions held in the past 5 years:**
  - Member of the supervisory board of Schneider Electric SA, member of the board of directors of Cleantech Invest AG, Chairperson of the board of directors of Grand Resort Bad Ragaz AG.

**Experience and qualifications**

Willy R. Kissling, a Swiss citizen, holds diplomas from the Universities of Bern (Dr. Rer.pol) and Harvard (P.M.D). He has extensive experience and recognized expertise in both CEO and director positions in multinational companies based in Switzerland, and particularly in the following fields: construction and energy management technologies (acquired as CEO of the former Landis&Gyr Ltd), information technology and vacuum processing (acquired as Chairman of Oerlikon Bühle Ltd, which became OC Oerlikon Ltd), construction materials (Holcim Ltd, Cement, Forbo Ltd Floring, Rigips GmbH, Gypsum), packaging (Chairman of SIG Ltd) and logistics (acquired at Kühne&Nachet Ltd). Willy R. Kissling has also been a member on various supervisory boards including those of Pratt & Whitney and Booz Allen Hamilton.

He began his career at Amiantus Corporation and then joined Rigips, a plasterboard manufacturer, in 1978. He was appointed to the Rigips Executive Committee in 1981 and subsequently became CEO. From 1987 to 1996, Mr. Willy Kissling served as CEO of Landis&Gyr Corporation, a provider of services, systems and equipment for energy management, building control and payment systems for payphone operators. From 1998 to 2005 he was executive Chairman of Oerlikon Bühle Holding AG (renamed OC Oerlikon Corp.).

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*Note: bold indicates the names of companies whose securities are listed on a regulated market.

* An independent director within the meaning of the AFEP/MEDEF Corporate Governance Code.
Ms. Linda Knoll *

Age: 57 years
Nationality: American
Business address: CNH Industrial N.V., 6900 Veterans Boulevard, Burr Ridge, Illinois 60527, United States

1,000 Schneider Electric SE shares
First appointed: 2014/Term ends: 2018

Directorships and other functions
- Currently:
  Director of Schneider Electric SE, Chairperson of the Human Resources and CSR committee and member of the Governance and remunerations committee.
- Other directorships or functions in listed companies:
  Chief Human Resources Officer and member of the Group Executive Council of CNH Industrial N.V. (the Netherlands),
  Chief Human Resources Officer and member of the Group Executive Council of Fiat Chrysler Automobiles N.V. (the Netherlands).

Experience and qualifications
Linda Knoll holds a Bachelor of Science Degree in Business Administration from Central Michigan University. After a career in the land systems division of General Dynamics, Ms. Knoll joined CNH Industrial in 1994 (Case Corporation at the time). She held various positions there, culminating in her appointment to multiple senior management positions.

In 1999, Ms. Knoll became Vice-President and General Manager of the Group’s Crop Production Global Product Line. From 2003 to 2005, she was Vice-President for North America Agricultural Industrial Operations. She then served as Vice-President for Worldwide Agricultural Manufacturing until 2007, managing 20 plants in 10 countries, before being appointed Executive Vice-President for Development of Agricultural Products. From 2007 to 2011, she represented CNH as a board member for the National Association of Manufacturers. Ms. Knoll was appointed CHRO in CNH Industrial and Fiat Chrysler Automobiles in 2007 and 2011 respectively.

Ms. Cathy Kopp *

Age: 68 years
Nationality: French
Business address: 22, square de l’Alboni 75016 Paris, France

1,024 Schneider Electric SE shares
First appointed: 2006/Term ends: 2018

Directorships and other functions
- Currently:
  Director of Schneider Electric SE and member of the Human Resources and CSR committee.
- Other directorships or functions:
  Director, Chairperson of the Compensation Committee and of the Governance and Appointments Committee of SFIL.
- Previous directorships and functions held in the past 5 years:
  Member of the board of the SNCF Foundation, member of the supervisory board of Schneider Electric SA, Director of Dexia, member of board of the École Normale Supérieure de la rue d’Ulm in Paris, member of the Haut Conseil à l’Intégration.

Experience and qualifications
After studying mathematics, Cathy Kopp joined IBM France in 1973. In 1992, she became Human Resources Director at IBM France before being appointed Vice-President of Human Resources in the storage systems division of IBM Corp. in 1996. In 2000, Cathy Kopp became Chairman and CEO of IBM France. In 2002 she joined the Accor group as HR Director and served until 2009. Cathy Kopp was Chairperson of the Social Committee of the Service Providers Group at MEDEF until 2009. She headed up the cross-sector negotiations on diversity at MEDEF in 2006, and the negotiations on modernizing the labor market in 2007.

Note: bold indicates the names of companies whose securities are listed on a regulated market.
* An independent director within the meaning of the AFEP/MEDEF Corporate Governance Code.
Ms. Xiaoyun Ma

Age: 54 years  
Nationality: Chinese  
Business address:  
8F, Schneider Electric Building,  
No. 6, East WangJing Rd.  
Chaoyang District Beijing 100102 Chine  
6,103 (1) Schneider Electric SE shares  
First appointed: 2017/Term ends: 2021  

Directorships and other functions  
Currently:  
Director of Schneider Electric SE and member of the Human Resources and CSR committee.  
Other directorships or functions within Schneider Electric Group:  
Chairperson of the board of directors of Schneider Electric Trading (Wuhan) Co., Ltd, Schneider Electric IT (China) Co., Ltd, RAM Electronic Technology and Control (Wuxi) Co., Ltd (China);  
Vice Chairman of the board of directors of Schneider Electric (Xiamen) Switchgear Co., Ltd, Schneider Electric (Xiamen) Switchgear Equipment Co., Ltd (China);  
Supervisor of Zircon Investment Shanghai Co., Ltd (China);  
Executive director of Beijing Leader Harvest Energy Efficiency Investment Co., Ltd (China).  
Other directorships or functions outside Schneider Electric Group:  
Vice Chairman of the board of directors of Sunten Electric Equipment Co., Ltd, Director of Ennovation System Control Co., Ltd (China).  

Previous directorships and functions held in the past 5 years:  

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

Note: bold indicates the names of companies whose securities are listed on a regulated market.  
(1) Held directly or through the FCPE.
### Corporate governance

#### Mr. Patrick Montier

**Age:** 61 years  
**Nationality:** French  
**Business address:**  
Zac de la Chantrerie  
Route de Gachet, BP 80701  
44307 Nantes cedex 3, France  
**3,785**\(^{(1)}\) Schneider Electric SE shares  
**First appointed:** 2017/term ends: 2021

**Directorships and other functions**  
- Currently:  
  Director of Schneider Electric SE and member of the Strategy Committee.  
- Previous directorships and functions held in the past 5 years:  
  Regional Chairperson (Loire) of AFDET association (French Association for Technical Education Development, a non-profitable association as per the French Law of 1901), representative of the Central Works Council at the board of directors of Schneider Electric Industries SAS, director of CAPRA Prévoyance.

**Experience and qualifications**  
Graduated from the Institute of Business Administration of the University of Nantes (France), Patrick Montier began his career at Schneider Electric in 1978 as a Business Engineer of the applications and systems department. In 1986, he joined France Country organization and contributed to develop business activities in the instrumentation and automation fields and in regional marketing as project manager for launching new offers. In 1999, he is appointed regional executive of the France Training Institute in charge of relations with educational institutions (universities, engineering schools, academies). Since 2010, he has been in charge of partnerships with organizations imparting vocational training. Meanwhile, in 2003 he joined the trade union Force Ouvrière and became its Group deputy coordinator in 2010 until the end of January 2017. In September 2017, he is designated as director representing the employees of Schneider Electric SE.

#### Mr. Gregory Spierkel\(^{*}\)

**Age:** 61 years  
**Nationality:** Canadian  
**Business address:**  
325 Weymouth Place  
Newport Beach, California, United States  
**1,000 Schneider Electric SE shares**  
**First appointed:** 2015/term ends: 2019

**Directorships and other functions**  
- Currently:  
  Director of Schneider Electric SE, member of the Governance and remunerations committee and member of the Strategy Committee.  
- Other directorships or functions in listed companies:  
  Director of MGM Resorts International, Chairperson of the Audit Committee and member of the Governance Committee; Director of PACCAR Inc., Chairperson of the Compensation Committee and member of the Audit Committee.  
- Other directorships or functions:  
  Member of McLaren Advisory Group (McLaren Technology Group), member of advisory council to the Chancellor of University of California, Irvine; Advisor to two software start-ups and one cyber security company.  
- Previous directorships and functions held in the past 5 years:  
  Non-voting director of Schneider Electric SE.

**Experience and qualifications**  
Mr. Spierkel holds a Bachelor’s degree in Commerce from Carleton University (Ottawa) and a Master’s Degree in Business Administration from Georgetown University. He also attended the Advanced Manufacturing program at INSEAD.  
Mr. Spierkel began his career working for Bell Canada in sales and product development, followed by a period with Nortel Inc. in market research. For 4 years, he served as Managing Director of Mitel Telecom with responsibilities over Europe and Asia. He then spent 5 years at Mitel Corp. where he served as President of North America and President of Global Sales and Marketing. In August 1997, he joined Ingram Micro as a Senior Vice-President Asia-Pacific. In June 1999, he was appointed as Executive Vice-President and Chairman of Ingram Micro Europe, where he led the transformation of the region into a best-in-class performer, delivering sales and operating margins at historic highs. He was promoted to President of the Ingram Micro Inc. group in 2004, before assuming the role of CEO of Ingram Micro Inc. in 2005. He retained this position, and his seat on the board of directors, until his departure in 2012. Since 2012, Mr. Spierkel has been providing advisory and consulting services to private equity firms with investments in the information technology sector.

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*Note: bold indicates the names of companies whose securities are listed on a regulated market.*  
*An independent director within the meaning of the AFEP/MEDEF corporate governance guidelines for listed companies.*  
\(^{(1)}\) Held directly or through the FCPE.
Non-voting director

**Mr. Henri Lachmann**

**Age:** 79 years  
**Nationality:** French  
**Business address:** Schneider Electric  
35, rue Joseph-Monier  
92500 Rueil-Malmaison, France  

**44,624**(1) Schneider Electric SE shares  
First appointed: 1996/Term ends: 2018

**Directorships and other functions**

- **Currently:**  
  Non-voting director of **Schneider Electric SE** and member of the Human Resources and CSR committee.

- **Other directorships or functions in listed companies:**
  - Member of the supervisory board of the **XPO Logistics** group, Director of **Carmat**, Non-voting member of **Fimalac**.

- **Other directorships or functions:**  
  - Chairperson of the board of directors of Marie Lannelongue Hospital, member of the Steering Committee of the Institut de l’Entreprise, Director of the Association Nationale des Sociétés par Actions, Chairperson of the Institut Telémaque, Director of Planet Finance and Fondation Entreprendre.

