Annual General Meeting

Palais des Congrès, April 25, 2019
Disclaimer

This presentation contains forward-looking information. The information drawn up on the basis of Group General Management’s present estimates depends on numerous factors and uncertainties which may lead to established figures differing significantly from those presented on a forecast basis. For a more detailed description of these risks and uncertainties, please refer to Schneider Electric’s annual reference document ("Risk factors" section, available on www.schneider-electric.com). Schneider Electric is in no way committed to publishing an update or a revision of these forecasts.

The presentation contains information concerning our markets and an estimate of our competitive situations on these markets. This information is based on market data and our sales made on the markets for the periods in question. We have obtained this information on our markets from various external sources (sector-based publications, enquiries or forecasts) and our own internal estimates. We have not had these external sources and estimates checked by an independent party and cannot guarantee their exactness or exhaustiveness. Our own enquiries and estimates have not been checked by independent experts or other independent sources.
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<td>Statutory Auditors’ Report</td>
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Simplified agenda

• **Within the jurisdiction of the Ordinary Shareholders’ Meeting**
  - Approval of accounts and setting the dividend at €2.35 euros per share
  - Approval of the statutory auditors’ special report on regulatory agreements concerning the status of corporate executive officers
  - “Say on Pay”: compensation of corporate executive officers
    - 2018: approval of sums and volumes allocated in compliance with the principles and criteria approved in April 2018
    - 2019: approval of the principles and criteria of compensation for the current financial year
  - Renewal of Mr. Greg Spierkel’s terms of office

• Appointment of Ms. Carolina Dybeck-Happe and Xuezheng (Mary) Ma and Mr. Lip-Bu Tan as new directors
• The increase in directors’ fees

• **Within the jurisdiction of the Extraordinary Shareholders’ Meeting**
  - Renewal of financial authorizations: share buy-backs/cancellations, increases in capital, maintaining or eliminating shareholders’ preferential subscription rights and increases in capital reserved for employees for their savings scheme or their long-term remuneration in the form of shares
Strategy & Vision

Jean-Pascal Tricoire – Chairman & C.E.O.
Our strategy is based on two major transitions:

**DIGITIZATION**
- **IoT**: 10x
  - More new connected apparatus than individuals by 2020 (IHS, March 2016; UNO stats.)
- **Big Data**: x5
  - 81 bn GB in 2017, 403 bn GB in 2021 (Cisco)
- **AI**: x6
  - In world-wide expenditure on cognitive systems and AI between 2017 and 2022 (International data corporation)

**ELECTRIFICATION**
- **50%**: Of energy production will be solar or wind-driven by 2050 (BNEF)
- **30%**: Of vehicle stocks will become electric by 2040 (BNEF)
- **x3**: In IT electricity consumption between 2020 and 2035 (Schneider Electric)
Solving the **Paradox**

between

progress, energy and digital solutions for all, and preserving our planet

= **Efficiency x 3**
Schneider Electric, leader in digital transformation, energy management and automation

Key figures for 2018

- **c.5%**
  - Revenues invested in R&D

- **26 billion €**
  - 2018 revenues

- **137 000+**
  - Employees in over 100 countries

- **42 %**
  - 2018 revenues in new economies

A world-wide presence and well-balanced exposure, with a strong commitment in new economies

2018 revenues

- **27%**
  - Western Europe

- **29%**
  - Asia Pacific

- **16%**
  - Rest of the World

- **28%**
  - North America
Unique positioning on efficiency and sustainability

Energy transition
Energy management
Energy efficiency

Industry 4.0
Industrial automation
Process efficiency

20 billion €
6 billion €

Solutions designed for four end-markets:

- Building: 35% of revenues (estimate)
- Data Centers: 15%
- Infrastructures: 20%
- Industries: 30%

(estimate)
Our strategy fulfils its commitments

**Energy management**

- **Energy management**
  - +7% Organic growth in sales over 2018
  - 17.8%
  - +60 bps Adjusted EBITA (org.)

**Industrial automation**

- **Industrial automation**
  - +8% Organic growth in sales over 2018
  - 18%
  - +70 bps Adjusted EBITA (org.)

... And has achieved a very good performance

- 26Bn€, +7% Group turnover in 2018 (org.)
- 15.1%, +50bps GROUP ADJUSTED EBITA IN 2018 (org.)

*With Delixi joint-venture postponed since 2016.
Carrefour Egypt: 7% in energy savings and permanent monitoring of equipment for greater durability
Padania Acque, Italy
Cremona Province

Major issues for the client

• Extending remote control to over 1,000 aqueducts and water treatment plants

• Creating a centralized control tower

• Reducing and anticipating water leaks at critical points thanks to real-time supervision

