

# Financial Information

## 2020 Annual General Meeting; approval of all resolutions

**Rueil-Malmaison (France), April 24, 2020** - The ordinary and extraordinary general meeting of Schneider Electric SE was held on April 23, 2020, chaired by Léo Apotheker, Vice chairman of the Board of Directors, Independent lead director. Following the French Government strict containment measures related to coronavirus (Covid-19), the Annual General Meeting was held in closed session without the physical attendance of the shareholders, in pursuance of the Order n° 2020-321 of March 25, 2020. Around its chairman, the *Bureau* was assembled in full with a secretary of the meeting and two scrutineers having the quality of shareholder. Representing a quorum of 66.38%, higher than 2019 despite the very specific conditions of the meeting, the shareholders adopted all the resolutions supported by the Board of Directors, and thus approved:

- The consolidated and corporate accounts for 2019 and distribution of a dividend of € 2.55 per share for 2019;
- A new regulated agreement concerning the departure terms of the Deputy Chief Executive Officer, Mr. Emmanuel Babeau, as well as his compensation until his departure;
- The compensation report as well as the amounts and quantum allocated in accordance with the principles and criteria approved in April 2019 and the 2020 compensation policy for the Chairman and Chief Executive Officer Mr. Tricoire and for the members of the Board of Directors;
- Renewal of directorships of Mr. Leo Apotheker, Mrs. Cecile Cabanis, Mr. Fred Kindle, Mr. Willy Kissling;
- Appointment of Ms. Jill Lee as a new director;
- Renewal of financial authorizations;
- Amendments of the Articles of Association to provide for the appointment of the second director representing employees by the European Works Council (*Article 11.4*) and reflect amended laws (*Articles 13 and 16*).

The Annual General Meeting was also the occasion for Jean-Pascal Tricoire, Chairman and CEO, Emmanuel Babeau, Deputy CEO in charge of finance and legal affairs and Léo Apotheker, Vice-chairman and independent lead director, to comment through live broadcast, to around 320 participants, on the Group's strategy, its results in 2019 and its future outlook, the Group's reaction to the Covid-19 situation, as well as the key elements of its governance.

Jean-Pascal Tricoire, connected remotely, presented the Group's strategy and priorities. He recalled the mission of Schneider Electric "We empower all to make the most of their energy and resources ensuring Life is On everywhere, for everyone at every moment". He clarified, in this period of health and economic crisis, how essential this mission is to the continuity of critical infrastructures such as hospitals, Food & Beverage industry, Data Centers, Water & Wastewater, and to the security of operators, through digital and remote maintenance management applications. Jean-Pascal Tricoire also recalled how "Green" innovation and digital offers developed by the two core businesses of the Group, Energy Management and Industrial Automation, generate more efficiency for the Group's customers and contribute to their sustainable development approach. He also insisted on Schneider Electric's commitment in this area, specially in reducing its carbon footprint, a commitment which has been widely recognized externally.

# Financial Information

Jean-Pascal Tricoire then explained the quadruple integration that the Group, through its solutions, provides to its customers to improve their efficiency, by combining energy and automation, by digitizing the entire ecosystem, from sensors to the cloud through EcoStruxure, by integrating the entire life cycle of operations from design to maintenance and finally, by connecting all customer sites, in an integrated approach.

The Group's entire strategy was translated into record financial and extra-financial performance in 2019, allowing Schneider Electric to tackle the Covid-19 crisis with solid fundamentals built over many years, due to its integrated, multi local, partnership and decentralized model. In this crisis, the Group's first priority is to ensure the health and safety of its employees, customers and partners, but also to meet the needs of its customers. For this Schneider Electric benefits from the organization of its global Supply Chain and its services to ensure business continuity and flexibility.

Jean-Pascal Tricoire devoted part of his presentation to the "Tomorrow Rising Fund", a fund created by the Schneider Electric Foundation and dedicated to the fight against Covid-19. This fund will finance longer-term emergency and reconstruction actions related to Covid-19, in all the regions in which Schneider Electric operates.

