



2020 General meeting Presentation of the resolutions

March 2020

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Update on Covid-19 and AGM

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Governance highlights and proposals

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Exhibits

Highlights of 2019 – Finance & Strategy

- ❑ **Schneider Electric pursued the successful execution of its strategy and as a result achieved in 2019 record performance**
 - ✓ Revenue €27.2bn, organic growth **+4.2%**
 - ✓ Adj. EBITA €4.2bn and Adj. EBITA margin of 15.6%, up +9%, **+70bps org.**
 - ✓ Adj. Net Income of €2.9bn, up **+14%**
 - ✓ Free cash flow of €3.5bn, up **+65%**
 - ✓ ROCE at 12.5%, up **+70bps**
- ❑ **Schneider Electric successfully pursued its portfolio optimization:**
 - ✓ Disposal of Pelco, of business of US panels and Converse
 - ✓ Closed the transaction to establish a JV with the Russian Direct Investment Fund (RDIF) to strengthen the business of Electroshield Samara – JV structure deconsolidated in 2020

=> Adj. EBITA margin impact in 2020 : around **+20bps**
- ❑ **Share price overperformed the market: TSR +50% since 01.01.2019, ranking #2 vs. 11 competitors**
- ❑ **Proposed dividend: €2.55, +8.5% vs. 2018**

For approval of the accounts and dividend (1st to 3rd resolutions)

Highlights of 2019 – ESG

- ❑ **2019 General meeting:** all resolutions were approved at very high rates
- ❑ **No change in shareholding structure**
 - ✓ >80% institutional, out of which ~40% North America
 - ✓ Two shareholders >5%: #1 MFS - #2 BlackRock
 - ✓ No shareholder acting alone or in concert >10%
- ❑ **Strong Sustainability & Development focus reaffirmed:**
 - ✓ At the Climate Week in September 2019, Schneider Electric released a roadmap towards a carbon neutral world
 - ✓ In April 2019, Schneider Electric raised **9** out of the **21** objectives included in the Schneider Sustainability Impact index
- ❑ **The 2019 Board assessment** confirmed the robustness of the Board's culture, the openness and transparency of the debates and the alignment of the Board composition with the Group strategy
(more details in Exhibits, page 44)
- ❑ **Board composition:** Schneider Electric lost two women directors elected at the 2019 GM

A new Executive Committee

as of June 1st 2020



Jean-Pascal Tricoire
Chairman & CEO



Annette Clayton
North America Operations



Philippe Delorme
Energy Management



Olivier Blum
Strategy & Sustainability



Hillary Maxson
Finance & Control



Yin Zheng
China Operations



Peter Herweck
Industrial Automation



Emmanuel Lagarrigue
Innovation



Charise Le
Human Resources



Barbara Frei
Europe Operations



Frédéric Abbal
Services



Peter Weckesser
Digital



Hervé Coureil
Governance &
Secretary General



Christel Heydemann
France Operations



Mourad Tamoud
Global Supply Chain



Chris Leong
Marketing



Luc Remont
International Operations

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Update on Covid 19 – extract of Press Release of 23 March 2020

- ❑ Schneider Electric is closely monitoring and reacting to the unprecedented and rapidly evolving global health and economic crisis due to Covid-19 (Novel coronavirus).
- ❑ The Group is coordinating its teams globally, regionally and locally to ensure business continuity and is fully focused on the following key elements:
 - ✓ Ensuring the health & safety of all its employees worldwide and implementing measures and protocols as per government directives;
 - ✓ Ensuring that customers' needs are fulfilled to the best of its abilities and leveraging its global supply chain and service organizations to ensure business continuity and flexibility;
 - ✓ Continuing to focus on cash generation to further strengthen its strong financial liquidity and balance sheet;
 - ✓ Implementing strict cost management measures and acceleration of previously announced efficiency plans with further cost actions under review.
- ❑ At this stage and given the evolving landscape, it is too early to determine the full impacts on Group results, including possible benefits from government actions. Therefore, the 2020 guidance issued on February 20th , 2020 is no longer relevant and therefore suspended. The Group is presently working on analyzing the potential scenarios emanating from this crisis and the resultant actions and impact on Schneider Electric. The Group will share an update as the situation further develops.

2020 Annual General Meeting – Update

- ❑ The 2020 Annual General meeting is convened on 23 April, 3pm CET **with no change**.
- ❑ However, in order to adapt to the health and/or legal imperatives and for the safety of its shareholders, Schneider Electric will use the possibility of holding its Annual General Meeting in closed premises, **as and when applicable law will permit**.
- ❑ Shareholders are invited to check any update in this regard on the page dedicated to the AGM: <https://www.se.com/ww/en/about-us/investor-relations/individual-shareholders/annual-general-meeting.jsp>
- ❑ In conformity with the AMF press release of March 6, 2020, shareholders are encouraged:
 - ✓ To vote by correspondence via the voting form, give a voting mandate or vote through Internet via the secure voting platform, according to the instructions specified in the meeting notice,
 - ✓ To submit their written questions via the dedicated email address: schneiderAGM@se.com attaching evidence of their shareholding,
 - ✓ To follow the live broadcast of the AGM on the website www.se.com.

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Exhibits

Composition of the Board of directors as of December 31, 2019


i Independent Director

e Employee Director

● Mandates ending in 2020



Jean-Pascal TRICOIRE
Chairman & CEO
FR



Léo APOTHEKER
Lead Independent Director
DE FR

Leadership



Delphine GIEUX
Secretary of the Board of Directors




Cécile CABANIS
FR




Fred KINDLE
RU



Willy KISSLING
CH



Linda KNOLL
US



Lip-Bu TAN
US



Xiaoyun MA
CN



Patrick Montier
FR



Fleur PELLERIN
FR



Anders RUNEVAD
SE



Greg SPIERKEL
CA

Directors

12

Average age of directors

59

Board expertise*



* Excluding CEO

Women and directors ¹

36%

(1) To the exclusion of the employees' representative.

Independent directors *

80%

* (To the exclusion of the director representing the employee shareholders and the director representing the employees).

Clear leadership mandate of the **Chairman/CEO** in conjunction with independent control from the **Board** and **Vice-Chairman**

INDEPENDENCE

- ✓ **80% independent** directors
- ✓ **1** single executive director: the **Chairman-CEO**
- ✓ **1 Deputy-CEO** appointed by the Board; not member of the Board
- ✓ **93%** attendance to the Board meetings on average in 2019

5 STUDY COMMITTEES

- ✓ **5 study committees** whose work contributes to increasing the directors' **involvement** (see next page)
- ✓ All directors participate in one committee or more
- ✓ Report to the Board at each meeting

COMBINATION CHAIRMAN - CEO

- ✓ Combination of the roles of **Chairman and CEO** reviewed annually by the Board
- ✓ Appointment of **Vice-Chairman** (Lead Independent Director) mandatory as per by-laws
- ✓ **"Executive sessions"** opened at the end of each Board meeting

LIMITATIONS OF CEO'S POWER

- ✓ Any **acquisition or sale** of over **€250 million** to be approved by the Board

5 Study Committees to assist the Board of Directors

(reminder)

AUDIT & RISKS



Cécile Cabanis
Chairperson

Fred Kindle
Willy Kissling
Fleur Pellerin

(100% financial experts)

- Independence rate: **75%**
- **5** meetings in 2019
- Attendance rate: **95%**
- Main areas of focus:
 - ✓ Preparation of financials
 - ✓ Conduct of statutory audit
 - ✓ Capital allocation & dividend proposal
 - ✓ Efficiency of internal control and risk management systems
 - ✓ Risk identification & follow-up