A complete solution offered by Schneider

• Combined with AVEVA software for managing hydraulic networks

Tangible benefits

20% in targeted operating efficiency

A 5% reduction in energy consumption

Up to 10% expected reduction in water leaks

AVEVA - Acquired

EcoStruxure Power Monitoring Expert

Modicon PACs M340, M580, et M221

Smart low-voltage panels

Altivar

SCADA Pack RTU
A strategy based on sustainable development

<table>
<thead>
<tr>
<th>Selected SSI indicators and revised 2020 target</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLIMATE</strong></td>
<td></td>
</tr>
<tr>
<td>25% growth for our Energy &amp; Sustainability Services entity</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>CIRCULAR ECONOMY</strong></td>
<td></td>
</tr>
<tr>
<td>75% of turnover achieved in the context of the new Green Premium program</td>
<td>45.7%</td>
</tr>
<tr>
<td><strong>HEALTH &amp; EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td>100% of staff work in countries that have fully deployed our family leave policy</td>
<td>75%</td>
</tr>
<tr>
<td><strong>ETHICS</strong></td>
<td></td>
</tr>
<tr>
<td>300 suppliers assessed on site in terms of respect for human rights and environment</td>
<td>155</td>
</tr>
<tr>
<td><strong>DEVELOPMENT</strong></td>
<td></td>
</tr>
<tr>
<td>350,000 disadvantaged people trained in energy management</td>
<td>196,162</td>
</tr>
</tbody>
</table>

2018: Performance considerable higher than targets (173%)

→ An increase in the 2020 target for 9 indicators out of 21

→ Included in remuneration for 52,000 members of staff

Schneider Electric signs up for the Paris Marathon

**MORE CONNECTED**
A community of green runners with 7 challenges for a more sustainable world

**MORE EQUITABLE**
Over 12,000 women participants: thanks to an early start for women, a shared champions’ podium

**MORE SUSTAINABLE**
100% compensation for carbon emissions by distributing 60,000 Livelihoods Hifadhi stoves, with which wood consumption can be reduced by 60% for 300,000 people living in Kenya
The Group’s unique DNA is widely recognized externally

- **The most ethical companies**
  - For the 9th year running
- **The most sustainable companies**
  - In the top 100 for the 7th year running

**The Group**

- Commitment to circular economy: #1 in Multinationals
- Commitment to sustainable development and low carbon footprint
- Commitment to more renewable energies
- A commitment to more energy productivity
- Commitment to more energy productivity

**Leaders in digital transformation**

- Top 15 for respect for male-female equality
- Male-female equality performance index
- One of the best employers for promoting diversity

**Attractiveness in respect of women in India**

- One of the best employers for promoting diversity via LinkedIn

**Climate change:**

- A class for the 8th year running
- One of the best employers for promoting diversity

**Climate change: A class for the 8th year running**

- For the 2nd year running

**For the 9th year running**

- Turnover in favor of the energy transition
- Commitment to more renewable energies
- A commitment to more energy productivity

**For the 7th year running**

- One of the best employers for promoting diversity

**For the 9th year running**

- One of the most attractive employers
- Attractiveness via LinkedIn
- One of the most attractive employers
- World #5 in the “SRI Leader” index
- 397 SRI funds in the capital
- Recommended by 81% of all the employees questioned

**Commitment to circular economy**

- #1 in Multinationals
- Top 200

**Commitment to sustainable development and low carbon footprint**

- #3 in the world
- Turnover in favor of the energy transition

**A company recognized for its good practices in terms of its employee share-holding scheme**

- Number 3 in the “Les Echos” classification of companies in the CAC40. Leaders in digital transformation
- 2018 ranking of the best logistics chains:
  - Number 12 in the world
  - Number 5 in Europe

**Commitment in favor of human rights**

- Commitment in favor of the principles of feminine empowerment

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- Commitment in favor of the principles of feminine empowerment

**Commitment to circular economy**

- #1 in Multinationals

**Commitment to sustainable development and low carbon footprint**

- #3 in the world
- Turnover in favor of the energy transition

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- A commitment to more energy productivity
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- For the 2nd year running
A strategy based on developing our people

MEANINGFUL

INCLUSIVE

EMPOWERED
A Group committed to its employees, as close to local levels as possible

Main actions in 2018

- **Deployment of the world-wide family leave policy**
  - 59 Countries
  - 75% Of staff

- **World-wide anti-harassment policy**
  - 0 tolerance
  - #StOpE initiative in France

- **Equity and Flexibility**
  - 92% Of all staff concerned by the salary equity policy
  - 33 countries (89% of all staff) – telework policy

- **Multi-Hub (Hong Kong, Boston, Paris-Grenoble, Dubai)**

137 000 Employees in over 100 countries
Life is On

We empower all to do more with less, ensuring Life is On everywhere, for everyone, at every moment.

We provide energy and automation digital solutions for efficiency and sustainability.
2018: A portfolio and a strategy turned towards growth
Four profitable growth pillars

- More products
- More services
- More digital solutions
- Better systems
More products: +7 %

Strong growth in 2018

Organic growth

8% 7% 5% 7%

T1 T2 T3 T4

2018

“Innovation Summits”: A world tour

14 Innovation Summits – Over 19,000 clients
56 Innovation Days – Over 9,500 clients
A leader in residential activities

Integrated solutions
Very high quality products
Designed for suiting everyone’s decoration

Reliable,
Easy to use,
Ingenious design

2 million electricians

30 prizes in international design over the last 6 years
More services: +9% in 2018

Agrial deploys its energy performance approach together with Schneider Electric
One of the leading agricultural and agri-food cooperative groups

Economic and environmental objectives
-10% in energy consumption
A reduction in greenhouse gas emissions

A tailor-made solution: Diagnosis and energy performance contracts
46 sites Covered by the program in France and elsewhere
Return on investment < 3 years

“Schneider Electric provided us with a solid offer in methodological terms, simple, and secure in terms of investment thanks to the Energy Performance Contract, and its proficiency on all the energy markets.”