- **Previous directorships and functions held in the past 5 years:**
  - Chairperson of the Advisory Council of Campus d’Excellence au Commissariat Général à l’Investissement (Grand Emprunt), Honorary Vice-Chairman of the supervisory board of **Vivendi**, Director of **Schneider Electric SE**, Vice-Chairman lead director of **Schneider Electric SA**, Chairperson of the supervisory board of **Schneider Electric SA**, Vice-Chairman of the supervisory board of **Vivendi**, Chairperson of the Fondation pour le Droit Continental, member of CODICE, Director of Solidarités Actives, Director of the Steering Committee of Proxinvest.

**Experience and qualifications**

A graduate of Hautes études commerciales (HEC), Henri Lachmann began his career in 1963 with Arthur Andersen. In 1970, he joined Compagnie Industrielle et Financière de Pompey. In 1971, he became Executive Vice-President of Financière Strafor, where from 1981 to 1997 he served as Chairman and CEO. He was elected to the **Schneider Electric SA** board of directors in 1996 and was appointed Chairperson on February 25, 1999. On May 3, 2006, he became Chairperson of the supervisory board of **Schneider Electric SA**. On April 25, 2013, following the change in mode of governance of the Company, he was appointed Vice-Chairman lead director, a function he held until May 2014.

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(1) Held directly or through the FCPE.
Corporate governance

Board activities

The board of directors devoted most of its activities to the company’s corporate governance, strategy and its implementation, reviewing operations and the annual and interim financial statements, which it approved, and preparing the Annual Shareholders’ Meeting.

Attendance

The board held 8 meetings in 2017. The meetings lasted 6 hours on average with an average participation rate of directors of:

90%

Four directors have an attendance rate of 100% and none have an attendance rate less than 75%. The average participation rate to the committees’ meetings is detailed hereafter.

Corporate governance

The board of directors, depending on the subject, upon the report of the Governance and remuneration committee, the Human Resources and CSR committee or the Audit and risks committee:

- discussed the composition of its membership and that of its committees and the principle of balanced representation of men and women.

To this end, it proposed to the Annual Shareholders’ Meeting of April 25, 2017, which approved it, to renew Jean-Pascal Tricoire’s term which was due to expire, in order for him to pursue the implementation of the strategy defined by the board of directors in his capacity as Chairman and Chief Executive Officer. The office of Mr. Babeau as Deputy CEO was also renewed.

It also pursued the “refreshment” of its composition, and with the reaffirmed objectives of increasing the proportion of international and women members and of carrying on the rejuvenation process, it proposed to the Annual Shareholders’ Meeting to vote in favor of Ms. Xiaoyun Ma as director representing the employee shareholders to take over from Ms. Magali Herbaut, whose term was due to expire and who did not wish to be renewed. Ms. Xiaoyun Ma has been appointed director representing the employee shareholders on April 25, 2017.

It further proposed to the Annual Shareholders’ Meeting to amend the articles of association to insert the legal provisions relating to the director representing employees. In pursuance of these new statutory provisions approved by the Annual Shareholders’ Meeting of April 25, 2017, Mr. Patrick Montier was designated as director representing the employees by the most representative trade union at the Group’s level in September 2017.

The board of directors also deliberated on the composition of its committees. In this respect, it appointed Ms. Cécile Cabanis as Chair of the Audit and risks committee in replacement of Mr. Gérard de la Martinière whose term as director expired at the end of the 2017 Annual Shareholders’ Meeting and who did not wish to be renewed, and Ms. Xiaoyun Ma as member of the Human Resources and CSR committee, in conformity with the requirements of the AFEP/MEDEF Corporate Governance Code of listed companies recommending that an employee director sits at the remuneration committee.

- discussed whether to maintain the unification of the functions of Chairman and CEO (see p. 167 of the Registration Document);
- examined the succession plan for corporate officers at one of its “executive sessions”;
- deliberated on its formal self-assessment, at its meeting of December 14, 2017, and approved an action plan;
- finalized the study of the fairness and efficiency of the methodology applied by the board of directors for the setting of the compensation of the corporate officers. The findings of the study were presented in chapter 8 section 1 of the 2016 Registration Document;
- discussed and reviewed the principles and criteria relating to the compensation of the corporate officers and approved the compensation and benefits of all types that may be or had been granted;
- was informed of the meetings with major shareholders conducted by the Vice-Chairman lead independent director on governance topics;
- was informed of the review of changes in the compensation of members of the Executive Committee;
- was informed of the works done by the Human Resources and CSR committee on the succession plan for members of the Executive Committee;
- decided the implementation of the 2017 long-term incentive plan. It accordingly reviewed the performance conditions (see p. 185 of the Registration Document), drew up a list of beneficiaries (which includes the corporate officers) and set the terms of individual awards;
- checked and recorded the calculation of the level of achievement of performance conditions applicable to Performance Share plans 21, 21 bis, 22 and 22 bis;
- decided on capital increases reserved for employees (see p. 327 of the Registration Document);
- approved the Chairman’s report on the composition of the board and the application of the principle of balanced representation of women and men at the board, the conditions applicable for the preparation and organization of the work carried out by the board, as well as the internal control and risk management procedures implemented by the Company;
- examined the regulated agreements and commitments and reviewed those related to the status of its Chairman and CEO and its Deputy CEO;
- adopted the amended status of its Chairman and CEO and its Deputy CEO.

In 2017, the board of directors held 3 “executive sessions” during which the members of the board of directors discussed the unification of the functions of Chairman and Chief Executive Officer, the management’s organization, the strategic options and the succession plan for corporate officers.

In addition, when the board discussed and determined the compensation of the Chairman and CEO and the Deputy CEO, the interested parties were not present.
Strategy
The board of directors conducted a thorough review of the Group strategy, like every year, as part of a several day long meeting named “Strategy Session” specifically dedicated to the topic.
During this Strategy Session held in the Mainland China and Hong Kong in August 2017, the directors visited several sites representative of the digital transformation and interacted with major players in this field. Members of the board of directors were also able to share individually with each Executive Committee member and a certain numbers of Business managers, functional and operational managers representing all activities and geographies of the Group. Concerning the recurrent activity of the Strategy Committee, the board of directors examined and approved the growth strategy plan proposed by the senior management. Moreover, it heard the reports of the Chairman of the Strategy Committee on the works of this committee and was kept informed about moves and changes concerning competitors of Schneider Electric.

Activities and results
The board took note of the Group’s 2017 objectives.
It read the quarterly business reports prepared by the senior management. At each meeting, the board was also informed of the business situation.
On February 15, 2017, the board of directors reviewed and approved the 2016 financial statements based on the Audit and risks committee’s report and the report of the statutory auditors, who were present at the meeting. The board decided to propose to the Annual Shareholders’ Meeting that the dividend be set at EUR2.04 per share. Similarly, on July 26, 2017, it reviewed and approved the financial statements for the first half of 2017.
Several meetings were dedicated to ASCO Power Technologies acquisition and the combination of AVEVA and Schneider Electric industrial software business during which the board assessed the strategic interest of the operation, made recommendations to the management and reviewed the proposed financial and legal terms and conditions.
Based on the Audit and risks committee’s report, the board of directors was informed about the changes in risk mapping and also on the works of the Group’s internal audit and internal control teams. The Audit and risks committee also reported to the board on its other duties, which were also a topic for discussion, in relation to risk management monitoring (coverage of risks by insurance, supplier risks).
It reviewed the conclusions reached by the Audit and risks committee on its analysis carried out particularly in relation to:
- the “Tailored Supply Chain” initiative and the related risks;
- the status of Samara Electroshield integration;
- the protection of intellectual property;
- the evolution of the “Compliance” function and review of the summary report on the fraud cases;
- the implementation of the new commercial policy in France;
- the review of main environmental risks and update on mitigation measures and actions;
- the update on policies and processes aiming at preventing risks concerning quality;
- the anticipation of new regulations and description of associated risks concerning General Data Protection Regulation/Data Privacy;
- Energy Rebound initiative status report including a review on the progress of the transformation of the “Solutions Execution centers” set up.
The board of directors also monitored the implementation of the share buyback and reviewed the debt status.

Annual Shareholders’ Meeting
The board approved the agenda and draft resolutions of the 2017 Annual Shareholders’ Meeting and its report to the shareholders at the meeting. It took note of the proxy-advisors’ reports. It was informed of the positions expressed by the shareholders met during the preparation of the Annual Shareholders’ Meeting. It approved the responses to the written questions.
Almost all directors were present at the meeting (11/13). It approved all resolutions supported by the management, including those relating to the composition of the board of directors (including the re-election of Jean-Pascal Tricoire as director), the compensation of the corporate officers and the renewal of financial authorizations.
Senior Management

The Senior Management of Schneider Electric SE consists of the Chairman and Chief Executive Officer and a Deputy Chief Executive Officer. The operational organization of the Senior Management of the Group is supported by the Executive Committee, which is chaired by the Chairman and Chief Executive Officer.

The Chairman and Chief Executive Officer

On April 25, 2017, at the occasion of the reelection of Mr. Jean-Pascal Tricoire as director by the Annual Shareholders’ Meeting, the board of directors decided to unify the functions of Chairman and Chief Executive Officer, for the reasons explained on page 167 of the Registration Document and to appoint Jean-Pascal Tricoire as Chairman and Chief Executive Officer. As per its internal regulations, the board of directors shall thus deliberate annually on this choice.

The Chairman and Chief Executive Officer represents the Company in its dealings with third parties. He is vested with the broadest authority to act in any and all circumstances in the name and on behalf of the Company. He exercises this authority within the limits of the corporate purpose, except for those matters that are reserved by law expressly to the Shareholders’ Meetings or the board of directors. In addition, the internal regulations of the board of directors provide that the Chairman and Chief Executive Officer must submit for approval to the board any acquisition transactions or disposal of assets amounting to more than EUR250 million as well as any strategic partnership agreement.

The Deputy Chief Executive Officer

On April 25, 2017, upon the proposal of Mr. Jean-Pascal Tricoire, the board of directors appointed Emmanuel Babeau as Deputy CEO in charge of Finance and Legal Affairs.

Mr. Emmanuel Babeau

Age: 51 years
Nationality: French
Business address: Schneider Electric
35, rue Joseph-Monier
92500 Rueil-Malmaison, France
76,326(1) Schneider Electric SE shares
First appointed: 2013

Directorships and other functions

Currently:
Chief Executive Officer of Schneider Electric SE, Director of Sodexo (January 2016), Schneider Electric Industries SAS, AO Schneider Electric, Schneider Electric USA, Inc., Schneider Electric (China) Co Ltd, Samos Acquisition Company Ltd, Schneider Electric Holdings Inc., Invensys Ltd; Innovista Sensors Topco Inc., member of the supervisory board of Custom Sensors & Technologies SAS, Representative of Schneider Electric Industries SAS at the supervisory board of Schneider Electric Energy Access, member of the management board of Schneider Electric Services International Sprl, member of the supervisory board of Aster Capital Partners, Shareholder and manager of SCI GETIJ.

Previous directorships and functions held in the past 5 years:
Member of the management board of Schneider Electric SA, Director of Telvent GIT SA, Chairperson of the management board of Schneider Electric Services International Sprl, member of the Steering Committee of Aster Capital Partners.