GOVERNANCE & REMUNERATIONS



Léo Apotheker
Chairman

Fred Kindle
Willy Kissling
Linda Knoll
Greg Spierkel

- Independence rate: **80%**
- **5** meetings in 2019 + **1** joint with HR/CSR Comm.
- Attendance rate: **100%**
- Main areas of focus:
 - ✓ Board composition
 - ✓ Separation/combination of functions of Chairman & CEO
 - ✓ CEO's succession
 - ✓ Board assessment
 - ✓ Corporate officers' compensation

HR & CSR



Linda Knoll
Chairperson

Willy Kissling
Xiaoyun Ma
Fleur Pellerin
Anders Runevad

- Independence rate: **75%***
- **4** meetings in 2019 + **1** joint meeting with Gov. & rem. Comm.
- Attendance rate: **100%**
- Main areas of focus:
 - ✓ Remuneration policy of Group's executives
 - ✓ Major HR & CSR policies
 - ✓ Pay-equity ratio
 - ✓ Sustainability strategy, assessment and performance

INVESTMENT



Fred Kindle
Chairman

Xiaoyun Ma
Patrick Montier
Anders Runevad
Greg Spierkel
Lip-Bu Tan

- Independence rate: **100%***
- **2** meetings in 2019
- Attendance rate: **100%**
- Main areas of focus:
 - ✓ Follow-up of investment projects and opportunities
 - ✓ Reconfiguration and consolidation scenarii in the sector
 - ✓ Portfolio review

DIGITAL



Greg Spierkel
Chairman

Leo Apotheker
Fleur Pellerin
Lip-Bu Tan

- Independence rate: **100%**
- **3** meetings in 2019 + **1** joint with Audit comm.
- Attendance rate: **100%**
- Summary of activities:
 - ✓ Digital offerings & initiatives
 - ✓ Digital-related risks
 - ✓ Digital performance measurement
 - ✓ Digital customer experience & sales enablement

The role of the Vice-Chairman Lead Independent Director

(reminder)

As per Schneider Electric's [Articles of Association](#), the appointment of a Vice-Chairman Lead Independent Director is compulsory when the Chairman and CEO roles are combined (art. 12.2).
The duties of the Vice-Chairman Independent Lead Director are detailed in the [Internal Rules](#) of the board of directors. They include the direct engagement with the shareholders on governance issues.

VICE-CHAIRMAN: INDEPENDENT LEAD DIRECTOR

- ✓ Appointed by the Board
- ✓ Chairperson of the Governance and Remunerations committee
- ✓ **Role and responsibilities**
 - To prepare the **agenda** for Board meetings **with the Chairman and CEO**
 - To **chair** "executive sessions" and report thereon to the Chairman
 - To **lead** the Board's assessment and determination process regarding the Corporate Officers' compensation
 - To **meet shareholders** and **report** investors' sentiment and expectations
 - To **report** on his activity at the Shareholders' General Meeting

Shareholder engagement in 2019

- ✓ **2 campaigns on Governance:**
 - one before the shareholders' meeting to present the 2019 GM resolutions;
 - one in the fall semester to exchange views on topical themes of corporate governance that do not materialize in resolutions
- ✓ In total, **28** face-to-face or phone meetings covering **~40%** of the share capital
- ✓ Report to the Board thereon

2019 Board Assessment outcome

☐ Overall assessment:

- ✓ For 85% of respondents (vs. 73% in 2018) and 100% response rate, the Board effectiveness was found to have improved ; none is of the opinion that it has deteriorated.

☐ Alignment with strategy

- ✓ The Board members specifically appreciated the quality of the 2019 Strategy session deemed valuable and insightful.

☐ Leadership

- ✓ The Chairman's leadership is very much appreciated, and his openness and transparency are praised. The tandem Chairman & CEO – Vice-Chairman LID works extremely well and is found to fit perfectly the company's needs.

☐ Knowledge of the business and on-boarding programme

- ✓ Given the relatively significant number of recent joiners (4 in 2 years), the individual level of knowledge of the business and the industry differs between the members but the robust on-boarding programme is addressing the issue.

☐ Assessment of Board members' individual contribution:

- ✓ In conformity with revised AFEP-MEDEF Code, the assessment included a 360° individual assessment of each Board member in his/her capacity (chairman, vice-chairman LID, committee chair, director).
- ✓ Individual feedback was provided by the Vice-chairman LID. The Chairs of the committees are found committed and efficient and no noticeable issue was brought to light.

☐ 2020 Board assessment: will be performed with the assistance of an independent & external expert

❑ Vice-chairman lead independent director

- ✓ **Leo Apotheker**'s third term comes for renewal in April 2020. He is a candidate to pursue as a non-independent director (**12th resolution**).

Member of the Board since 2008 and Vice-chairman lead independent director and Chair of the Governance and remunerations committee since 2014, Leo Apotheker is also a member of the Digital committee. He has strong skills in digital and specially software (ex CEO of SAP) and recognized financial expertise. The Board would like him to chair the Investment committee when Fred Kindle becomes the Vice-chairman. In 2019, his attendance rate to the Board meetings is 86% (only 1 absence, excused).

- ✓ Proposed successor as Lead independent director : **Fred Kindle**, whose term is proposed to be renewed – see biography next page (**14th resolution**).

His attendance rate to the Board meetings in 2019 is 100%.

❑ 2 other candidates whose term comes for renewal are supported by the Board of directors:

- **Cecile Cabanis (13th resolution)**: Cecile was elected at Schneider Electric's Board in 2016 and chairs the Audit and risks committee since 2017. She has a strong financial and industrial expertise (CFO of Danone). Her attendance rate to the Board meetings in 2019 is 86% attendance (only 1 absence, excused). She is an independent director.
- **Willy Kissling (15th resolution)**: member of the Board since 2001, no longer independent as per the AFEP-MEDEF Code but with a strong independent mindset, Willy Kissling participates actively to the works of the Audit and risks committee, the Governance and remunerations committee and the Human resources & CSR committee. He has an in-depth knowledge of all the Group's businesses and contributes to the Board diversity in terms of tenure. He attended 100% of the Board meetings in 2019.

New Vice-chairman lead independent director: Fred Kindle

Location	Liechtenstein
Education	Graduate of the Swiss Federal Institute of Technology (ETH), Zurich, Switzerland Master of Business Administration (MBA), Northwestern University, Evanston, USA
Nationality	Swiss
Age	61
Term of office	First appointed in 2016
Committee memberships	Member of the Audit & risks committee since 2016; member of the Strategy committee in 2016-2017; Chair of the Investment committee since 2018; member of the Governance & remunerations committee since 2018



Career Summary

Fred Kindle 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 in several companies.