David Delalande, Agrial Group Purchasing Director

Finalist at the Energ'IAA prize
More digital

Strengthen the offer portfolio

Grow higher than the Group average

Over 2 million connected assets, +34% compared with 2018
With AVEVA, Schneider has become a world leader in industrial and engineering software covering industrial assets’ total life cycle.

### A promising investment

- Industrial software business with an implicit value of ~1.3 billion €
- + Cash: 550m £
- ~1.9 billion €
- 60% of market capitalization
- ~3.6 billion €

### Very good operating results from the very first year

- ~820 m €
- Proforma turnover for the 2018 fiscal year

### Double-digit Growth in 2018

Aveva stock values – July 2017/April 2019

> x2
Promon Brazil: A 15% reduction in engineering time and setting-up 60% faster
Good deployment of IGE+XAO, the leader in design software for electrical installations
A unique network of partners for more shared opportunities

Open community & ecosystem

- 480,000 sites deployed
- Over 20,000 system developers and integrators
- 3,000 Electricity companies
- Over 650,000 service providers and partners

Strategic partners:
- Microsoft
- Accenture
- Wind River
- Intel
- CISCO
- IBM
- Amazon Web Services
- Capgemini
- Salesforce
Schneider Electric Exchange

The first open, multi-industry ecosystem in the world devoted to solving real problems for a more efficient and more sustainable world

CREATE
Develop integrated efficiency solutions in every field of energy and automation management in an open ecosystem

COLLABORATE
Meet experts and innovators for solving concrete problems and building new solutions.

SCALE
Increase business by having access to a world-wide client base
Co-innovation within the ecosystem

InUse

- Company created in 2015
- Based in Paris
- Application of new-generation connected industrial maintenance for production sites

Winner of the challenge launched on Exchange:
- Using *Machine learning* analytics
- Optimizing existing cleaning operations: 18 minutes per operation on average
- 20% in water savings
- Applications and expertise available in Exchange
Better systems

Well-disciplined execution for our strategy
- Refocusing on projects and equipment with high added value
- Concentrating on target segments
- Selling the complete offer portfolio

Rebound program for medium voltage business
- Selectivity initiatives
- A favorable mix
- Gains in efficiency

Turnover:
Mid single-digit growth

Operating margin:
+ 70 bps

Improvement in the adjusted EBITA margin (2015-2018)
+400 bps in organic
Our unique positioning gives our clients significant benefits

**Efficiency**
- Savings in energy of up to 85%
- An average cost reduction of ~30%

**Reliability**
- Investments: Engineering and commissioning. A reduction of 60%
- An increase in equipment availability of 50%

**Safety and security**
- Operating costs: A reduction in maintenance costs of 75%
- An improvement in personal safety of over 25%

**Sustainability**
- An improvement in personal safety of over 25%
- A reduction in the carbon footprint of up to 50%
- An average cost reduction of ~30%
In 2018, all strategy pillars delivered strong growth…

- **Revenues**: +6.6% Organic growth
- **More products**: +6.7% Organic growth
- **More services**: +9.0% Organic growth

- **More software**: Double-digit growth Organic growth
- **More EcoStruxure**: Above the Group average Organic growth
- **Better systems**: +70bps In operating margin; mid-single digit growth in revenues
... and very good results on all indicators

Adjusted EBITA: +10.3%
Organic growth

New record in net income: 2.3 Bn€ (+9%)

EPS: 4.21 € (+9%)

Well-disciplined, successful acquisitions: AVEVA, ASCO, IGE+XAO

Free cash-flow: 2.1 Bn€

ROCE: 11.8% (+40 bps)
Excluding FX
With AVEVA and ASCO transactions
Good perspectives

Target for 2019

- Organic growth in adjusted EBITA between +4% and +7%

Levers:

- Organic growth in revenues: +3% to +5%
- Organic improvement to the adjusted EBITA margin: +20 bps to +50 bps

Commitments on a 3-year horizon

- An improvement of about 200 bps (at constant exchange rates) in the adjusted EBITA margin

Lever:

- Organic growth: +3% to +6% over the cycle
- Portfolio optimization: 1.5 to 2 Bn€ in turnover under strategic review
- Simplification and efficiency
- Continued gains in productivity
Finance

Emmanuel Babeau, Deputy CEO and CFO
We act in an ethical, transparent and reliable way
New principles of responsibility that meet a growing demand from stakeholders...

Our principles of

RESPONSIBILITY

Existing principles of responsibility

- Launched in 2002
- Structured by stakeholders
- Coherent with company values

Increased demand from stakeholders

- Clients & investors with greater expectations in terms of sustainable development
- More awareness from staff
- Regulations
  - More prevention and proactivity
  - Responsibility over the whole sphere of influence

Contributions collected

- Interviews and work-groups
- Opinions of Schneider experts
- Opinions of external stakeholders
... and cover our impact on our total value chain

<table>
<thead>
<tr>
<th></th>
<th>1 Human Rights and People Development</th>
<th>2 Ethical Business Conduct</th>
<th>3 Digitally Trusted and Secure</th>
<th>4 Act for the Environment</th>
<th>5 Responsible Corporate Citizenship</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Our wealth is human capital, at the heart of our values and our new value proposition as an employer</td>
<td>Clarified and reinforced rules of compliance, with “To be done / To be avoided” lines of conduct</td>
<td>A new section totally devoted to digital solutions</td>
<td>A separate section, reflecting our actions and our impact on our complete value chain</td>
<td>Schneider represents a community, interacting with many different stakeholders</td>
</tr>
</tbody>
</table>
Robust, strengthened governance…