Experience and qualifications

Emmanuel Babeau graduated from ESCP and began his career at Arthur Andersen in late 1990. In 1993, he joined the Pernod Ricard group as an internal auditor. He was appointed head of Internal Audit, the Corporate Treasury Center and Consolidation in 1996. Mr. Babeau subsequently held several executive positions at Pernod Ricard, notably outside France, before becoming Vice-President, Development in 2001, CFO in June 2003 and Group Deputy Managing Director in charge of Finance in 2006. He joined Schneider Electric in the first half of 2009. In 2013, he was appointed Deputy CEO in charge of Finance and Legal Affairs, and was renewed in this position on April 25, 2017.

Note: bold indicates the names of companies whose securities are listed on a regulated market.
(1) Held directly or through the FCPF.
Mr. Leo Apotheker hereby reports on the work he carried out in 2017 as part of his administrative functions as Vice-Chairman independent lead director.

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

1. Powers of the Vice-Chairman independent lead director

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

In compliance with article 12 of the by-laws, the duties of the Vice-Chairman lead director are defined by the internal regulations of the board of directors. Those internal regulations and the charter for the Vice-Chairman independent lead director can be found on pages 357 to 364 of the Registration Document. They are also published on the Company’s website, www.schneider-electric.com.

2. Activities of the Vice-Chairman independent lead director

Information of the Vice-Chairman independent lead director

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

As such, the Vice-Chairman is apprised of current events and the performance of the Group through weekly exchanges with the Chairman and CEO. He meets regularly all members of the Group Executive Committee.

The Vice-Chairman has also pursued his regular interactions with managers and other employees of the Group as well as visits to various entities. In 2017, he notably had discussions with the representatives of the employee savings funds, all Group employees.

He is kept informed of the evolution of the competitive environment, technological breakthroughs and business opportunities. Besides being the Chairman of the Governance and Remunerations Committee, he is also participating to the Strategy Committee.

Participation in the preparation of the meetings of the board

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

Executive sessions

The Vice-Chairman lead director chairs the executive sessions (ie. the meetings where Board members discuss without the presence of the two executive Corporate Officers), now convened at the end of each Board meeting.

The board of directors held three executive sessions in 2017 during which its members expressed their views and observations on the unification of the functions of Chairman and Chief Executive Officer and the management’s organization. They also debated on the proposed strategic options and the succession plan for Corporate Officers.

The Vice-Chairman lead director reported the conclusions thereof to the Chairman.

Interaction with shareholders

The Vice-Chairman lead director has met with individual shareholders as well as the Shareholders’ Advisory Committee. In particular, he has met with several institutional investors representative of a wide range of corporate governance cultures to present to their governance analysts Schneider Electric’s governance principles and to hear their views. The conclusions of these meetings have been reported to the Governance and Remunerations Committee and to the board.

Other duties

The Vice-Chairman independent lead director conducted the annual deliberation of the board on its composition, organization and operations as well as those of its committees, with the assistance of the secretary of the board of directors. In 2017, this self-assessment was carried out formally with the assistance of an independent consultancy firm. The conclusions of this assessment, which once again highlighted the high quality and transparency of the discussions, are presented on page 170 of the Registration Document.

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

He ensured that there was no conflict of interest within the board of directors, which he would have been responsible for bringing to the attention of the Chairman.
Summary overview of the company’s financial situation and business activity in 2017

Strong performance in 2017
All time high Adj. EBITA, Net Income, Free Cash Flow & EPS in FY2017

- FY Revenues EUR24.7 bn, up +3.2% organic\(^{(1)}\) with growth across regions;
- Record EUR3.65 bn FY Adj. EBITA, +9% organic; 14.8% margin, up 90bps organic;
- All time high Net Income of EUR2.15 bn, up +23%; Record FCF at EUR2.25 bn;
- Planet & Society Barometer performance set at 9.58/10;
- Main awards and nominations: ranked 3\(^{rd}\) among worldwide companies of the energy transition in Carbon Clean 200, ranked 1\(^{st}\) among European companies integrating strategic, financial and sustainable thinking with the “Integrated Thinking Award”, ranked in Climate A of CDP and Ethisphere of the most ethical companies for the 7\(^{th}\) consecutive year.

Revenue

The consolidated revenue of Schneider Electric SE reached EUR24,743 million, representing an increase of 1.2% as compared to December 31, 2016 on reported basis.

Organic growth by business:

<table>
<thead>
<tr>
<th>€ million</th>
<th>FY 2017</th>
</tr>
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<tbody>
<tr>
<td>Revenues</td>
<td></td>
</tr>
<tr>
<td>Organic growth</td>
<td></td>
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- **Energy management**
  - Medium Voltage (Infrastructure): 4,500, -2.2%
  - Low Voltage (Building): 10,812, +4.4%
  - Secure Power (IT): 3,615, +2.1%

- **Industrial Automation**
  - Industrial Automation (Industry): 5,816, +5.9%

**GROUP**: 24,743, +3.2%

Adjusted EBITA

Adjusted EBITA corresponds to operating profit before amortization and impairment of purchase accounting intangible assets, before goodwill impairment, before other operating income and expenses and before restructuring costs.

**2017 Adjusted EBITA reached EUR3,651 million**, increasing organically by +9.2% and the Adjusted EBITA margin improved +90 bps organically to 14.8%. The key drivers contributing to the earnings change were the following:

- (i) Volume impact was positive EUR233 million;
- (ii) Solid execution of tailored supply chain initiatives coupled with improving volumes contributed to the highest level of industrial productivity generated in the past 7 years at EUR430 million for FY2017;
- (iii) The net price impact was negative at EUR119 million in 2017, impacted by the raw materials headwind of c. EUR235 million. Pricing effect was positive at EUR116 million in 2017;
- (iv) Cost of Goods Sold inflation and increase in R&D represented EUR97 million in 2017;

\(^{(1)}\) Low Voltage, Secure Power and Industrial Automation grew +4.5% organically over the year, well above the initial target of +1% to +3%.
Summary overview of the company’s financial situation and business activity in 2017

(v) Support function costs increased organically by EUR77 million in the year. Total gross SFC reduction in 2017 is c. EUR220 million, enabling reinvestments in strategic initiatives of more than EUR100 million. Gross SFC reduction amounted to c. EUR760 million for the past 3 fiscal years, in line with the Group’s target to reduce gross SFC by c. EUR700 to EUR800 million over the period 2015-2017; (vi) Currency effect impacted negatively the adjusted EBITA by EUR124 million in 2017, mainly due to the depreciation of the US Dollar, Chinese Yuan, British Pound and other currencies against the Euro;

(vii) Mix, almost neutral, had a slight negative impact of EUR12 million in 2017, showing an improvement compared to last year;

(viii) Acquisitions, net of divestments and other perimeter effects, had a negative impact of EUR30 million in 2017 due mainly to the disposal of DTN, partly compensated by the inclusion of Asco Power for 2 months as well as minor acquisitions and disposals.

Adjusted operating margin by activities

By business, the 2017 adjusted EBITA for Low Voltage reached a record level at EUR2,232 million, or 20.6% of adjusted EBITA margin, up +0.4 point (c. +0.8pt organic) year-on-year. Medium Voltage adjusted EBITA was at EUR449 million, or 10.0% of revenues, up +0.3 point year-on-year (c. +1.3pt organic) thanks to higher system gross margin and strong cost control. Secure Power business reported an adjusted EBITA of EUR600 million, i.e. 16.6% of revenues, resilient at a high level and almost flat organic compared to 2016 (down -0.2 point reported), with a strong margin recovery in H2. Industrial Automation generated an adjusted EBITA of EUR1,021 million, or 17.6% of revenues, up +0.9 point from 2016 (c. +0.9pt organic), benefitting from improved volumes. Corporate costs in 2017 amounted to EUR651 million, i.e. 2.6% of revenues.

EBITA

EBITA corresponds to operating profit before amortization and impairment of purchase accounting intangible assets and before goodwill impairment. Reported EBITA was EUR3,350 million. This included EUR286 million in restructuring charges concluding the program for efficiency and simplification launched in 2015.

Operating income (EBIT)

Operating income after amortization and impairment of purchase accounting intangible assets amounted to EUR3,210 million. The amortization and depreciation of intangibles linked to acquisitions was EUR140 million compared to EUR151 million last year. The decrease is mainly due to the end of the amortization of several intangible assets acquired in the past.

Net income up +23%

Net financial expenses reached EUR367 million. EUR95 million lower than in 2016. Cost of debt (net) decreased by EUR53 million as the average cost of debt improved thanks to fresh issuance launched at more favorable rates. FX effect was a loss of EUR24 million compared to EUR59 million the year before. Income tax amounted to EUR600 million. The normative tax rate for the year was down to 21.5%, due to higher synergies related to Invensys and a favorable profit mix. The changes in tax regulations in few countries (including the US) during the year contributed to lowering FY17 ETR to 21.1%. Thanks to the positive evolution of the corporate income tax rates in several countries where the Group operates, the ETR is expected to be in a 22-24% range in 2018 and in the medium term.


(1) Adjusted from non-recurring items: restructuring costs, adjustment of assets net of differed tax…
Summary overview of the company’s financial situation and business activity in 2017

EPS and Adjusted EPS

The Earnings Per Share (EPS) was EUR3.85%, up +24% from FY 2016, and the Adjusted EPS(1) was EUR4.26, up +12%.

Free cash flow

Free cash flow was reported at a record EUR2,253 million, thanks to strong operating cash flow and despite topline growth requiring increased working capital. It included net capital expenditure of EUR688 million, representing −2.8% of revenues. The trade working capital increased by EUR126 million driven by the growth of the Group.

Balance sheet and treasury

Schneider Electric’s net debt at December 31, 2017 amounted to EUR4,296 million (EUR4,824 million in December 2016) after payment of EUR1.1 billion in dividend, a share buyback of c. EUR170 million in 2017 and net acquisitions of EUR557 million (mainly Asco acquisition and Luminous minority interest acquisition, balanced by DTN disposal).

Cash conversion

Cash conversion was 105% in 2017, above the Group target of −100% across the economic cycle.

Schneider is On update

The Group has completed the third year of its Company Program.
Within the Do More initiative:
- More Products: products revenues up +4.3% organic in FY17, with 100+ launches in 2017,
- More Software: industrial software sales about flat with Q4 slightly up. Transaction with AVEVA announced, providing unique software portfolio across asset lifecycle for continuous & hybrid processes. Good development in apps, analytics and digital services powered by EcoStruxure,
- More Services: high single digit growth in FY17 orders; +6% org. growth in Q4 revenues;
Within the Simplify initiative:
- c. EUR650 million Gross savings (Support Function Cost reduction and industrial productivity) in 2017 (c. EUR1.9 billion since 2015),
- System margin improved by c.1pt in 2017;

2018 targets

In a positive environment, the Group targets to deliver strong organic growth of adjusted EBITA in 2018, around the high-end of the +4% to +7% bracket earlier communicated as the average yearly objective for 2017-2019.
To deliver this strong performance, the Group will balance both levers of organic top line growth and adj. EBITA margin expansion.
Therefore, for 2018, the Group will target:
- An organic top line growth between +3% to +5%;
- An organic adj. EBITA margin expansion towards the upper end of the +20bps to +50bps range targeted as yearly average improvement for 2017-2019.