Life Is On

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Electric

One new candidate: Jill Lee

16th resolution

Location: Switzerland (Winterthur)
Education: Master of Business Administration (MBA), Nanyang Business School
Nanyang Technological University (Singapore)
Bachelor of Business Administration, National University of Singapore
Nationality: Singaporean
Age: 56



Career Summary

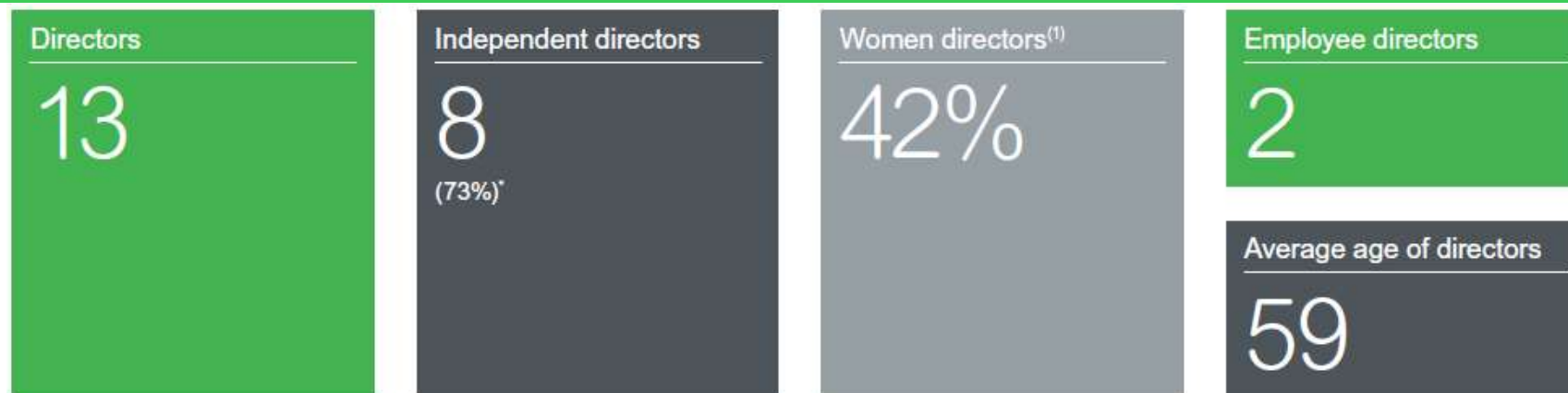
Ms. Lee began her career in finance in 1986 at AT&T and Tyco Electronics in Singapore. In 1990, she joined Siemens where she held various operational and financial positions, including Regional Chief Financial Officer for China and North-East Asia in 2004 (Beijing). Then as global Chief Diversity Officer from 2008 to 2010, based in Munich, she led a strategic CEO-initiative to foster talent diversity and international leadership. In 2012, she joined ABB as Regional Chief Financial Officer responsible for China and North-Asia until 2014 (Beijing) before leading the company's strategic transformation program from 2015 to 2017 at ABB's Swiss headquarters. Ms. Lee has been the **Group Chief Financial Officer of Sulzer Ltd** since April 2018. Ms. Lee is also a member of the Supervisory Board of the Dutch leading lighting company Signify Ltd (formerly Philips Lighting) till 2021 at the latest.

In addition to her strong financial skills, Jill Lee brings to the board her perfect knowledge of the Group's businesses and a great practice of Asian markets. She has joined the as non voting member on 1st January 2020 and is expected to contribute to the works of the audit and risks committee.

Life Is On



Board diversity after the GM, should the proposals be approved



Board members spread across all geographies

- North America (3)
- Europe (5)
- France (3)
- Asia (2)



Board expertise**

- accounting/financial skills (10)
- industrial expertise (9)
- digital expertise (5)
- deep knowledge of NAM market (5)
- deep knowledge of Asian market (5)

Besides, out of 6 former or current CEOs of listed companies, 3 are from the energy sector and 3 from the digital industry.



* To the exclusion of the director representing the employee shareholders and the director representing the employees.

** Excluding CEO.

(1) To the exclusion of the employees' representative.

Compensation policy applicable to non-executive directors (including Vice-Chairman Independent Lead Director's special compensation)

(11th resolution)

Proposal: no change from 2019

❑ Maximum amount: **€2,500,000**

Note: total awarded for 2019: **€1.8m**

❑ Allocation rules:

- ✓ for members of the Board and incoming non-voting members:
 - a fixed sum of **€25,000** (prorated, where appropriate, for any term that starts or ends during the year);
 - for the Chairperson of the Audit & risks committee, an additional fixed amount of **€20,000**;
 - for the Chair of the HR & CSR committee, for the Chair of the Investment committee and for the Chair of the Digital committee, an additional fixed amount of **€15,000** on a full year basis
 - for the Vice-chairman Lead Independent director, an additional special amount of **€250,000**;
 - an additional amount of **€7,000** per meeting of the Board and **€4,000** per meeting of a committee;
- ✓ for exiting non-voting members, a fixed fee of **€20,000** (prorated where appropriate);
- ✓ a compensation for travel time fixed at **€5,000** per session for inter-continental travel and **€3,000** per session for intra-continental travel.

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New legal regime introduced in 2020 – What are the shareholders invited to vote on?

EU Shareholders' Right Directive (SRD) has been incorporated into French law.

The scope of **shareholders' control on compensation is strengthened**, beyond the prescriptions of the SRD

☐ **Double annual binding vote, maintained:**

- ✓ *Ex-ante*: on the compensation policy
- ✓ *Ex-post*: on the compensation awarded for the financial year ("SoP")

☐ **Holding of variable cash compensation payment till approval by the shareholders, maintained**

☐ **Application of former policy in case of shareholders' dissent, maintained**

Changes for the 2020 AGM

- ☐ **Incorporation in the compensation policy of all components of the corporate officers' remuneration**, including the severance package, so far also separately subject to shareholders' approval under the regulated agreements
- ☐ **Scope extended to directors**, whose attendance fees will be subject to annual binding vote from shareholders (*Note: share-based fees to directors are prohibited in France*)
- ☐ *Ex-post* vote to also include compensation **paid** during the financial year, which includes the variable compensation awarded for the former financial year
- ☐ In addition to compensation policy and SOP, shareholders to vote on the **compensation report**
- ☐ Payment of attendance fees to directors to be **suspended** in case the compensation report is rejected; **forfeited** in case next report, including a revised policy, is rejected

List of resolutions relating to compensation

(4th to 11th resolutions)

<input type="checkbox"/> Auditors' report on previous regulated agreements :	4 th resolution
<input type="checkbox"/> Auditors' report on new regulated agreement relating to the E. Babeau's departure:	5 th resolution (<i>linked to 10th resolution</i>)
<input type="checkbox"/> Ex-post vote for JP. Tricoire, Chairman and CEO:	7 th resolution
<input type="checkbox"/> Ex-post vote for E. Babeau, Deputy CEO:	8 th resolution
<input type="checkbox"/> 2020 Compensation policy for JP. Tricoire:	9 th resolution
<input type="checkbox"/> 2020 Compensation policy and compensation awarded for E. Babeau:	10 th resolution (<i>linked to 5th resolution</i>)
<input type="checkbox"/> 2020 compensation policy for the non executive directors:	11 th resolution
<input type="checkbox"/> Compensation report:	6 th resolution

- ☐ Since the PACTE law, exclusion of the regulated “commitments” from the perimeter of the special report: only regulated “agreements” are subject to this procedure and shall be reported in the auditors’ special report
- ☐ In 2019, there was no amendment of the regulated agreements previously approved
- ☐ These regulated agreements have not been implemented during the year
- ☐ Proposal of a new regulated agreement concerning the departure of Mr. Babeau, Deputy CEO, also submitted to the shareholders’ approval under the 10th resolution on his compensation for 2020 (*presented in more details page 36*)

For approval of the special report of the statutory auditors

Three fundamental pillars determine executive compensation

(reminder)

PAY FOR PERFORMANCE: To reward individual and collective performance by aligning the levels of compensation with the Group's results

1

PRINCIPLE 1

Prevalence of variable components: circa 80% for CEO and 75% for Deputy-CEO (at target)

PRINCIPLE 2

Performance evaluated via economic and measurable criteria

PRINCIPLE 3

Financial and sustainability & transformational objectives fairly balanced and distributed between short term (Annual Incentive) and medium term (Performance Shares) components

ALIGNMENT WITH SHAREHOLDERS' INTERESTS, via

2

PRINCIPLE 4

Significant proportion of the total compensation delivered in shares

PRINCIPLE 5

Performance conditions support Schneider Electric's strategic priorities and are aligned with shareholders' expectations

COMPETITIVENESS: To motivate and retain executives in a competitive international market

3

PRINCIPLE 6

To benchmark the Corporate Officers' compensation package 'at target' in the median range of the Company's updated peer group (see details page 49)

PRINCIPLE 7

To reference the CAC40 3rd quartile and the Stoxx Europe 50 median

OVERWEIGHTING OF SHARES

- **75% to 80%** of the target compensation package is variable and based on performance
- Of which **two thirds** is delivered in the form of performance shares (around **50%** of the whole package)
- Since 2016, performance period for acquisition of shares extended to **3 years**
- **Relative TSR** kept as key external financial performance criteria

Direct link between corporate officers' compensation and shareholders' interests.