<table>
<thead>
<tr>
<th>Executive Committee</th>
<th>Ethics &amp; Compliance Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>For defining, explaining and distributing policies</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fraud Committee</th>
<th>Disciplinary Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>For detecting and handling non-compliance</td>
<td>For analyzing non-compliance cases from a disciplinary point of view and deciding on sanctions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>“Ethics” consultants</th>
<th>Compliance agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>For promoting principles of responsibility and advising</td>
<td>For preventing, analyzing and handling cases of non-compliance</td>
</tr>
</tbody>
</table>

Alert systems:  
- **Red Line**: For internal matters  
- **Green Line**: For external matters

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**Principles of Responsibility**

**Policies**
- Anti-Corruption Policy
- Commercial Agents Policy
- Harassment Policy
- Etc.
... to meet new issues at stake
The example of the duty of care: reinforced cooperation with our suppliers

12 Bn € in purchases
50,000 tier 1 suppliers

Risk identification
Environment / Health & safety / Human rights
- Red & Green Lines
- RBA partnership

Corrective actions
- 1,400 identified cases: especially health & safety and labor,
- Compliance or Withdrawal

Preventive actions
- 155 on-site audits in 2018
- Training on 69 % of finance and purchasing functions

French 2017 regulation
Supplier policy
ISO 26000 standard
Execution of our strategy is bearing its fruit: A very good year in 2018
All the 2018 targets have been reached or exceeded

<table>
<thead>
<tr>
<th></th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>25.7 Bn€</td>
<td>+6.6 %</td>
</tr>
<tr>
<td>Organic growth</td>
<td>+3 to +5 %</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITA margin</strong></td>
<td>15.1 %</td>
<td>+50 bps</td>
</tr>
<tr>
<td>Organic improvement</td>
<td>+20 to +50 bps</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EBITA</strong></td>
<td>3.9 Bn€</td>
<td>+10 %</td>
</tr>
<tr>
<td>Organic growth</td>
<td>+4 to +7 %</td>
<td></td>
</tr>
<tr>
<td><strong>Schneider Sustainability Index</strong></td>
<td>5/10</td>
<td>6.1/10</td>
</tr>
</tbody>
</table>
A regular increase in gross margin through executing our strategy

Strategic axes

- Attention paid to high added value business:
  - More products
  - More services
  - More digital solutions
  - Better systems

- Portfolio optimization

- Industrial productivity

Improvement in gross margin at 39 %, Up by +200 bps in 3 years

<table>
<thead>
<tr>
<th>Year</th>
<th>% of gross margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>37.0%</td>
</tr>
<tr>
<td>2016</td>
<td>38.0%</td>
</tr>
<tr>
<td>2017</td>
<td>38.4%</td>
</tr>
<tr>
<td>2018</td>
<td>39.0%</td>
</tr>
</tbody>
</table>

10 Bn€
A continuous improvement in adjusted EBITA over the past three years

Organic growth in turnover:

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-0.9%</td>
</tr>
<tr>
<td>2017</td>
<td>3.2%</td>
</tr>
<tr>
<td>2018</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Adjusted EBITA organic growth at +8% on average over the last three years

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>+70bps</td>
</tr>
<tr>
<td>2017</td>
<td>+90 bps</td>
</tr>
<tr>
<td>2018</td>
<td>+50 bps</td>
</tr>
</tbody>
</table>

Organic improvement in adjusted EBITA margin:

<table>
<thead>
<tr>
<th>Year</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>+70 bps</td>
</tr>
<tr>
<td>2017</td>
<td>+90 bps</td>
</tr>
<tr>
<td>2018</td>
<td>+50 bps</td>
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</tbody>
</table>

Adjusted EBITA organic growth at +8% on average over the last three years

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4%</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
</tr>
<tr>
<td>2018</td>
<td>10%</td>
</tr>
</tbody>
</table>

70 bps on average
Our balance sheet remains strong

Evolution in free cash-flow (€m)
Average cash-conversion ratio: 106 %

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash-flow (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,045</td>
</tr>
<tr>
<td>2016</td>
<td>2,206</td>
</tr>
<tr>
<td>2017</td>
<td>2,253</td>
</tr>
<tr>
<td>2018</td>
<td>2,102</td>
</tr>
</tbody>
</table>

Strong cash-conversion despite the increase in working capital required for growth

Net debt / adjusted EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt/Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>100</td>
</tr>
<tr>
<td>2016</td>
<td>110</td>
</tr>
<tr>
<td>2017</td>
<td>0.96</td>
</tr>
<tr>
<td>2018</td>
<td>1.08</td>
</tr>
</tbody>
</table>

A high credit rating has been maintained: A- / BBB+
Our record net income enables us to propose a dividend of 2.35 € per share, an increase of +7 %

<table>
<thead>
<tr>
<th>Record net income</th>
<th>Earnings per share</th>
<th>Progressive dividend per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3 Bn €</td>
<td>4.21 €</td>
<td>2.35 €</td>
</tr>
<tr>
<td>Share buy-back</td>
<td>+9 %</td>
<td>+7 %</td>
</tr>
<tr>
<td>1Bn € over 2017-2018</td>
<td>Distribution ratio &gt; 50%</td>
<td>100% in cash</td>
</tr>
</tbody>
</table>