(1) Adjusted from non-recurring items: restructuration costs, adjustment of assets net of differed tax…
Agenda of the Ordinary and Extraordinary Shareholders’ Meeting

I. Approval of the annual financial statements, setting the distribution, approval and information on regulated agreements and commitments (resolutions 1 to 6)

The first two resolutions concern the approval of the company and of the Group consolidated financial statements, respectively. Schneider Electric SE recorded a net profit of EUR121.5 million. The Group consolidated net profit was EUR2,150 million and the adjusted net income from non-recurring items (asset impairment, restructuring costs, gains and losses as a result of sales of businesses, etc.) was EUR2,378 million.

The consolidated net income (before dilution) per share was EUR3.85 (adjusted earnings per share were EUR4.26).

The third resolution aims at allocating the results for the financial year and retained earnings, and to decide on a distribution of EUR2.20 per share, withheld from distribution of the profit and then from issue premiums related, in particular, to the contribution of Legrand shares and Invensys shares. The distribution amount is proposed to be increased by 8% compared to the dividend paid for the 2016 financial year. This represents a distribution rate of more than 55.2% of adjusted net income Group share.

The payout to the 596.9 million shares which constitute the company's share capital on December 31, 2017 will represent a total amount of around EUR1,313 million.

For individual shareholders resident for tax purposes in France, the distribution of EUR2.20 per share is subject to two separate tax treatments:

(i) for EURO1.19, the dividend constitutes distributed income. As such, a social contribution of 17.2% will be deducted from the gross amount at the time of payment. 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, or EUR75,000 for couples who file a joint tax return, may request exemption from this withholding tax. To this end, they should submit to the paying entity an application for exemption established under their own responsibility, in the form of a joint statement confirming that the reference taxable income indicated on their tax return established 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 2019, 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) tax rebate, only 60% of the dividend 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 2019 at the income earned in 2018. If it exceeds the income tax due, the surplus will be reimbursed.
Approval of the reiteration and amendment of the status of Messrs. Jean-Pascal Tricoire et Emmanuel Babeau

Under the fourth and fifth resolutions, in accordance with article L.225-42-1 of the French Commercial Code pursuant to which the approval of agreements relating to the components of the corporate officers’ status is required at each renewal of term of office, we request you to approve the reiteration and the amendment of the status of Messrs. Jean-Pascal Tricoire (fourth resolution) and Emmanuel Babeau (fifth resolution) as presented in the Statutory Auditors’ special report prepared in accordance with article L.225-40 of the French Commercial Code.

Mr. Jean-Pascal Tricoire’s status, renewed and amended by the board of directors of April 25, June 18 & 19 and October 24, 2013 to include the new recommendations of the AFEP/MEDEF Code, had been approved by the Annual Shareholders’ Meeting of May 6, 2014. The amendment of his status resulting from the board of directors’ decision of February 18, 2015 to remove the benefit of the supplementary defined-benefit pension scheme (article 39) granted to the corporate officers so far, had been approved by the Annual Shareholders’ Meeting of April 21, 2015.

Mr. Emmanuel Babeau’s status as approved by the Annual Shareholders’ Meeting of May 6, 2014 following its adoption by the board of directors on June 18 & 19 and October 24, 2013, was amended by the board of directors on February 18, 2015 to reiterate, in his capacity as corporate officer, the components of the status which he benefitted from under his employment contract with SEISAS before he resigned therefrom to enforce the decision of the board to cancel the corporate officers’ right to a defined-benefit pension scheme under article 39. His new status was approved by the Annual Shareholders’ Meeting of April 21, 2015.

Since then, the status of Messrs. Jean-Pascal Tricoire and Emmanuel Babeau have been strictly aligned and amended twice by the board of directors:

- the board of directors of April 25, 2017 in its meeting held at the end of the Annual Shareholders’ Meeting which approved the renewal of Mr. Tricoire’s term as a director, decided to renew and amend the status of the corporate officers to make it fully compliant with the recommendations of the AFEP/MEDEF Code and to put an end to the last deviation therewith that the Group had explained (cf. Registration Document 2016 page 198); the board thus decided that the decision to enforce or to waive the non-compete agreement at the time of the corporate officer’s departure was, in all cases, to be decided solely by the board;
- on February 14, 2018, the board decided to amend the corporate officers’ right to retain, in case of involuntary severance, the benefit of stock-options and performance shares or free shares issued from future plans that would remain unvested or unexercised; as a principle, the corporate officer will be entitled to keep the benefit of such options and shares in proportion to his presence with the Group during the acquisition period of the option or share, being however specified that in conformity with the AFEP/MEDEF Corporate Governance Code, the board will keep the flexibility to grant to the departing corporate officer, in case where the forced departure is subsequent to a material change in Schneider Electric’s shareholder structure or to a reorientation of the strategy pursued and promoted by him until this time, and in all cases subject to specific performance conditions, the entirety of the options or shares previously granted. In such case, the board will have to motivate its decision. Therefore, under the terms of their respective status detailed in pages 206 and seq. of the registration document and subject to your approval of the fourth and fifth resolutions, Messrs. Tricoire and Babeau, individually:
  - will be covered under the Schneider Electric SE and Schneider Electric Industries SAS employee benefit plan with health, incapacity, disability and death coverage, and, subject to performance conditions, will also be covered under the supplementary health, disability and death coverage available to the Group’s French executives as well as the Group individual accident insurance policies,
  - will be bound by a non-compete agreement, should they leave the company; this agreement lasts for one year and compensation is set at 60% of effective annual target compensation over the previous 12 months (fixed and variable portions, complementary payments for building-up a pension included), being specified that the board is entitled to waive unilaterally this non-compete agreement,
Agenda of the Ordinary and Extraordinary Shareholders’ Meeting

(ii) Approval on components of the compensation and benefits of all types paid, due or awarded in respect of the 2017 financial year to Messrs. Jean-Pascal Tricoire et Emmanuel Babeau (resolutions 7 and 8)

In pursuance of articles L.225-37-2 and 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 3.7 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 3.7 a reminder of the principles and criteria governing the allocation of the corporate officers’ compensation that you approved at the shareholders’ meeting of April 25, 2017 and pursuant to which the compensation and benefits of all types due for 2017 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 14, 2018.

The achievement rates of the performance conditions as well as the analysis conducted by the board of directors of the alignment between the evolution of the officers’ compensation and the value creation for the shareholders, are also presented and commented in this section 3.7.

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

By the Seventh Resolution you are requested to approve the elements of Mr. Jean-Pascal Tricoire’s 2017 compensation and by the Eighth Resolution that of Mr. Emmanuel Babeau.

The components of the compensation and benefits of the all types granted to Messrs. Jean-Pascal Tricoire and Emmanuel Babeau are summarized in the tables below.

Agreement continued during the year related to the Vice-Chairman Lead Independent director’s compensation

Under the sixth 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 compensation of Mr. Léo Apotheker for his duties as Vice-Chairman independent lead director. This agreement expired on April 25, 2017.

We invite you to acquaint yourself with this report which can be found on pages 34 to 37.
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 EUR950,000</td>
<td>Gross annual fixed compensation of EUR950,000 from January 1, 2017 to December 31, 2017 approved by the shareholders’ meeting of April 25, 2017. This compensation has remained unchanged since 2013.</td>
</tr>
<tr>
<td>2) Annual incentive EUR1,882,140</td>
<td>The annual incentive portion amounts to 130% of fixed compensation. The annual incentive may vary from 0 to 260% depending on achievement of objectives. It is unchanged since 2015. At the Board meeting held on February 14, 2018, annual incentives for 2017 due to be paid after the Annual Shareholders’ Meeting if the latter approves them, were set at 152.40% of the fixed portion, which represents an achievement rate of 198.12% on a base 100. This calculation breaks down as follows: 1) Economic criteria component (75%) based on: - Group financial indicators (60%), which are organic sales growth (30%), adjusted EBITA margin improvement (20%) and cash generation targets (10%), - Company program economic priorities (15%), which are the growth of services sales (5%) and systems gross margin (projects and equipment, process automation excluded) (5%) as well as a criterion measuring the digital performance as per parameters non disclosed due to business secrecy; The achievement rate in connection with these criteria was 160.5% (base 100). 2) Company program non-economic component (5%) based on Planet &amp; Society Barometer (5%), for which achievement rate was 200% (base 100). 3) Individual objectives (20%), which are specific objectives and, wherever possible, quantified, for which the board set the achievement rate at 110% (base 100).</td>
</tr>
<tr>
<td>3) Complementary payments for retirement</td>
<td>Complementary payments intended to take account of the fact that, following the decision of the board of directors on February 18, 2015 to remove the benefit of the defined-benefit pension scheme (article 39) for corporate executive officers, Mr. Tricoire is personally responsible for building up his additional pension. To determine this authorized complementary compensation, the board of directors sought the recommendation of an independent expert, namely the firm WILLIS TOWERS WATSON.</td>
</tr>
<tr>
<td>Annual complementary fixed portion EUR182,000</td>
<td>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).</td>
</tr>
<tr>
<td>Annual complementary variable portion EUR360,578</td>
<td>At the meeting held on February 14, 2018 the annual complementary variable portion for 2017 due to be paid after the Annual Shareholders’ Meeting if the latter approves it, was set by the board of directors at 198.12% of the annual complementary fixed portion, i.e. an achievement rate of 152.40% on a base 100. The calculation was broken down in the same way as that of the annual incentive presented in 2) above. These complementary payments are intended to enable Mr. Tricoire to build up his pension. He undertook to redirect these complementary payments, net of taxes, to investment vehicles devoted to financing his additional pension.</td>
</tr>
</tbody>
</table>
4) Long-term incentive (Performance shares)

**Amounts submitted to the vote**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts submitted to the vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,000 performance shares were granted under plan no. 28 to Mr. Tricoire in his capacity as Chairman and CEO of Schneider Electric SE.</td>
<td>EUR963,000 for 18,000 performance shares according to IFRS valuation</td>
</tr>
<tr>
<td>42,000 performance shares were granted under plan no. 29 to Mr. Tricoire in his capacity as Schneider Electric Asia Pacific CEO.</td>
<td>EUR2,256,240 for 42,000 performance shares according to IFRS valuation</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 2017 to 2019 FY as follows: the Adjusted operational margin criterion is defined as the average of the annual rates of achievement of Adjusted EBITA margin for financial years 2017 to 2019 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 2017, the board had decided that, if the Adjusted EBITA margin (organic) decreased by at least -10 basis points before foreign exchange impact compared with 2016, the achievement rate for the year would be 0% and if it increased by at least +30 basis points before foreign exchange impact, then the achievement rate for this criteria for 2017 would be 100% with a linear distribution between the 2 points;
- 25% of the shares are conditional on Group Cash conversion rate for the FY 2017 to 2019. The target average rate ranges between 80% and 100% according to following scale: 0% if the average rate is below or equal to 80%, 100% if the average rate is equal to or higher than 100% with a linear distribution between the 2 points (an average rate higher than 100% can also offset up to 50% of shares granted under the cash criterion for non-achievement of the target Adj. EBITA or the target TSR, provided the number of shares originally granted under each criterion shall not be exceeded);
- 20% of the shares are contingent on the average annual progress of the Planet & Society Barometer index at the end of 2019 as follows: for 2017, if this index is lower than or equal to 8.5, no shares will vest. If this index is equal to or higher than 9, 100% of the shares will vest. Distribution is linear between the 2 points;
- 15% of the shares are conditional to Total Shareholder Return (TSR) objectives from 2017 to end of vesting period. The TSR objective is set based on Schneider Electric’s TSR ranking within the following panel of companies: ABB, Legrand, Siemens, Schneider Electric, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric and Yokogawa, according to following scale: a ranking in first quartile (1st, 2nd, 3rd place) enables an achievement rate of up to 150%, with an average rate of 135% (this achievement rate will, on the one hand, enable 100% achievement of the TSR criterion and, on the other hand, can offset, 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. 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 67% of the criterion; in the third quartile (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 base salary.