Emmanuel Babeau detailed the Group's strong 2019 performance: record results driven by the successful execution of the Group's strategy. The strong growth as well as the good execution of the operational priorities led to a net income and an earning per share in increase of 15%. These results, combined with a record free cash flow generation and a solid balance sheet, enabled the Group to maintain its proposal to pay a dividend of € 2.55.

Addressing 2020, Emmanuel Babeau mentioned a difficult first quarter, whose revenues were largely impacted by the repercussions of the Covid-19 crisis on Schneider Electric's activities in China. He reiterated the importance of the health and safety of employees but also of the business continuity and flexibility. The Group is continuing to focus on cash generation to further strengthen its strong financial liquidity and balance and is implementing strict cost management measures and acceleration of previously announced efficiency plans. "The future is not canceled" commented Emmanuel Babeau, as the Group is preparing for the post-crisis and is expected to be able to capture an acceleration in megatrends driven by government initiatives (all electric, all digital, renewables), a step up in investment in some of its core end-markets (Data Center, Infrastructure, Smart Buildings, Software / Industry IIOT). He closed his presentation by recalling the importance for the Group to dialogue with all of its shareholders.

Jean-Pascal Tricoire thanked Emmanuel Babeau, Deputy CEO in charge of Finance and Legal Affairs, who is leaving Schneider Electric after eleven years with the Group and introduced Hilary Maxson, the new CFO. With Leo Apotheker, who chaired the meeting in his capacity as Vice-Chairman, Jean-Pascal Tricoire also presented Fred Kindle, successor to Léo Apotheker as Vice-Chairman independent lead director at the end of this meeting and welcomed Mrs. Jill Lee, widely elected to join the Board to which she brings her expertise in financial matters and a great knowledge of Asian markets.

Léo Apotheker then presented the principles of governance of Schneider Electric, aligned with the most demanding market standards. He summarized the work carried out by the Board of Directors and explained the specific role of the Vice-Chairman independent lead director when the general management is exercised by the Chairman.

It was an opportunity to broadcast a pre-recorded interview where Fred Kindle shared with shareholders his vision of his new role and what he considers to be the key functions of the Board of Directors. To his

Page | 2

# Financial Information

perspective and according to his own words, the most important function of the role of the Board is to select the best people for running the company and support them to maximize the success of the company, which includes financial gain, societal progress and environmental benefits.

Presenting the main resolutions on the agenda of the meeting, Leo Apotheker detailed the principles for determining the compensation of executive corporate officers and underlined the growing importance and increasingly ambitious impact of the social and environmental criteria. Emmanuel Babeau's departure conditions were the subject of specific development, in which the Group's interest was highlighted. He then recalled the contribution to the Board of each of the 4 members whose renewal of term was presented to the vote and highlighted the alignment of the composition of the board to the Group's strategic priorities. At the end of the general meeting, the Board of Directors consists of 13 members, 73% of whom are independent directors and 42% of whom are women<sup>1</sup>.

Full results of votes, presentation and re-transmission of the AGM are available on the company's website at the following address [www.se.com/finance](http://www.se.com/finance)

\*\*\*\*\*

## About Schneider Electric

At Schneider, we believe **access to energy and digital** is a basic human right. We empower all to **make the most of their energy and resources**, ensuring **Life Is On** everywhere, for everyone, at every moment.

We provide energy and automation digital solutions for efficiency and sustainability. We combine world-leading energy technologies, real-time automation, software and services into integrated solutions for Homes, Buildings, Data Centers, Infrastructure and Industries.

We are committed to unleash the infinite possibilities of an open, global, innovative community that is passionate about our **Meaningful Purpose, Inclusive and Empowered** values.

[www.se.com](http://www.se.com)

Discover Life Is On

Follow us on:



---

<sup>1</sup> Excluding director representing French employees