PERFORMANCE CONDITIONS IN LINE WITH SHAREHOLDERS' EXPECTATIONS

- Performance conditions **balanced** between:
 - ✓ Group financial performance (Revenues, Adj. EBITA margin, EPS, cash conversion, Relative TSR) and extra-financial performance (SSI, SSERI)
 - ✓ Internal and external criteria
- Targets for Group performance criteria aligned with the **KPIs** communicated to the market
- Board discretion to adjust the formulaic outcome to reflect the corporate officers' actual performance



Corporate officers' compensation – 2019 compensation policy approved at the GM

	2017 Votes	2018 Votes	2019 Votes	Evol.
Regulated agreements on the Corporate Officers' status (vote 2018)	-	59.99% and 59.98%	-	-
ex-post Resolutions 5 (JPT) and 6 (EB): Compensation due to the Corporate Officers	91.88% and 95.51%	88.73% and 91.65%	86.52% and 89.10%	2.21 – 2.55 points ↓
ex-ante Resolutions 7 (JPT) et 8 (EB): Compensation policy of the Corporate Officers	91.28% and 94.67%	71.67% and 73.67%	86.13% and 88.82%	14.46 – 15.15 points ↑

Improvement of
14.86 & 15.43 points
from the 2018 policy vote ↑

Outcome of the 2019 compensation policy: Compensation granted to J.-P. Tricoire, Chairman & CEO

(7th resolution)

Jean-Pascal Tricoire Chairman & Chief Executive Officer Euro	Compensation & Benefits awarded for financial year		
	Reported		Realized
	2019	2018	2019
A- CASH COMPENSATION			
Base salary	1,000,000	1,000,000	1,000,000
Annual incentive ⁽¹⁾	1,717,300	1,489,800	1,717,300
Compensation in relation to the director's office	0	0	0
SUBTOTAL (A) CASH	2,717,300	2,489,800	2,717,300
B- BENEFITS OF ALL KIND			
Valuation of performance shares	3,230,340 ⁽²⁾	3,281,280 ⁽²⁾	5,464,838 ⁽³⁾
Other benefits	36,218	11,772	36,218
SUBTOTAL (B) BENEFITS OF ALL KIND	3,266,558	3,293,052	5,501,056
C- PENSION CASH BENEFIT			
Complementary payment for pension building (fixed)	191,600	191,600	191,600
Complementary payment for pension building (variable)	329,035	285,446	329,035
SUBTOTAL (C) PENSION CASH BENEFIT	520,635	477,046	520,635
D- EXCEPTIONAL COMPENSATION	0	0	0
TOTAL COMPENSATION & BENEFITS (A)+(B)+(C)+(D)	6,504,493	6,259,898	8,738,991

Key points:

- ✓ No salary increase in 2019, as per policy approved at the 2019 AGM
- ✓ 2019 Annual Incentive – **171.7%** of salary, based on an achievement rate of **132.1%**
- ✓ **60,000** performance shares granted in 2019, as approved – **unchanged from 2018**
- ✓ **99.54%** realized on performance shares granted in 2017 – a reduction of **0.46%**

- (1) The Annual Incentive for the financial year 2018 was paid in 2019 after approval by the shareholders at the Annual Shareholders' Meeting of 25 April 2019 of the 5th resolution relating to the compensation paid, due or awarded to Jean-Pascal Tricoire in respect of the 2018 financial year. Hence, the total compensation in cash actually paid in the financial year 2019 to Jean-Pascal Tricoire amounts to **€ 2,966,846** (Base salary 2019 + Annual incentive 2018 + Fixed portion of pension benefit for 2019 + Variable portion of pension benefit for 2018). Likewise, in accordance with article L225-100 III of the French Commercial Code, the variable elements in cash awarded to Jean-Pascal Tricoire for the financial year 2019 will only be paid in 2020, subject to their prior approval by the shareholders at the Annual Shareholders' Meeting of 23 April 2020 under the 7th resolution.
- (2) Value of performance shares granted during financial year – as per AFEP/MEDEF Code methodology, compensation is presented on a reported basis. Benefits of all kind for the financial year include performance shares granted during the financial year, the performance period of which has not elapsed. The value of performance shares corresponds to the number of shares granted, before reduction on account of performance, multiplied by the share price determined in line with IFRS 2 accounting standards
- (3) Value of performance shares deemed vested during the financial year – In order to facilitate the analyses, the benefits of all kind are also presented on realized value basis, where the value of performance shares corresponds to the actual number of shares (granted in previous years) deemed vested at the end of the financial year, after reduction for performance conditions, multiplied by the share price on December 31, 2019.

The annual incentive achievement rate reflects the very good performance realized in 2019

2019 performance criteria	Weight (%)	Performance Range			Achievement rate (weighted)
		Threshold 0%	Target 100%	Maximum 200%	
Group financial indicators (80%)					
Organic Sales growth, %	40%	1.6%	4.6%	7.6%	34.7%
Adjusted EBITA margin improvement (org.)	30%	+0pts	+0.5pts	+1.0pts	42.0%
Cash Conversion rate, %	10%	80%	95%	110%	20.0%
Sustainability (6%)					
Schneider Sustainability Impact (score)	20%	6	7	8	35.4%
Total	100%				132.1%

As a result, the 2019 Annual Incentive pay-out for the corporate officers stands as follows:

Corporate officer	Target Pay-out		Achievement rate as a % of target	2019 Actual Pay-out	
	as a % of salary	Amount (€)		as a % of salary	Amount (€)
Jean-Pascal Tricoire	130%	€ 1,300,000	132.1%	171.7%	€ 1,717,300
Emmanuel Babeau	100%	€ 680,000	132.1%	132.1%	€ 898,280

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Outcome of the 2019 compensation policy: Compensation granted to E. Babeau, Deputy CEO

(8th resolution)

Emmanuel Babeau Deputy Chief Executive Officer Euro	Compensation & Benefits awarded for financial year		
	Reported		Realized
	2019	2018	2019
A- CASH COMPENSATION			
Base salary	680,000	680,000	680,000
Annual incentive ⁽¹⁾	898,280	779,280	898,280
Compensation in relation to the director's office	0	0	0
SUBTOTAL (A) CASH	1,578,280	1,459,280	1,578,280
B- BENEFITS OF ALL KIND			
Valuation of performance shares	1,399,814 ⁽²⁾	1,421,888 ⁽²⁾	2,368,203 ⁽³⁾
Other benefits ⁽⁵⁾	13,944	8,598	13,944
SUBTOTAL (B) BENEFITS OF ALL KIND	1,413,758	1,430,486	2,382,147
C- PENSION CASH BENEFIT			
Complementary payment for pension building (fixed)	153,300	153,300	153,300
Complementary payment for pension building (variable)	202,509	175,682	202,509
SUBTOTAL (C) PENSION CASH BENEFIT	355,809	328,982	355,809
D- EXCEPTIONAL COMPENSATION	0	0	0
TOTAL COMPENSATION & BENEFITS (A)+(B)+(C)+(D)	3,347,847	3,218,748	4,316,236