Date of approval by the board: February 15, 2017.

7) Attendance fees

EUR0 Mr. Tricoire has waived his attendance fees.

8) Other benefits

EUR2,204 This concerns:
- the employer matching contribution paid to subscribers to the capital increase reserved for employees, in an amount of EUR1,404. Date of approval by the board: February 15, 2017.
- 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 15, 2017.

EUR9,575 Mr. Tricoire benefited from profit-sharing

EUR13,089 Mr. Tricoire benefited from a company car
### II – Other elements of compensation, which were or are subject to the approval of the Annual Shareholders’ Meeting pursuant to regulated agreements

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Termination benefit</strong></td>
<td>EUR0 Mr. Tricoire is entitled to involuntary termination benefits in case of change of control or strategy and taking into account the non-competitive compensation described below, capped at twice the arithmetical average of his annual fixed and variable compensation (i.e. inclusive of compensation and complementary payments) paid over the last 3 years. (See Section 3.7 of the 2017 Registration Document). Board decision of June 18-19, 2013, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
</tr>
<tr>
<td><strong>Non-compete compensation</strong></td>
<td>EUR0 Mr. Tricoire may receive non-compete compensation for a period of one year capped at 6/10th of his average gross compensation – i.e. including annual complementary payments – fixed and target variable – over the last 12 months of service). (See Section 3.7 of the 2017 Registration Document). Board decisions of 2009, 2012, and 2013, reiterated and amended on April 25, 2015 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
</tr>
<tr>
<td><strong>Supplementary pension scheme</strong></td>
<td>N/A Mr. Tricoire benefits from rights to (i) a life-time annuity to the benefit of his surviving spouse in the event of his death before retirement or if he leaves the company after the age of 55 without taking up any other employment. This life-time annuity shall be equal to 60% of 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years preceding the date of his death, less any theoretical income that may have been obtained under insurance conditions as a result of complementary payments already made (see above) (ii) a disability pension, payable to the surviving spouse at a rate of 60%, in cases of disability leading to the cessation of any professional activity as from the date of his retirement, equal to 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years prior to his disability, minus 1.25% per missing quarter required for obtaining a full-rate pension and less the theoretical income that may have been obtained through insurance schemes at the time of disability resulting from any complementary payments already made. (See Section 3.7 of the 2017 Registration Document). Board decision of February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution). Moreover, in addition to the benefits of the collective welfare scheme applicable to Schneider Electric SE and Schneider Electric Industries SAS employees covering risks of illness, incapacity, disability and death, Mr. Tricoire also benefits from the complementary cover granted to French executives in the Group against risks of illness, incapacity, disability, death and accident. Welfare compensation and complementary cover are subject to performance conditions. Board decisions of 2009, 2012 and June 18-19, 2013 and 2015, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
</tr>
<tr>
<td><strong>Supplementary Life &amp; Disability scheme</strong></td>
<td>EUR0 Mr. Tricoire benefits from rights to (i) a life-time annuity to the benefit of his surviving spouse in the event of his death before retirement or if he leaves the company after the age of 55 without taking up any other employment. This life-time annuity shall be equal to 60% of 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years preceding the date of his death, less any theoretical income that may have been obtained under insurance conditions as a result of complementary payments already made (see above) (ii) a disability pension, payable to the surviving spouse at a rate of 60%, in cases of disability leading to the cessation of any professional activity as from the date of his retirement, equal to 25% of the average compensation paid (i.e. including annual complementary payments) over the 3 years prior to his disability, minus 1.25% per missing quarter required for obtaining a full-rate pension and less the theoretical income that may have been obtained through insurance schemes at the time of disability resulting from any complementary payments already made. (See Section 3.7 of the 2017 Registration Document). Board decision of February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution). Moreover, in addition to the benefits of the collective welfare scheme applicable to Schneider Electric SE and Schneider Electric Industries SAS employees covering risks of illness, incapacity, disability and death, Mr. Tricoire also benefits from the complementary cover granted to French executives in the Group against risks of illness, incapacity, disability, death and accident. Welfare compensation and complementary cover are subject to performance conditions. Board decisions of 2009, 2012 and June 18-19, 2013 and 2015, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (4th resolution).</td>
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I – Elements of compensation paid, due or awarded for the past FY

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<tr>
<td>1) Base salary EUR605,000</td>
<td>Gross annual fixed compensation of EUR605,000 from January 1, 2017 to December 31, 2017 approved by the shareholders’ meeting of April 25, 2017. This compensation has remained unchanged since 2016.</td>
</tr>
</tbody>
</table>
| 2) Annual incentive EUR922,020 | The annual incentive portion amounts to 100% of fixed compensation. The annual incentive may vary from 0 to 200% depending on achievement of objectives. At the board meeting held on February 14, 2018, annual incentives for 2017 due to be paid after the Annual Shareholders’ Meeting if the latter approves them, were set at 152.40% of the fixed portion, which represents an achievement rate of 152.40% on a base 100. This calculation breaks down as follows:  
  1) **Economic criteria component (75%) based on:**  
     - Group financial indicators (60%), which are organic sales growth (30%), adjusted EBITA margin improvement (20%) and cash generation targets (10%),  
     - Company program economic priorities (15%), which are the growth of services sales (5%) and systems gross margin (projects and equipment, process automation excluded) (5%) as well as a criterion measuring the digital performance as per parameters non disclosed due to business secrecy;  
     - The achievement rate in connection with these criteria was 160.5% (base 100).  
  2) **Company program non-economic component (5%)** based on Planet & Society Barometer (5%), for which achievement rate was 200% (base 100).  
  3) **Individual objectives (20%),** which are specific objectives and, wherever possible, quantified, for which the board set the achievement rate at 110% (base 100). |
| 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. |
| Annual complementary fixed portion EUR136,400 | 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 variable portion EUR207,873 | At the meeting held on February 14, 2018 the annual complementary variable portion for 2017 due to be paid after the Annual Shareholders’ Meeting if the latter approves it, was set by the board of directors at 152.40% of the annual complementary fixed portion, i.e. an achievement rate of 152.40% 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. |
### Agenda of the Ordinary and Extraordinary Shareholders’ Meeting

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4) Long-term incentive</strong> (Performance shares)</td>
<td>EUR417,300 for 7,800 performance shares according to IFRS valuation</td>
</tr>
<tr>
<td></td>
<td>7,800 performance shares were granted under plan no. 28 to Mr. Babeau in his capacity as Deputy CEO of Schneider Electric SE.</td>
</tr>
<tr>
<td></td>
<td>EUR977,700 for 18,200 performance shares according to IFRS valuation</td>
</tr>
<tr>
<td></td>
<td>18,200 performance shares were granted under plan no. 29 to Mr. Babeau in his capacity as CEO of Invensys Ltd.</td>
</tr>
<tr>
<td></td>
<td>100% of these 26,000 performance shares are subject to performance criteria measured over a period of 3 years:</td>
</tr>
<tr>
<td></td>
<td>• 40% of the shares are contingent on the level of achievement of an adjusted EBITA operating margin objective for the FY 2017 to 2019 as follows: the Adjusted operational margin criterion is defined as the average of the annual rates of achievement of Adjusted EBITA margin for financial years 2017 to 2019, set by the board of directors of Schneider Electric SE in line with the objectives usually announced to investors at the beginning of the year. For 2017, the board has decided that, if the Adjusted EBITA margin decreased by at least 10 basis points before foreign exchange impact compared with 2016, the achievement rate for the year would be 0% and if it increased by at least +30 basis points before foreign exchange impact, then the achievement rate for this criteria for 2017 would be 100% with a linear distribution between the 2 points;</td>
</tr>
<tr>
<td></td>
<td>• 25% of the shares are conditional on Group Cash conversion rate for 2017 to 2019 FY. The target average rate ranges between 80% and 100% according to following scale: 0% if the average rate is below or equal to 80%, 100% if the average rate is equal to or higher than 100% with a linear distribution between the 2 points (an average rate higher than 100% can also offset up to 50% of shares granted under the cash criteria for non-achievement of the target Adj. EBITA or the target TSR, provided the number of shares originally granted under each criterion shall not be exceeded);</td>
</tr>
<tr>
<td></td>
<td>• 20% of the shares are conditional on the average annual progress of the Planet &amp; Society Barometer index at the end of 2019 as follows: for 2017, if this index is lower than or equal to 65, no shares will vest. If this index is equal to or higher than 9, 100% of the shares will vest. Distribution is linear between the 2 points.</td>
</tr>
<tr>
<td></td>
<td>• 15% of the shares are conditional to Total Shareholder Return (TSR) objectives between 2017 and the end of the vesting period. The TSR objective is set based on Schneider Electric’s TSR ranking within the following panel of companies: ABB, Legrand, Siemens, Schneider Electric, Eaton, Emerson, Honeywell, Johnson Controls, Rockwell Automation, Fuji Electric, Mitsubishi Electric and Yokogawa, according to following scale: A ranking in first quartile (1st, 2nd, 3rd place) enables an achievement rate of up to 150%, with an average rate of 135% (this achievement rate will, on the one hand, enable 100% achievement of the TSR criterion and, on the other hand, can offset, within the limit of 50% of the TSR criterion, non-achievement of the Adjusted EBITA target or rate of cash conversion target over the three-year period. Final acquisition of shares at the end of the three-year period will nevertheless be capped at 100% of number of shares 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.</td>
</tr>
<tr>
<td></td>
<td>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 base salary.</td>
</tr>
</tbody>
</table>

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 24, 2017.