Submitted to shareholders’ approval at the Annual General Meeting
A progressive dividend policy
Distribution ratio ~50%

Average annual growth rate:
Approx. +5 %

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.92</td>
</tr>
<tr>
<td>2015</td>
<td>2.00</td>
</tr>
<tr>
<td>2016</td>
<td>2.04</td>
</tr>
<tr>
<td>2017</td>
<td>2.20</td>
</tr>
<tr>
<td>2018</td>
<td>2.35</td>
</tr>
</tbody>
</table>

1. Subject to shareholders’ approval at the AGM
Good growth in share values over 2019: total returns at +30 %

Total Shareholder Returns (stock value and reinvested dividend)

January 1, 2019

Q1 2019 revenues

2018 results

April 19, 2019

Schneider Electric

CAC40

Factset Data

TSR from January 1, 2019 to April 19, 2019
An attractive long-term investment: x4 over 10 years

Total Shareholder Returns (stock value and reinvested dividend)

Factset Data
TSR over 10 years: From April 20, 2009 to April 19, 2019
Solid perspectives
### Increasing the value of the Group’s portfolio

**Acquisitions in core business,**
Priority to integration and operational performance

<table>
<thead>
<tr>
<th>Company</th>
<th>Synergies</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASCO Power Technologies*</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>AVEVA</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>IGE+XAO GROUP</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>

**Continuing the portfolio’s strategic review,**
Refocusing on core business

- **Rebound program for medium voltage business**
- **Organic improvement of the operating margin at about 400 bps**
- **Disposals of non-strategic assets**
- **~2.3 Bn€ generated since 2014**
- **2019-2012: 1.5 to 2 Bn € in turnover under review**
- **Partnership or disposal potentials**
Continuing investments for preparing the Group’s future

Continuous investment in R&D

1.3 Bn €
5% of turnover

2018 world innovation tour

14 “Innovation Summits”, 19 000+ clients received
56 innovation days, 9 500+ clients received

Schneider Electric Ventures launched

300 to 500 millions €
Investments
Incubation
Fund of funds
Continuing to increase the value of shareholders’ investments

<table>
<thead>
<tr>
<th>Operating margin objective</th>
<th>Share buy-back</th>
<th>Return for shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td>~1.5 to 2 Bn €</td>
<td>80%</td>
</tr>
</tbody>
</table>

On a 3-year horizon excluding currency effects
From 2019 to 2021
Of free cash-flow over the last 4 years
A good start to 2019: turnover for Q1 at 6.3 Bn€, an increase of +9 %, or +6 % in organic

Confirmation of 2019 targets:
Organic growth at +3 to +5%,
Organic improvement in the margin +20 to 50 bps
Permanent dialog with our shareholders

An active shareholder’s consultative committee that is a source of proposals

- 4 meetings in 2018
- A meeting with Emmanuel Babeau
- Work on communication tools

Multiple interactions and dedicated information

- Visits to industrial, tertiary and logistics sites
- An Innovation Summit in Paris
- New: the ESG newsletter
- A dedicated Internet site and regular information by e-mail

Résultats annuels 2018
Publication le 14 février à 9h30
Voir nos résultats

Résultats trimestriels 2018
Fort croissance au troisième trimestre : chiffre d’affaires en hausse de +18%
Voir nos résultats

Conférence téléphonique ESG
Conférence organisée par Exane sur l’impact des offres de Schneider dans la réduction des émissions carbone
En savoir plus

Assemblée Générale
Assistez à l’Assemblée Générale le 25 avril 2019, au Palais des Congrès à Paris
En savoir plus

schneider-electric.com/finance
Governance

Léo Apotheker – Vice-chairman of the board of directors, independent lead director
Who are the current board members?

13 directors including 5 women

1 in the sense of the AFEP/MEDEF code of governance

Inside director

Independent director

Lip-Bu TAN
Non-voting director – candidate for election
Report to the Annual General Meeting by the vice-chairman and independent lead director

Léo Apotheker – Vice-chairman of the board of directors and independent lead director
What does your board of directors do?

**PERFORMANCE**
- Monitoring financial and extra-financial performance
- Approving accounts
- Making proposals for redistributing income to shareholders

**CORPORATE GOVERNANCE**
- Choosing the method of management
- Appointing and assessing corporate executive officers
- Determining executives’ compensation
- Carrying out annual self-assessments

**STRATEGY**
- Keeping strategic watch
- Defining strategic orientations and monitoring their implementation
- Monitoring strategic or significant acquisitions / disposals

**RISKS**
- Monitoring risk mapping
- Controlling risk management
How does your board of directors take its decisions?

1. **The board keeps itself informed**
   - Preparatory files for board meetings
   - Weekly international press reviews
   - Regular newsletters

2. **The board meets**
   - Members of the executive committee
   - Functional executives (sustainable development, audit and internal control, cybersecurity, acquisitions / disposals, R&D, etc.)
   - External personalities who are experts in their field
   - Shareholders, via its vice-chairman and independent lead director

3. **The board hears the reports issued by its 5 specialized studies committees**
   - Audit & Risks
   - Governance & Remunerations
   - Human Resources & CSR
   - Investment
   - Digital solutions

4. **And the board meets…**
When does the board of directors deliberate?

In 2018...