Key points:

- ✓ No salary increase in 2019, as per policy approved at the 2019 AGM
- ✓ 2019 Annual Incentive – **132.1%** of salary, based on an achievement rate of **132.1%**
- ✓ **26,000** performance shares granted in 2019, as approved – **unchanged**
- ✓ **99.54%** realized on performance shares granted in 2017 – a reduction of **0.46%**

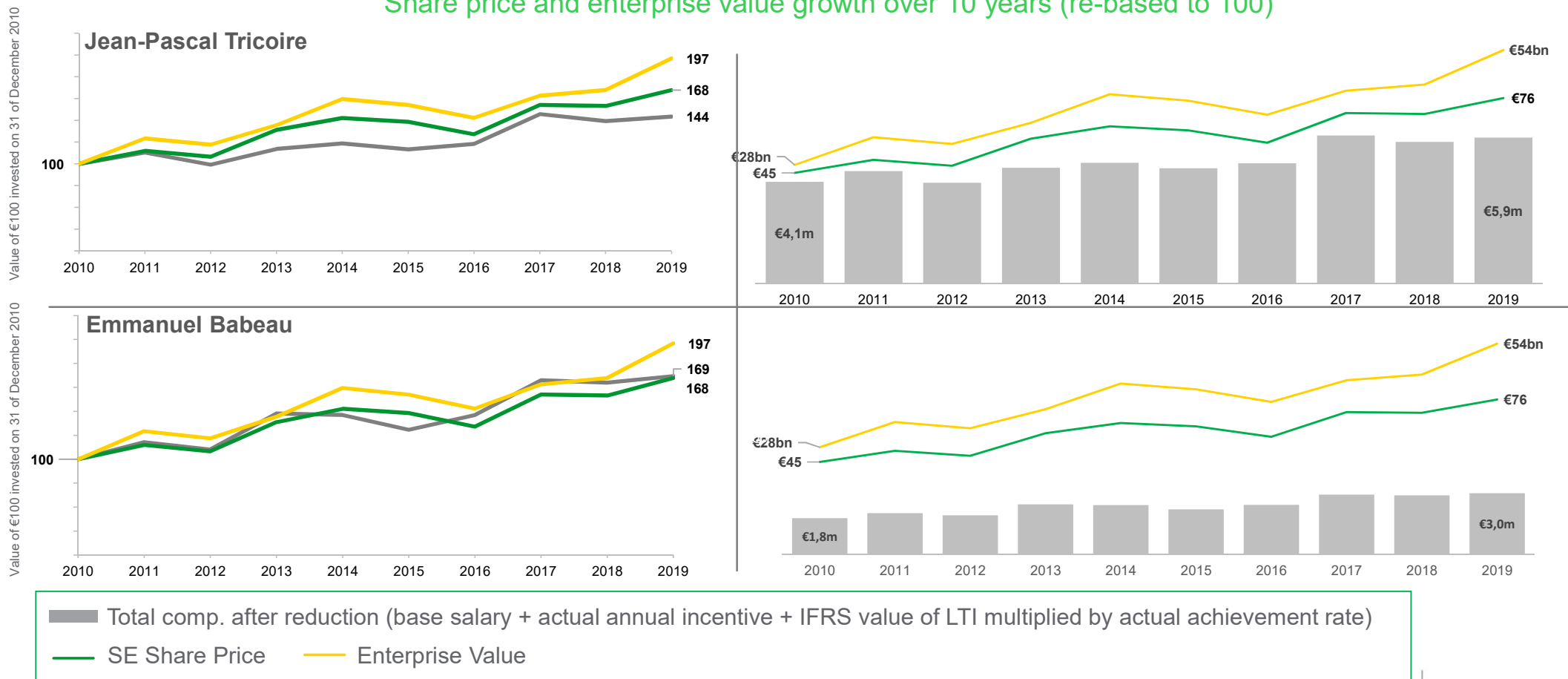
- (1) The Annual Incentive for the financial year 2018 was paid in 2019 after approval by the shareholders at the Annual Shareholders' Meeting of 25 April 2019 of the 6th resolution relating to the compensation paid, due or awarded to Emmanuel Babeau in respect of the 2018 financial year. Hence, the total compensation in cash actually paid in the financial year 2019 to Emmanuel Babeau amounts to € 1,788,262 (Base salary 2019 + Annual incentive 2018 + Fixed portion of pension benefit for 2019 + Variable portion of pension benefit for 2018). Likewise, in accordance with article L225-100 III of the French Commercial Code, the variable elements in cash awarded to Emmanuel Babeau for the financial year 2019 will only be paid in 2020, subject to their prior approval by the shareholders at the Annual Shareholders' Meeting of 23 April 2020 under the 8th resolution.
- (2) Value of performance shares granted during financial year – as per AFEP/MEDEF Code methodology, compensation is presented on a reported basis. Benefits of all kind for the financial year include performance shares granted during the financial year, the performance period of which has not elapsed. The value of performance shares corresponds to the number of shares granted, before reduction on account of performance, multiplied by the share price determined in line with IFRS 2 accounting standards
- (3) Value of performance shares deemed vested during the financial year – In order to facilitate the analyses, the benefits of all kind are also presented on realized value basis, where the value of performance shares corresponds to the actual number of shares (granted in previous years) deemed vested at the end of the financial year, after reduction for performance conditions, multiplied by the share price on December 31, 2019.

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The corporate officers' compensation is strongly aligned with the returns to shareholders

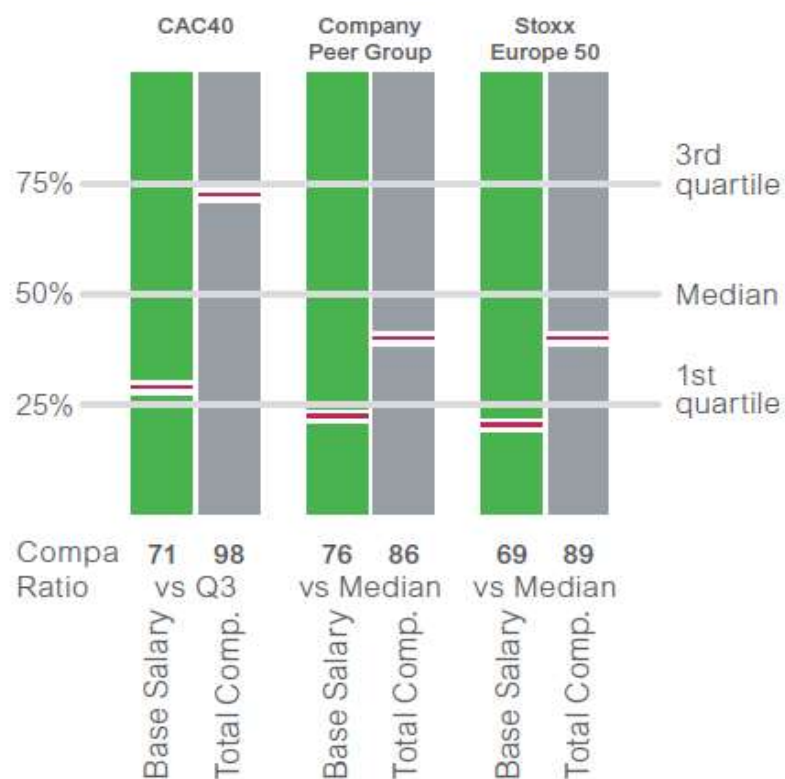
Share price and enterprise value growth over 10 years (re-based to 100)