<table>
<thead>
<tr>
<th>5) Attendance fees</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>6) Other benefits</td>
<td>EUR9,575 Mr. Babeau benefited from profit-sharing. Board authorization: February 15, 2017</td>
</tr>
<tr>
<td></td>
<td>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 15, 2017.</td>
</tr>
<tr>
<td></td>
<td>EUR12,330 Mr. Babeau benefited from a company car. Board authorization: February 15, 2017</td>
</tr>
</tbody>
</table>
### Agenda of the Ordinary and Extraordinary Shareholders’ Meeting

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

<table>
<thead>
<tr>
<th>Amounts submitted to the vote</th>
<th>Description</th>
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<tbody>
<tr>
<td>Termination benefit</td>
<td>Mr. Babeau is entitled to involuntary termination benefits in case of change of control or strategy and into account the non-compete compensation described below, amounting to twice the arithmetical average of his annual fixed and annual incentives (i.e. inclusive of complementary payments) paid over the last 3 years and authorized by the board of directors. (See Section 3.7 of the 2017 Registration Document). Board decisions of June 18-19, 2013 and February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (5th resolution).</td>
</tr>
<tr>
<td>Non-compete compensation</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 3.7 of the 2017 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 proposal to the Annual Shareholders’ Meeting: April 24, 2018 (5th resolution).</td>
</tr>
<tr>
<td>Supplementary pension scheme</td>
<td>N/A</td>
</tr>
<tr>
<td>Supplementary Life &amp; Disability scheme</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 3.7 of the 2017 Registration Document). Board decision of February 18, 2015, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to 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 death, Mr. Babeau also benefits from the complementary cover granted to French executives in the Group against risks of illness, incapacity, disability, death and accident. Welfare compensation and complementary cover are subject to performance conditions. Board decisions of 2009, 2012, 2013 and 2015, reiterated on April 25, 2017 and February 14, 2018. Date of proposal to the Annual Shareholders’ Meeting: April 24, 2018 (5th resolution).</td>
</tr>
</tbody>
</table>
(ii) 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 2018

In pursuance of the new article L.225-37-2 of the French Commercial Code introduced by the “Sapin-2 law” on December 9, 2016, you are requested for the second year, 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 2018.

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

In this respect, the compensation 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 3.7 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.

Since 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 2017 were approved with a large majority (more than 90%) by the shareholders at the Annual General Meeting, the board of directors decided on February 14, 2018, based on the works of the Governance remunerations committee, which as a reminder is composed of 75% of independent members as per the AFEP/MEDEF Code, and after hearing its recommendations:

- to continue to apply in 2018 the fundamental pillars which command the principles for determination of 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 increase the base salaries of Messrs. Tricoire and Babeau by 5% and 12% respectively, in order to reward the Corporate Officers for the high quality of their actions and initiatives, which enabled the Group to expand its offer and international exposure and increase its competitiveness (in accordance with the principle “pay-for-performance”), keeping in mind that the proposed increase will also contribute to maintaining the compensation of the Corporate Officers at competitive levels (in accordance with the competitiveness principle), and is calibrated to remain within internal and external acceptance levels. As regards Mr. Babeau, the increase of 12% also reflects his new responsibilities in Aveva;
- to increase to 30% the weight of the criteria (all measurable) related to the Company Program in setting the annual incentive, by reducing the weight of the individual criteria to 10%, in order to further strengthen transparency of the compensation and relationship between compensation and performance.
- The increase of the criteria that reflect the transformation of the Group also contributes to better alignment of Corporate Officers’ compensation to the Group strategy;
- to enable the review of objectives during the year if there is a too significant distortion with the revised guidance communicated to the market;
- to maintain the conditions, modalities and volume of the performance share grants with no change;
- to maintain the rule whereby no compensation is paid to corporate officers that is not provided by the compensation policy approved by the shareholders.

The board also intends to further increase its disclosure and transparency with respect to such compensation, within limits safeguarding the interests of the company with respect to business secrets and confidentiality of certain aspects of its strategy. The main targets will now be disclosed at the expiry of the performance period, with respect to both the annual incentive and the long-term incentive in the form of performance shares.

The board reflected upon the principle of keeping the compensation proposed for the positions of CEO and Deputy CEO as it is in the event of a change and appointment of a candidate from outside within the Group. Whilst acknowledging that the proposed compensation structure is market competitive and in line with the principles set forth by the board, the board may have to review the criteria for evaluation of the new corporate officer’s performance, depending upon his/her profile, or to consider an exceptional allowance in cash or in shares in order to compensate for loss of benefits that a candidate may experience.

In accordance with applicable law, the payment of any variable or exceptional cash component in relation to the year 2018 will be subject to your approval at the Annual Shareholders’ Meeting following year-end 2018.

Under the Ninth Resolution you are requested to approve these principles and criteria for 2018 with respect to the Chairman and CEO, and under the Tenth Resolution those with respect to the Deputy-CEO.

III. Composition of the board of directors (resolutions 11 to 14)

We remind you that the terms of office of Mr. Xavier Fontanet, Mr. Willy Kissling, Ms. Linda Knoll and Ms. Cathy Kopp are due to expire after the 2018 Annual Shareholders’ Meeting.

At its meeting of February 14, 2018, the board of directors took note of the decision of Mr. Xavier Fontanet and Ms. Cathy Kopp not to present themselves as candidates for the renewal of their terms.

The board of directors was keen to highlight the recognition that the company owes these individuals who have supported the Group through different steps of its strong development, and the great quality of their contributions.
The board of directors unanimously decided to follow the recommendation from the Governance remunerations committee and to recommend:

- the renewal of the term of office of Mr. Willy Kissling (eleventh resolution) and Ms. Linda Knoll (twelfth resolution);
- the appointment of Ms. Fleur Pellerin (thirteenth resolution) and Mr. Anders Runevad (fourteenth resolution).

These recommendations are in line with the efforts towards regeneration of the board which aim at rejuvenating its composition and strengthening knowledge of the Group’s key markets.

Ms. Fleur Pellerin, 44 years old, French citizen, was a magistrate at the Court of Auditors for 13 years before her appointment as a Minister by the government from 2012 to 2016. After she resigned from the public service, she launched in September 2016 the investment fund Korelya Capital with a EUR200 million funding, supporting investments of technology start-ups in France and in Europe. She will bring to the board her economic and financial knowledge in the new energy landscape and of Schneider Electric’s business and business environment in Europe, in the US as well as in new economies.

Mr. Anders Runevad will be an independent director.

Mr. Willy Kissling’s and Ms. Linda Knoll’s biographies and their terms of office are provided on pages 11 and 12. Ms. Linda Knoll is an independent director under the AFEP/MEDEF Corporate Governance Code contrary to Mr. Willy Kissling who has been serving as a member of the board of director for more than 12 years. If you approve the proposals made in the eleventh to fourteenth resolutions, the board of directors will comprise 13 members, 42% women, 61.5% foreign directors and 82% independent directors (in accordance with the AFEP/MEDEF Corporate Governance Code).

The board of directors considers that in addition to Mr. Jean-Pascal Tricoire, Ms. Xiaoyun Ma, representing employee shareholders, and Mr. Patrick Montier, representing employees, Mr. Willy Kissling does not have the status of independent director. Under the AFEP/MEDEF Corporate Governance Code, he has lost that status due to his long years of service on the board. The other directors are independent.

IV. Renewal of financial authorization (resolutions 15 to 17)

(i) Share buybacks (resolution 15)

The fifteenth resolution seeks for renewal of the company’s authorization to buy back its own shares in accordance with articles L.225-209 et seq. 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. Purchases can result in reducing the share capital, covering stock option plans, allocating shares to employees or corporate officers, fulfilling obligations related to convertible bonds, and market making as part of a liquidity contract. The maximum share purchase price is set at EUR90 per share. This authorization cannot be used during a tender offer.

In order to neutralize the increase in the number of shares linked to the shareholder plans for employees and managers, Schneider Electric bought back 2.4 million shares for a total amount of EUR171.2 million in 2017.

Schneider Electric announced that it would buy-back its own shares in an amount of circa EUR1 billion over the period June 2017-June 2019.

(ii) Financial authorization in favor of employees: increase in capital in favor of employees (resolutions 16 and 17)

The purpose of the sixteenth resolution (extraordinary meeting) is to give the board of directors the necessary powers to carry out capital increases reserved for employees participating in the Company Savings Plan, up to the limit of 2% of the share capital. This authorization, which is valid for 26 months, sets at 20% the maximum amount of the discount that may be granted on the subscription price of the shares offered to employees participating in a Company Savings Plan.

The seventeenth resolution (extraordinary meeting) is intended to allow the extension of employee shareholding operations to certain foreign countries where legislation or local practices are not in line with the rules of the company Savings Plan. To this end, it aims to authorize the board of directors to carry out capital increases reserved to a class of beneficiaries: in this case, employees of non-French Group companies. This 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 participating in company Savings Plan. The shares may be issued with a maximum discount of 20% over the reference share price. This authorization will be valid for 18 months.

The renewal of these authorizations to increase the share capital in favor of employees will allow the implementation of a new worldwide employee shareholding operation in 2019. We remind you that under the current authorizations, the board has decided to complete, in June 2018, the employee shareholding operation within the limit of 3.7 million shares (i.e. almost 0.62% of the share capital). This operation will not include any leveraged offer and will be proposed in 41 countries representing more than 80% of the Group’s employees.

Finally, under the eighteenth resolution we request that you grant us the powers necessary to carry out the formalities.
Statutory Auditors’ special report on regulated agreements

To the Shareholders,

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

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

Furthermore, it is our responsibility, if appropriate, to inform you of the information set forth in the provisions of article R. 225-31 of the French Commercial Code pertaining to the agreements and commitments implemented during the year ended December 31, 2017 and previously approved by the shareholders at the Shareholders’ Meeting.

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

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

We were informed of the following commitments, which have been previously authorized by your Board of Directors and signed since December 31, 2017.

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. 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 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-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 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;
Mr. Jean-Pascal TRICOIRE will retain the benefit of all his stock options, free shares or performance shares or any other shares attributed to him: (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 of 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 related to material change in Schneider Electric’s shareholder structure or reorientation of the strategy, 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).

The Board of directors noted that the continuation of the duties of Mr. Jean-Pascal TRICOIRE under the same conditions of competitiveness, stability and exclusivity was necessary for the implementation of the company’s development strategy as defined by the Board of Directors and, therefore, concluded in the interest of the company.

With Mr. Emmanuel BABAÚ (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. 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. 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 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. 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 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. 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:

- Less than 66 percent; no Compensation shall be awarded;
- 66 percent; the interested party shall receive 75 percent of the Maximum Amount;
- 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;
- 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 related to material change in Schneider Electric’s shareholder structure or reorientation of the strategy, 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).

The Board of directors noted that the continuation of the duties of Mr. Emmanuel BABEAU under the same conditions of competitiveness, stability and exclusivity was necessary for the implementation of the company’s development strategy as defined by the Board of directors and, therefore, concluded in the interest of the company.

Agreements and commitments previously approved by the Shareholders’ Meeting

Pursuant to the provisions of article R. 225-30 of the French Commercial Code, we were informed of the following agreements and commitments already approved by the shareholders at the Shareholders’ Meetings in prior years, were implemented during the year ended December 31, 2017:

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

On December 15, 2016, your Board of Directors authorized the compensation of Mr. Leo APOTHEKER with regards to his role as Vice-Chairman Independent Lead Director pursuant to the statutes and internal guidelines of the Board of Directors, in the amount of 250,000 euros per annum, payable biannually, taxes and expenses set aside.