- **9** Meetings
- **5h** Average duration of meeting
- **95%** Attendance rate
Presentation of resolutions

Léo Apotheker – Vice-chairman of the board of directors and independent lead director
Main matters on the agenda for the Annual General Meeting

- Approval of accounts and setting the dividend: **2.35 euros** per share
- Approval of the statutory auditors’ special report on regulatory agreements concerning the **status of corporate executive officers**
- “**Say on Pay**”: compensation for corporate executive officers
  - 2018: approval of sums and volumes allocated in compliance with the principles and criteria approved in April 2018
  - 2019: approval of the principles and criteria for the current financial year
- **Renewal of Mr. Greg Spierkel’s terms of office**
- **Appointment of Mrs. Carolina Dybeck Happe and Xuezheng (Mary) Ma and Mr. Lip-Bu Tan as new directors**
- **Increase in directors’ fees**
- **Renewal of financial authorizations**: share buy-backs/cancellations, capital increases with and without shareholders’ preferential subscription rights and capital increases dedicated for employees savings scheme or their long-term remuneration in the form of shares.
Proposal for payment of a dividend

Resolution 3

€2.35

+7% Compared with 2018

A pay-out rate of 56%
Compensation for corporate executive officers in 2018

- Application of the principles and criteria of compensation approved for 2018
- Alignment of compensation on the Group’s intrinsic performance and that of its shares

=> Annual bonus: -18 points compared with the mathematical result

<table>
<thead>
<tr>
<th>Euros</th>
<th>Jean-Pascal TRICOIRE Chairman and CEO</th>
<th>Emmanuel BABEAU Deputy CEO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Fixed</td>
<td>950,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Bonus</td>
<td>1,882,140</td>
<td>1,489,800</td>
</tr>
<tr>
<td>Pension</td>
<td>542,578</td>
<td>477,046</td>
</tr>
<tr>
<td>Cash Sub/Total</td>
<td>3,374,718</td>
<td>2,966,846</td>
</tr>
<tr>
<td>Benefits in kind</td>
<td>13,089</td>
<td>11,772</td>
</tr>
<tr>
<td>Shares subject to performance conditions</td>
<td>3,219,240</td>
<td>3,281,280</td>
</tr>
<tr>
<td>Total</td>
<td>€6,607,047</td>
<td>€6,259,898</td>
</tr>
</tbody>
</table>
A systematically close correlation between corporate executive officers’ compensation and shareholder returns

Evolution of share values and corporate value over 8 years

Compensation is expressed in value created, i.e., after application of the achievement ratio for performance conditions conditioning the final allocation of performance shares.

- **SE share value**
- **Corporate value**
## Compensation policy for corporate executive officers
**Vision 2018-2020**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual fixed compensation</strong></td>
<td></td>
<td></td>
<td>To be determined in 2020</td>
</tr>
<tr>
<td>Chairman/CEO</td>
<td>1,000,000€</td>
<td>= 2018</td>
<td></td>
</tr>
<tr>
<td>Deputy CEO</td>
<td>680,000€</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual bonus</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A discount of 18pts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Weight of performance linked with sustainable development (SD)</strong></td>
<td>6%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td><strong>Quantitative criteria</strong></td>
<td>90%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td><strong>Multiannual performance shares</strong></td>
<td>• Performance measurement over 3 years</td>
<td>• Structure unchanged</td>
<td>• 3 criteria instead of 4</td>
</tr>
<tr>
<td></td>
<td>• + 1 year of conservation</td>
<td>• Tougher objectives</td>
<td>• 70% financial and 30% on sustainable development</td>
</tr>
<tr>
<td></td>
<td>• Relative criterion: TSR</td>
<td></td>
<td>• 60% of relative criteria (TSR: 30%, SD: 30%)</td>
</tr>
</tbody>
</table>

Resolutions 7, 8 & 21
A compensation policy supporting Group strategy

**Group strategic priority**
- Organic growth
- Value for clients
- Sustainable development
- Continued efficiency
- Creation of value and yield for shareholders

**Correlation between strategy and corporate executive officers’ variable compensation**

<table>
<thead>
<tr>
<th>Variable annual compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic growth in turnover</strong></td>
</tr>
<tr>
<td><strong>Adjusted EBITA margin</strong></td>
</tr>
<tr>
<td><strong>Cash generation ratio</strong></td>
</tr>
<tr>
<td><strong>Schneider Sustainability Impact</strong></td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future schemes for allocating performance shares</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings per share</strong></td>
</tr>
<tr>
<td><strong>Relative TSR</strong></td>
</tr>
<tr>
<td><strong>Relative sustainable development index</strong></td>
</tr>
<tr>
<td>40%</td>
</tr>
<tr>
<td>30%</td>
</tr>
<tr>
<td>30%</td>
</tr>
</tbody>
</table>
Renewal of a director’s terms of office
Mr. Greg Spierkel

Resolution 9

- Aged 61, of Canadian nationality
- Former Chairman and CEO of Ingram Micro Inc.
- Adviser for capital-investment companies in the context of their projects in the information technologies sector

His activities in the Board of Directors:
- Director since 2015
- Chairman of the Digital Committee since it was created in April 2018
- Member of the Governance and the Compensations and Investment committees.

Attendance rate: 100%
A new candidate for appointment to the board
Ms. Carolina Dybeck Happe

- Aged 46, of Swedish nationality
- Financial Director at A/P Moller-Maersk A/S since January 2019
- Previously held numerous financial positions at Assa Abloy AB (including those of executive vice-chairman and financial director from 2012 to 2018)
- Member of the E.ON SE supervisory board since June 2016

Contributions to the board:
- Expertise in finance and management
- Detailed knowledge of industry especially in areas adjacent to those held by Schneider Electric.