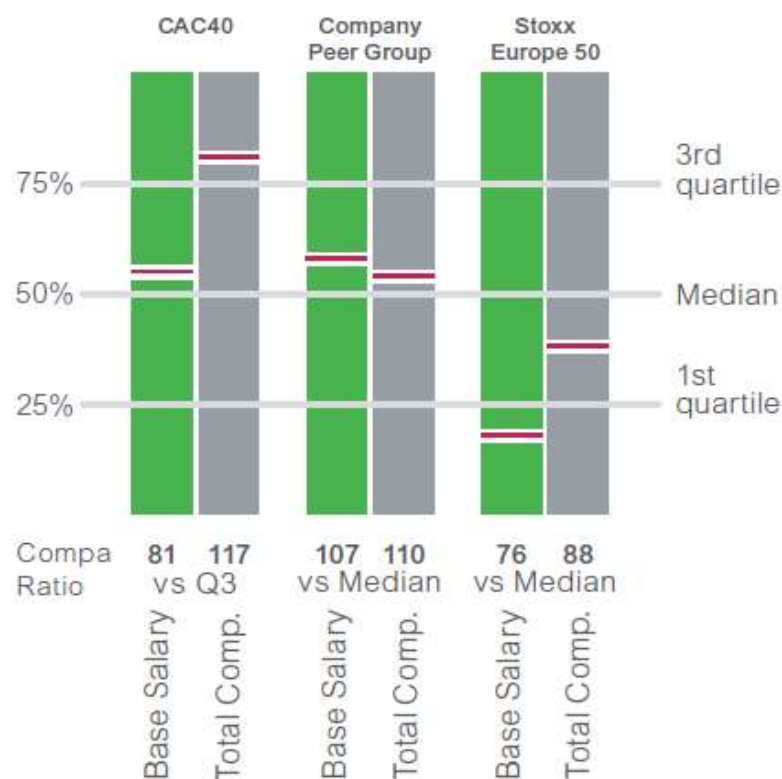
Competitiveness: Positioning of 2019 at target compensation relative in line with market references

The 'at target' compensation packages granted to corporate officers are in line with Company's peer group target pay mix while **more geared towards variable compensation**.

Chairman and CEO compensation relative to the market benchmarks



Deputy CEO compensation relative to the market benchmarks



2019

2020

The **3 executive compensation** pillars (Pay-for-Performance, Alignment with shareholders' interest and Competitiveness) and **7 principles** applied in 2019 continue to provide market competitive pay, ensuring altogether a strong link between pay and performance, strong alignment with shareholders' interest and long-term focus.

Integration of the concerns raised by certain shareholders:

- ❑ Reiteration of the **3 pillars** and **7 principles**
- ❑ No change in the structure and quantum:
 - ✓ No salary increase
 - ✓ No increase to Annual Incentive % at target
 - ✓ No increase to the maximum share award
 - ✓ Prohibition of one-off awards

- ❑ First implementation of the LTIP new performance criteria: no redundancy with the STIP and stretching acquisition scales
- ❑ Ambition for excellence and leadership in sustainability (SSERI)
- ❑ Removal of the pension benefits from the calculation of severance indemnity

Annual Incentive (no change)

- **4** Performance criteria
 - ✓ 40% Group Sales growth (org.)
 - ✓ 30% Adj. EBITA margin improvement (org.)
 - ✓ 20% Schneider Sustainability Impact
 - ✓ 10% Group Cash conversion
- All **measurable** and **audited**
- Focus on the execution of the Group's **strategic goals**: delivering growth and increase the profitability while ensuring more sustainability and enabling returns to shareholders in cash
- Maintaining a good proportion of financial and Sustainability objectives
- **Target setting strengthened**, with 100% of award to be earned only for stretching performance
- **Board's discretion** subject to shareholders' control

Performance Shares (new structure < 2019 AGM)

- **3Y** performance period + **1Y** additional holding period for the shares granted to the Corporate Officers in consideration for their office (30% of total)
- New performance criteria from 2020 within the scope of the authorization granted in 2019:
 - ✓ 40% Adj. EPS improvement
 - ✓ 35% Relative TSR: vs. peer group of 12 companies for 50% and vs. CAC40 for 50%
 - ✓ 25% Schneider Sustainability External and Relative Index (see details page 50)
- All **measurable** and **audited**
- **60%** of external relative criteria (TSR and SSERI)
- TSR Pay-out scale made **more stringent**: no payment below rank 7 against the panel and no payment below median against the CAC40

KEY TERMS OF THE PROPOSED NEW AGREEMENT:

- ❑ Non-compete commitment extended to **2 years** and to companies from the **technology and engineering sectors** – covers all forms of executive and non executive positions
- ❑ **Additional restrictive covenants** for 2 years, incl. the obligation to cooperate to administrative and judicial proceedings
- ❑ **No payment of non-compete indemnity** (cost and cash savings: **€1.5mln** social charges included)
- ❑ **Right to retain unvested shares granted on a prorated basis**, representing a maximum of 27,445 shares subject to performance conditions assessed over the FY 2020 and 2021
 - Cost impact for the company: accrual expenses at IFRS value: **maximum €1.5mln** if 100% vests - actual number depends upon the attainment rate of the performance conditions
 - Cash impact for the company: **nil**.
- ❑ Shares subject to satisfaction of the non-compete and other covenants for 2 years.
- ❑ **Annual incentive**: amount prorated for time and at target (100%), payable at his departure after the 2020 AGM, as per the Group practice.

The proposed agreement represents more protection for the Group, with no additional cost & no cash out

- ❑ **Approval of the report on executive and non executive compensation including:**
 - ✓ Detailed quantitative and qualitative information on the 2019 compensation, **already** detailed by Schneider Electric
 - ✓ How the vote at the last AGM was taken into account, **already** detailed by Schneider Electric
 - ✓ Directors' fees, **already** detailed by Schneider Electric
 - ✓ **New:** the ratios between the compensation of managers and employees of the company and their evolution over 5 years, taking into account the evolution of key indicators

For approval of the report

1

2019 in brief

2

Update on Covid-19 and AGM

3

Governance highlights and proposals

4

Compensation

5

Others

Exhibits

- ❑ Continuation of the share buyback program with a maximum price of €150 per share
- ❑ Renewal of authorizations to maintain employee share ownership schemes in France and abroad

Objective: Compliance with the new legislative provisions, notably as a result of PACTE:

- ❑ Reduction to 8 of the threshold triggering the appointment of a second employee representative to the Board; in the case of Schneider Electric (European Company), he/she must be appointed by the European Works Council within 6 months of the change of the Articles of Association
- ❑ Other minor statutory amendments to align the wording and the legal references to the new provisions

1

2019 in brief

2

Update on Covid-19 and AGM

3

Governance highlights and proposals

4

Compensation

5

Others

Exhibits

Setting all-time high levels

Revenues

€27.2 billion
Up +4.2% org.

Adj. EBITA

€4.2 billion
Up +8.7% org.