This agreement, signed on January 25, 2017 and implemented for one year starting April 26, 2016, was approved by the Shareholders’ meeting and ended on April 25, 2017.

Your Board of Directors justified this convention as it was in the interest of your company that Mr. Leo APOTHEKER carried out his assigned mission with the same commitment and expertise, as authorized by your Board of Directors on May 6, 2014 and approved by the shareholders’ meeting on April 21, 2015.

Signed in Paris-La Défense and in Courbevoie, on March 12, 2018

The Statutory Auditors

Ernst & Young et Autres
Jean-Yves Jégourel
Alexandre Resten

Mazars
Loïc Wallaert
ORDINARY meeting

FIRST RESOLUTION (Approval of corporate financial statements for the 2017 financial year)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report on the Company financial statements and the statutory auditors’ report, approves the corporate financial statements for the 2017 financial year as presented, as well as the transactions reflected in these statements or summarized in such reports showing a net profit of EUR121,487,669.16.

SECOND RESOLUTION (Approval of consolidated financial statements for the 2017 financial year)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report on the Company consolidated statements and the statutory auditors’ report, approves the consolidated financial statements for the 2017 financial year as presented, as well as the transactions reflected in these statements or summarized in such reports.

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

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

(i) after taking into account that negative retained earnings amounts to EUR5,950,968.52, decides to allocate the amount of retained earnings to the profit of the financial year which sets the total distributable earnings at EUR115,536,700.64;

(ii) decides on the distribution to the 596,916,242 shares with a par value of EUR4 comprising the share capital on December 31, 2017, and dividend rights on January 1, 2018, at EUR2.20 per share, and as a result sets at EUR185,506,162.10 the amount to withhold on issue premiums relating to the contribution of Legrand shares, at EUR930,233,532.00 the amount to withhold on issue premiums relating to the contribution of Invensys shares and at EUR81,939,337.66 the amount to withhold on other issue premiums to carry out this distribution.

With regard to taxation, it is specified that the breakdown of this distribution of EUR2.20 per share is as follows:

- up to EUR0.19, the dividend constitutes distributed income subject to a social contribution of 17.2% deducted from the gross amount at the time of payment. The gross amount of French-source dividend received by resident individuals will also be subject to a mandatory non-definitive withholding tax of 12.8%, unless exemption from this levy is requested. In 2019, dividend will in principle be subject to a flat tax (Prélèvement Forfaitaire Unique PFU) at the rate of 12.8% unless the taxpayer has opted for dividend to be subject to income tax at ordinary progressive rates. In such case, after applying a 40% (uncapped) tax rebate, only 60% of the dividend will be computed in the taxable income, less any deductible charges and expenses. The above-mentioned withholding tax of 12.8% may be off set against on the income tax that will be due in 2019 for income earned in 2018;

- in the amount of EUR2.01, withheld on issue premiums, the distribution constitutes a capital repayment. As such, it is not subject to income tax for individual shareholders resident in France pursuant to article 112-1 of the French Tax Code, as all profits and reserves other than the legal reserve have been previously distributed.

Dividends/coupons paid by Schneider Electric SE for the 3 most recent financial years are as follows, in EUR:

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FOURTH RESOLUTION  
(Approval of the regulated agreements and commitments relating to Mr. Jean-Pascal Tricoire’s status)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report and the Statutory Auditors’ special report presented in accordance with the provisions of article L.225-40 of the French Commercial Code on the agreements and commitments covered by article L.225-38 and L. 225-42-1 of said Code, approves the agreements and the commitments presented in said reports relating to Mr. Jean-Pascal Tricoire’s status.

FIFTH RESOLUTION  
(Approval of the regulated agreements and commitments relating to Mr. Emmanuel Babeau’s status)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report and the Statutory Auditors’ special report presented in accordance with the provisions of article L.225-40 of the French Commercial Code on the agreements and commitments covered by article L.225-38 and L. 225-42-1 of said Code, approves the agreements and the commitments presented in said reports relating to Mr. Emmanuel Babeau’s status.

SIXTH RESOLUTION  
(Information regarding regulated agreements and commitments undertaken during previous financial years)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, takes due note of the information set forth in the Statutory Auditors’ special report relating to the agreements and the commitments undertaken in previous financial years and approved by the Annual Shareholders’ Meeting.

SEVENTH RESOLUTION  
(Approval of elements of the compensation paid, due or awarded in respect of the 2017 financial year to Mr. Jean-Pascal Tricoire)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, in accordance with article L.225-100 of the French Commercial Code, approves the components of the compensation due or awarded for the 2017 financial year to Mr. Jean-Pascal Tricoire as presented in the Company’s governance report referred to in article L.225-37 of said Code.

EIGHTH RESOLUTION  
(Approval of elements of the compensation paid, due or awarded in respect of the 2017 financial year to Mr. Emmanuel Babeau)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, in accordance with article L.225-100 of the French Commercial Code, approves the components of the compensation due or awarded for the 2017 financial year to Mr. Emmanuel Babeau as presented in the Company’s governance report referred to in article L.225-37 of said Code.

NINTH RESOLUTION  
(Approval of principles and criteria for determining, allocating and granting the elements of the compensation and benefits of all types that may be granted to the Chairman and Chief Executive Officer in respect of the 2018 financial year)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, in accordance with article L.225-37-2 of the French Commercial Code, approves the principles and criteria for determination, distribution and allocation of the fixed, variable and exceptional elements which form the total compensation and benefits of any type that may be granted, on account of his role, to the Chairman and CEO, as specified in the Company’s governance report referred to in article L.225-37 of said Code.

TENTH RESOLUTION  
(Approval of principles and criteria for determining, allocating and granting the elements of the compensation and benefits of all types that may be granted to the Deputy Chief Executive Officer in respect of the 2018 financial year)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, in accordance with article L.225-37-2 of the French Commercial Code, approves the principles and criteria for determination, distribution and allocation of the fixed, variable and exceptional elements which form the total compensation and benefits of any type that may be granted, on account of his role, to the Deputy CEO, as specified in the Company’s governance report referred to in article L.225-37 of said Code.
ELEVENTH RESOLUTION (Renewal of a directorship: Mr. Willy Kissling)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report, hereby resolves to re-elect Mr. Willy Kissling as director for a two-year term expiring at the close of the Annual Shareholders’ Meeting to be held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

TWELFTH RESOLUTION (Renewal of a directorship: Ms. Linda Knoll)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report, hereby resolves to re-elect Ms. Linda Knoll as director for a four-year term expiring at the close of the Annual Shareholders’ Meeting to be held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

THIRTEENTH RESOLUTION (Appointment of a director: Ms. Fleur Pellerin)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report, hereby appoints Ms. Fleur Pellerin as director for a four-year term expiring at the close of the Annual Shareholders’ Meeting to be held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

FOURTEENTH RESOLUTION (Appointment of a director: Mr. Anders Runevad)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report, hereby appoints Mr. Anders Runevad as director for a four-year term expiring at the close of the Annual Shareholders’ Meeting to be held in 2022 to approve the financial statements for the financial year ending December 31, 2021.

FIFTEENTH RESOLUTION (Authority granted to the board of directors to buy back company shares – maximum purchase price per share EUR90)

The Annual Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for ordinary meetings, having heard the board of directors’ report, hereby authorizes the board of directors, pursuant to the provisions of article L.225-209 of the French Commercial Code and of Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse (market abuse regulation), to acquire or have acquired the company’s shares for the purpose of:

- reducing the share capital within the maximum legal limit;
- covering stock purchase option plans or other share allocations to employees or officers of the Company or an associated company;
- fulfilling obligations related to debt securities convertible into shares of the Company;
- undertaking (for exchange, payment or other purposes) external growth transactions, mergers, spin-offs or contributions (up to a limit of 5% of the share capital);
- engaging in market making under and pursuant to a liquidity agreement consistent with the Autorité des Marchés Financiers accepted market practices; or
- implementing and carrying out any other market practice that may be recognized by law or the AMF.

The maximum number of shares that may be acquired under and pursuant to this authority shall not exceed 10% of the aggregate number of shares constituting the share capital on the date of the Annual Shareholders’ Meeting (i.e. for information purposes, 59,961,624 shares on the basis of the share capital as of December 31, 2017).

The maximum share purchase price is set at EUR90 per share without exceeding the maximum price set by applicable laws and regulations. However, if all or some of the shares acquired pursuant to these conditions are intended to grant stock options, pursuant to articles L.225-177 et seq. of the French Commercial Code, the selling price of the shares in question will be determined in accordance with the legal provisions governing stock options.

As a result of the aforesaid limits, the maximum aggregate amount of share buy-backs shall not exceed EUR5,372,246,160.

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

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

Shares acquired may also be canceled, subject to compliance with the provisions of articles L.225-204 and L.225-205 of the French Commercial Code and in accordance with the twenty-seventh resolution adopted by the Annual Shareholders’ Meeting of April 25, 2017.

The board of directors may adjust the prices set forth above in the event of the capitalization of reserves or earnings giving rise either to an increase in the par value of the shares, or to the issuance and free awards of shares, in the event of a division of the par value of the shares (stock split or amalgamation of shares (reverse split), and, more generally, in the event of a transaction involving shareholders’ equity, to account for the impact of the consequences of such transactions on the value of the shares, such price then to be adjusted by a multiplier coefficient equal to the ratio between the number of shares constituting the share capital prior to the transaction and such number following such transaction.

Any and all authority is hereby granted to the board of directors with power to grant delegations of authority to implement and carry out this resolution.

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

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

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

- delegates to the board of directors the authority, with the power to subdelegate, for a period of 26 months from the date of this Annual Shareholders’ Meeting, to undertake a capital increase on one or more occasions at its discretion by issuing shares or securities carrying the right to acquire shares of the Company, under the terms and conditions set forth in article L.225-180 of the French Commercial Code and article L.3344-1 of the French Labor code, reserved for participants in a Company Savings Plan and French or non-French companies affiliated with the Company in a maximum par value, or paid-in capital, amount of 2% of the share capital on the date this authorization is implemented and giving security, in favor of employees of foreign companies of the Group, either directly or via entities acting on behalf thereof, to offer employees of foreign companies of the Group benefits comparable to those offered to participants in the Company Savings Plan up to 1% of the share capital, without shareholders’ preferential subscription right;

- hereby resolves that the characteristics of the other securities granting access to Company capital shall be decided and determined by the board of directors under the terms and conditions set by applicable law and regulations;

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

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

- hereby resolves that this authorization cancels, effective June 30, 2018, the authorization given by the Annual Shareholders’ Meeting of April 25, 2017, in its twenty-fifth resolution, for its amounts unused by the board of directors;

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

**SEVENTEENTH RESOLUTION**

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

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

- hereby delegates to the board of directors the authority, with the power to grant subdelegations of authority, necessary to undertake increases in the share capital on one or more occasions, at the times and in the proportions it deems appropriate up to a maximum of 1% of the share capital on the date of this shareholders’ meeting, by issuing shares or securities providing access to the capital of the Company, granting the same rights as previously issued shares, such issue to be reserved for persons meeting the characteristics of the class defined below, provided, however, that (i) the 1% limit set forth above shall be charged against the 2% limit set forth in the sixteenth resolution of this Annual Shareholders’ Meeting, but, which, on the other hand, is separate and apart from the limits set forth in the nineteenth and twenty-first resolutions of the Annual Shareholders’ Meeting of April 25, 2017, and (ii) this authorization may be used only from and after August 1, 2018;

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

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

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

● hereby resolves that the board of directors shall have full authority, on the terms and conditions provided by law and within the limits set forth hereinabove, to implement and give effect to this authorization and determine the list of the beneficiaries and recipients within the classes described in this resolution and the number of securities to be offered to each thereof, provided that the board of directors may decide that the capital increase shall be completed for the amounts subscribed, on the condition that a minimum of 75% of the shares or other offered securities providing access to capital have been subscribed, as well as, among other things:

● to determine the characteristics of the securities to be issued, to decide on the issue price, dates, time periods, terms and conditions of subscribing therefore, paying the paid-in capital, or nominal amount thereof, delivery and effectiveness of the shares and equity securities, the lock-up and early release period, within applicable limits of the law and regulations,

● to record and determine the capital increase, to undertake the issuance of the shares and other securities carrying the right to acquire shares, to amend the articles of association accordingly,

● and, as a general rule, to enter into any agreement, in particular to ensure the due and proper completion of the contemplated issuances, take all steps and complete any required formalities in connection with the issue, the listing and financial servicing of the securities issued under and this authorization, as well as the exercise of the rights attaching thereto, and, more generally, to do whatever may be necessary;

● resolves that this delegation shall nullify as of August 1, 2018, the authority given by the Annual Shareholders’ Meeting of April 25, 2017, in its twenty-sixth resolution for its amounts not used by the board of directors.