Committee: Audit and Risk.
A new candidate for appointment to the board
Ms. Xuezheng (Mary) Ma

• Aged 66, of Chinese nationality from Hong-Kong
• Associate director and co-founder of Boyu Capital Advisory Co. Ltd.
• Former associate in the TPG Capital investment fund and co-chairman of TPG China
• Has exercised numerous managerial and financial functions in the Lenovo group (including vice-chairperson from 2007 to 2013).

Contributions to the board:
• Extensive experience in management and finance
• Solid know-how in digital solutions
• Very good knowledge of Asian markets.

Committee: Audit and Risk.
A new candidate for appointment to the board
Mr. Lip-Bu Tan

- Aged 59, of American nationality
- CEO and director of Cadence Design Systems
- Chairman and founder of Walden International (capital-risk)
- Numerous executive functions previously exercised at EDS Nuclear ECHO Energy.

Non-voting director since October 2018

Contributions to the board:
- Expertise in fields of IT, software and technology
- Experience in terms of investment
- Extensive knowledge of the Asian and American markets.

Committees: Digital and Investment.
A solid, and highly independent board of directors with a large number of women

14 Directors

2 Directors representing employees

83% Independent directors*

46% The proportion of women on the board¹

58 Directors’ average age

* (% excluding the director representing employee shareholders and the director representing the employees).

1. Excluding the employee representative
Determining the value of attendance fees

- Retention of the present rules of distribution with a variable share of ~80%
- An increase in the number of studies committees with the creation of the Digital committee
- A reinforcement of the number of persons per committee for encouraging cross-disciplinary work
- Significant involvement by board members materialized by a very high attendance ratio
- An increase in the number of board members to 14

Includes special fees paid to the vice-chairman and independent lead director

€2m → €2.5m
Annual financial authorizations

Resolutions 14, 22 & 23

- Continuation of the share buy-back program at a maximum price of 90 euros per share in order to complete the share buy-back program of 1.5 to 2Bn € announced for the 2019-2021 period
- Renewal of authorizations for re-conducting the employee savings program (WESOP) in France and globally

~40 Countries
~65 000 Employee shareholders
4.3% Capital held

Grand Prix 2018, Euronext - FAS IAS® Index
Multi-annual financial authorizations

Resolutions 15 to 21

Increases in capital

By issuing shares and/or various transferable securities and/or increases in share values

By maintaining or eliminating shareholders’ preferential subscription rights

In compliance with global ceilings:

• 800m€, or 34.53% of capital maintaining PSR,
• 230m€, or 9.93% of capital eliminating PSR
• 115m€, or 4.96% of capital, by way of private placement.

If appropriate, new shares are identical to existing shares.

Delegations cannot be used should a public offer be made for Schneider Electric

Restricted or performance share scheme

Performance conditions:

• 70% for employee beneficiaries
• 100% for corporate executive officers and members of the executive committee

Performance targets measured over 3 years

Performance conditions

• 70% financial (Relative TSR and adjusted EPS)
• 30% sustainable development.
Statutory Auditors’ Reports

Jean-Yves Jégourel, Partner – EY
Statutory Auditors’ Reports

- General report on annual accounts
- Report on consolidated accounts
- Special report on regulatory agreements and commitments
- Special reports on delegations and authorizations for:
  - Increasing capital by issuing shares and/or various transferable securities, maintaining or eliminating shareholders’ preferential subscription rights
  - Allocating existing bonus shares, or bonus shares to be issued subject, if appropriate, to performance conditions
  - Increasing capital in favor of employees who are participants in the Company Savings Scheme
  - Increasing capital by issues reserved for employees of foreign companies in the Group
  - Reducing capital by cancelling bought-back shares
Questions & Answers Session
Vote on resolutions

Delphine Gieux, Secretary to the board of directors
Approval of corporate accounts

Approval of operations and corporate accounts for the 2018 financial year
Approval of consolidated accounts

Approval of operations and consolidated accounts for the 2018 financial year
Distribution

Allocation of income for the financial year, recognition of distributable income, setting the dividend,

Recognition of distributable income amounting to 4,542,164,908.74 euros, comprised of the profit from the current financial year amounting to 4,457,993,619.34 euros plus 84,171,289.40 euros brought forward from the previous financial year.

Setting the dividend at 2,35 euros per share, resulting from distribution of distributable income.

The dividend will be paid on May 3, 2019.

This distribution constitutes distributed income.
Regulatory agreements and commitments

Information on regulatory agreements and conventions taken over previous financial years.
Approval of the elements of compensation and benefits of all types paid, due or allocated to Mr. Jean-Pascal Tricoire in respect of the 2018 financial year
Approval of the elements of compensation for 2018
Mr. Emmanuel Babeau

Approval of the elements of compensation and benefits of all types paid, due or allocated to Mr. Emmanuel Babeau in respect of the 2018 financial year
Approval of the principles and criteria applicable to the compensation and benefits attributable to the Chairman & CEO for 2019

Approval of the principles and criteria for determining, allocating and granting the components of compensation and benefits of all types that may be granted to the Chairman & CEO in respect of the 2019 financial year,
Approval of the principles and criteria applicable to the compensation and benefits attributable to the Deputy CEO for 2019