Adjusted Net Income

€2.9 billion
Up +14%

Free Cash Flow

€3.5 billion
Up +65% *

Proposed dividend**

€2.55 per share +8.5%

Total Shareholder Return

c. +60% in 2019
Rank: #1 among direct peers***

* €3.2bn, up +52% on a like-for-like basis, adjusting for IFRS16

** subject to Shareholder approval on April 23, 2020

*** 11 peers as considered for long-term incentive plan

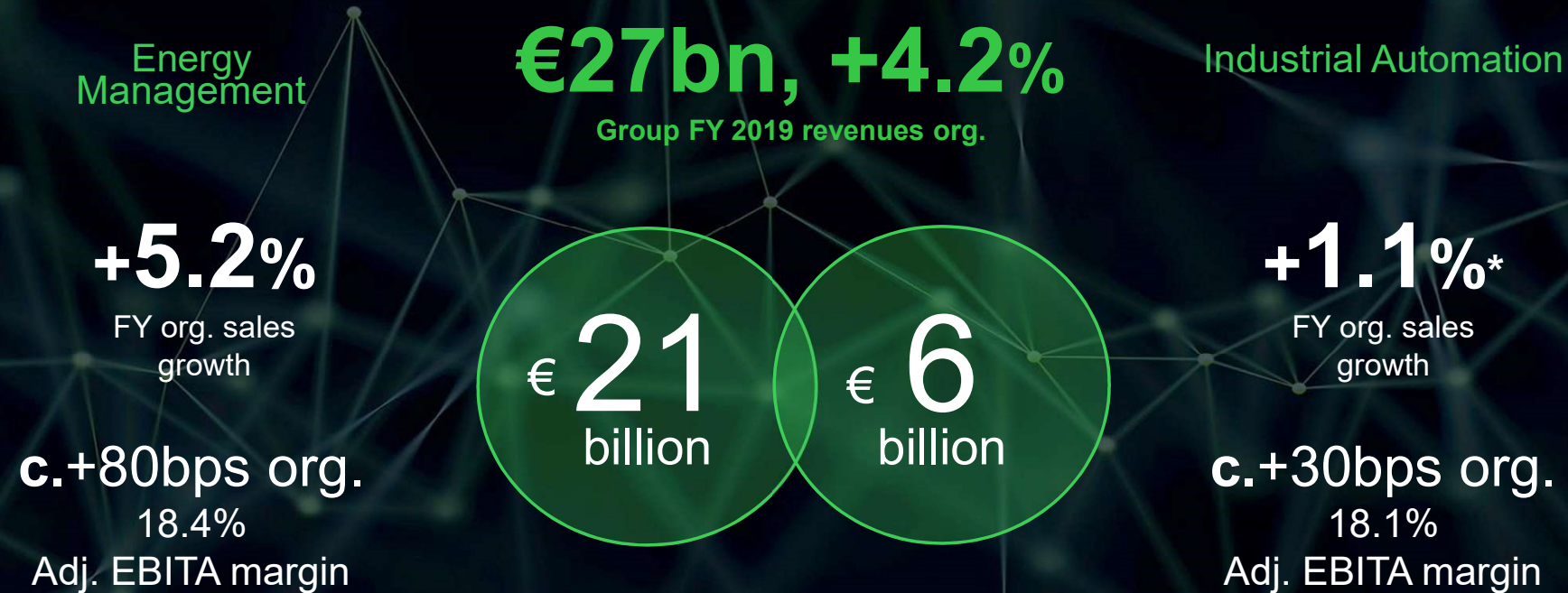
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Both synergetic businesses contributing...

Extract from FY Presentation



* +0.8% org. without adjusting for US Panels impact

Developing a differentiated DNA

Measuring our progress in sustainability, social responsibility, innovation & performance

Extract from FY Presentation

Our Employer Value Proposition

MEANINGFUL

INCLUSIVE

EMPOWERED

Our External Recognitions

GLOBAL100

THE CIRCULARS 2019

2019 WORLD'S MOST ETHICAL COMPANIES
WWW.ETHISPHERE.COM

DIVERSITY & INCLUSION INDEX
WORLD universum 2019

Bloomberg
Gender Equality Index

2019 ENERGY
MANAGER TODAY AWARDS

T20

CDP
DISCLOSURE INSIGHT ACTION

ETHIBEL
SUSTAINABILITY INDEX
EXCELLENCE Global

FTSE4Good

CATALYST
WORKPLACES THAT WORK FOR WOMEN

Forbes 2019
THE BEST EMPLOYERS
for DIVERSITY

EQUILEAP
TOP 100
2019

WORLD ECONOMIC FORUM

iF DESIGN AWARD 2019

IDC
ANALYZE THE FUTURE

IRI SURVEY 2019

GOLD 2019
ecovadis
CSR Rating

FORTUNE
CHANGE THE WORLD 2019

BEST WORKPLACE
IN MANUFACTURING

glassdoor
2020 BEST PLACES TO WORK

glassdoor
2019 TOP CEOs
EMPLOYEES' CHOICE

Gartner

NAVIGANT RESEARCH
EXCELLENCE AWARDS 2019

the GEO awards 2018

FORTUNE
WORLD'S MOST ADMIRABLE COMPANIES 2019

Dow Jones Sustainability Indexes

LeDRH
DE L'ANNÉE

FT
LEADER IN DIVERSITY 2020

DCS AWARDS

CONTROL ENGINEERING

VERDANTIX

Sustainability

People

Innovation

Schneider Sustainability Impact: 7.7/10 in Q4
(against December 2019 target of 7 / 10)

Carbon commitments

Carbon neutrality in 2025
in our extended ecosystem

Net Zero operational emissions by 2030



Net Zero supply chain by 2050

Trusted & committed partners

- Suppliers' Human Rights & Environment commitment

+3.7 pts /100 in avg. score of ISO26000
assessment for strategic suppliers (target of +5.5 pts/100 by 2020)

- Impact on our communities

246,268 underprivileged people trained in
energy management (target of 400,000 by 2020)

We have consistently delivered on our financial commitments
Exceeding the targets set in 2016

Extract from FY Presentation

What we committed to (2017-2019)

Organic revenues	~3% on average ¹
Organic Adj. EBITA	+20bps to +50bps on average
Organic growth Adj. EBITA	+4% to +7% yearly average