The authorization granted under and pursuant to this resolution shall be valid for 18 months from and after this Annual Shareholders’ Meeting.

ORDINARY meeting

EIGHTEENTH RESOLUTION

(Powers for formalities)
The Annual Shareholders’ Meeting confers full powers upon the bearer of a copy or excerpts of the minutes confirming these resolutions for the purposes of carrying out all legal and administrative formalities.
Conditions to attend the shareholders’ meeting

Who may attend

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

a) shareholders owning registered shares must be registered in the “pure” or “administered” accounts by midnight, Paris time, on the second working day before the meeting, i.e. April 20, 2018;

b) shareholders owning bearer shares must be registered by midnight, Paris time, on the second working day before the meeting, i.e. April 20, 2018. Book entry or registration of shares in bearer share accounts held by the authorized intermediary will be confirmed by a participation certificate issued by the latter, appended to the distance or proxy voting form (“single form”) or to the request for an entry pass drawn up in the name of the shareholder. A certificate may also be issued to any shareholder wishing to take part in the meeting in person and who has not received his or her entry pass by midnight, Paris time, on the second working day before the meeting, i.e. April 20, 2018.

Shareholders may obtain the single form referred to above on request by mail to their financial intermediary or to the BNP Paribas Securities Services, Service des assemblées, Immeuble GMP – Europe, 9, rue du Débarcadère – 93761 PANTIN CEDEX.

Application for an admission card

You must apply for the admission card that is required to be able to attend the meeting and vote in it*. You can obtain the card:

◆ by post: return the form attached after checking box A, dating and signing it at the bottom (see page 45);

◆ by electronic means:

◆ if you are a registered shareholder, log into the secured VOTACCESS platform that you can access via the Planetshares site, whose address is as follows: https://planetshares.bnpparibas.com. If you are a pure registered shareholder, use your usual access codes for logging in. If you are an administered registered shareholder, you will find your Login ID for accessing the Planetshares site in your letter of invitation to the meeting. If ever you do not have your Login ID and/or its password, please contact 0 800 004 120 (toll-free line) for investors in France or 00 33 1 40 14 03 43 for investors abroad.

– once you have connected, follow the instructions given on the screen to access the VOTACCESS site for applying for your admission card,

◆ if you are a shareholder possessing bearer shares, check whether your authorized intermediary is connected to VOTACCESS or not and, if so, whether access is subject to any specific conditions of use.

If the authorized intermediary is connected to the VOTACCESS site, you must identify yourself on its portal with your usual access codes. Then, you must click on the icon on the line that corresponds to the Schneider Electric SE shares that you hold and follow the instructions given on the screen to access VOTACCESS and apply for an admission card.

* Note: If you have requested your admission card but have not received it in due time for the meeting, and that you can show that your shares are registered up to midnight, Paris time, on the second working day before the meeting in the accounts held by the company (for nominative shares), or in the accounts held by the authorized intermediary (for bearers who hold a participation certificate), you can still attend the meeting by checking in at the registration desk starting at 2:00 p.m.
Entry to the meeting
To ensure that the meeting proceeds as planned, we request you to:

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

YOU ARE UNABLE TO ATTEND the meeting, however you want to:

1. vote by mail or by internet;
2. give a proxy to another shareholder, your spouse or partner with whom you have an official civil union or to any other individual or legal entity of your choice under the applicable legal and regulatory conditions;
3. give the Chairman of the meeting power to vote on your behalf.

To do this, you can either use the attached form I either you connect on the dedicated website II.

I. Use of the single vote form attached
If you wish to make use of one of the above three possibilities by means of the attached single vote form, you must:

- for registered shareholders: return the single postal or proxy vote form to the following address: BNP Paribas Securities Services – CTS Assemblées – Grands Moulins de Pantin – 93761 Pantin Cedex;
- for bearer shareholders: return the enclosed single postal or proxy vote form accompanied by a participation certifi cate issued by your fi nancial intermediary to the following address: BNP Paribas Securities Services – CTS Assemblées – Grands Moulins de Pantin – 93761 Pantin Cedex.

If you wish to use the single vote form attached, you will need to check the corresponding box but also indicate your vote on each resolution by shading the corresponding box. Otherwise, your vote will not be accounted for on the resolutions for which you have not indicated your vote.

To be taken into account, postal vote forms must be received by the “Service Assemblées Générales” of BNP Paribas Securities Services three days at the latest before the date on which the assembly is to be held, i.e. April 20, 2018.

II. Online
If you wish to make use of one of the above three possibilities via Internet, you must connect up with the VOTACCESS site.

The VOTACCESS site will be open as from March 30, 2018. The possibility of voting by Internet prior to the General Meeting will end on the day before the meeting, i.e. April 23, 2018 at 3:00 p.m. Paris time.

However, to avoid overloading the VOTACCESS site, shareholders are advised not to wait until the day before the meeting for submitting their votes.

To access the VOTACCESS site, you must:

- if you are a registered shareholder connect up with the secured Votaccess platform via the Planetshares site, whose address is as follows: https://planetshares.bnpparibas.com. If you are a pure registered shareholder, use your usual access codes for logging in. If you are an administrated registered shareholder, you will find your Login ID for accessing the Planetshares site in your letter of invitation to the meeting. If ever you do not have your Login ID and/or your password, please contact 0 800 004 120 (toll-free line) for investors in France or 00 33 1 40 14 03 43 for investors abroad.

Once you are logged in, follow the instructions on the screen to access the VOTACCESS site for voting, designating or revoking a proxy or appointing the Chairman as proxy;

- if you are a shareholder possessing bearer shares, check whether your authorized intermediary is connected to VOTACCESS or not and, if so, whether access is subject to any specific conditions of use.

If the authorized intermediary is connected to the VOTACCESS site, you must identify yourself on its portal with your usual access codes. Then, you must click on the icon on the line that corresponds to the Schneider Electric SE shares that you hold and follow the instructions given on the screen to access VOTACCESS for voting, designating or revoking a proxy or appointing the Chairman as proxy.

If your authorized intermediary is not connected to the VOTACCESS site, you may still notify the designation of revocation of a proxy by electronic means in compliance with the measures set forth in article R.225-79 of the French Commercial Code. In this case, you must:

(i) send an e-mail to paris.bp2s.france.cts.mandats@bnpparibas.com. This email must contain the following information: the name of the company concerned (Schneider Electric SE), the date of the meeting (April 24, 2018), the name, forename, address, and bank references of the principal together with the name, forename and, if possible, the address of the proxy.

(ii) request the financial authorized intermediary that handles your securities account to send written confirmation to the Service Assemblées Générales at BNP Paribas Securities Services – CTS Assemblées Générales – Les Grands Moulins de Pantin -9, rue du Dèbarcadère – 93761 Pantin Cedex.

So that proxy designations or revocations sent by electronic mail can be taken into account validly, confirmations must be received on the day before the meeting at the latest, i.e. April 23, 2018, at 3:00 p.m. Paris time.

Only notice of designation or revocation of proxies may be sent to the above electronic mail address. Any other demand or notice concerning any other subject will not be taken into account and/or be processed.

Shareholders may obtain the documents provided for under articles R.225-81 and R.225.83 of the French Commercial Code within legal time limits, by requesting them from BNP Paribas Securities Services – CTS Assemblées Générales – Grands Moulins de Pantin – 93761 Pantin Cedex.

The board of directors
Conditions to attend the shareholders’ meeting

How to fill in your voting form?

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

• Double vote for shares which have been in registered form for at least two years prior to December 31st of the year preceding the date of the general meeting.

• Single vote.

To cast a postal vote: tick here. AND indicate your vote on each resolution by shading the appropriate box. Sign and date at the bottom of the form.

To give proxy to the chairman of the General Meeting to vote on your behalf:
Simply tick box and sign and date the form at the bottom.

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

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

If you hold registered shares:
BNP Paribas Securities Services
Corporate Trust Services - General Meeting
Les Grands Moulins de Pantin
9 rue du Débarcadère
93500 Pantin

If you hold bearer shares:
Your financial intermediary who manages the share account in which your Schneider Electric SE shares are registered.
Request for information

Ordinary and extraordinary Meeting

of April, 24 2018

I, the undersigned:
Mr.  ❑  Ms  ❑
Surname (or company name): .............................................................................................................................................
Forename: ............................................................................................................................................................................
Address: ................................................................................................................................................................................
..............................................................................................................................................................................................
Town / City: .................................................. Postal Code: ...................................................................................................
Country: ................................................................................................................................................................................
Owner of: ............................................ Schneider Electric SE registered shares
Owner of: ............................................................ Schneider Electric SE bearer shares.

Hereby confirm that I have duly received the documents relating to the Ordinary and Extraordinary Shareholders’ Meeting of April 24, 2018, as specified in article R.225-81 of the French Commercial Code

And hereby request that I be sent the documents and information, as specified in article R.225-83 of the French Commercial Code.

Place of signature ............................................................ date of signature. ............................................................ 2018

Signature

To send

If you hold registered shares:  
BNP Paribas Securities Services  
Corporate Trust Services - General Meeting  
Les Grands Moulins de Pantin  
9 rue du Débarcadère  
93500 Pantin(1)

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

(1) In accordance with article R.225-88 of the French Commercial Code, owners of shares may, by a single request, have the company send them the documents and information specified in articles R.225-81 and R. 225-83 of the French Commercial Code in advance of all subsequent General Meetings. Shareholders wishing to take advantage of this option must indicate on this request form that they wish to do so.