Approval of the principles and criteria for determining, allocating and granting the components of compensation and benefits of all types that may be granted to the Deputy CEO in respect of the 2019 financial year.
Membership of the board of directors

Renewal of the directorship of Mr. Greg Spierkel
10th resolution

Membership of the board of directors

Appointment of a director:
Ms. Carolina Dybeck Happe
Membership of the board of directors

Appointment of a director:
Ms. Xuezheng Ma
Membership of the board of directors

Appointment of a director:
Mr. Lip-Bu Tan
13th resolution

Setting the value of attendance fees

Setting the annual value of attendance fees allocated to the board of directors at:

2,500,000 euros
Authorization granted to the Board of directors to buy back Company shares within the following limits:

• Authorization is limited to 10% of share capital
• Maximum share buy-back price is set at €90.

Authorization is valid for 18 months (expiring on October 24, 2020). This authorization may not be used during public offering periods.
Delegation of authority for increasing capital maintaining shareholders’ preferential subscription rights

Delegation of authority granted to the board of directors for increasing capital:

- Within the limit of a nominal value of 800 million euros, or, for information, approximately 34.53% of capital on December 31, 2018
- By issuing ordinary shares or any transferable securities giving access to the capital of the company or any of its subsidiaries
- Maintaining shareholders’ preferential subscription rights.

Authorization given for 26 months

This authorization may not be used during public offering periods.
Delegation of authority for increasing capital by incorporating reserves

Delegation of authority granted to the board of directors for increasing share capital:

• Within the limit of 34.53% of capital
• By incorporating reserves, profits, bonuses or other amounts whose capitalization is accepted.

Authorization given for 26 months

This authorization may not be used during public offering periods.
Delegation of authority for increasing capital with elimination of preferential subscription rights

Delegation of authority granted to the board of directors for increasing capital:

• Within the limit of a nominal value of 230 million euros, or, for information, approximately 9.93% of capital on December 31, 2018

• By issuing ordinary shares or any transferable securities giving access to the capital of the company or any of its subsidiaries

• With elimination of preferential subscription rights.

Authorization given for 26 months

This authorization may not be used during public offering periods.
Authorization to increase the number of securities to be issued in the event of over-subscription

Delegation of authority granted to the board of directors, in the event of any over-subscription, for increasing the amount of an initial issue which may have been decided in application of the 15th or 17th resolutions:

• Maintaining or eliminating preferential subscription rights.
• Within the limit of 15% of the operation carried out
• Without any right to exceed the ceilings planned of 34.53% and 9.93% of capital.

Authorization given for 26 months

This authorization may not be used during public offering periods.
Delegation of powers for increasing capital for remunerating contributions in kind

Delegation of powers granted to the board of directors for increasing share capital for remunerating contributions in kind:

• Within the limit of 9.93% of share capital
• By issuing shares or securities giving access to capital
• With elimination of preferential subscription rights,
• Any increases made on the basis of this resolution being attributed to the amounts authorized under the 15th and 17th resolutions.

Authorization given for 26 months

This authorization may not be used during public offering periods.
Delegation of authority for increasing capital in the context of private placement operations

Delegation of authority granted to the board of directors for deciding to increase share capital in the context of an offer:

- Within the limit of 115 million euros in nominal value, or, for information, 4.96% of capital
- By issuing ordinary shares or transferable securities giving access to the capital of the company or any of its subsidiaries
- With elimination of preferential subscription rights.

Authorization given for 26 months

This authorization may not be used during public offering periods.
Authorization granted to the board of directors to allot restricted shares that already exist or which are still to be issued for the benefit of Group employees or corporate executive officers:

• Subject, if appropriate, to performance conditions assessed over a minimum period of 3 years,
• Within the limit of 2% of share capital at the time of the present annual general meeting
• With elimination of preferential subscription rights

It being understood that in the context of long-term profit-sharing schemes, 100% of attributions made to corporate executive officers and members of the executive committee will be subject to performance conditions and 70% in other cases.

Authorization given for 38 months
Increases in capital reserved for employees

Delegation of authority granted to the board of directors for increasing capital in favor of employees adhering to the Company Savings Scheme:

- By issuing shares or securities giving access to capital
- With a maximum below-par rating of 20% on the average listed price (or 30% if permitted by law)
- And elimination of shareholders’ preferential subscription rights
- Authorization covering 2% of capital et deductible on the ceilings set in the 15th and 17th resolutions

Authorization given for 26 months
Increase in capital reserved for a specific category of beneficiaries: employees in foreign companies within the Group

Delegation of powers granted to the board of directors for increasing capital reserved for the benefit of employees in foreign companies in the Group:

- With a maximum below-par rating of **20%** on the average listed price (or **30%** if permitted by law)
- And elimination of shareholders’ preferential subscription rights,
- Authorization covering **1%** of capital et deductible on the ceiling of **2%** for increases in capital reserved for persons adhering to the Company Savings Scheme as provided for at the present Annual General Meeting.

Authorization given for **18 months**
Authorization to cancel repurchased shares

Authorization granted to the board of directors for cancelling the company’s self-held treasury shares within a limit of 10% of capital

Authorization given for 24 months
Powers for accomplishing formalities

Powers for accomplishing formalities
Thank you for your participation

Schneider Electric’s next Annual Shareholders’ Meeting will take place at the Palais des Congrès, Paris on April 23, 2020