What we delivered

+4.7% org. ²
c. +70bps
+9.4%

Clear strategic
priorities

Commitment
to targets

Focus on
execution

Consistency in delivery

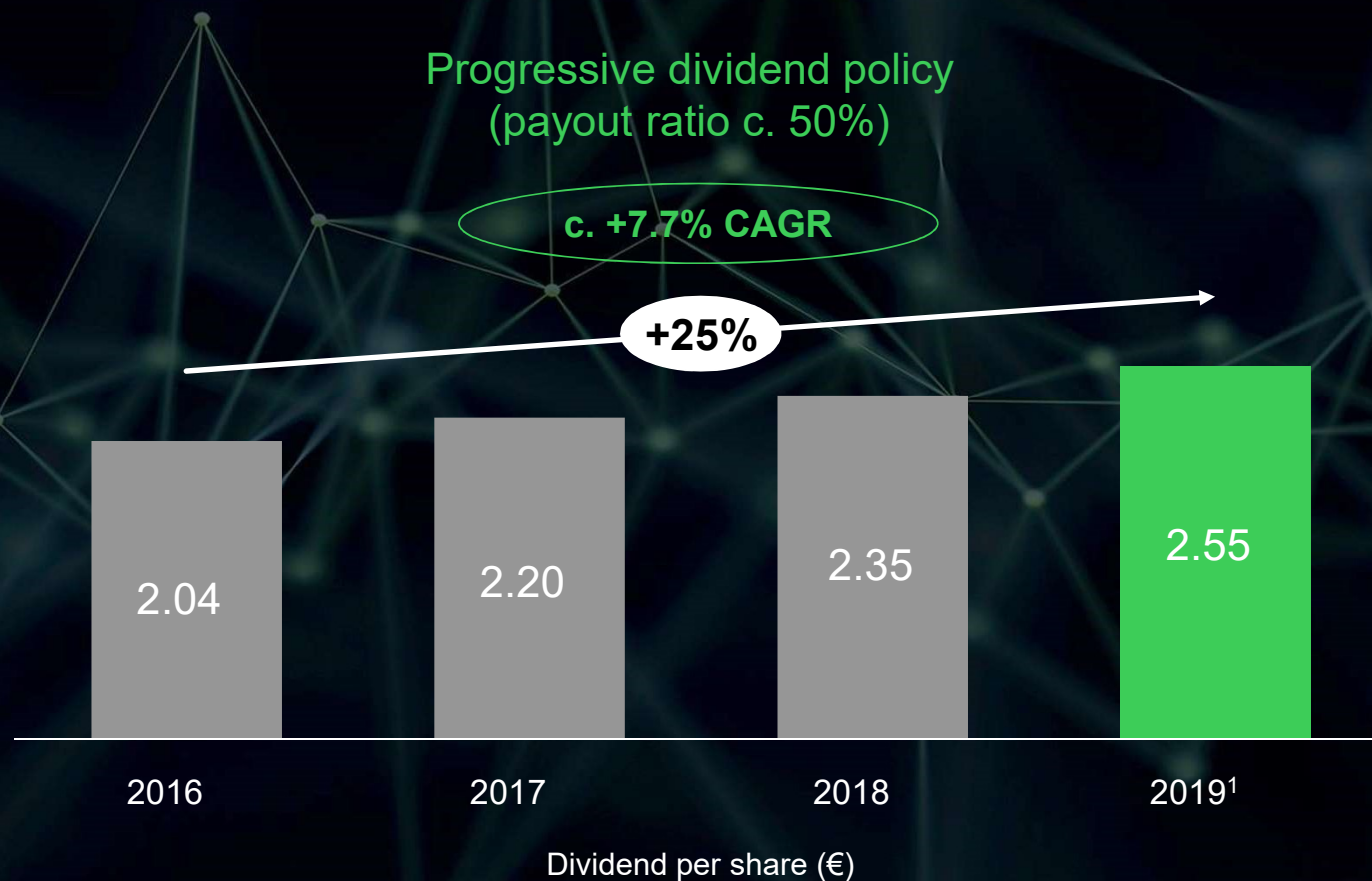
On track for c. +200 bps margin expansion 2019-2021 (pre-FX)

1. Excluding MV

2. Including MV

Proposed dividend: €2.55 per share, up +8.5%

Extract from FY Presentation



1: Subject to shareholder approval in AGM

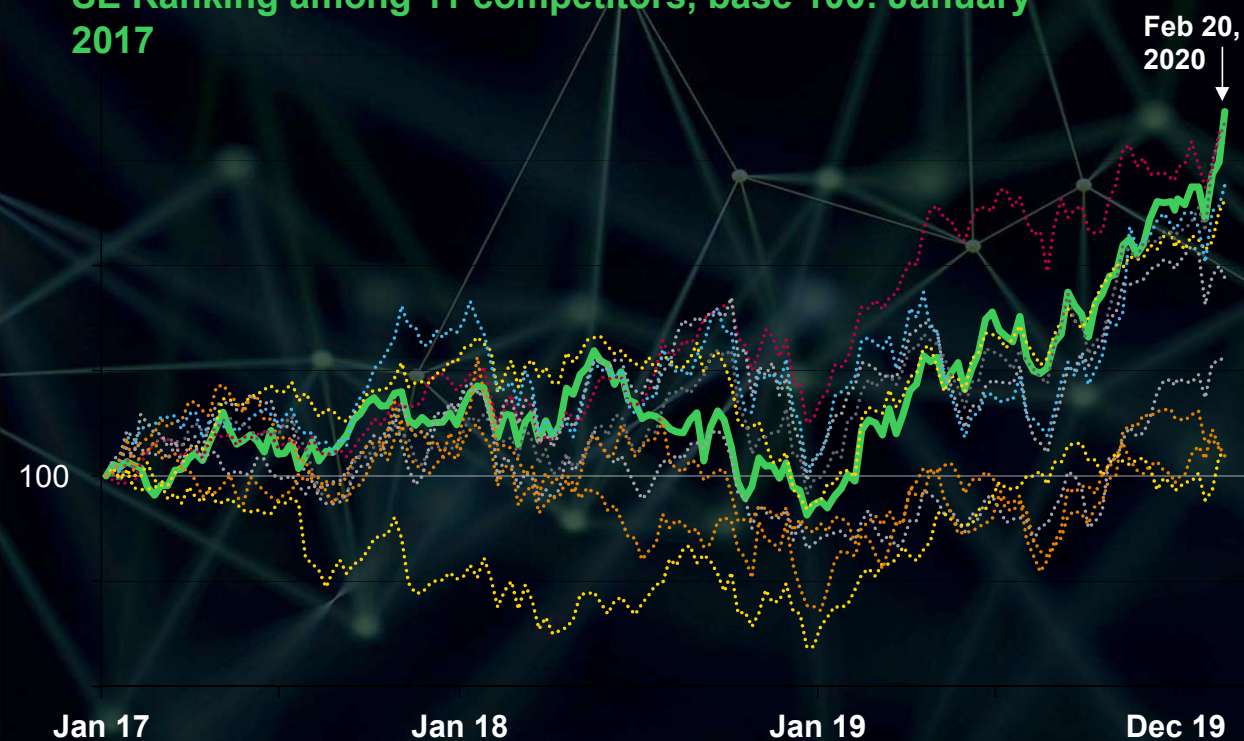
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Total Shareholder Return +69% ; SE #1 over a 3-year period (from Jan 2017 to Feb 20, 2020)

SE Ranking among 11 competitors, base 100: January 2017



TSR over 1 year (2017): +10% —→ Ranking: N° 6
TSR over 2 years (2017 and 18): -4% —→ Ranking: N° 5
TSR over 3 years (2017 to 19): +50% —→ Ranking: N° 2
TSR over +3years (2017 to Feb 20): +69% —→ Ranking: N° 1

c. +69% from Jan 1, 2017 to Feb 20, 2020

International Peer Group

2019 International Peer Group

Group 1: European (Capital Goods)	Group 2: European (Construction)	Group 3: European (Technology Hardware & Software)	Group 4: European (Industrial B2B)	Group 5: US (Capital Goods)	Group 6: US (Technology Hardware & Software)
ABB Atlas Copco Legrand Siemens CNH Industrial	ACS Lafarge Holcim Saint-Gobain Vinci	Dassault Systèmes Hexagon SAP TE Connectivity	Airbus Group Air Liquide Bayer Thyssenkrupp	Eaton Emerson Honeywell Johnson Controls Rockwell Automation	Autodesk PTC

2020 LTIP Targets | SSERI

Criteria	Weight (%)	Sustainability Index	Threshold	Mid-point	Target/Maximum
Pay-out %			0%	50%	100%
Relative Sustainability Index (25%)	25%	DJSIW	Not in World	Included in World	Sector Leader (#1)
	25%	Euronext Vigeo	Out	Included in World 120 OR Europe 120 index	Included in World 120 & Europe 120 index
	25%	FTSE4GOOD	Out	Included in Developed OR Environmental Leaders Europe 40 indexes	Included in Developed and Environmental Leaders Europe 40 indexes
	25%	CDP Climate Change	≤C score	B score (25% payout at B- score)	A score (75% payout at A- score)
DJSI		Euronext Vigeo		FTSE4GOOD	
Covers 3 dimensions: economic, environmental and social.		Covers environment, community involvement, business behaviour, human rights, corporate governance, human resources.		Covers the complete range of E (Environment), S (Social), and G (Governance).	
3,400 companies assessed.		4,000 companies assessed.		4,700 companies assessed.	
				5,500 companies assessed.	

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